



President
Mr. Dave Warren
City of Placerville

Vice President
Mr. Jose Jasso
City of Rio Vista

Treasurer
Ms. Jen Lee
City of Rio Vista

Secretary
Ms. Jennifer Styczynski
City of Marysville

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND EXECUTIVE COMMITTEE MEETING AGENDA

DATE / TIME: Thursday, March 25, 2021 at 10:00 a.m.

LOCATION: Zoom Teleconference
Call in Number: (669) 900-6833
Meeting ID: 848 230 9629

A - Action
I - Information

1 - Attached
2 - Hand Out
3 - Separate Cover
4 - Verbal

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.

A. CALL TO ORDER

B. ROLL CALL

C. PUBLIC COMMENTS

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

pg. 5 **D. CONSENT CALENDAR** **A 1**
All matters listed under the consent calendar are considered routine with no separate discussion necessary. Any member of the public or the Executive Committee may request any item to be considered separately.

- pg. 6 1. Executive Committee Meeting Minutes – September 24, 2020
pg. 13 2. Check Register from December 1, 2020 to February 28, 2021
pg. 16 3. Investment Reports
a. Chandler Asset Management Short/Long Term - December 2020 to February 2021
pg. 40 b. Local Agency Investment Fund (LAIF) Report as of December 31, 2020
pg. 41 c. Treasurer’s Report as of December 31, 2020



President
Mr. Dave Warren
City of Placerville

Vice President
Mr. Jose Jasso
City of Rio Vista

Treasurer
Ms. Jen Lee
City of Rio Vista

Secretary
Ms. Jennifer Styczynski
City of Marysville

pg. 42	E. GENERAL RISK MANAGEMENT ISSUES	I 4
	<i>This is an opportunity for a member to discuss a topic of interest or seek guidance and input from the group about a current issue, risk management topic or exposure the member is facing.</i>	
	F. ADMINISTRATION REPORTS	I
	1. President’s Report	4
	<i>Dave Warren will address the Committee on items pertaining to NorCal Cities.</i>	
	2. CJPRMA Update	4
	<i>The Committee will receive an update on CJPRMA matters pertinent to NorCal Cities. Minutes of the last meeting can be found at http://www.cjprma.org</i>	
	3. Program Administrator’s Report	4
	<i>Alliant will address the Committee on items pertaining to NorCal Cities.</i>	
	a. Form 700 - Last Day to File April 1, 2021	
	G. JPA BUSINESS	
	1. Actuarial Services	A 1
pg. 43	a. Actuarial Study for Workers’ Compensation Program	
	<i>The Committee will review and may recommend the Draft Actuarial Study for the Workers’ Compensation Program.</i>	
pg. 80	b. Actuarial Study for Liability Program	
	<i>The Committee will review and may recommend the Draft Actuarial Study for the Liability Program.</i>	
	2. Workers’ Compensation Program	A 1
pg. 123	a. Annual Banking Plan Adjustments - James Marta & Company	
	<i>The Committee will review and may recommend adjustments to the Banking Layer for the Workers’ Compensation program.</i>	
pg. 125	b. Annual Shared Risk Plan Adjustments - Alliant Insurance Services	
	<i>The Committee will review and may recommend adjustments to the Shared Risk Layer for the Workers’ Compensation program.</i>	



President
Mr. Dave Warren
City of Placerville

Vice President
Mr. Jose Jasso
City of Rio Vista

Treasurer
Ms. Jen Lee
City of Rio Vista

Secretary
Ms. Jennifer Styczynski
City of Marysville

-
- pg. 127 c. **FY 21/22 Deposit Premium Calculations**
The Committee will review and may recommend the Preliminary Deposit Premium Calculations for the Workers' Compensation Program.
3. **Liability Program** A 1
- pg. 130 a. **Annual Banking Plan Adjustments - James Marta & Company**
The Committee will review and may recommend adjustments to the Banking Layer for the Liability program.
- pg. 132 b. **Annual Shared Risk Plan Adjustments - Alliant Insurance Services**
The Committee will review and may recommend adjustments to the Shared Risk Layer for the Liability program.
- pg. 134 c. **FY 21/22 Deposit Premium Calculations**
The Committee will review and may recommend the Preliminary Deposit Premium Calculations for the Liability Program.
- pg. 137 4. **Sedgwick Liability Claims Administration Services Renewal Agreement** A 1
The Committee will be asked to review and may approve or recommend Sedgwick's renewal terms effective July 1, 2021
- pg. 141 5. **FY 21/22 NCCSIF Administration Budget** I 1
The Committee will review the Preliminary Admin Budget.
- pg. 144 6. **Core Logic Wildfire Risk Scores** A 3
Members will review and may approve a proposal to assess the risk of wildfire losses for their properties.
- pg. 172 7. **FY 21/22 NorCal Cities Executive Committee Rotation & Officers** I 1
The Committee will review the scheduled rotation for members of the Executive Committee and plans for Officer succession.
- pg. 178 8. **Preliminary 21/22 Meeting Calendar** A 1
The Committee will be asked to recommend the Preliminary 21/22 Meeting Calendar for approval at the April 22, 2021, Board Meeting.
- pg. 180 9. **FY 21/22 Renewal Updates** I 4
The Committee will receive an update on the various insurance program renewals, including property and cyber renewal options.



President
Mr. Dave Warren
City of Placerville

Vice President
Mr. Jose Jasso
City of Rio Vista

Treasurer
Ms. Jen Lee
City of Rio Vista

Secretary
Ms. Jennifer Styczynski
City of Marysville

H. INFORMATION ITEMS

I I

- pg. 182 1. NCCSIF Organizational Chart
- pg. 183 2. NCCSIF 2020-2021 Meeting Calendar
- pg. 184 3. Impact of AB 392 on Police Criminal and Civil Liability Training Announcement

I. ADJOURNMENT

UPCOMING EVENTS

- Risk Management Committee Meeting - April 22, 2021
- Board of Directors Meeting - April 22, 2021
- Police Risk Management Committee Meeting - May 6, 2021
- Impact of AB 392 on Police Criminal and Civil Liability Training – May 6, 2021
- Claims Committee Meeting - May 27, 2021
- Executive Committee Meeting - May 27, 2021

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 Jenna Wirkner at Alliant Insurance Services at (916) 643-2741.

The Agenda packet will be posted on the NCCSIF website at www.nccsif.org. Documents and material relating to an open session agenda item that are provided to the NCCSIF Executive Committee less than 72 hours prior to a regular meeting will be available for public inspection and copying at 2180 Harvard Street, Suite 460, 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.



BACK TO AGENDA

**Northern California Cities Self Insurance Fund
Executive Committee Meeting
March 25, 2021**

Agenda Item D.

CONSENT CALENDAR

ACTION ITEM

ISSUE: The Executive Committee reviews items on the Consent Calendar, and if any item requires clarification or discussion a Member should ask that it be removed for separate action. The Committee 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 in an order determined by the President.

RECOMMENDATION: Adoption of the Consent Calendar after review by the Committee.

FISCAL IMPACT: None.

BACKGROUND: Routine items that generally do not require discussion are regularly placed on the Consent Calendar for approval.

ATTACHMENT(S):

1. Executive Committee Special Meeting Minutes – September 24, 2020
2. Check Register from December 1, 2020 to February 28, 2021
3. Investment Reports
 - a. Chandler Asset Management Short/Long Term - January 2021 to February 2021
 - b. Local Agency Investment Fund (LAIF) Report as of December 31, 2020
 - c. Treasurer's Report as of December 31, 2020



**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
EXECUTIVE COMMITTEE MINUTES
WEBEX TELECONFERENCE
SEPTEMBER 24, 2020**

COMMITTEE MEMBERS PRESENT

Kristine Haile, City of Folsom – **President**
Stephanie Van Steyn, City of Galt
Yvonne Kimball, City of Jackson
Veronica Rodriguez, City of Lincoln-CJPRMA Board Rep
Loree McCay, City of Nevada City
Dave Warren, City of Placerville- **Vice Chair**
Jennifer Styczynski, City of Marysville – **Secretary**

COMMITTEE MEMBERS ABSENT

Jen Lee, City of Rio Vista

CONSULTANTS & GUESTS

Marcus Beverly, Alliant Insurance Services	Conor Boughey, Alliant Insurance Services
Michael Simmons, Alliant Insurance Services	Dorienne Zumwalt, Sedgwick
Raychelle Maranan, Alliant Insurance Services	Jill Petrarca, Sedgwick
Jenna Wirkner, Alliant Insurance Services.	James Marta, James Marta & Company LLP
Dee C. Leger-Garcia, James Marta & Company LLP	

A. CALL TO ORDER

Chair Kristine Haile called the meeting to order at 11:05 a.m.

B. ROLL CALL

Roll call was made and the above mentioned members were present constituting a quorum.

C. PUBLIC COMMENTS

There were no public comments.

D. CONSENT CALENDAR

1. Executive Committee Meeting Minutes - May 28, 2020
2. Executive Committee Special Meeting Minutes- August 12, 2020
3. Check Register from May 1, 2020 to August 31, 2020
4. Investment Reports
 - a. Chandler Asset Management Short/Long Term - May 2020 to August 2020
 - b. Chandler Asset Management GASB 40 Reports as of June 30, 2020
 - c. Chandler Asset Management GASB 72 Reports as of June 30, 2020
 - d. Local Agency Investment Fund (LAIF) Report as of June 30, 2020



**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
EXECUTIVE COMMITTEE MINUTES
WEBEX TELECONFERENCE
SEPTEMBER 24, 2020**

- 5. Police Risk Management Grant Funds Utilization Report as of September 2020
- 6. PMIA Performance Report & LAIF Performance Report QE June 30, 2020

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

MOTION: Dave Warren **SECOND:** Loree McCay **MOTION CARRIED
UNANIMOUSLY**

Ayes: Haile, Van Steyn, Kimball, Rodriguez, McCay, Warren, Styczynski

Nays: None

E. GENERAL RISK MANAGEMENT ISSUES

Mr. Beverly discussed SB1159 and COVID Presumptions and a summary from Hanna Brophy. Doriene Zumwalt mentioned Sedgwick would be hosting a webinar next week regarding COVID Presumptions and they will be sending out the invite.

F. ADMINISTRATION REPORTS

F.1. President's Report

Kristine Haile is leaving the City of Folsom and thanked the Committee and NCCSIF.

F.2. CJPRMA Update

Mr. Beverly discussed the concern with CJPRMA's funding and that group's members have begun to reach consensus on the annual premium formula as well as additional capital funding. He will have more of an update at the Board Meeting in October.

Dave Warren thanked Marcus Beverly and Liz Ehrenstrom for expressing concerns to the CJPRMA Board and representing NCCSIF.

Mike Simmons joined the meeting at 11:16 a.m.

F.3. Program Administrator's Report

Jenna Wirkner updated the Committee that some members have yet to respond to the OSIP questions and we will need to have them completed by the end of the week



**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
EXECUTIVE COMMITTEE MINUTES
WEBEX TELECONFERENCE
SEPTEMBER 24, 2020**

G. FINANCIAL REPORTS

G.1. Quarterly Financial Report for Period Ending June 30, 2020

James Marta gave a brief snapshot of the Reconciliation of Claims Liabilities for previous and current years. The WC Program Shared Layer is increasing and driving the totals. Reviewed member grants for Police Risk Management, Member Training Funds and Reserve Funds. James Marta's office will be sending out updated grant funds usage reports.

Financial Highlights - increase in net position for the fiscal year ended June 30, 2020 was \$2,716,359 for the pool as a whole. Increase in prior years claims liabilities totaled \$4,656,735: \$1,224,618 increase for the liability program and \$3,432,117 increase for workers compensation. Statement of Revenues, Expenses and Changes in Net Position.

One measure of success of the program - Net refunds for the last 25 years total \$50,836,748.

Information only, no vote taken.

G.2. Budget-to-Actual as of June 30, 2020

Information only, no vote taken.

G.3. FY 19/20 Financial Audit Update

James Marta provided an update on the Financial Audit. We are on track with the financial audit and will have it wrapped up by the end of the month. The Financial Audit will be presented at the October Board of Directors Meeting.

H. CLAIMS SERVICES

H.1. FY 20/21 Workers' Compensation Claims Audit Proposals

Mr. Beverly gave a brief overview of the Workers' Compensation Claims Audit RFP that was sent out in August. We did send it to North Bay but they have the PRISM audit at the same time. The RFP was sent to Farley Consulting Services, ESM and ALC Claims Collaborations.

All three Workers' Compensation Auditors are qualified and have good references. We have used Farley Consulting Services for the last three audits and is willing to do 100 open claims and 10 closed claims. ALC is very familiar with the process and has a very detailed report. If we wanted to get a different view we could ask that they only do 80-90 files in the range of \$16,000.



**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
EXECUTIVE COMMITTEE MINUTES
WEBEX TELECONFERENCE
SEPTEMBER 24, 2020**

ESM Insight was recommend by a pool manager that works on a school pool. Very well qualified and highly recommended. Specialty is getting in and doing more intense oversight. If we wanted to have a more in depth audit with bill reviews and med case management they would be a good option. The pricing is not in our budget.

Members discussed the different options for the Workers' Compensation RFP Proposals and possibly making a change. It would be good to get a different opinion and a more in depth audit. The additional cost is a concern.

Dave Warren discussed the proposals and thought it might be a good time to make a change and have a more comprehensive report. Farley does a great job, but we might try giving ALC a chance this year.

Mike Simmons recommended auditing up to 80 indemnity claims for \$15,600 with ALC. If ALC wasn't interested in this we will stay with Farley.

A motion was made to give Marcus Beverly authority to negotiate a price up to \$15,600 for 80 indemnity files and if ALC doesn't agree will confirm a 1 year contract with Farley.

MOTION: Yvonne Kimball

SECOND: Stephanie Van Steyn

**MOTION CARRIED
UNANIMOUSLY**

Ayes: Haile, Van Steyn, Kimball, Rodriguez, McCay, Warren, Styczynski

Nays: None

I. JPA BUSINESS

I.1. Policy and Procedure Revisions

A. A-03: Meal Arrangements

Mr. Beverly recommended repealing A-03.

B. A-14: Teleconferencing under the Brown Act

Mr. Beverly discussed portions of the policy being outdated and the entire policy possibly not being necessary. However, it does include housekeeping items that are good reminders and suggested language regarding roll calls for routine items.

C. A-11: Recalculation of Deposits

Mr. Beverly discussed A-11: Recalculation of Deposits, regarding a mid-year increase or decrease in payroll. Recommended changing it to Recalculation of Deposits upon change in exposure. The Policy has a 10% payroll change as the trigger and will broaden that to a



**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
EXECUTIVE COMMITTEE MINUTES
WEBEX TELECONFERENCE
SEPTEMBER 24, 2020**

significant increase in exposure as defined in the Policy. If the City is entering into a new agreement to provide services bring it to the Administrators and/or group for review.

Recommended that members let NCCSIF Administration know if they have any qualifying changes and have the Board of Directors approve it. If it does increase or decrease the premium we will discuss a reimbursement or additional premium.

The members discussed a 25% trigger as too high and recommended keeping at 10%.

D. A-23: NCCSIF Underwriting Policy

Not recommending any changes at this time and will be reviewing it at the Board Meeting on October. This is a broad underwriting policy.

A motion was made to recommend deletion or changes to the polices to the Board with the exception of item C. update to 10%.

MOTION: Dave Warren SECOND: Jennifer Styczynski MOTION CARRIED
Ayes: Haile, Van Steyn, Kimball, McCay, Warren, Styczynski
Nays: Veronica Rodriquez

I.2. Police Risk Management Grant Request

Mr. Beverly discussed bringing this to the Executive Committee to revisit how the funds can be used. Historically members can only use the funds for body cameras. Members that body cameras are allowed to use the funds for risk management tools.

We received a request from the City of Folsom to purchase IAPro for the Police Department, they have discontinued the body cameras because of the cost.

The Board in previous years wanted the funds to be used for the body worn cameras. In a period of time when members need resources we may need to be more flexible. Members discussed that this item should be moved to the Board Meeting so that Board can discuss this topic and the guidelines.

Mr. Beverly discussed the turnkey program that charges \$1,000 per camera and changes them out every two years and the importance of video cameras. This would be a good option for Cities and should be in the department's budgets.

Marcus Beverly will follow up with Folsom Police Chief Hillman and have the Board decide on this issue. No motion was made.



**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
EXECUTIVE COMMITTEE MINUTES
WEBEX TELECONFERENCE
SEPTEMBER 24, 2020**

I.3. Treasurer Nomination

Jen Lee has offered to serve as the NCCSIF Treasurer.

A motion was made to nominate Jen Lee from the City of Rio Vista as Treasurer and recommend to the Board.

MOTION: Dave Warren

SECOND: Jennifer Styczynski

**MOTION CARRIED
UNANIMOUSLY**

Ayes: Haile, Van Steyn, Kimball, Rodriguez, McCay, Warren, Styczynski

Nays: None

I.4. Service Provider Survey Results

Mr. Beverly reviewed the Workers' Compensation Claims Administrator Survey results. Kara Kennedy will be leaving Sedgwick. Things have been better over the last few years and after implementing a performance plan with Sedgwick. Members discussed being very happy with the level of service from Catherine Clark.

Liability Claims Administration is the only contract we have coming up next year. Some negative scores maybe due to not constant contact. Jill Petrarca mentioned that if you have specific examples and are comfortable letting her know she would like to assist members and solve these issues.

Safety and Risk Control Services, overall very good responses. They have been very proactive. Consistent responses. Our goal is to provide Risk Management services to the members.

Brokerage Risk Management and Program Administrator, overall very happy and positive responses.

Information only.

I.5. Liability Claims Administrator Renewal

Mr. Beverly discussed the Liability Claims Administrator Renewal and different options for the Liability Claims Administrator Renewal. Members would like to bring it up at the Board Meeting.

Information only.



**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
EXECUTIVE COMMITTEE MINUTES
WEBEX TELECONFERENCE
SEPTEMBER 24, 2020**

I.6. Draft Board Long Range Planning (LRP) Meeting Agenda

Mr. Beverly discussed the three options for the Board and Long Range Planning Meeting. The three options for the meeting are both three-hour sessions on the 29th, one on the 28th and one on the 29th, or one on the 29th one on November 12th.

The committee agreed to hold the meetings on October 29th and November 12th.

Dave Warren suggested discussing potential options for Property Insurance during the Long Range Planning Meeting.

Information only.

I.7. Board Officer Handbook

Mr. Beverly will have a draft of the Board Officer Handbook at the October Board Meeting for the Board to review.

Information only

J. INFORMATION ITEMS

1. NCCSIF Organizational Chart
2. NCCSIF 2020-2021 Meeting Calendar

There was no discussion on these items.

K. ADJOURNMENT

The meeting was adjourned at

Respectfully Submitted,

Jennifer Stycynski, Secretary

Date

Company Name: NCCSIF
Report Name: NCCSIF Check Register Board Report
Created On: 12/21/2020

Check#	Date	Vendor	Account Title	Account Memo	Amount
11870	12/4/2020	Sedgwick CMS, Inc	Claims Admin - Liability	51135 07/20-10/20 Time & Exp NCCSIF GL	5,978.60
11871	12/4/2020	York Risk Svcs Group Inc.	On Site	52204 Safety and Risk Ctrl Svcs - Nov 2020	14,873.33
11872	12/4/2020	Dept of Industrial Relations	SF Fraud Assessment	52304 Assessment for FY 20-21	345,404.11
11873	12/4/2020	JM and Co LLP	Accounting Services	52403 Monthly Acctg Svcs - Nov 2020	9,120.00
11874	12/4/2020	Sedgwick CMS, Inc	Claims Admin - WC Only	52300 Nov 2020 WC Claims	50,699.33
11875	12/4/2020	Alliant Ins Svcs Inc	Program Admin Fee	52401 Dec 2020 Monthly Installment	29,166.92
11876	12/4/2020	CAM, Inc	Investment Income	44040 Investment Income	4,877.08
11877	12/21/2020	Sedgwick CMS, Inc	Claims Admin - Liability	51135 Nov 2020 Liab Claims	21,177.67
11878	12/21/2020	Gibbons and Conley	Legal Services	52103 Nov 2020 General Matters	969.65
11879	12/21/2020	Crowe	Financial Audit	52102 Final Billing for 6.30.20 Audit	3,700.00
11880	12/21/2020	Folsom Police Dept.	Police RM Grant Funds	52209 Reimb - IA Pro / Blue Team	15,150.00

Company Name: NCCSIF
Report Name: NCCSIF Check Register Board Report
Created On: 12/21/2020

Check#	Date	Vendor	Account Title	Account Memo	Amount
11881	1/5/2021	Sedgwick Claims Mgmt Svcs, Inc.	Claims Admin - Mnthly WC	52300 Dec 2020 WC Claims	50,699.33
11882	1/5/2021	Alliant Ins Svcs, Inc.	Program Admin Fee	52401 Jan 2021 Monthly Installment	29,166.92
11883	1/5/2021	JM and Co. LLP	Accounting Services	52403 Monthly Acctg Svcs - Dec 2020	9,120.00
11884	1/5/2021	Sedgwick Claims Mgmt Svcs, Inc	Claims Admin - Liability	51135 Dec 2020 Liab Claims	21,177.67
11885	1/5/2021	York Risk Services Group Inc.	On Site	52204 Safety and Risk Ctrl Svcs - Dec20	14,873.33
11886	1/21/2021	CAJPA	JPA Accreditation	52106 2021 CAJPA Accreditation	5,850.00
11887	1/21/2021	CAM, Inc.	Investment Income	44040 Investment Income	4,885.74
11888	1/21/2021	Gibbons and Conley	Legal Services	52103 Dec 2020 General Matters	451.00
11889	1/21/2021	Angela Livingston Collab, Inc.	Claims Audit	52101 19/20 WC Claims Audit	14,625.00

Company Name: NCCSIF
Report Name: NCCSIF Check Register Board Report
Created On: 12/21/2020

Check#	Date	Vendor	Account Title	Account Memo	Amount
11890	2/3/2021	Sedgwick CMS, Inc	Claims Admin - Liab	51135 Jan 2021 Liab Claims	21,177.67
11891	2/3/2021	Sedgwick CMS, Inc	Claims Admin - WC	52300 Jan 2021 WC Claims	50,699.33
11892	2/3/2021	AGRIP, Inc.	Assn Memberships	52504 2/21-12/21 Membership Renewal - CAJPA	2,754.84
11893	2/3/2021	CAM, Inc.	Investment Income	44040 Investment Income	4,887.20
11894	2/3/2021	JM and Co. LLP	Accounting Services	52403 Mnthly Acctg Svcs - Jan 2021	9,152.43
11895	2/3/2021	City of Jackson	Police RM Grant Funds	52209 8 body worn cameras	9,090.00
11896	2/3/2021	Alliant Ins Svcs Inc	Program Admin Fee	52401 Feb 2021 Monthly Installment	29,166.92
11897	2/20/2021	Rachel Ancheta	Member Trng and RM	52207 11/19-11/22 CALPELRA Mtg	185.80
11898	2/20/2021	Gibbons and Conley	Legal Services	52103 Jan 2021 General Matters	1,330.45
Voided -					
11728	2/19/2021	Rachel Ancheta	Member Trng and RM	52207 11/19-11/22 CALPELRA Mtg	-185.80



Northern CA Cities Self Ins. Fund Short Term - Account #170

MONTHLY ACCOUNT STATEMENT

DECEMBER 1, 2020 THROUGH DECEMBER 31, 2020

Chandler Team:

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

Custodian

Bank of New York Mellon
Lauren Dehner
(904) 645-1918

CHANDLER ASSET MANAGEMENT
chandlerasset.com

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Please see Important Disclosures.



PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.53
Average Coupon	1.93%
Average Purchase YTM	1.81%
Average Market YTM	0.29%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.79 yrs
Average Life	2.59 yrs

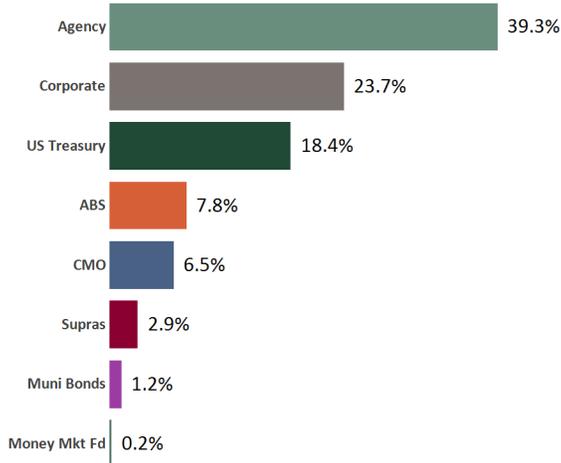
ACCOUNT SUMMARY

	Beg. Values as of 11/30/20	End Values as of 12/31/20
Market Value	28,210,672	28,265,783
Accrued Interest	123,684	114,917
Total Market Value	28,334,356	28,380,700
Income Earned	42,553	42,082
Cont/WD		0
Par	27,184,648	27,254,366
Book Value	27,283,413	27,351,254
Cost Value	27,303,076	27,372,878

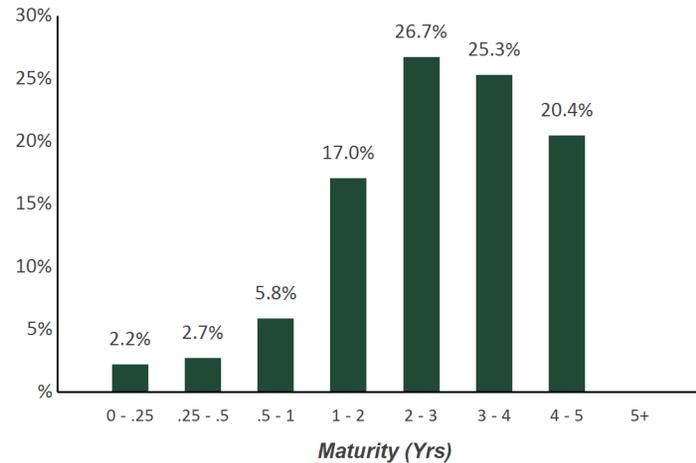
TOP ISSUERS

Federal National Mortgage Assoc	19.1%
Government of United States	18.4%
Federal Home Loan Mortgage Corp	17.0%
Federal Home Loan Bank	9.7%
John Deere ABS	2.4%
Inter-American Dev Bank	1.9%
Honda ABS	1.9%
Deere & Company	1.4%
Total	71.8%

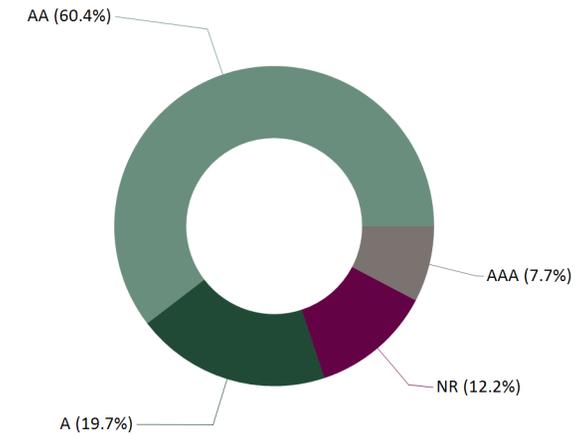
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	Annualized									
	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	12/31/1997	
Northern CA Cities Self Ins. Fund Short Term	0.16%	0.26%	4.54%	4.54%	4.57%	3.54%	2.60%	2.04%	3.86%	
ICE BAML 1-5 Year US Treasury/Agency Index	0.07%	0.02%	4.22%	4.22%	4.20%	3.30%	2.33%	1.78%	3.54%	
ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx	0.09%	0.10%	4.36%	4.36%	4.40%	3.41%	2.46%	1.93%	3.66%	

Statement of Compliance

As of December 31, 2020



Northern California Cities Self-Insurance Fund - Short Term

The portfolio complies with state law and with the Client's investment policy.

Category	Standard	Comment
Treasury Issues	No limitation	Complies
US Government & Agencies	No limitation; Include: mortgage-backed, mortgage passthrough securities, and collateralized mortgage obligations issued by the federal government or federal agency/GSE issuers	Complies
Supranationals	AA rating category or better by a NRSRO; 30% maximum; 5 years max maturity; Issued by IBRD, IFC or IADB only	Complies
Municipal Securities	5 years max maturity	Complies
Asset-Backed & Mortgage-Backed Securities	AA rating category or better by a NRSRO; 20% maximum; 5 years max maturity	Complies
Banker's Acceptances	40% maximum; 180 days max maturity	Complies
Commercial Paper	A-1/P-1 by a NRSRO; 25% maximum; 270 days max maturity	Complies
Corporate Medium Term Notes	A rating category or better by a NRSRO; 30% maximum; 5 years max maturity	Complies
Money Market Mutual Funds	Highest ratings by two NRSROs; 20% maximum	Complies
Mutual Funds	Highest ratings by two NRSROs; 20% maximum	Complies
Negotiable CDs	30% maximum; 5 years max maturity	Complies
Time Certificates of Deposit; Collateralized Bank Deposits	5 years max maturity	Complies
LAIF	Maximum as law permits	Complies
Repurchase Agreements	1 year max maturity; Not used by Investment Adviser	Complies
Prohibited	Common or preferred stocks, convertible or junk bonds, commodities, options, limited partnerships, GICs, Reverse repurchase agreements, uninsured deposits, Inverse floaters; ranges notes, mortgage derived, interest only strips, Zero interest accrual securities if held to maturity; Investments denominated in Non-USD; Collateralized Mortgage Obligations (CMOs) with collateral not specifically GNMA, FHLMC, or FNMA; Purchasing or selling securities on margin Securities lending or any other form of borrowing or leverage	Complies
Max Per Issuer	5% per issuer or institution unless explicitly stated in the policy, excluding U.S. government, agency, investment pool, and money market funds	Complies
Maximum Maturity	10 years	Complies

Reconciliation Summary

As of December 31, 2020



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$27,283,413.28
Acquisition		
+ Security Purchases	\$740,299.15	
+ Money Market Fund Purchases	\$89,502.34	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$829,801.49
Dispositions		
- Security Sales	\$636,692.60	
- Money Market Fund Sales	\$99,268.33	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$40,515.99	
Total Dispositions		\$776,476.92
Amortization/Accretion		
+/- Net Accretion	(\$2,476.40)	
		(\$2,476.40)
Gain/Loss on Dispositions		
+/- Realized Gain/Loss	\$16,992.45	
		\$16,992.45
ENDING BOOK VALUE		\$27,351,253.90

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$68,944.27
Acquisition		
Contributions	\$0.00	
Security Sale Proceeds	\$636,692.60	
Accrued Interest Received	\$4,837.95	
Interest Received	\$48,984.92	
Dividend Received	\$1.43	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$40,515.99	
Total Acquisitions	\$731,032.89	
Dispositions		
Withdrawals	\$0.00	
Security Purchase	\$740,299.15	
Accrued Interest Paid	\$499.73	
Total Dispositions	\$740,798.88	
ENDING BOOK VALUE		\$59,178.28



Northern Cal. Cities Self Ins. Fund Long Term - Account #171

MONTHLY ACCOUNT STATEMENT

DECEMBER 1, 2020 THROUGH DECEMBER 31, 2020

Chandler Team:

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

Custodian

Bank of New York Mellon
Lauren Dehner
(904) 645-1918

CHANDLER ASSET MANAGEMENT
chandlerasset.com

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Please see Important Disclosures.



PORTFOLIO CHARACTERISTICS

Average Modified Duration	3.74
Average Coupon	2.12%
Average Purchase YTM	2.05%
Average Market YTM	0.41%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	4.04 yrs
Average Life	3.93 yrs

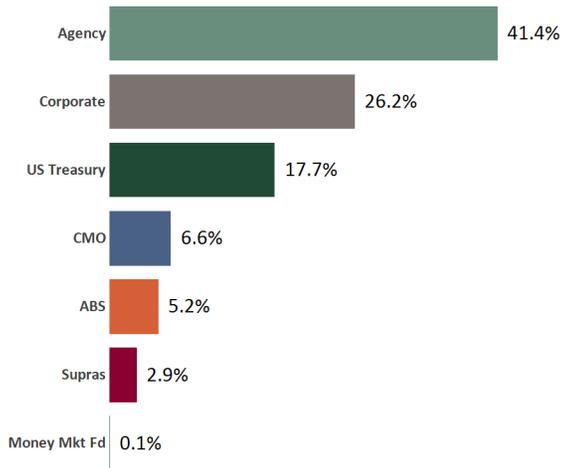
ACCOUNT SUMMARY

	Beg. Values as of 11/30/20	End Values as of 12/31/20
Market Value	29,942,275	30,007,052
Accrued Interest	140,533	148,157
Total Market Value	30,082,807	30,155,209
Income Earned	49,453	49,088
Cont/WD		0
Par	28,312,025	28,378,973
Book Value	28,399,870	28,451,489
Cost Value	28,378,943	28,435,584

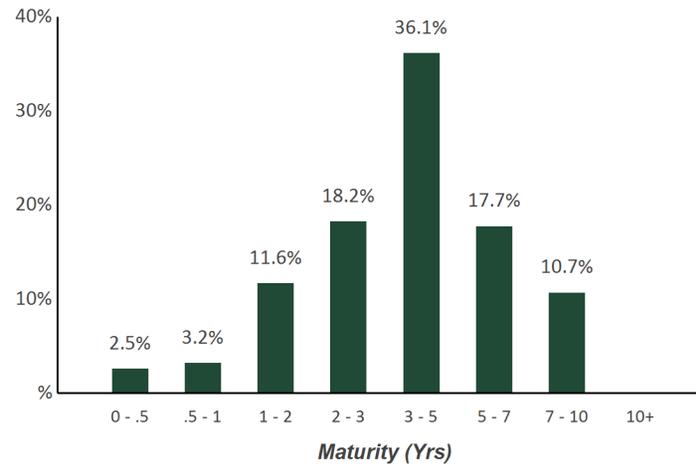
TOP ISSUERS

Government of United States	17.7%
Federal National Mortgage Assoc	16.6%
Federal Home Loan Bank	15.6%
Federal Home Loan Mortgage Corp	12.1%
Tennessee Valley Authority	3.6%
Inter-American Dev Bank	2.9%
US Bancorp	1.5%
Apple Inc	1.4%
Total	71.4%

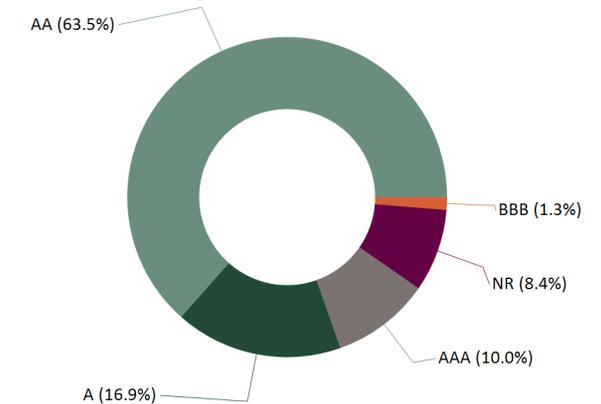
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	Annualized									
	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	5/31/2006	
Northern Cal. Cities Self Ins. Fund Long Term	0.24%	0.26%	6.08%	6.08%	5.95%	4.39%	3.27%	2.84%	3.94%	
ICE BAML 1-10 Yr US Treasury/Agency Index	0.03%	-0.22%	5.62%	5.62%	5.37%	4.04%	2.86%	2.48%	3.55%	
ICE BAML 1-10 Yr US Corporate/Govt Rated AAA-A Idx	0.09%	0.07%	5.97%	5.97%	5.95%	4.35%	3.22%	2.83%	3.74%	

Reconciliation Summary

As of December 31, 2020



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$28,399,869.75
Acquisition		
+ Security Purchases	\$525,909.38	
+ Money Market Fund Purchases	\$55,405.56	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$581,314.94
Dispositions		
- Security Sales	\$409,843.75	
- Money Market Fund Sales	\$114,082.02	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$14,375.50	
Total Dispositions		\$538,301.27
Amortization/Accretion		
+/- Net Accretion	(\$1,550.05)	
		(\$1,550.05)
Gain/Loss on Dispositions		
+/- Realized Gain/Loss	\$10,155.42	
		\$10,155.42
ENDING BOOK VALUE		\$28,451,488.79

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$78,209.55
Acquisition		
Contributions	\$0.00	
Security Sale Proceeds	\$409,843.75	
Accrued Interest Received	\$2,384.51	
Interest Received	\$41,028.54	
Dividend Received	\$1.52	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$14,375.50	
Total Acquisitions	\$467,633.82	
Dispositions		
Withdrawals	\$0.00	
Security Purchase	\$525,909.38	
Accrued Interest Paid	\$400.90	
Total Dispositions	\$526,310.28	
ENDING BOOK VALUE		\$19,533.09

Statement of Compliance

As of December 31, 2020



Northern California Cities Self-Insurance Fund - Long Term

The portfolio complies with state law and with the Client's investment policy.

Category	Standard	Comment
Treasury Issues	No limitation	Complies
US Government & Agencies	No limitation; Include: mortgage-backed, mortgage passthrough securities, and collateralized mortgage obligations issued by the federal government or federal agency/GSE issuers	Complies
Supranationals	AA rating category or better by a NRSRO; 30% maximum; 5 years max maturity; Issued by IBRD, IFC or IADB only	Complies
Municipal Securities	5 years max maturity	Complies
Asset-Backed & Mortgage-Backed Securities	AA rating category or better by a NRSRO; 20% maximum; 5 years max maturity	Complies
Banker's Acceptances	40% maximum; 180 days max maturity	Complies
Commercial Paper	A-1/P-1 by a NRSRO; 25% maximum; 270 days max maturity	Complies
Corporate Medium Term Notes	A rating category or better by a NRSRO; 30% maximum; 5 years max maturity	Complies
Money Market Mutual Funds	Highest ratings by two NRSROs; 20% maximum	Complies
Mutual Funds	Highest ratings by two NRSROs; 20% maximum	Complies
Negotiable CDs	30% maximum; 5 years max maturity	Complies
Time Certificates of Deposit; Collateralized Bank Deposits	5 years max maturity	Complies
LAIF	Maximum as law permits	Complies
Repurchase Agreements	1 year max maturity; Not used by Investment Adviser	Complies
Prohibited	Common or preferred stocks, convertible or junk bonds, commodities, options, limited partnerships, GICs, Reverse repurchase agreements, uninsured deposits, Inverse floaters; ranges notes, mortgage derived, interest only strips, Zero interest accrual securities if held to maturity; Investments denominated in Non-USD; Collateralized Mortgage Obligations (CMOs) with collateral not specifically GNMA, FHLMC, or FNMA; Purchasing or selling securities on margin Securities lending or any other form of borrowing or leverage	Complies
Max Per Issuer	5% per issuer or institution unless explicitly stated in the policy, excluding U.S. government, agency, investment pool, and money market funds	Complies
Maximum Maturity	10 years	Complies



Northern CA Cities Self Ins. Fund Short Term - Account #170

MONTHLY ACCOUNT STATEMENT

JANUARY 1, 2021 THROUGH JANUARY 31, 2021

Chandler Team:

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

Custodian

Bank of New York Mellon
Lauren Dehner
(904) 645-1918

CHANDLER ASSET MANAGEMENT
chandlerasset.com

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Please see Important Disclosures.



PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.56
Average Coupon	1.88%
Average Purchase YTM	1.76%
Average Market YTM	0.30%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.82 yrs
Average Life	2.63 yrs

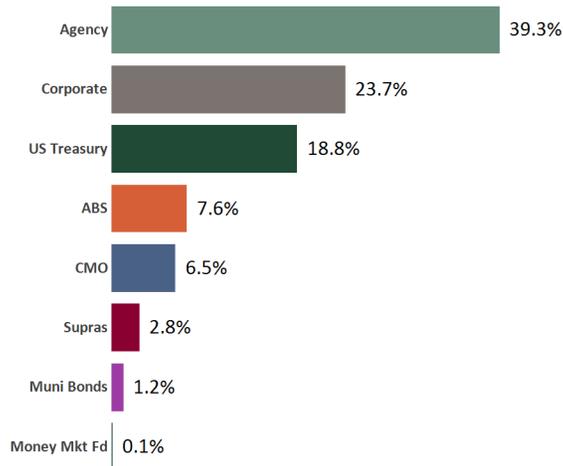
ACCOUNT SUMMARY

	Beg. Values as of 12/31/20	End Values as of 1/31/21
Market Value	28,265,783	28,264,662
Accrued Interest	114,917	112,383
Total Market Value	28,380,700	28,377,045
Income Earned	42,082	41,059
Cont/WD		-913
Par	27,254,366	27,325,467
Book Value	27,351,254	27,417,990
Cost Value	27,372,878	27,450,479

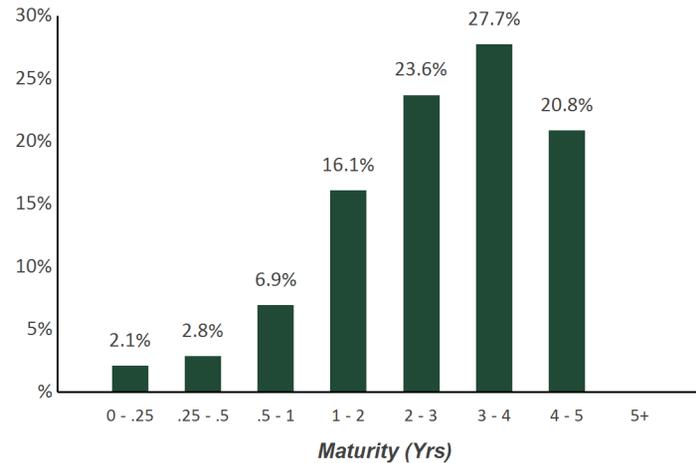
TOP ISSUERS

Federal National Mortgage Assoc	19.1%
Government of United States	18.8%
Federal Home Loan Mortgage Corp	16.9%
Federal Home Loan Bank	9.7%
John Deere ABS	2.3%
Inter-American Dev Bank	1.9%
Honda ABS	1.8%
Deere & Company	1.4%
Total	71.9%

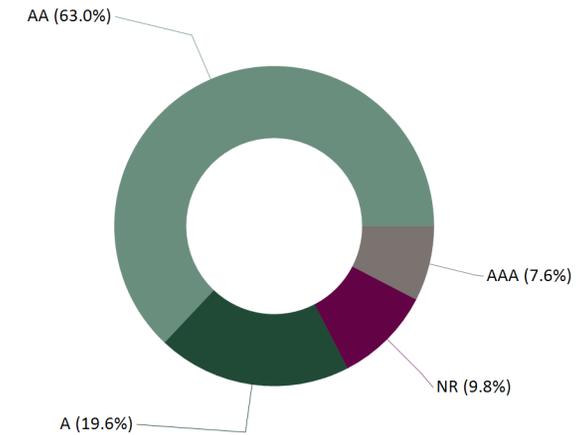
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	Annualized									
	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	12/31/1997	
Northern CA Cities Self Ins. Fund Short Term	-0.01%	0.29%	-0.01%	3.68%	4.31%	3.70%	2.40%	2.01%	3.85%	
ICE BAML 1-5 Year US Treasury/Agency Index	-0.04%	0.10%	-0.04%	3.28%	4.01%	3.48%	2.10%	1.75%	3.53%	
ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx	-0.05%	0.15%	-0.05%	3.42%	4.16%	3.59%	2.25%	1.89%	3.64%	

Statement of Compliance

As of January 31, 2021



Northern California Cities Self-Insurance Fund - Short Term

The portfolio complies with state law and with the Client's investment policy.

Category	Standard	Comment
Treasury Issues	No limitation	Complies
US Government & Agencies	No limitation; Include: mortgage-backed, mortgage passthrough securities, and collateralized mortgage obligations issued by the federal government or federal agency/GSE issuers	Complies
Supranationals	AA rating category or better by a NRSRO; 30% maximum; 5 years max maturity; Issued by IBRD, IFC or IADB only	Complies
Municipal Securities	5 years max maturity	Complies
Asset-Backed & Mortgage-Backed Securities	AA rating category or better by a NRSRO; 20% maximum; 5 years max maturity	Complies
Banker's Acceptances	40% maximum; 180 days max maturity	Complies
Commercial Paper	A-1/P-1 by a NRSRO; 25% maximum; 270 days max maturity	Complies
Corporate Medium Term Notes	A rating category or better by a NRSRO; 30% maximum; 5 years max maturity	Complies
Money Market Mutual Funds	Highest ratings by two NRSROs; 20% maximum	Complies
Mutual Funds	Highest ratings by two NRSROs; 20% maximum	Complies
Negotiable CDs	30% maximum; 5 years max maturity	Complies
Time Certificates of Deposit; Collateralized Bank Deposits	5 years max maturity	Complies
LAIF	Maximum as law permits	Complies
Repurchase Agreements	1 year max maturity; Not used by Investment Adviser	Complies
Prohibited	Common or preferred stocks, convertible or junk bonds, commodities, options, limited partnerships, GICs, Reverse repurchase agreements, uninsured deposits, Inverse floaters; ranges notes, mortgage derived, interest only strips, Zero interest accrual securities if held to maturity; Investments denominated in Non-USD; Collateralized Mortgage Obligations (CMOs) with collateral not specifically GNMA, FHLMC, or FNMA; Purchasing or selling securities on margin Securities lending or any other form of borrowing or leverage	Complies
Max Per Issuer	5% per issuer or institution unless explicitly stated in the policy, excluding U.S. government, agency, investment pool, and money market funds	Complies
Maximum Maturity	10 years	Complies

Reconciliation Summary

As of January 31, 2021



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$27,351,253.90
Acquisition		
+ Security Purchases	\$1,138,060.35	
+ Money Market Fund Purchases	\$95,872.48	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$1,233,932.83
Dispositions		
- Security Sales	\$1,013,964.06	
- Money Market Fund Sales	\$121,059.02	
- MMF Withdrawals	\$912.50	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$52,799.53	
Total Dispositions		\$1,188,735.11
Amortization/Accretion		
+/- Net Accretion	(\$2,516.26)	
		(\$2,516.26)
Gain/Loss on Dispositions		
+/- Realized Gain/Loss	\$24,055.09	
		\$24,055.09
ENDING BOOK VALUE		\$27,417,990.45

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$59,178.28
Acquisition		
Contributions	\$0.00	
Security Sale Proceeds	\$1,013,964.06	
Accrued Interest Received	\$4,242.95	
Interest Received	\$43,072.23	
Dividend Received	\$0.72	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$52,799.53	
Total Acquisitions	\$1,114,079.49	
Dispositions		
Withdrawals	\$912.50	
Security Purchase	\$1,138,060.35	
Accrued Interest Paid	\$1,205.68	
Total Dispositions	\$1,140,178.53	
ENDING BOOK VALUE		\$33,079.24



Northern Cal. Cities Self Ins. Fund Long Term - Account #171

MONTHLY ACCOUNT STATEMENT

JANUARY 1, 2021 THROUGH JANUARY 31, 2021

Chandler Team:

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

Custodian

Bank of New York Mellon
Lauren Dehner
(904) 645-1918

CHANDLER ASSET MANAGEMENT
chandlerasset.com

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Please see Important Disclosures.



PORTFOLIO CHARACTERISTICS

Average Modified Duration	3.70
Average Coupon	2.09%
Average Purchase YTM	2.02%
Average Market YTM	0.46%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	4.00 yrs
Average Life	3.89 yrs

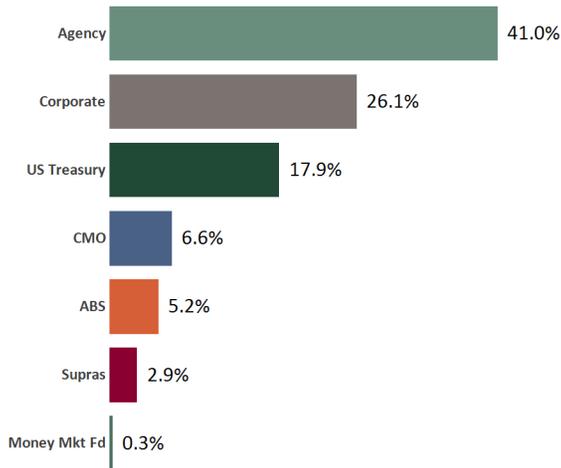
ACCOUNT SUMMARY

	Beg. Values as of 12/31/20	End Values as of 1/31/21
Market Value	30,007,052	29,935,083
Accrued Interest	148,157	143,992
Total Market Value	30,155,209	30,079,075
Income Earned	49,088	48,669
Cont/WD		0
Par	28,378,973	28,473,720
Book Value	28,451,489	28,536,698
Cost Value	28,435,584	28,517,500

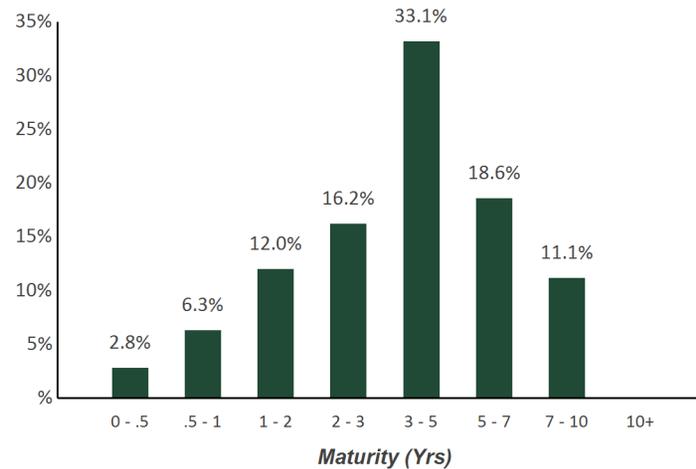
TOP ISSUERS

Government of United States	17.9%
Federal National Mortgage Assoc	16.2%
Federal Home Loan Bank	15.6%
Federal Home Loan Mortgage Corp	12.1%
Tennessee Valley Authority	3.6%
Inter-American Dev Bank	2.9%
US Bancorp	1.5%
State Street Bank	1.4%
Total	71.3%

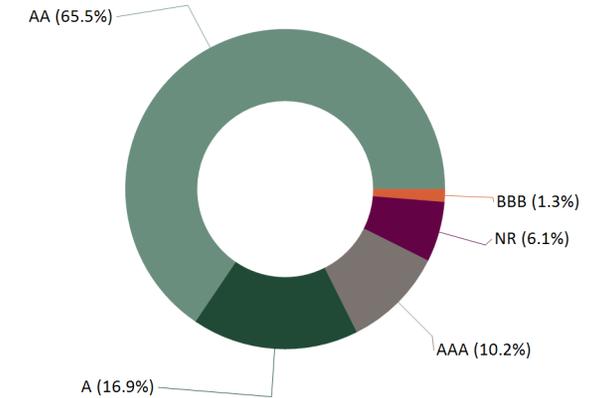
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	5/31/2006
Northern Cal. Cities Self Ins. Fund Long Term	-0.25%	0.23%	-0.25%	4.49%	5.48%	4.57%	2.90%	2.78%	3.90%
ICE BAML 1-10 Yr US Treasury/Agency Index	-0.28%	-0.12%	-0.28%	3.89%	5.00%	4.27%	2.48%	2.42%	3.51%
ICE BAML 1-10 Yr US Corporate/Govt Rated AAA-A Idx	-0.29%	0.08%	-0.29%	4.23%	5.46%	4.55%	2.88%	2.77%	3.70%

Statement of Compliance

As of January 31, 2021



Northern California Cities Self-Insurance Fund - Long Term

The portfolio complies with state law and with the Client's investment policy.

Category	Standard	Comment
Treasury Issues	No limitation	Complies
US Government & Agencies	No limitation; Include: mortgage-backed, mortgage passthrough securities, and collateralized mortgage obligations issued by the federal government or federal agency/GSE issuers	Complies
Supranationals	AA rating category or better by a NRSRO; 30% maximum; 5 years max maturity; Issued by IBRD, IFC or IADB only	Complies
Municipal Securities	5 years max maturity	Complies
Asset-Backed & Mortgage-Backed Securities	AA rating category or better by a NRSRO; 20% maximum; 5 years max maturity	Complies
Banker's Acceptances	40% maximum; 180 days max maturity	Complies
Commercial Paper	A-1/P-1 by a NRSRO; 25% maximum; 270 days max maturity	Complies
Corporate Medium Term Notes	A rating category or better by a NRSRO; 30% maximum; 5 years max maturity	Complies
Money Market Mutual Funds	Highest ratings by two NRSROs; 20% maximum	Complies
Mutual Funds	Highest ratings by two NRSROs; 20% maximum	Complies
Negotiable CDs	30% maximum; 5 years max maturity	Complies
Time Certificates of Deposit; Collateralized Bank Deposits	5 years max maturity	Complies
LAIF	Maximum as law permits	Complies
Repurchase Agreements	1 year max maturity; Not used by Investment Adviser	Complies
Prohibited	Common or preferred stocks, convertible or junk bonds, commodities, options, limited partnerships, GICs, Reverse repurchase agreements, uninsured deposits, Inverse floaters; ranges notes, mortgage derived, interest only strips, Zero interest accrual securities if held to maturity; Investments denominated in Non-USD; Collateralized Mortgage Obligations (CMOs) with collateral not specifically GNMA, FHLMC, or FNMA; Purchasing or selling securities on margin Securities lending or any other form of borrowing or leverage	Complies
Max Per Issuer	5% per issuer or institution unless explicitly stated in the policy, excluding U.S. government, agency, investment pool, and money market funds	Complies
Maximum Maturity	10 years	Complies

Reconciliation Summary

As of January 31, 2021



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$28,451,488.79
Acquisition		
+ Security Purchases	\$439,476.88	
+ Money Market Fund Purchases	\$76,934.73	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$516,411.61
Dispositions		
- Security Sales	\$445,083.70	
- Money Market Fund Sales	\$0.00	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$17,187.93	
Total Dispositions		\$462,271.63
Amortization/Accretion		
+/- Net Accretion	(\$1,305.85)	
		(\$1,305.85)
Gain/Loss on Dispositions		
+/- Realized Gain/Loss	\$32,375.26	
		\$32,375.26
ENDING BOOK VALUE		\$28,536,698.18

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$19,533.09
Acquisition		
Contributions	\$0.00	
Security Sale Proceeds	\$445,083.70	
Accrued Interest Received	\$3,736.98	
Interest Received	\$51,341.91	
Dividend Received	\$0.75	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$17,187.93	
Total Acquisitions	\$517,351.27	
Dispositions		
Withdrawals	\$0.00	
Security Purchase	\$439,476.88	
Accrued Interest Paid	\$939.66	
Total Dispositions	\$440,416.54	
ENDING BOOK VALUE		\$96,467.82



Northern CA Cities Self Ins. Fund Short Term - Account #170

MONTHLY ACCOUNT STATEMENT

FEBRUARY 1, 2021 THROUGH FEBRUARY 28, 2021

Chandler Team:

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

Custodian

Bank of New York Mellon
Lauren Dehner
(904) 645-1918

CHANDLER ASSET MANAGEMENT
chandlerasset.com

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Please see Important Disclosures.



PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.53
Average Coupon	1.85%
Average Purchase YTM	1.73%
Average Market YTM	0.45%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.81 yrs
Average Life	2.60 yrs

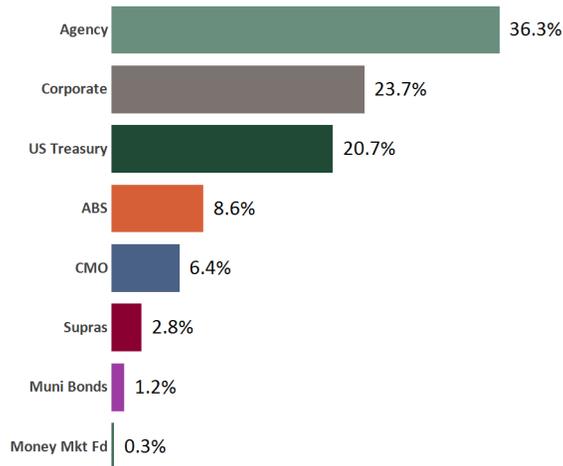
ACCOUNT SUMMARY

	Beg. Values as of 1/31/21	End Values as of 2/28/21
Market Value	28,264,662	28,159,405
Accrued Interest	112,383	116,244
Total Market Value	28,377,045	28,275,649
Income Earned	41,059	40,488
Cont/WD		0
Par	27,325,467	27,384,865
Book Value	27,417,990	27,470,830
Cost Value	27,450,479	27,506,947

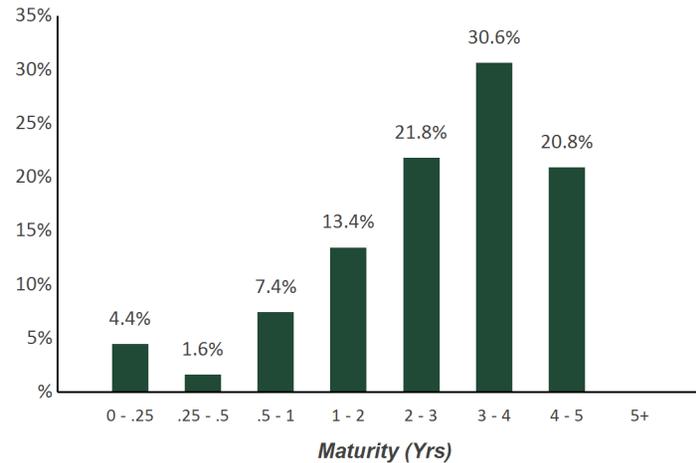
TOP ISSUERS

Government of United States	20.7%
Federal Home Loan Mortgage Corp	16.8%
Federal National Mortgage Assoc	16.2%
Federal Home Loan Bank	9.7%
John Deere ABS	2.1%
Honda ABS	2.1%
Inter-American Dev Bank	1.9%
Deere & Company	1.4%
Total	70.9%

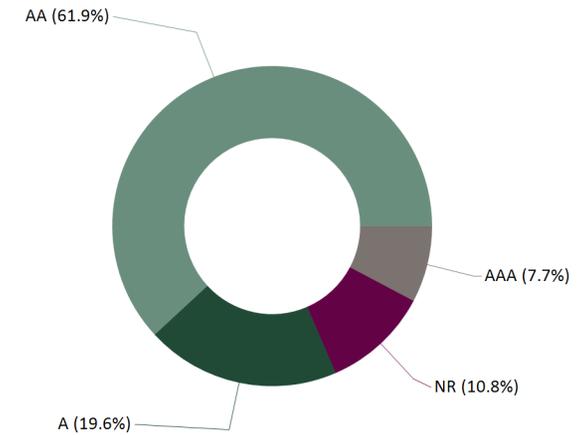
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	Annualized									
	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	12/31/1997	
Northern CA Cities Self Ins. Fund Short Term	-0.36%	-0.20%	-0.37%	2.27%	4.04%	3.64%	2.28%	1.98%	3.82%	
ICE BAML 1-5 Year US Treasury/Agency Index	-0.38%	-0.35%	-0.42%	1.72%	3.80%	3.39%	1.97%	1.73%	3.50%	
ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx	-0.38%	-0.33%	-0.42%	1.89%	3.93%	3.51%	2.12%	1.87%	3.61%	

Statement of Compliance

As of February 28, 2021



Northern California Cities Self-Insurance Fund - Short Term

The portfolio complies with state law and with the Client's investment policy.

Category	Standard	Comment
Treasury Issues	No limitation	Complies
US Government & Agencies	No limitation; Include: mortgage-backed, mortgage passthrough securities, and collateralized mortgage obligations issued by the federal government or federal agency/GSE issuers	Complies
Supranationals	AA rating category or better by a NRSRO; 30% maximum; 5 years max maturity; Issued by IBRD, IFC or IADB only	Complies
Municipal Securities	5 years max maturity	Complies
Asset-Backed & Mortgage-Backed Securities	AA rating category or better by a NRSRO; 20% maximum; 5 years max maturity	Complies
Banker's Acceptances	40% maximum; 180 days max maturity	Complies
Commercial Paper	A-1/P-1 by a NRSRO; 25% maximum; 270 days max maturity	Complies
Corporate Medium Term Notes	A rating category or better by a NRSRO; 30% maximum; 5 years max maturity	Complies
Money Market Mutual Funds	Highest ratings by two NRSROs; 20% maximum	Complies
Mutual Funds	Highest ratings by two NRSROs; 20% maximum	Complies
Negotiable CDs	30% maximum; 5 years max maturity	Complies
Time Certificates of Deposit; Collateralized Bank Deposits	5 years max maturity	Complies
LAIF	Maximum as law permits	Complies
Repurchase Agreements	1 year max maturity; Not used by Investment Adviser	Complies
Prohibited	Common or preferred stocks, convertible or junk bonds, commodities, options, limited partnerships, GICs, Reverse repurchase agreements, uninsured deposits, Inverse floaters; ranges notes, mortgage derived, interest only strips, Zero interest accrual securities if held to maturity; Investments denominated in Non-USD; Collateralized Mortgage Obligations (CMOs) with collateral not specifically GNMA, FHLMC, or FNMA; Purchasing or selling securities on margin Securities lending or any other form of borrowing or leverage	Complies
Max Per Issuer	5% per issuer or institution unless explicitly stated in the policy, excluding U.S. government, agency, investment pool, and money market funds	Complies
Maximum Maturity	10 years	Complies

Reconciliation Summary

As of February 28, 2021



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$27,417,990.45
Acquisition		
+ Security Purchases	\$893,100.80	
+ Money Market Fund Purchases	\$391,308.10	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$1,284,408.90
Dispositions		
- Security Sales	\$808,392.80	
- Money Market Fund Sales	\$350,206.45	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$86,703.72	
Total Dispositions		\$1,245,302.97
Amortization/Accretion		
+/- Net Accretion	(\$2,479.51)	
		(\$2,479.51)
Gain/Loss on Dispositions		
+/- Realized Gain/Loss	\$16,212.65	
		\$16,212.65
ENDING BOOK VALUE		\$27,470,829.52

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$33,079.24
Acquisition		
Contributions	\$0.00	
Security Sale Proceeds	\$808,392.80	
Accrued Interest Received	\$900.17	
Interest Received	\$38,777.83	
Dividend Received	\$0.56	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$86,703.72	
Total Acquisitions	\$934,775.08	
Dispositions		
Withdrawals	\$0.00	
Security Purchase	\$893,100.80	
Accrued Interest Paid	\$572.63	
Total Dispositions	\$893,673.43	
ENDING BOOK VALUE		\$74,180.89



Northern Cal. Cities Self Ins. Fund Long Term - Account #171

MONTHLY ACCOUNT STATEMENT

FEBRUARY 1, 2021 THROUGH FEBRUARY 28, 2021

Chandler Team:

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

Custodian

Bank of New York Mellon
Lauren Dehner
(904) 645-1918

CHANDLER ASSET MANAGEMENT
chandlerasset.com

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Please see Important Disclosures.



PORTFOLIO CHARACTERISTICS

Average Modified Duration	3.71
Average Coupon	2.05%
Average Purchase YTM	2.00%
Average Market YTM	0.68%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	4.05 yrs
Average Life	3.91 yrs

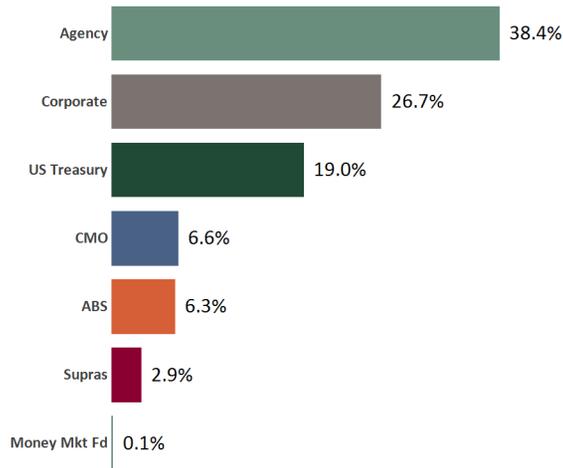
ACCOUNT SUMMARY

	Beg. Values as of 1/31/21	End Values as of 2/28/21
Market Value	29,935,083	29,665,461
Accrued Interest	143,992	145,117
Total Market Value	30,079,075	29,810,578
Income Earned	48,669	48,541
Cont/WD		0
Par	28,473,720	28,573,235
Book Value	28,536,698	28,614,206
Cost Value	28,517,500	28,597,447

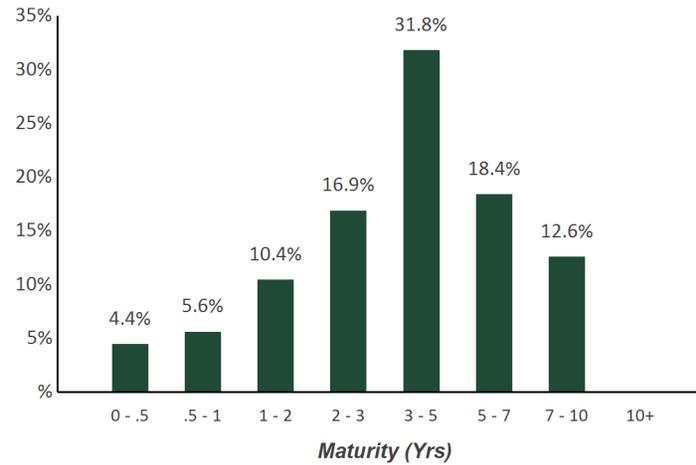
TOP ISSUERS

Government of United States	19.0%
Federal Home Loan Bank	15.4%
Federal National Mortgage Assoc	15.4%
Federal Home Loan Mortgage Corp	10.4%
Tennessee Valley Authority	3.6%
Inter-American Dev Bank	2.9%
Toyota ABS	1.8%
US Bancorp	1.5%
Total	70.2%

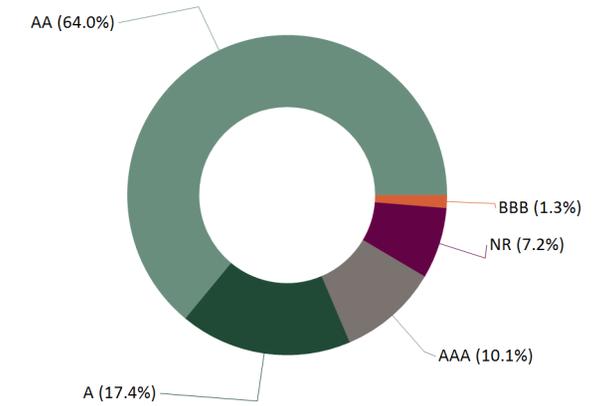
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	Annualized									
	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	5/31/2006	
Northern Cal. Cities Self Ins. Fund Long Term	-0.89%	-0.90%	-1.14%	2.11%	4.95%	4.37%	2.63%	2.70%	3.81%	
ICE BAML 1-10 Yr US Treasury/Agency Index	-0.96%	-1.20%	-1.23%	1.28%	4.53%	4.03%	2.19%	2.35%	3.43%	
ICE BAML 1-10 Yr US Corporate/Govt Rated AAA-A Idx	-0.94%	-1.14%	-1.23%	1.74%	4.94%	4.35%	2.58%	2.68%	3.61%	

Statement of Compliance

As of February 28, 2021



Northern California Cities Self-Insurance Fund - Long Term

The portfolio complies with state law and with the Client's investment policy.

Category	Standard	Comment
Treasury Issues	No limitation	Complies
US Government & Agencies	No limitation; Include: mortgage-backed, mortgage passthrough securities, and collateralized mortgage obligations issued by the federal government or federal agency/GSE issuers	Complies
Supranationals	AA rating category or better by a NRSRO; 30% maximum; 5 years max maturity; Issued by IBRD, IFC or IADB only	Complies
Municipal Securities	5 years max maturity	Complies
Asset-Backed & Mortgage-Backed Securities	AA rating category or better by a NRSRO; 20% maximum; 5 years max maturity	Complies
Banker's Acceptances	40% maximum; 180 days max maturity	Complies
Commercial Paper	A-1/P-1 by a NRSRO; 25% maximum; 270 days max maturity	Complies
Corporate Medium Term Notes	A rating category or better by a NRSRO; 30% maximum; 5 years max maturity	Complies
Money Market Mutual Funds	Highest ratings by two NRSROs; 20% maximum	Complies
Mutual Funds	Highest ratings by two NRSROs; 20% maximum	Complies
Negotiable CDs	30% maximum; 5 years max maturity	Complies
Time Certificates of Deposit; Collateralized Bank Deposits	5 years max maturity	Complies
LAIF	Maximum as law permits	Complies
Repurchase Agreements	1 year max maturity; Not used by Investment Adviser	Complies
Prohibited	Common or preferred stocks, convertible or junk bonds, commodities, options, limited partnerships, GICs, Reverse repurchase agreements, uninsured deposits, Inverse floaters; ranges notes, mortgage derived, interest only strips, Zero interest accrual securities if held to maturity; Investments denominated in Non-USD; Collateralized Mortgage Obligations (CMOs) with collateral not specifically GNMA, FHLMC, or FNMA; Purchasing or selling securities on margin Securities lending or any other form of borrowing or leverage	Complies
Max Per Issuer	5% per issuer or institution unless explicitly stated in the policy, excluding U.S. government, agency, investment pool, and money market funds	Complies
Maximum Maturity	10 years	Complies

Reconciliation Summary

As of February 28, 2021



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$28,536,698.18
Acquisition		
+ Security Purchases	\$967,660.88	
+ Money Market Fund Purchases	\$408,483.94	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$1,376,144.82
Dispositions		
- Security Sales	\$838,658.46	
- Money Market Fund Sales	\$464,809.32	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$24,159.29	
Total Dispositions		\$1,327,627.07
Amortization/Accretion		
+/- Net Accretion	(\$1,102.82)	
		(\$1,102.82)
Gain/Loss on Dispositions		
+/- Realized Gain/Loss	\$30,092.79	
		\$30,092.79
ENDING BOOK VALUE		\$28,614,205.90

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$96,467.82
Acquisition		
Contributions	\$0.00	
Security Sale Proceeds	\$838,658.46	
Accrued Interest Received	\$2,692.80	
Interest Received	\$47,093.45	
Dividend Received	\$0.49	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$24,159.29	
Total Acquisitions	\$912,604.49	
Dispositions		
Withdrawals	\$0.00	
Security Purchase	\$967,660.88	
Accrued Interest Paid	\$1,268.99	
Total Dispositions	\$968,929.87	
ENDING BOOK VALUE		\$40,142.44



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 01/15/2021, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 12/31/2020.

Earnings Ratio		.00001719170547343
Interest Rate		0.63%
Dollar Day Total	\$	1,504,856,135.40
Quarter End Principal Balance	\$	15,866,481.53
Quarterly Interest Earned	\$	25,871.04

NCCSIF

Northern California Cities Self Insurance Fund

c/o Alliant Insurance Services, Inc.

Corporate Insurance License No. 0C36861

Main Location: 2180 Harvard Street, Suite 460, Sacramento, CA 95815 * (916) 643-2700 * Facsimile: (916) 643-2750
Accounting Location: Mr. James Marta, James Marta & Company, 701 Howe Avenue, Suite E3, Sacramento, CA 95825 * (916) 993-9494

NCCSIF INVESTMENT REPORT FOR THE QUARTER ENDING December 31, 2020

	MARKET VALUE
CASH:	
(1) Tri Counties Checking	\$ 250,966.13
(2) Local Agency Inv Fund (LAIF)	15,866,481.53
Total Cash	<u>16,117,447.66</u>
INVESTMENTS (Unrestricted):	
(3) Chandler Investments	
Account no. 170	28,265,783.00
Account no. 171	30,007,052.00
Total Unrestricted Investments	<u>58,272,835.00</u>
TOTAL CASH AND INVESTMENTS	<u>\$ 74,390,282.66</u>

- (1) This consists of one checking account and two pass-thru accounts (liability and workers comp claims).
- (2) The LAIF rate of return as of quarter ended December 31, 2020 0.58%
- (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.



Jen Lee, Treasurer

2/3/21

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.



BACK TO AGENDA

Northern California Cities Self Insurance Fund
Executive Committee Meeting
March 25, 2021

Agenda Item E.

GENERAL RISK MANAGEMENT ISSUES

INFORMATION ITEM

ISSUE: The floor will be open to the Committee for discussion.

RECOMMENDATION: None.

FISCAL IMPACT: None.

BACKGROUND: This is an opportunity for Committee members to ask questions or raise issues on risk exposures common to the members.

ATTACHMENT(S): None.



Northern California Cities Self Insurance Fund
Executive Committee Meeting
March 25, 2021

Agenda Item G.1.a.

ACTUARIAL STUDY FOR WORKERS' COMPENSATION PROGRAM

ACTION ITEM

ISSUE: NCCSIF's actuary annually provides a report to assist in making funding, dividend and assessment decisions. Below is a summary of this year's report that will be discussed in greater detail at the meeting.

FY 20/21 Funding

Total recommended funding for the Banking and Shared Risk Layers is \$11,663,000 at the current 80% Confidence Level (CL). *Overall the rates have increased 2.9%, from \$4.507 to \$4.637, with a 3.1% increase in the Banking Layer and a 2.6% increase for the Shared Layer.*

Outstanding Liabilities at June 30th

The actuary estimates that NCCSIF will have total assets of approximately \$56,010,000 on June 30, 2021, compared to \$51,065,000 last year. The estimated total Outstanding Liability at June 30 is \$47,159,000 at the 90% Confidence Level (CL), compared to \$44,469,000 last year. *This results in an estimated \$8,851,000 in net position above the 90% CL, compared to \$6,596,000 last year.*

Assets for the Banking Layer are estimated at \$28,548,000 as of June 30, 2021, \$2,698,000 above the estimate of \$25,850,000 in 2020. Banking Layer liabilities are \$21,948,000 at the 90% CL, compared to \$20,140,000 last year. *This means the Banking Layer net position above the 90% CL is estimated at \$6,600,000 compared \$5,710,000 last year.*

Assets for the Shared Risk Layer are estimated to be \$27,462,000 at June 30, 2021, compared to \$25,215,000 in 2020. Liabilities are estimated at \$25,211,000 at the 90% CL, compared \$24,329,000 last year. *The net position in excess of the 90% CL is estimated to be \$2,251,000, compared to \$886,000 last year.*

RECOMMENDATION: Request the actuary finalize the report for presentation at the April, 22, 2021, Board of Directors meeting.

FISCAL IMPACT: T.B.D.; the underlying rates are increasing 2.9%. No change is expected to the CL of 80%.

BACKGROUND: NCCSIF annually receives an actuary report to determine the estimated Outstanding Liabilities (OL) for the Workers' Compensation program as of June 30 and to estimate the amount of funding required for the upcoming fiscal year. These figures are used for financial reporting purposes and to prepare the budget for member deposits. *The funding CL was increased from 75% to 80% in FY 18/19.*

ATTACHMENT(S): Workers' Compensation Program Actuarial Study for FY 21/22 - **DRAFT** Summary



Bickmore

Actuarial

Actuarial Review of the Self-Insured Workers' Compensation Program

Outstanding Liabilities as of June 30, 2021

Forecast for Program Years 2021-22

Presented to

Northern California Cities Self-Insurance Fund

March 4, 2021 - DRAFT

Thursday, March 4, 2021

Mr. Marcus Beverly
Vice President
Northern California Cities Self Insurance Fund
c/o Alliant Insurance Services, Inc.
2180 Harvard Street, Suite 460
Sacramento, CA 95815

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

Dear Mr. Beverly:

As you requested, we have completed our review of Northern California Cities Self Insurance Fund's self-insured workers' compensation program. Assuming an SIR of \$500,000 per occurrence, we estimate the ultimate cost of claims and expenses for claims incurred during the 2021-22 program year to be \$9,759,000. This amount includes allocated loss adjustment expenses (ALAE), unallocated loss adjustment expenses (ULAE), and a discount for anticipated investment income, but excludes 4850 TD (Temporary Disability) and 4850 SC (Salary Continuation). Of this amount, \$6,556,000 is for the banking layer (\$0 – \$100,000 per occurrence) and \$3,203,000 is for the shared layer (\$100,000 – \$500,000 per occurrence). ALAE is the direct cost associated with the defense of individual claims (e.g. legal fees, investigation fees, court charges). ULAE is the cost to administer all claims to final settlement, which may be years into the future (e.g. claims adjusters' salaries, taxes). The discount for investment income is calculated based on the likely payout pattern of NCCSIF's claims, assuming a 1.5% return on investments per year. For budgeting purposes, the expected cost of 2021-22 claims translates to a rate of \$3.890 per \$100 of payroll, \$2.613 for the banking layer and \$1.277 for the shared layer (assuming \$250,900,000 in rated payroll).

In addition, we estimate the program's liability for outstanding claims to be \$37,487,000 as of June 30, 2021 again including ALAE and ULAE, and discounted for anticipated investment income, but excluding 4850 TD and 4850 SC benefits. Given estimated program assets of \$56,010,000 as of June 30, 2021, the program will be funded above the 90% confidence level on a combined basis and for both the banking layer and shared layer separately (see Graphs 1a, 1b and 1c on pages 11, 12, and 13).

The \$37,487,000 estimate is the minimum liability to be booked by NCCSIF at June 30, 2021 for its workers' compensation program, in accordance with Governmental Accounting Standards Board (GASB) Statement #10. GASB #10 requires NCCSIF to accrue a liability on its financial statements for the ultimate cost of claims and expenses associated with all reported and unreported claims, including ALAE and ULAE. GASB #10 does not prohibit the discounting of losses to recognize investment income.

DRAFT

Our conclusions regarding NCCSIF's liability for unpaid loss and loss adjustment expenses (LAE) at June 30, 2021 are summarized in the table below.

Northern California Cities Self Insurance Fund
Self-Insured Workers' Compensation Program
Estimated Liability for Unpaid Loss and LAE
Banking and Shared Layer Combined
at June 30, 2021
Net of 4850 TD and 4850 SC

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$37,613,000					
ULAE	2,014,000					
Investment Income Offset	(2,140,000)					
Discounted Loss and LAE	\$37,487,000	\$40,561,000	\$41,761,000	\$43,185,000	\$44,909,000	\$47,159,000
Assets	56,010,000					
Surplus or (Deficit)	\$18,523,000	\$15,449,000	\$14,249,000	\$12,825,000	\$11,101,000	\$8,851,000

Northern California Cities Self Insurance Fund
Self-Insured Workers' Compensation Program
Estimated Liability for Unpaid Loss and LAE
Banking Layer
at June 30, 2021
Net of 4850 TD and 4850 SC

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$17,598,000					
ULAE	2,014,000					
Investment Income Offset	(1,059,000)					
Discounted Loss and LAE	\$18,553,000	\$19,722,000	\$20,149,000	\$20,631,000	\$21,206,000	\$21,948,000
Assets	28,548,000					
Surplus or (Deficit)	\$9,995,000	\$8,826,000	\$8,399,000	\$7,917,000	\$7,342,000	\$6,600,000

Northern California Cities Self Insurance Fund
 Self-Insured Workers' Compensation Program
 Estimated Liability for Unpaid Loss and LAE
 Shared Layer
 at June 30, 2021
 Net of 4850 TD and 4850 SC

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$20,015,000					
ULAE	0					
Investment Income Offset	(1,081,000)					
Discounted Loss and LAE	\$18,934,000	\$20,839,000	\$21,612,000	\$22,554,000	\$23,703,000	\$25,211,000
Assets	27,462,000					
Surplus or (Deficit)	\$8,528,000	\$6,623,000	\$5,850,000	\$4,908,000	\$3,759,000	\$2,251,000

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

Furthermore, the Public Risk Innovation, Solutions, and Management (PRISM) standard states that based upon the actuarial recommendations, the member should maintain assets and make funding contributions equal to or exceeding the present value of expected losses and a reasonable margin for contingencies.

The table below shows our funding recommendations for Northern California Cities Self Insurance Fund for the 2021-22 fiscal year.

Northern California Cities Self Insurance Fund
 Self-Insured Workers' Compensation Program
 Loss and LAE Funding Guidelines for 2021-22
 Banking and Shared Layers Combined
 Banking Layer: \$0 to \$100,000
 Shared Layer: \$100,000 to \$500,000
 Net of 4850 TD and 4850 SC

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$9,319,000					
ULAE	840,000					
Investment Income Offset	(400,000)					
Discounted Loss and LAE	\$9,759,000	\$10,774,000	\$11,174,000	\$11,633,000	\$12,189,000	\$12,950,000
Rate per \$100 of 2021-22 Payroll	\$3.890	\$4.294	\$4.454	\$4.637	\$4.858	\$5.161

Northern California Cities Self Insurance Fund
 Self-Insured Workers' Compensation Program
 Loss and LAE Funding Guidelines for 2021-22
 Banking Layer: \$0 to \$100,000
 Net of 4850 TD and 4850 SC

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$5,985,000					
ULAE	840,000					
Investment Income Offset	(269,000)					
Discounted Loss and LAE	\$6,556,000	\$7,080,000	\$7,271,000	\$7,487,000	\$7,743,000	\$8,077,000
Rate per \$100 of 2021-22 Payroll	\$2.613	\$2.822	\$2.898	\$2.984	\$3.086	\$3.219

Northern California Cities Self Insurance Fund
 Self-Insured Workers' Compensation Program
 Loss and LAE Funding Guidelines for 2021-22
 Shared Layer: \$100,000 to \$500,000
 Net of 4850 TD and 4850 SC

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$3,334,000					
ULAE	0					
Investment Income Offset	(131,000)					
Discounted Loss and LAE	\$3,203,000	\$3,694,000	\$3,903,000	\$4,146,000	\$4,446,000	\$4,873,000
Rate per \$100 of 2021-22 Payroll	\$1.277	\$1.472	\$1.556	\$1.652	\$1.772	\$1.942

The funding recommendations shown in the table above do not include any recognition of the existing funding margin (surplus or deficit) at June 30, 2021. They are for losses and loss adjustment expenses only, and do not include a provision for loss control, overhead, excess insurance premiums, and other expenses associated with the program. They do not include 4850 TD and 4850 SC benefits.

The estimates in this report do not include a provision for the potential impact on the cost of workers' compensation claims as a result of the coronavirus (COVID-19) pandemic.

The loss projections in this report reflect the estimated impact of benefit legislation contained in AB749, AB227, SB228, SB899, SB863, and recent WCAB court decisions based upon information provided by the WCIRB. The ultimate impact on loss costs of legislated benefit adjustments are generally difficult to forecast in advance because the changes typically take place over a period of several years following enactment. Furthermore, actuarially derived benefit level evaluations often underestimate actual future cost levels. The shortfalls result from a variety of circumstances, including: increases in utilization levels, unanticipated changes in administrative procedures, and cost shifting among benefit categories. Thus, actual cost increases could differ, perhaps substantially, from the WCIRB's estimates.

DRAFT

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

We appreciate the opportunity to be of service to Northern California Cities Self Insurance Fund in preparing this report. Please feel free to call Mike Harrington at (916) 244-1162, James Kim at (916) 290-4644 or Eric Small at (916) 244-1165 with any questions you may have concerning this report.

Sincerely,

Bickmore Actuarial

DRAFT

Mike Harrington, FCAS, MAAA
President and Principal, Bickmore Actuarial
Fellow, Casualty Actuarial Society
Member, American Academy of Actuaries

DRAFT

James Kim, ACAS, MAAA
Senior Analyst, Bickmore Actuarial
Associate, Casualty Actuarial Society
Member, American Academy of Actuaries

DRAFT

Eric Small
Actuarial Consultant, Bickmore Actuarial

TABLE OF CONTENTS

I. BACKGROUND	8
II. CONCLUSIONS AND RECOMMENDATIONS	10
A. LIABILITY FOR OUTSTANDING CLAIMS	10
B. PROGRAM FUNDING: GOALS AND OBJECTIVES	15
C. HISTORICAL TRENDS IN THE SELF-INSURANCE PROGRAM	17
D. COMPARISON WITH PREVIOUS RESULTS	25
E. DATA PROVIDED FOR THE ANALYSIS	31
III. ASSUMPTIONS AND LIMITATIONS	32
IV. GLOSSARY OF ACTUARIAL TERMS	34
V. EXHIBITS	36
VI. APPENDICES	73

I. BACKGROUND

Northern California Cities Self Insurance Fund began its self-insured workers' compensation program on July 1, 1979. Its purpose was to provide excess workers' compensation coverage to its members which consist of Northern California municipalities. The predecessor to NCCSIF was Feather River JPA and this study includes 20 claims for that period. All of these claims are closed. The original NCCSIF program was comprised of eight members. Currently, the program includes the twenty two members shown below.

ANDERSON	ELK GROVE	JACKSON	PARADISE	WILLOWS
AUBURN	FOLSOM	LINCOLN	PLACERVILLE	YUBA CITY
COLUSA	GALT	MARYSVILLE	RED BLUFF	
CORNING	GRIDLEY	NEVADA CITY	RIO VISTA	
DIXON	IONE	OROVILLE	ROCKLIN	

The Program's current self-insured retention is \$500,000, and excess coverage is provided by the PRISM. Claims administration services are provided by Sedgwick. Additional background on the program is given in Appendix K. Please note that the estimates contained in this report exclude costs for 4850 TD (temporary disability) and 4850 SC (salary continuation).

Although NCCSIF carries a self-insured retention of \$500,000, the program is actually split into two parts, a banking layer and a shared risk layer. The banking layer applies to the first \$100,000 of each loss and each member is directly responsible for its actual losses in this layer. The shared risk layer applies to the portion of each loss between \$100,000 and \$500,000. The shared risk layer losses are pooled among members. The table below shows the confidence levels to which each layer was funded by year.

Accident Year	Shared Layer	Banking Layer
1996-97	70%	70%
1997-01	80%	70%
2001-02	80%	Expected
2002-03	60%	70%
2003-04	70%	70%
2004-05	70%	Expected
2005-06	70%	70%
2006-07	70%	70%
2007-08	70%	70%
2008-09	60%	60%
2009-10	60%	60%
2010-11	60%	60%
2011-12	60%	60%
2012-13	60%	60%
2013-14	60%	60%
2014-15	65%	65%
2015-16	67.5%	67.5%
2016-17	70%	70%
2017-18	75%	75%
2018-19	80%	80%
2019-20	80%	80%
2020-21	80%	80%
2021-22	80%	80%

The purpose of this review is to provide a guide to NCCSIF to determine reasonable funding levels for its self-insurance program according to the funding policy NCCSIF has adopted and to comply with Governmental Accounting Standards Board Statements #10 and #30. The specific objectives of the study are to estimate NCCSIF's liability for outstanding claims as of June 30, 2021, project ultimate loss costs for 2021-22, and provide funding guidelines to meet these liabilities and future costs.

II. CONCLUSIONS AND RECOMMENDATIONS

A. LIABILITY FOR OUTSTANDING CLAIMS

Graphs 1a, 1b and 1c on the following pages summarize our assessment of NCCSIF's funding position as of June 30, 2021. The dark-colored bars indicate our estimates of the program's liability for outstanding claims before recognition of the investment income that can be earned on the assets held before the claim payments come due. The horizontal line across each graph indicates NCCSIF's available assets at June 30, 2021.

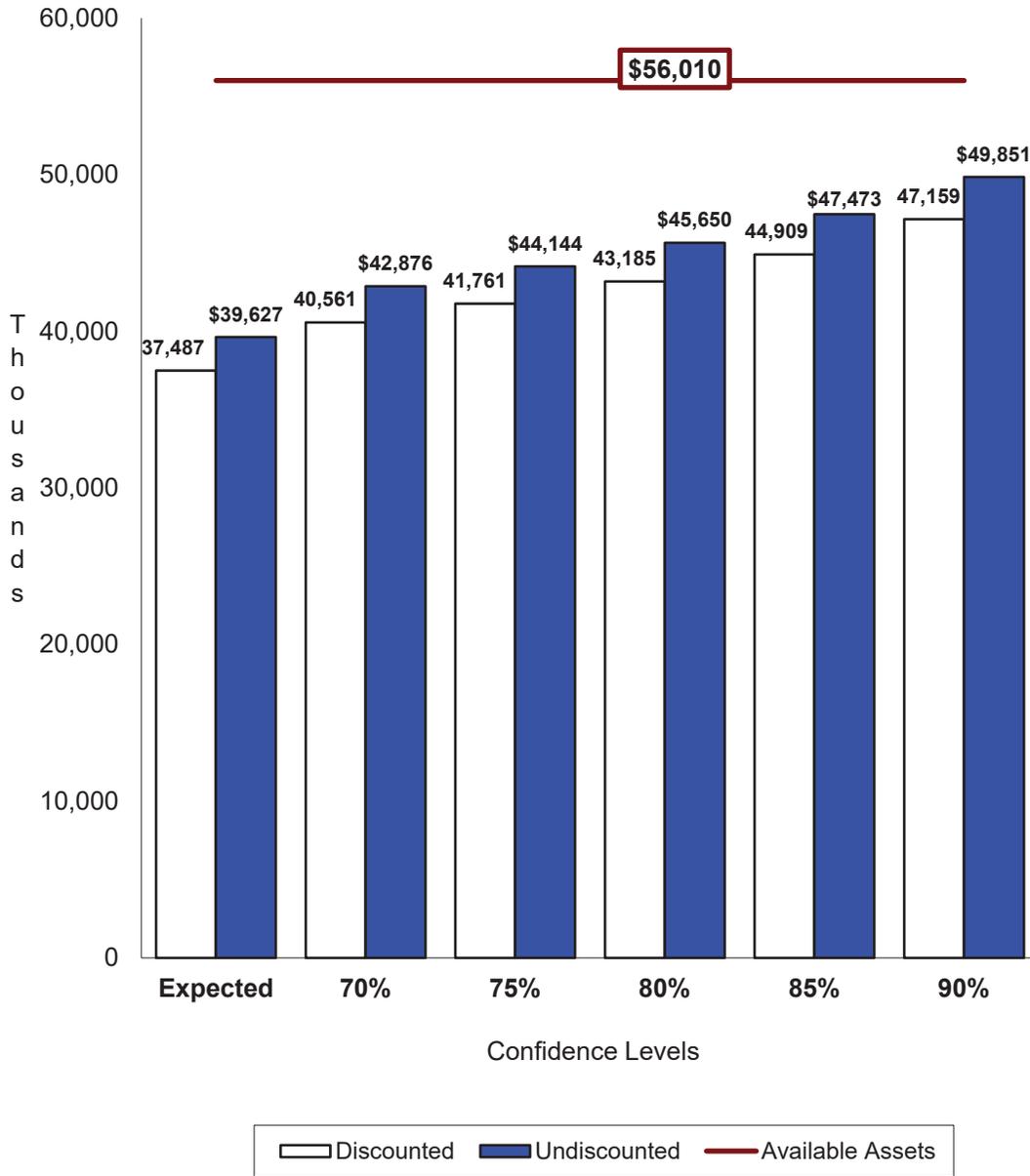
Our best estimate of the full value of NCCSIF's liability for outstanding claims within its pool limit is \$39,627,000, \$19,612,000 is for the banking layer and \$20,015,000 is for the shared layer as of June 30, 2021. These amounts include losses, allocated loss adjustment expenses (ALAE) and unallocated loss adjustment expenses (ULAE), but exclude 4850 TD and 4850 SC benefits. ALAE is the direct cost associated with the defense of individual claims (e.g. legal fees, investigation fees, court charges). ULAE is the cost to administer claims to final settlement, which may be years in the future (e.g. claims adjusters' salaries, taxes).

There is some measure of uncertainty associated with our best estimate because of the random nature of much of the process that determines ultimate claims costs. For this reason, we generally recommend that a program such as this include some funding margin for the possibility that actual loss costs will be greater than the best estimate. We generally measure the amount of this margin by thinking in terms of the probability distribution of actual possible results around our best estimate. As the margin grows, the probability that the corresponding funding amount will be sufficient to meet actual claim liabilities increases. We typically refer to this probability as the "confidence level" of funding. Graphs 1a, 1b and 1c show the liabilities for outstanding claims at several confidence levels that are typically of interest to risk managers in formulating funding policies for self-insurance programs.

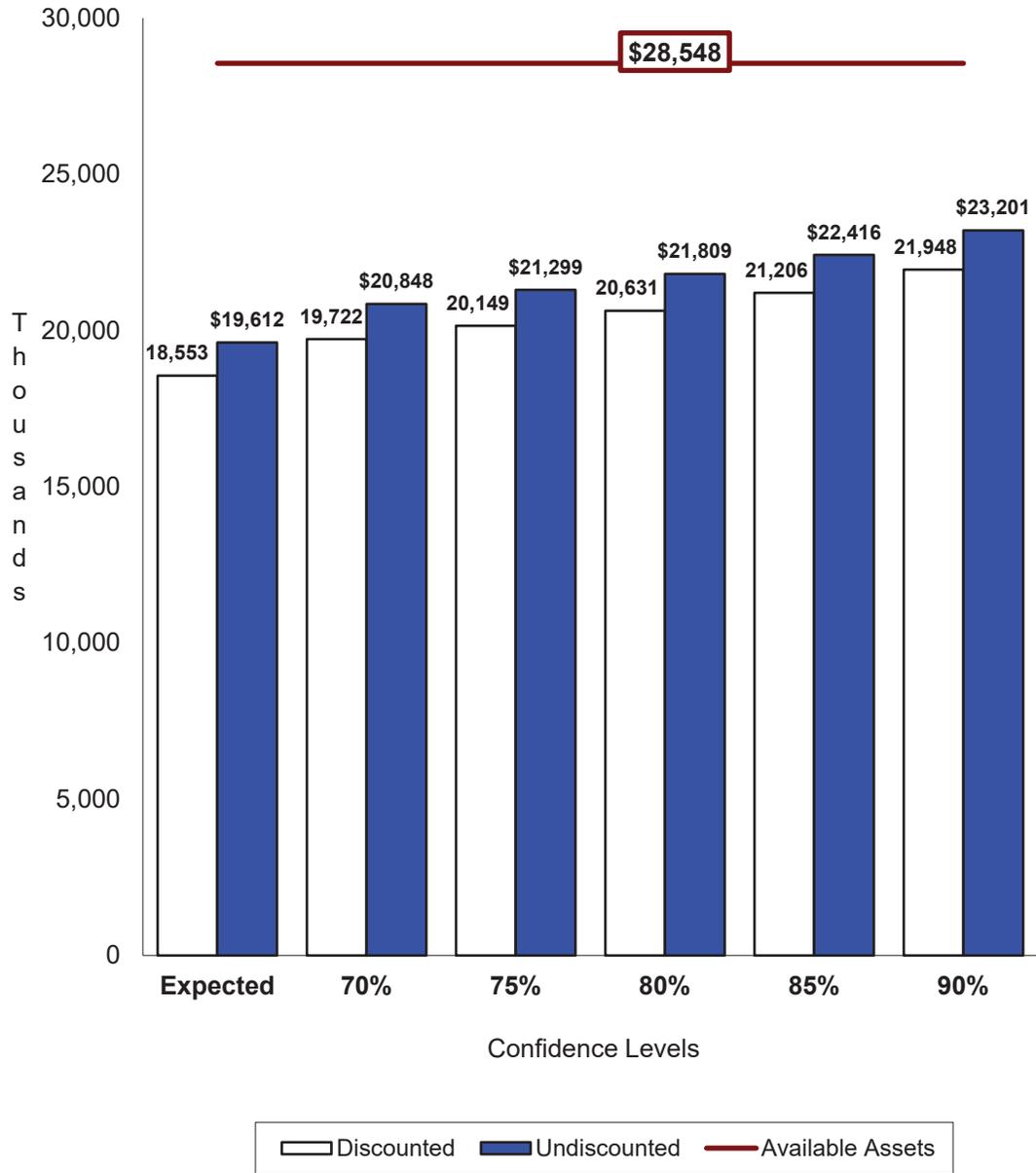
NCCSIF can earn investment income on the assets it holds until claims payments come due. Assuming a long-term average annual return on investments of 1.5%, we estimate the impact of investment income earnings to be about 5.4% if the program is funded within the range indicated in the graphs, resulting in a discounted liability for outstanding claims of \$37,487,000, \$18,553,000 for the banking layer and \$18,934,000 for the shared layer as of June 30, 2021.

Investment income earnings will be less than this when the program does not maintain sufficient funding, and more when there is excess funding. Thus, thinking in terms of liabilities discounted for investment income can actually mask funding deficiencies and redundancies that might otherwise be obvious. However, the discounted liabilities do represent legitimate funding targets. The light-colored bars on Graphs 1a, 1b and 1c show our estimates of NCCSIF's discounted liability for outstanding claims.

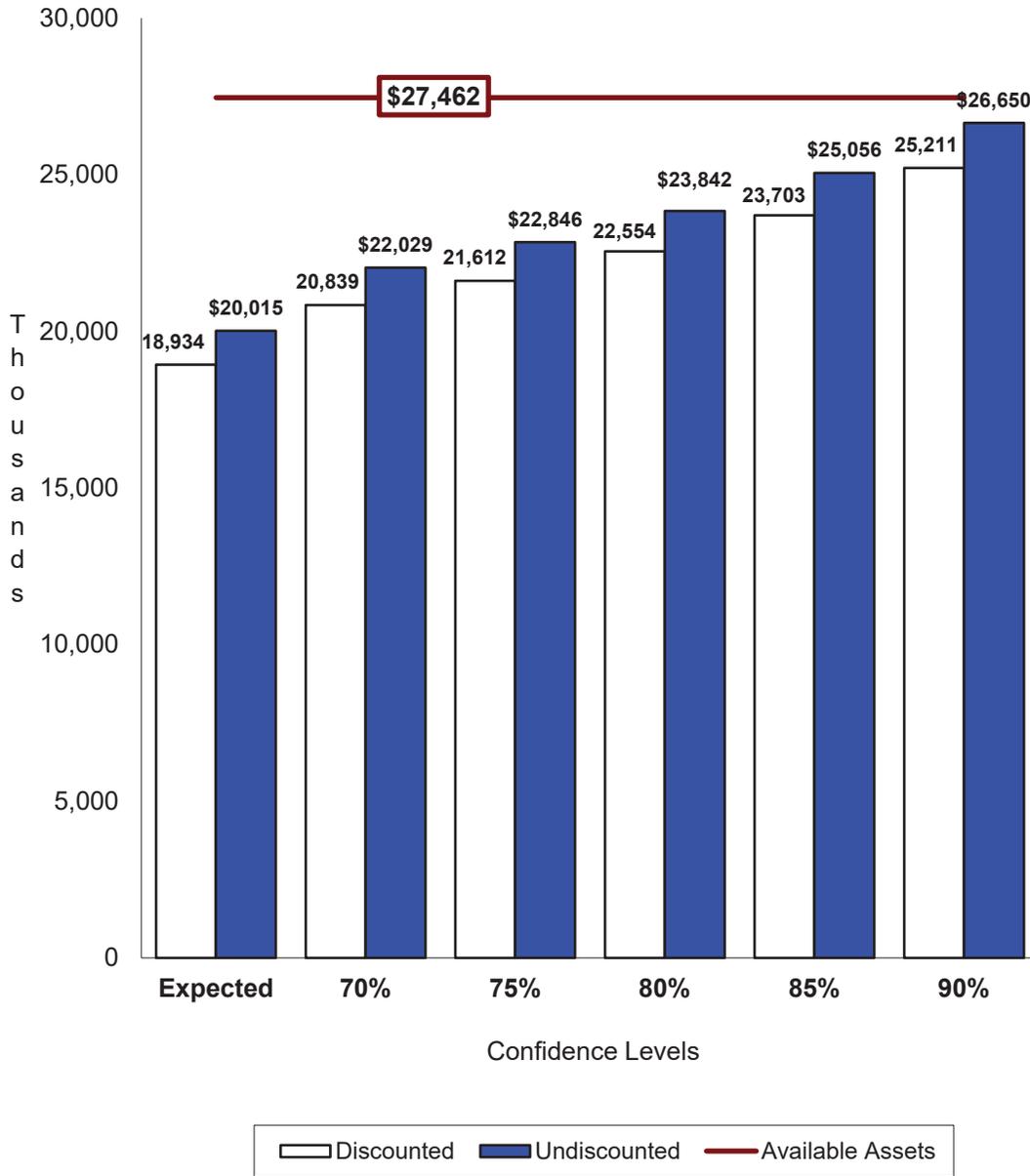
NCCSIF - Workers' Compensation
 Available Assets vs Outstanding Liability (\$000's)
 at June 30, 2021
 Banking and Shared Layers Combined
 Net of 4850 TD and 4850 SC



NCCSIF - Workers' Compensation
 Available Assets vs Outstanding Liability (\$000's)
 at June 30, 2021
 Banking Layer
 Net of 4850 TD and 4850 SC



NCCSIF - Workers' Compensation
Available Assets vs Outstanding Liability (\$000's)
at June 30, 2021
Shared Layer
Net of 4850 TD and 4850 SC



The table below displays a breakdown of the program's outstanding loss and LAE liabilities into case reserves and incurred but not reported (IBNR) reserves at June 30, 2021, before recognition of investment income.

Northern California Cities Self Insurance Fund
Self-Insured Workers' Compensation Program
Estimated Liability for Unpaid Loss and LAE at June 30, 2021
Banking and Shared Layers Combined
Net of 4850 TD and 4850 SC

Year	Case Reserves	IBNR Reserves	Total Outstanding
Prior	\$1,052,052	\$47,411	\$1,099,463
2000-01	448,303	15,380	463,683
2001-02	84,113	18,531	102,644
2002-03	162,344	51,388	213,732
2003-04	203,719	47,276	250,995
2004-05	263,560	51,617	315,177
2005-06	361,907	64,976	426,883
2006-07	843,591	116,775	960,366
2007-08	488,019	88,869	576,888
2008-09	323,012	106,970	429,982
2009-10	644,639	140,911	785,550
2010-11	367,937	114,677	482,614
2011-12	1,087,612	129,688	1,217,300
2012-13	532,194	261,646	793,840
2013-14	1,363,502	218,246	1,581,748
2014-15	2,391,968	153,086	2,545,054
2015-16	1,129,110	659,775	1,788,885
2016-17	1,766,228	637,425	2,403,653
2017-18	1,790,203	1,054,155	2,844,358
2018-19	3,369,080	1,358,087	4,727,167
2019-20	3,135,605	2,821,738	5,957,343
2020-21	2,207,277	5,438,368	7,645,645
Loss and ALAE	\$24,015,975	\$13,596,995	\$37,612,970
ULAE		2,013,659	2,013,659
Total	\$24,015,975	\$15,610,654	\$39,626,629

B. PROGRAM FUNDING: GOALS AND OBJECTIVES

As self-insurance programs have proliferated among public entities, it has become apparent that there is a large measure of inconsistency in the way in which these programs recognize and account for their claims costs. This is the result of the fact that there have been several different sources of guidance available, none of which has been completely relevant to public entity self-insurance programs.

According to the Governmental Accounting Standards Board (GASB), the most relevant source of guidance on the subject is Financial Accounting Standards Board Statement #60. A liability for unpaid claim costs, including all loss adjustment expenses, should be accrued at the time the self-insured events occur. This liability should include an allowance for incurred but not reported claims. It may be discounted for investment income at an appropriate rate of return, provided the discounting is disclosed. The regulations detailing the way in which this must be done are outlined in GASB's statements #10 and #30. These regulations are required to be applied by NCCSIF.

GASB #10 and #30 do not address asset requirements. They do, however, allow a range of amounts to be recognized for accounting purposes; specifically, GASB #10 and #30 allow recognition of a risk margin for unexpectedly adverse loss experience. Thus, for accounting purposes, it is possible to formulate a funding policy from a range of alternatives. The uncertainty in any estimate of the program's liability for outstanding claims should be taken into consideration in determining funding policy, but it may be offset by recognizing anticipated investment income earnings. This usually means developing a funding program based on discounted claims costs with some risk margin for unexpected adverse loss experience.

The amount of the risk margin should be a question of long-term funding policy. We recommend that the risk margin be determined by thinking in terms of the probability that a given level of assets will prove to be adequate. For example, a reasonable goal might be to maintain assets at the 85% confidence level.

A key factor to consider in determining funding policy is the degree to which stability is required in the level of contributions to the program from year to year. If you elect to maintain assets at a low confidence level, the chances are much greater that future events will prove that additional contributions should have been made for old claims. The additional contributions for old claims may be required at the same time that costs are increasing dramatically on new claims. The burden of funding for increases on past years as well as on current years, may well be prohibitive.

We generally recommend maintaining program assets at the 80% confidence level, after recognition of investment income, with a recommended range of the 75% to 85% confidence levels. We tend to think of the 70% confidence level as marginally acceptable and of the 90% confidence level as conservative. We recommend the 75% to 85% confidence level range because the probabilities are reasonably high that resulting assets will be sufficient to meet claim liabilities, yet the required risk margins are not so large that they will cause most self-insured entities to experience undue financial hardship. In addition, within this range, anticipated investment income generally offsets the required risk margin for the most part, which means that assets are likely sufficient on an undiscounted basis.

We also strongly believe, however, that the confidence level to which any future year is funded should be evaluated in light of the relative certainty of the assumptions underlying the actuarial analysis, NCCSIF's other budgetary constraints, and the relative level of risk it is believed appropriate to assume. This means formulating both short and long-term funding goals, which may be the same in some years, but different in others.

In general, we recommend funding each year's claims costs in that year. When surpluses or deficits have developed on outstanding liabilities and funding adjustments are necessary, they should be clearly identified as such so that the habit of funding each year's claims costs that year is maintained. We also recommend that you reduce a surplus more slowly than you would accumulate funding to reduce a deficit.

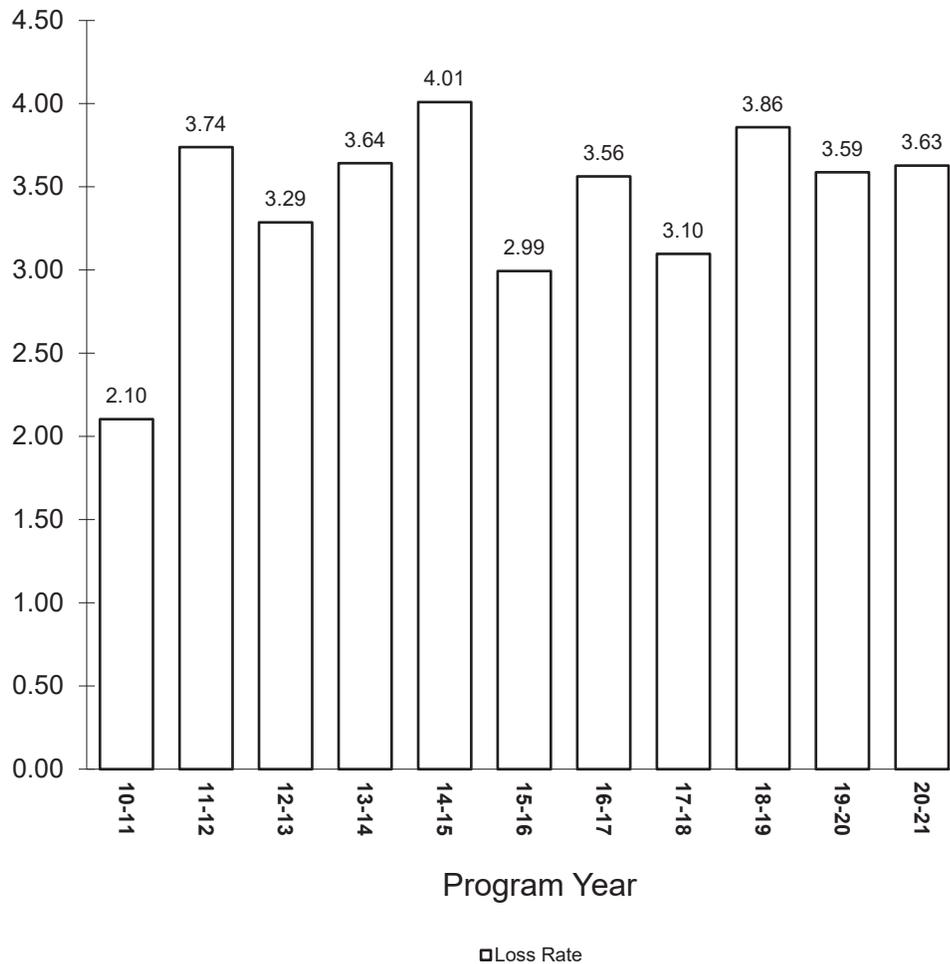
It is estimated that program assets will be \$56,010,000 at June 30, 2021, \$28,548,000 for the banking layer and \$27,462,000 for the shared layer, resulting in the program being funded above the 90% confidence level on a combined basis and for both the banking layer and shared layer separately

C. HISTORICAL TRENDS IN THE SELF-INSURANCE PROGRAM

The program's loss rate per \$100 of payroll has been relatively flat during the last nine years, averaging \$3.53 per \$100 of payroll. We selected a loss rate of \$3.63 per \$100 of payroll for the 2020-21 program year based on the assumption that this trend will continue. See Graph 2a below.

Graph 2a

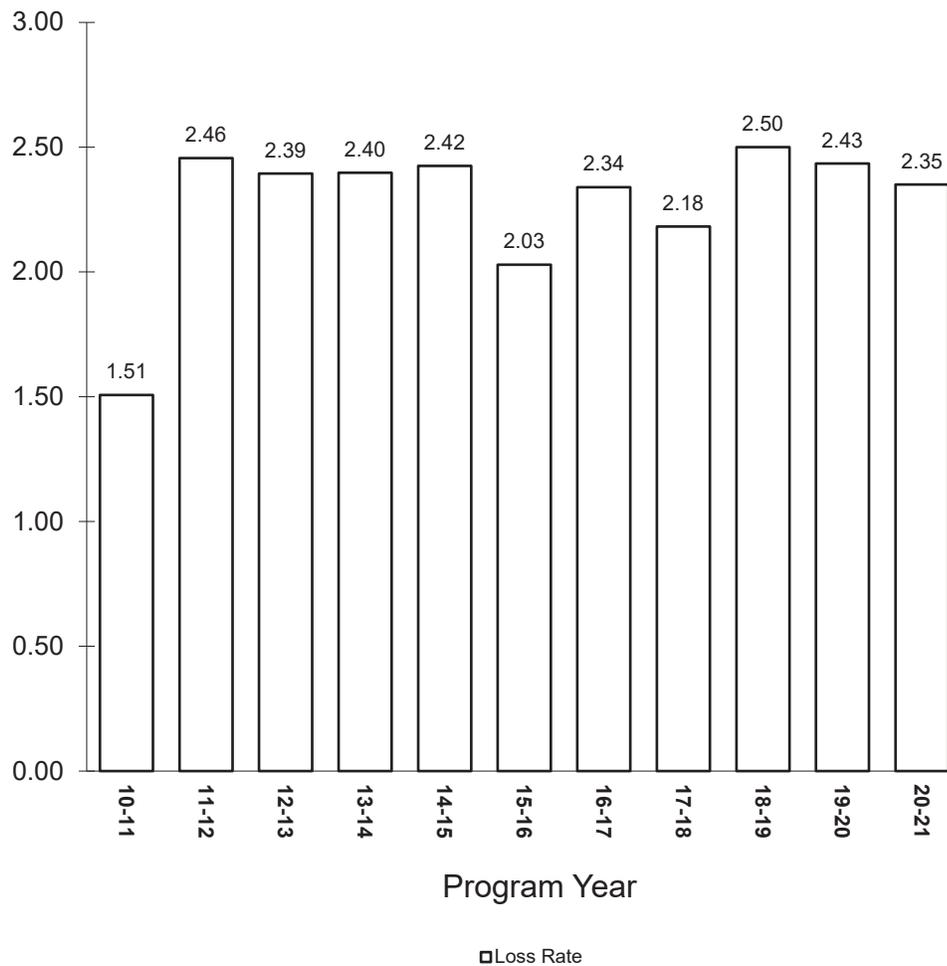
NCCSIF - Workers' Compensation
Banking and Shared Layers Combined
Dollars of Loss per
\$100 of Payroll
Net of 4850 TD and 4850 SC



The banking layer loss rate per \$100 of payroll has been relatively flat during the last nine years. Our projected 2020-21 loss rate of \$2.35 per \$100 of payroll reflects this trend. See Graph 2b below.

Graph 2b

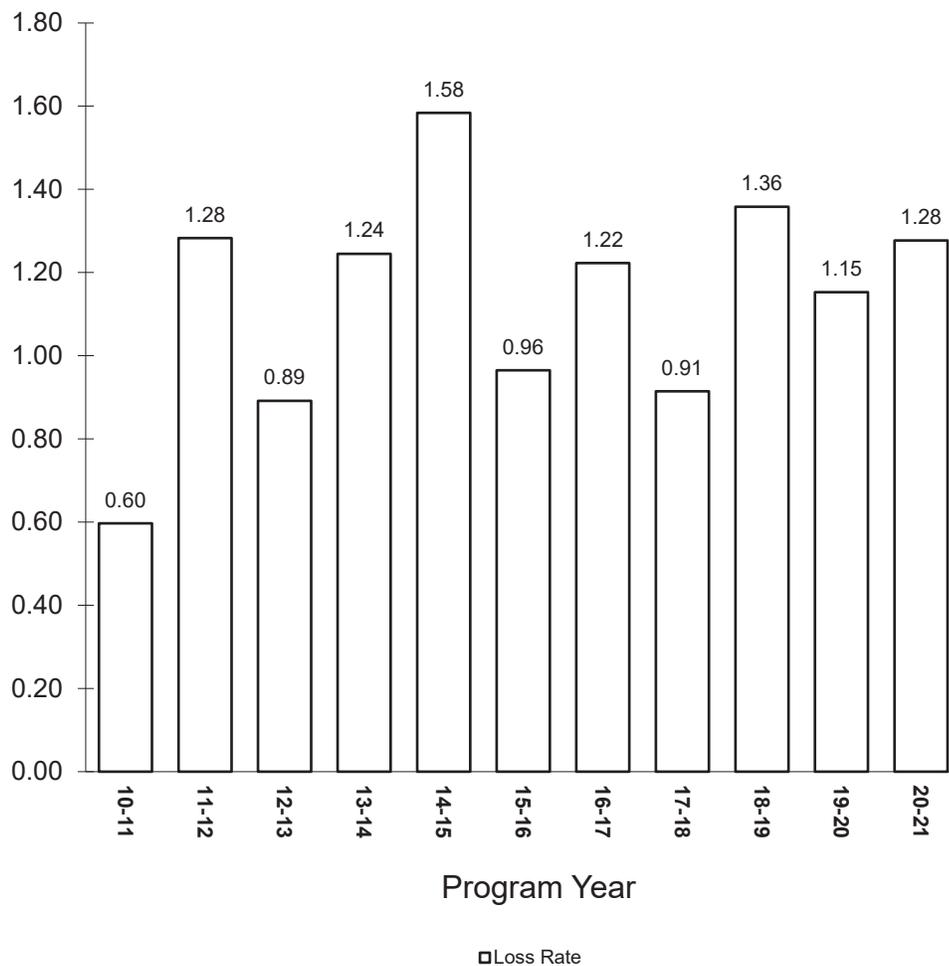
NCCSIF - Workers' Compensation
Banking Layer
Dollars of Loss per
\$100 of Payroll
Net of 4850 TD and 4850 SC



The shared layer loss rate has varied a considerably over the last ten years, typical for excess layers losses. Overall rates appear to follow an increasing trend in the most recent ten years. We projected 2020-21 loss rate of \$1.28 based on this trend. See Graph 2c below.

Graph 2c

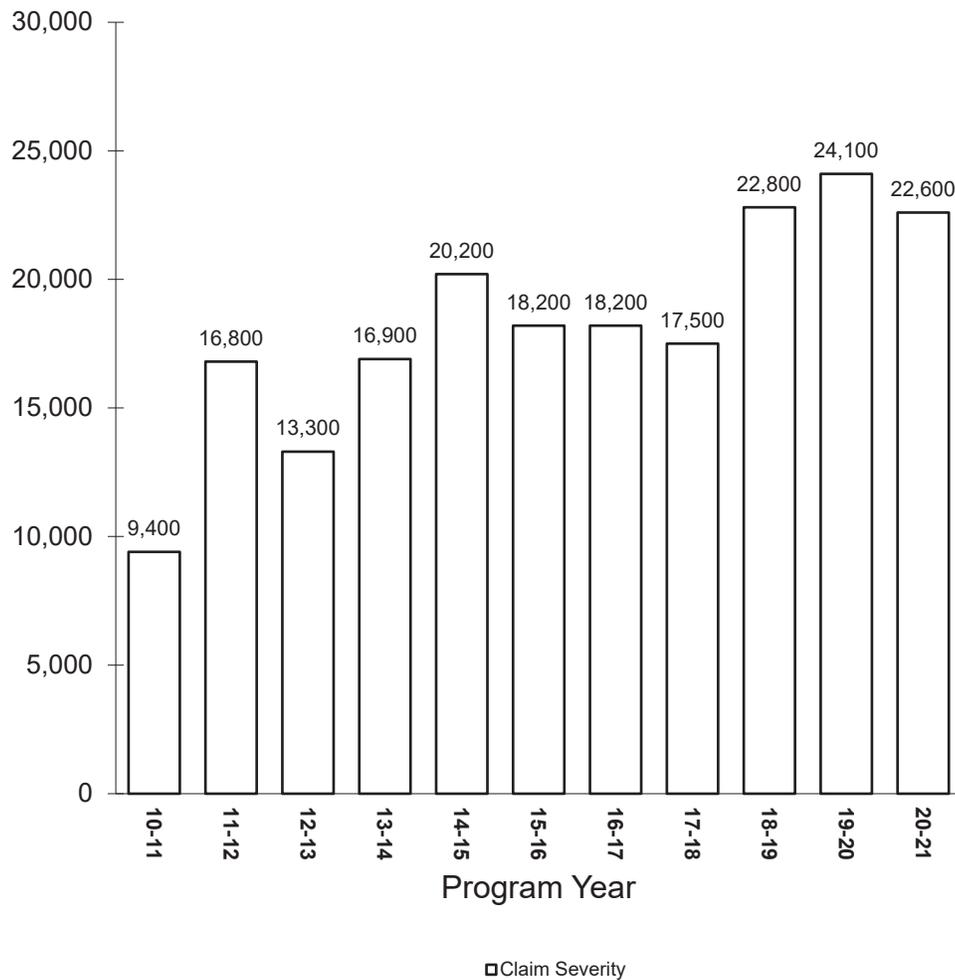
NCCSIF - Workers' Compensation
Shared Layer
Dollars of Loss per
\$100 of Payroll
Net of 4850 TD and 4850 SC



The program's average cost per claim has been following a generally increasing trend over the past ten years. The program's average cost per claim has ranged from a low of \$9,400 to a high of \$24,100. Our projected 2020-21 average cost of \$22,600 per claim reflects this upward trend. See Graph 3a below.

Graph 3a

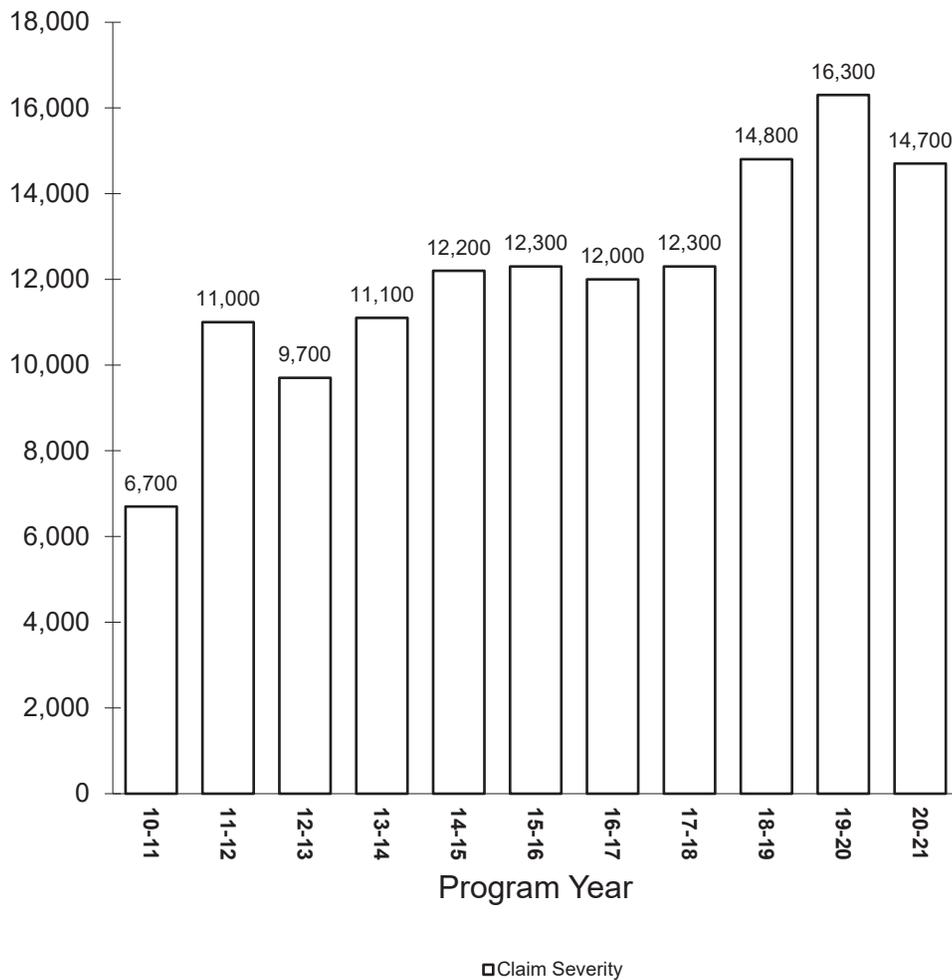
NCCSIF - Workers' Compensation
Banking and Shared Layers Combined
Dollars of Loss per Claim
Net of 4850 TD and 4850 SC



The banking layer's average cost per claim been following a generally increasing trend over the past ten years. The program's average cost per claim has ranged from a low of \$6,700 to a high of \$16,300. Our projected 2020-21 average cost of \$14,700 per claim reflects this upward trend. See Graph 3b below.

Graph 3b

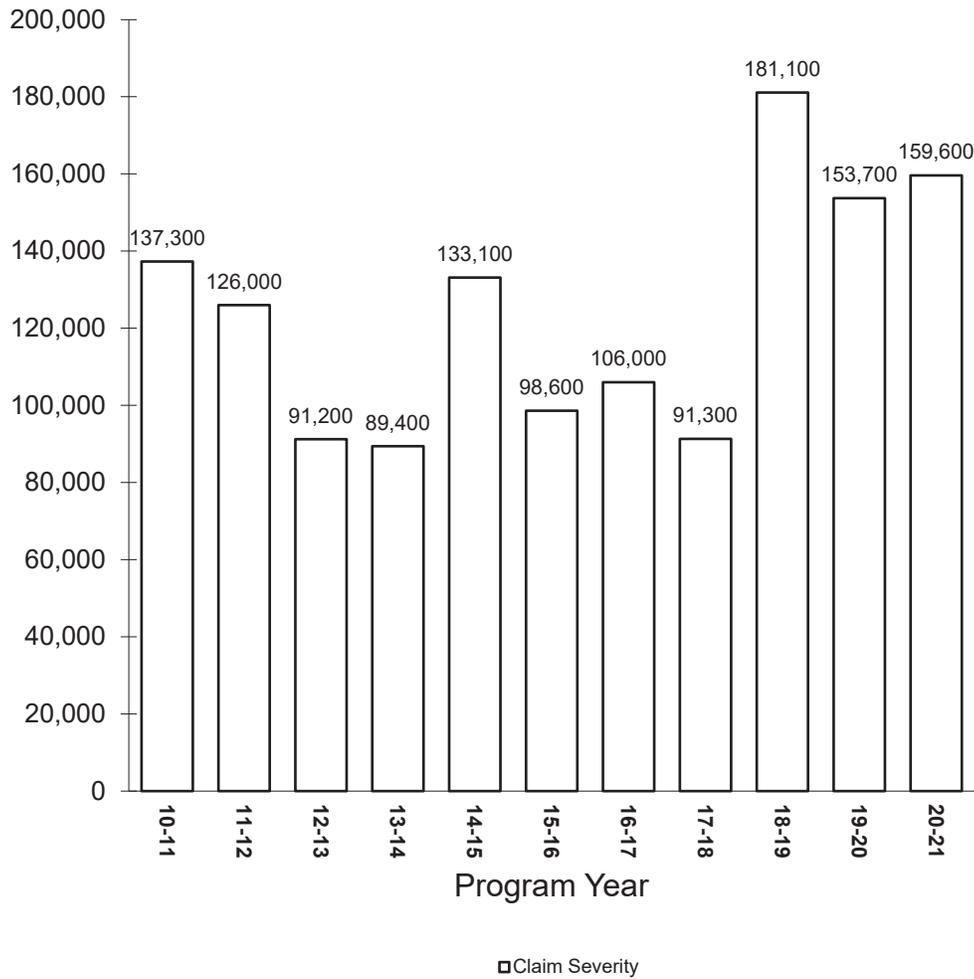
NCCSIF - Workers' Compensation
Banking Layer
Dollars of Loss per Claim
Net of 4850 TD and 4850 SC



The shared layer average cost per claim has been volatile over the period shown below but has been generally increasing during the past ten years. We project the 2020-21 shared layer severity to be \$159,600 per claim. See Graph 3c Below.

Graph 3c

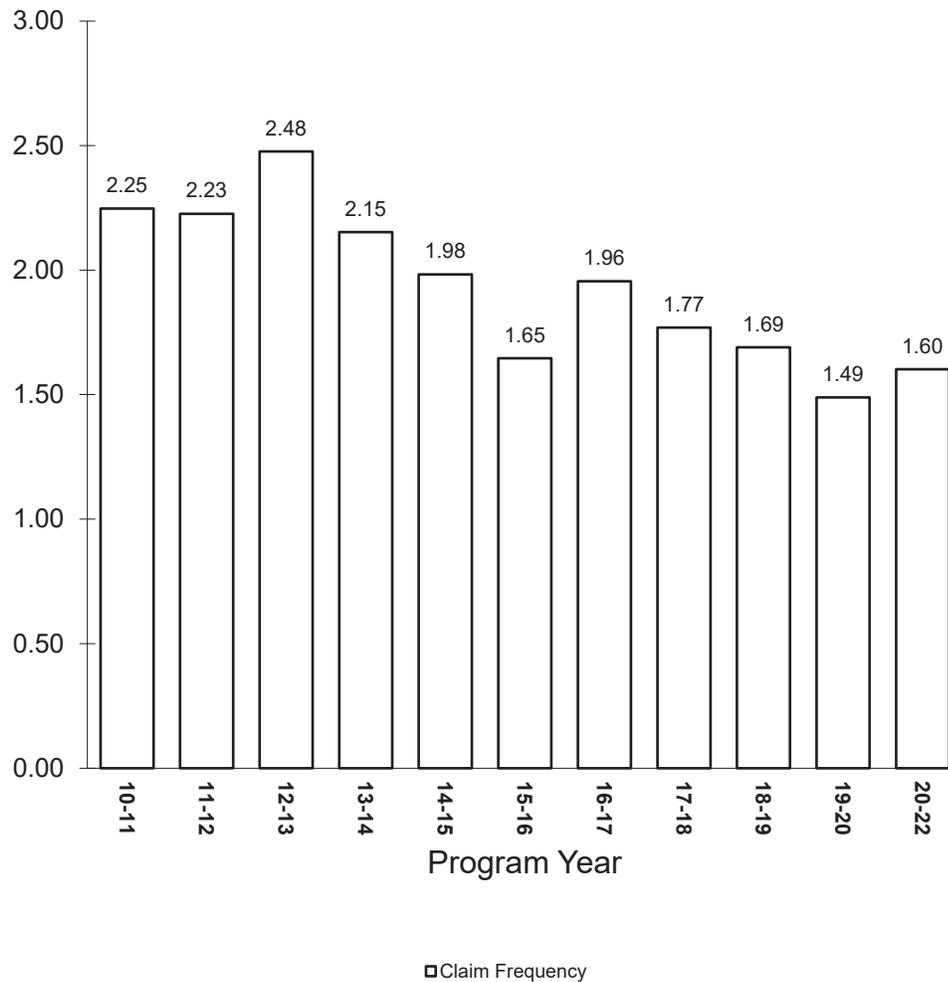
NCCSIF - Workers' Compensation
Shared Layer
Dollars of Loss per Claim
Net of 4850 TD and 4850 SC



The program's frequency of claims per \$1 million payroll has been generally trending downward. The projected 2020-21 frequency of 1.60 is based on that decreasing trend. See Graph 4a below. (Note that banking layer frequency is the same as shown below for the program.)

Graph 4a

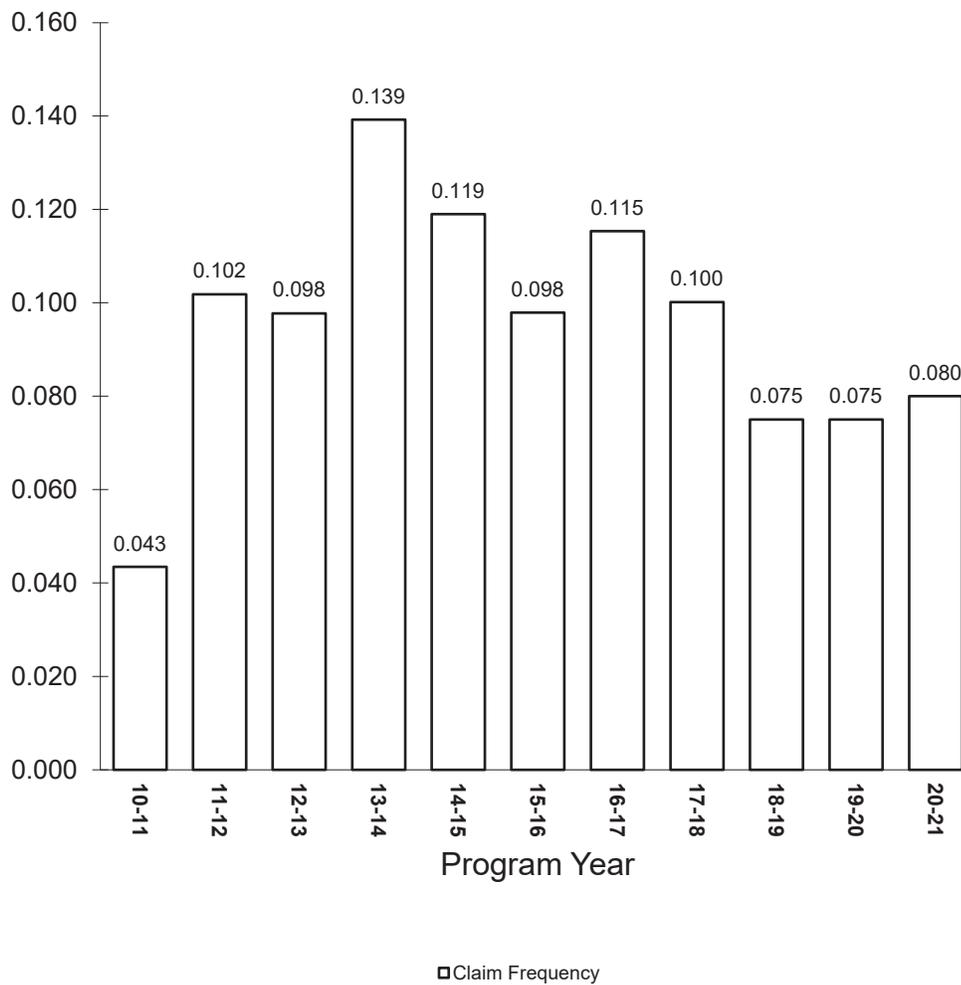
NCCSIF - Workers' Compensation
Number of Claims per
\$1 Million of Payroll



The shared layer frequency of claims per \$1 million payroll has been somewhat volatile, following no discernable pattern. Such volatility is not unexpected since the program receives very few claims per year. Thus, even one additional claim can have a significant impact. We project the 2020-21 shared layer frequency to be 0.080 claims per \$1 million payroll. See Graph 4b below.

Graph 4b

NCCSIF - Workers' Compensation
Shared Layer
Number of Claims per
\$1 Million of Payroll



D. COMPARISON WITH PREVIOUS RESULTS

The prior report for Northern California Cities Self Insurance Fund was dated March 5, 2020. In the table below we display actual versus expected development of incurred losses and ALAE by accident year between the December 31, 2019 evaluation date of the prior report and the December 31, 2020 evaluation date of the current report.

Actual Versus Expected Incurred Loss and ALAE Development

Net of 4850 TD and 4850 SC

Accident Year	Expected Incurred Development	Actual Incurred Development	Actual Minus Expected
Prior	\$52,000	\$86,000	\$34,000
2000-01	15,000	27,000	12,000
2001-02	12,000	(24,000)	(36,000)
2002-03	19,000	(55,000)	(74,000)
2003-04	13,000	(5,000)	(18,000)
2004-05	11,000	21,000	10,000
2005-06	11,000	(58,000)	(69,000)
2006-07	17,000	126,000	109,000
2007-08	11,000	136,000	125,000
2008-09	17,000	(142,000)	(159,000)
2009-10	23,000	26,000	3,000
2010-11	32,000	5,000	(27,000)
2011-12	40,000	278,000	238,000
2012-13	25,000	(266,000)	(291,000)
2013-14	59,000	160,000	101,000
2014-15	67,000	412,000	345,000
2015-16	178,000	180,000	2,000
2016-17	167,000	(20,000)	(187,000)
2017-18	584,000	296,000	(288,000)
2018-19	1,094,000	1,343,000	249,000
2019-20	3,476,000	3,658,000	182,000
Total	\$5,923,000	\$6,184,000	\$261,000

As shown, actual incurred development was greater than anticipated since the prior report. Based on the assumptions from the prior report, it was expected that incurred losses would increase by \$5,923,000 between the two evaluation dates. However, actual development was approximately \$6,184,000; or about \$261,000 more than expected. Six of the last nine accident years have developed greater than expected, however, 2012-13, 2016-17, and 2017-18 are emerging much less than expected.

In the table below we display actual versus expected development of paid losses and ALAE by accident year between the December 31, 2019 evaluation date of the prior report and the December 31, 2020 evaluation date of the current report.

Actual Versus Expected Paid Loss and ALAE Development

Net of 4850 TD and 4850 SC

Accident Year	Expected Paid Development	Actual Paid Development	Actual Minus Expected
Prior	\$164,000	\$164,000	\$0
2000-01	74,000	34,000	(40,000)
2001-02	21,000	21,000	0
2002-03	40,000	60,000	20,000
2003-04	30,000	16,000	(14,000)
2004-05	32,000	38,000	6,000
2005-06	45,000	37,000	(8,000)
2006-07	79,000	13,000	(66,000)
2007-08	45,000	20,000	(25,000)
2008-09	67,000	29,000	(38,000)
2009-10	117,000	27,000	(90,000)
2010-11	104,000	58,000	(46,000)
2011-12	212,000	83,000	(129,000)
2012-13	202,000	246,000	44,000
2013-14	293,000	249,000	(44,000)
2014-15	477,000	400,000	(77,000)
2015-16	537,000	593,000	56,000
2016-17	836,000	823,000	(13,000)
2017-18	1,447,000	969,000	(478,000)
2018-19	1,823,000	1,471,000	(352,000)
2019-20	2,043,000	1,205,000	(838,000)
Total	\$8,688,000	\$6,556,000	(\$2,132,000)

As shown, actual paid development was less than anticipated since the prior report. Based on the assumptions from the prior report, it was expected that paid losses would increase by \$8,688,000 between the two evaluation dates. However, actual development was approximately \$6,556,000; or about \$2,132,000 less than expected. Most accident years are emerging less than expected.

In the table below we display the change in our estimates of the program's ultimate losses and ALAE by accident year since our prior report.

Change in Ultimate Loss and ALAE

Net of 4850 TD and 4850 SC

Accident Year	Prior Report	Current Report	Change In Ultimate
Prior	\$47,498,000	\$47,576,000	\$78,000
2000-01	5,283,000	5,295,000	12,000
2001-02	3,942,000	3,905,000	(37,000)
2002-03	6,866,000	6,790,000	(76,000)
2003-04	4,237,000	4,219,000	(18,000)
2004-05	3,777,000	3,786,000	9,000
2005-06	4,244,000	4,174,000	(70,000)
2006-07	6,019,000	6,131,000	112,000
2007-08	3,792,000	3,918,000	126,000
2008-09	4,323,000	4,160,000	(163,000)
2009-10	4,759,000	4,760,000	1,000
2010-11	3,454,000	3,426,000	(28,000)
2011-12	5,760,000	5,946,000	186,000
2012-13	5,211,000	5,108,000	(103,000)
2013-14	6,512,000	6,632,000	120,000
2014-15	7,609,000	7,864,000	255,000
2015-16	6,211,000	6,220,000	9,000
2016-17	7,717,000	7,561,000	(156,000)
2017-18	6,958,000	6,650,000	(308,000)
2018-19	8,422,000	8,628,000	206,000
2019-20	8,267,000	8,431,000	164,000
Total	\$160,861,000	\$161,180,000	\$319,000

As shown, overall we have increased our estimated ultimates by \$319,000 since our prior report. These changes track well with actual versus expected incurred and paid development mentioned above.

At the time of the prior report, we estimated the liability for outstanding claims as of June 30, 2020 to be \$35,405,000 at the discounted, expected level. Our current estimate as of June 30, 2021, is \$37,487,000, an increase in our assessment of NCCSIF's outstanding liabilities, as shown below:

Outstanding Claim Liabilities for Loss and LAE
Banking and Shared Layers Combined
Net of 4850 TD and 4850 SC

	Prior Report at June 30, 2020	Current Report at June 30, 2021	Change
(A) Case Reserves:	\$23,059,000	\$24,016,000	\$957,000
(B) IBNR Reserves:	12,453,000	13,597,000	1,144,000
(C) Claims Administration Reserves:	1,914,000	2,014,000	100,000
(D) Total Reserves:	\$37,426,000	\$39,627,000	\$2,201,000
(E) Offset for Investment Income:	(2,021,000)	(2,140,000)	(119,000)
(F) Total Outstanding Claim Liabilities:	\$35,405,000	\$37,487,000	\$2,082,000

As shown, our estimate of outstanding claims liabilities at the discounted, expected level has increased between June 30, 2020 and June 30, 2021 as reflected in our prior and current reports respectively.

At the time of the prior report, available assets were estimated to be \$51,065,000 as of June 30, 2020, which corresponded to the then-estimated discounted liability for outstanding claims above the 90% confidence level. Available assets are currently estimated to be \$56,010,000 as of June 30, 2021, which corresponds to the currently estimated liability for outstanding claims above the 90% confidence level. It can be summarized as follows:

Funding Margin
 Banking and Shared Layers Combined
 Net of 4850 TD and 4850 SC

	Prior Report at June 30, 2020	Current Report at June 30, 2021	Change
(A) Outstanding Liability at the Discounted Expected Level:	\$35,405,000	\$37,487,000	\$2,082,000
(B) Estimated Assets At June 30:	51,065,000	56,010,000	4,945,000
(C) Surplus/(Deficit):	\$15,660,000	\$18,523,000	\$2,863,000

At the time of the prior report, our funding estimate for the 2020-21 year was \$9,381,000 at the discounted, expected level. That amount included allocated loss adjustment expenses (ALAE), unallocated loss adjustment expenses (ULAE), and a discount for anticipated investment income. Our current estimate for the 2021-22 year is \$9,759,000 at the discounted, expected level, an increase in the program's expected loss costs, as shown in the table below:

Comparison of Funding for Loss and LAE
 Banking and Shared Layers Combined
 Net of 4850 TD and 4850 SC

	Prior Report 2020-21 Pool Limit = \$500,000	Current Report 2021-22 Pool Limit = \$500,000	Change
(A) Ultimate Loss and ALAE:	\$8,980,000	\$9,319,000	\$339,000
(B) Ultimate Claims Administration (ULAE):	790,000	840,000	50,000
(C) Total Claim Costs:	\$9,770,000	\$10,159,000	\$389,000
(D) Offset for Investment Income:	(389,000)	(400,000)	(11,000)
(E) Total Recommended Funding:	\$9,381,000	\$9,759,000	\$378,000
(F) Funding per \$100 of Payroll:	\$3.79	\$3.89	\$0.10

As you can see, our funding recommendations at the discounted, expected level have increased between 2020-21 and 2021-22, as shown in our prior and current reports respectively. This increase is due to greater than expected claims experience in recent accident years coupled with an increase in payroll.

E. DATA PROVIDED FOR THE ANALYSIS

Overall, the data utilized in preparing this report appears to be accurate.

Comments and issues regarding the data are as follows:

- We have assumed that the program's self-insured retention will remain at \$500,000 per occurrence for 2020-21 and 2021-22 (See Appendix K).
- We estimated the June 30, 2021 asset balance by beginning with the June 30, 2020 asset balance, and adjusting for anticipated revenue and expense for 2020-21 (see Appendix L).
- We received loss data evaluated as of December 31, 2020 (See Appendix M). We also utilized the data from NCCSIF's most recent actuarial study for our assessment of loss development.
- We have assumed that NCCSIF's payroll for 2021-22 will be \$250,917,248 based upon information provided by NCCSIF (See Appendix N).
- Please note that the estimates contained in this report do not include costs for 4850 TD (Temporary Disability) and 4850 SC (salary continuation). The loss run provided separated losses into various layers, including Banking and Shared. However, additional fields were developed which removed voucher amounts which are not paid from the insurance fund. These vouchers are the responsibility of the individual member.
- The estimates in this report do not include a provision for the potential impact on the cost of workers' compensation claims as a result of the coronavirus (COVID-19) pandemic.

The data provided for the analysis appears to be reasonable for use in this actuarial valuation of liabilities and projection of loss costs.

III. ASSUMPTIONS AND LIMITATIONS

Any quantitative analysis is developed within a very specific framework of assumptions about conditions in the outside world, and actuarial analysis is no exception. We believe that it is important to review the assumptions we have made in developing the estimates presented in this report. By doing so, we hope you will gain additional perspective on the nature of the uncertainties involved in maintaining a self-insurance program. Our assumptions, and some observations about them, are as follows:

- Our analysis is based on loss experience, exposure data, and other general and specific information provided to us by NCCSIF. We have accepted all of this information without audit.
- We have also made use of loss statistics that have been developed from the information gathered and compiled from other California counties participating in the PRISM's workers' compensation program.
- We have assumed that the future development of incurred and paid losses can be reasonably predicted on the basis of development of such losses in the recent past. We have also assumed that the historical development patterns for the participants of the PRISM's workers' compensation program in the aggregate form a reasonable basis of comparison to the patterns from Northern California Cities Self Insurance Fund's data.
- We have made use of cost relationships for claims of various sizes derived from the most recent actuarial review of the PRISM's workers' compensation program.
- We have assumed that there is a continuing relationship between past and future loss costs.
- It is not possible to predict future claim costs precisely. Most of the costs of workers' compensation claims arise from a small number of incidents involving serious injury. A relatively small number of such claims could generate enough loss dollars to significantly reduce, or even deplete, the self-insurance fund.
- We cannot predict and have not attempted to predict the impact of future law changes and court rulings on claims costs. This is one major reason why we believe our funding recommendations are reasonable now, but should not be extrapolated into the future.
- The changes in cost levels associated with benefit increases and administrative changes typically take place over a period of several years following their enactment, and these changes are very difficult to forecast in advance. We have based our benefit level factors on those produced by the Workers' Compensation Insurance Rating Bureau of California (WCIRB). See Appendix E for a display of the benefit level cost indices by fiscal year.

DRAFT

- We have assumed that the loss rate trend associated with claim costs increases at 1.5% per year. We have assumed that claim severity increases at 1.5% per year, and that claim frequency will remain flat.
- We have assumed that payroll and other inflation-sensitive exposure measures increase 2.5% annually due to inflation.
- We have assumed that assets held for investment will generate an average annual return of 1.5% over the duration of payment of the loss liabilities. It should be noted that actual future investment returns may vary significantly from this assumption, depending upon the prevailing investment market conditions.
- The claims costs we have estimated include indemnity and medical payments, and all loss adjustment expenses. We have not included estimates for excess insurance contributions to the PRISM and other expenses associated with the program based upon information provided by NCCSIF.
- Our funding recommendations do not include provisions for catastrophic events not in NCCSIF's history, such as earthquakes, flooding, mass civil disorder, or mass occupational disease.
- Our estimates assume that all excess insurance is valid and collectible. Further, our funding recommendations do not include a provision for losses greater than NCCSIF's excess coverage.
- NCCSIF's assets available for the program are estimated to be \$56,010,000 as of June 30, 2021 for use in this report. This is shown in further detail in Appendix L.

IV. GLOSSARY OF ACTUARIAL TERMS

Accident Year - Year during which the accidents that generate a group of claims occurs, regardless of when the claims are reported, payments are made, or reserves are established.

Allocated Loss Adjustment Expenses (ALAE) - Expense incurred in settling claims that can be directly attributed to specific individual claims (e.g., legal fees, investigative fees, court charges, etc.)

Benefit Level Factor - Factor used to adjust historical losses to the current level of workers' compensation benefits.

Case Reserve - The amount left to be paid on a claim, as estimated by the claims administrator.

Claim Count Development Factor - A factor that is applied to the number of claims reported in a particular accident period in order to estimate the number of claims that will ultimately be reported.

Claim Frequency - Number of claims per \$1 million of payroll.

Confidence Level - An estimated probability that a given level of funding will be adequate to pay actual claims costs. For example, the 85% confidence level refers to an estimate for which there is an 85% chance that the amount will be sufficient to pay loss costs.

Discount Factor - A factor to adjust estimated loss costs to reflect anticipated investment income from assets held prior to actual claim payout.

Expected Losses - The best estimate of the full, ultimate value of loss costs.

Incurred but not Reported (IBNR) Losses - Losses for which the accident has occurred but the claim has not yet been reported. This is the ultimate value of losses, less any amount that has been set up as reported losses by the claims adjuster. It includes both amounts for claims incurred but not yet received by the administrator and loss development on already reported claims.

Loss Development Factor - A factor applied to losses for a particular accident period to reflect the fact that reported and paid losses do not reflect final values until all claims are settled (see Section IV).

Loss Rate - Ultimate losses per \$100 of payroll.

Non-Claims Related Expenses – Program expenses not directly associated with claims settlement and administration, such as excess insurance, safety program expenses, and general overhead. These exclude expenses associated with loss settlements (Indemnity/Medical, BI/PD), legal expenses associated with individual claims (ALAE), and claims administration (ULAE).

Outstanding Losses - Losses that have been incurred but not paid. This is the ultimate value of losses less any amount that has been paid.

Paid Losses - Losses actually paid on all reported claims.

Program Losses - Losses, including ALAE, limited to the SIR for each occurrence.

Reported Losses - The total expected value of losses as estimated by the claims administrator. This is the sum of paid losses and case reserves.

Self-Insured Retention (SIR) - The level at which an excess insurance policy is triggered to begin payments on a claim. Financially, this is similar to an insurance deductible.

Severity - Average claim cost.

Ultimate Losses - The value of claim costs at the time when all claims have been settled. This amount must be estimated until all claims are actually settled.

Unallocated Loss Adjustment Expenses (ULAE) – Claim settlement expenses that cannot be directly attributed to individual claims (e.g., claims adjusters' salaries, taxes, etc.)



Northern California Cities Self Insurance Fund
Executive Committee Meeting
March 25, 2021

Agenda Item G.1.b.

ACTUARIAL STUDY FOR LIABILITY PROGRAM

ACTION ITEM

ISSUE: NCCSIF's actuary annually provides a report to assist in making funding, dividend and assessment decisions. Below is a summary of this year's report that will be discussed in greater detail at the meeting.

FY 21/22 Funding

Total recommended funding for the Banking and Shared Risk Layers is \$5,233,000 at the current 80% Confidence Level (CL) and \$500,000 SIR, compared to \$5,272,000 for FY 20/21, a decrease of 0.7%, in spite of an increase in total payroll of 2%, from \$180 to \$183 million. The rate at the 80% CL is \$2.851 per \$100 of payroll, compared to \$2.922 last year, a **decrease of 2%**, compared to an increase of 6.7% last year. The total increase reflects a *decrease of 9% in the Banking Layer but an increase in the Shared Layer of 3%*, based on relatively favorable and unfavorable loss development in those layers, respectively.

Outstanding Liabilities at June 30th

The Actuary estimates the Liability Program will have total assets of approximately \$17,915,000 on June 30, 2021, compared to \$16,194,000 last year. The estimated total Outstanding Liability at June 30 is \$13,202,000 at the 90% Confidence Level (CL), compared to \$11,985,000 last year. *This results in an estimated net position of \$4,713,000 above the 90% CL, compared to a net position of \$4,209,000 last year.*

Assets for the Banking Layer are estimated at \$8,054,000 as of June 30, 2021, compared to \$6,935,000 in 2020. Banking Layer liabilities are \$3,367,000 at the 90% confidence level, compared to \$3,524,000 last year. *This means the Banking Layer net position above the 90% CL is estimated at \$4,687,000, compared to \$3,411,000 last year.*

Assets for the Shared Risk Layer are estimated to be \$9,861,000 at June 30, 2021, compared to \$9,259,000 in 2020. Liabilities are estimated at \$9,835,000 at the 90% CL, compared to \$8,461,000 last year. *This results in an estimated net position of \$26,000 above the 90% CL, compared to \$798,000 last year.*

RECOMMENDATION: Request the actuary to finalize the report for presentation to the full Board at the April, 22, 2021, Board of Directors meeting.

FISCAL IMPACT: T.B.D.; the underlying rate decrease of (-2%) will offset the expected payroll increase.

BACKGROUND: NCCSIF annually receives an actuary report to determine the estimated Outstanding Liabilities (OL) for the Liability program as of June 30 and to estimate the amount of funding required for the upcoming fiscal year. These figures are used for financial reporting purposes and to prepare the budget for member deposits. The funding CL was increased from 75% to 80% in FY 18/19.

ATTACHMENT(S): Liability Program Actuarial Study for FY 21/22 - *DRAFT Summary*



Bickmore

Actuarial

Actuarial Review of the Self-Insured Liability Program

Outstanding Liabilities as of June 30, 2021
Forecast for Program Years 2021-22

Presented to

Northern California Cities Self-Insurance Fund

March 4, 2021 - DRAFT

Thursday, March 4, 2021

Mr. Marcus Beverly
Vice President
Northern California Cities Self Insurance Fund
C/o Alliant Insurance Services, Inc.
1792 Tribute Road, Suite 450
Sacramento, CA 95815

Re: Actuarial Review of the Self-Insured Liability Program

Dear Mr. Beverly:

As you requested, we have completed our review of Northern California Cities Self Insurance Fund's self-insured liability program. Assuming a pool limit of \$500,000 per occurrence, we estimate the ultimate cost of claims and expenses for claims incurred during the 2021-22 program years to be \$3,926,000. Of this amount, \$1,670,000 is for the banking layer (\$0 – \$50,000 per occurrence) and \$2,257,000 is for the shared layer (\$50,000 – \$500,000 per occurrence). These amounts include allocated loss adjustment expenses (ALAE), unallocated loss adjustment expenses (ULAE), and a discount for anticipated investment income. ALAE is the direct cost associated with the defense of individual claims (e.g. legal fees, investigation fees, court charges). ULAE is the cost to administer all claims to final settlement, which may be years into the future (e.g. claims adjusters' salaries, taxes). The discount for investment income is calculated based on the likely payout pattern of NCCSIF's claims, assuming a 1.5% return on investments per year. For budgeting purposes, the expected cost of 2021-22 claims translates to rates of \$2.139 per \$100 payroll, \$0.910 for the banking layer and \$1.229 for the shared layer (assuming \$183,555,242 in 2020 DE-9 payroll).

In addition, we estimate the program's liability for outstanding claims to be \$9,553,000 as of June 30, 2021, again including ALAE and ULAE, and discounted for anticipated investment income. Of this amount, \$2,522,000 is for the banking layer and \$7,031,000 is for the shared layer. Given estimated program assets of \$17,915,000 as of June 30, 2021, the program is expected to be funded above the 90% confidence levels on a combined basis. The banking layer is expected to be funded above the 90% confidence level. The shared layer is expected to be funded above the 90% confidence level. (See Graphs 1a, 1b and 1c on pages 13, 14, and 15.)

The \$9,553,000 estimate is the minimum liability to be booked by NCCSIF at June 30, 2021 for Northern California Cities Self Insurance Fund's liability program, in accordance with Governmental Accounting Standards Board (GASB) Statement #10. GASB #10 requires NCCSIF to accrue a liability on its financial statements for the ultimate cost of claims and expenses associated with all reported and unreported claims, including ALAE and ULAE. GASB #10 does not prohibit the discounting of losses to recognize investment income.

DRAFT

Our conclusions regarding NCCSIF's liability for unpaid loss and loss adjustment expenses (LAE) at June 30, 2021 are summarized in the table below.

Northern California Cities Self Insurance Fund
Self-Insured Liability Program
Estimated Liability for Unpaid Loss and LAE
Banking and Shared Layers Combined
at June 30, 2021

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$9,829,000					
ULAE*	0					
Investment Income Offset	(276,000)					
Discounted Loss and LAE	\$9,553,000	\$10,613,000	\$11,081,000	\$11,626,000	\$12,304,000	\$13,202,000
Assets	17,915,000					
Surplus or (Deficit)	\$8,362,000	\$7,302,000	\$6,834,000	\$6,289,000	\$5,611,000	\$4,713,000

* ULAE is included with Loss and ALAE

Northern California Cities Self Insurance Fund
Self-Insured Liability Program
Estimated Liability for Unpaid Loss and LAE
Banking Layer
at June 30, 2021

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$2,595,000					
ULAE*	0					
Investment Income Offset	(73,000)					
Discounted Loss and LAE	\$2,522,000	\$2,769,000	\$2,875,000	\$3,001,000	\$3,158,000	\$3,367,000
Assets	8,054,000					
Surplus or (Deficit)	\$5,532,000	\$5,285,000	\$5,179,000	\$5,053,000	\$4,896,000	\$4,687,000

* ULAE is included with Loss and ALAE

Northern California Cities Self Insurance Fund
 Self-Insured Liability Program
 Estimated Liability for Unpaid Loss and LAE
 Shared Layer
 at June 30, 2021

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$7,234,000					
ULAE*	0					
Investment Income Offset	(203,000)					
Discounted Loss and LAE	\$7,031,000	\$7,844,000	\$8,206,000	\$8,625,000	\$9,146,000	\$9,835,000
Assets	9,861,000					
Surplus or (Deficit)	\$2,830,000	\$2,017,000	\$1,655,000	\$1,236,000	\$715,000	\$26,000

* ULAE is included with Loss and ALAE

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

The table below shows our funding recommendations for Northern California Cities Self Insurance Fund for the 2021-22 fiscal year.

Northern California Cities Self Insurance Fund
Self-Insured Liability Program
Loss and LAE Funding Guidelines for 2021-22
Banking and Shared Layers Combined
Banking Layer: \$0 to \$50,000
Shared Layer: \$50,000 to \$500,000

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$4,059,000					
ULAE	0					
Investment Income Offset	(133,000)					
Discounted Loss and LAE	\$3,926,000	\$4,570,000	\$4,872,000	\$5,233,000	\$5,685,000	\$6,286,000
Rate per \$100 of 2020 DE-9 Payroll	\$2.139	\$2.490	\$2.654	\$2.851	\$3.097	\$3.425

* ULAE is included with Loss and ALAE

Northern California Cities Self Insurance Fund
Self-Insured Liability Program
Loss and LAE Funding Guidelines for 2021-22
Banking Layers
Banking Layer: \$0 to \$50,000

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$1,703,000					
ULAE	0					
Investment Income Offset	(33,000)					
Discounted Loss and LAE	\$1,670,000	\$1,948,000	\$2,078,000	\$2,234,000	\$2,427,000	\$2,685,000
Rate per \$100 of 2020 DE-9 Payroll	\$0.910	\$1.061	\$1.132	\$1.217	\$1.322	\$1.463

* ULAE is included with Loss and ALAE

Northern California Cities Self Insurance Fund
 Self-Insured Liability Program
 Loss and LAE Funding Guidelines for 2021-22
 Shared Layers
 Shared Layer: \$50,000 to \$500,000

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$2,356,000					
ULAE	0					
Investment Income Offset	(99,000)					
Discounted Loss and LAE	\$2,257,000	\$2,623,000	\$2,795,000	\$3,000,000	\$3,259,000	\$3,602,000
Rate per \$100 of 2020 DE-9 Payroll	\$1.230	\$1.429	\$1.523	\$1.634	\$1.775	\$1.962

* ULAE is included with Loss and ALAE

The funding recommendations shown in the table above do not include any recognition of the existing funding margin (surplus or deficit) at June 30, 2021. They are for losses and loss adjustment expenses only, and do not include a provision for loss control, overhead, excess insurance premiums, and other expenses associated with the program.

DRAFT

The table below shows our funding recommendations for Northern California Cities Self Insurance Fund for the 2021-22 fiscal year, assuming a \$750,000 pool limit.

Northern California Cities Self Insurance Fund
Self-Insured Liability Program
Loss and LAE Funding Guidelines for 2021-22
Banking and Shared Layers Combined
Banking Layer: \$0 to \$50,000
Shared Layer: \$50,000 to \$750,000

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$4,489,000					
ULAE	0					
Investment Income Offset	(147,000)					
Discounted Loss and LAE	\$4,342,000	\$5,054,000	\$5,388,000	\$5,788,000	\$6,287,000	\$6,952,000
Rate per \$100 of 2020 DE-9 Payroll	\$2.366	\$2.753	\$2.935	\$3.153	\$3.425	\$3.787

* ULAE is included with Loss and ALAE

Northern California Cities Self Insurance Fund
Self-Insured Liability Program
Loss and LAE Funding Guidelines for 2021-22
Banking Layers
Banking Layer: \$0 to \$50,000

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$1,703,000					
ULAE	0					
Investment Income Offset	(33,000)					
Discounted Loss and LAE	\$1,670,000	\$1,948,000	\$2,078,000	\$2,234,000	\$2,427,000	\$2,685,000
Rate per \$100 of 2020 DE-9 Payroll	\$0.910	\$1.061	\$1.132	\$1.217	\$1.322	\$1.463

* ULAE is included with Loss and ALAE

Northern California Cities Self Insurance Fund
 Self-Insured Liability Program
 Loss and LAE Funding Guidelines for 2021-22
 Shared Layers
Shared Layer: \$50,000 to \$750,000

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$2,786,000					
ULAE	0					
Investment Income Offset	(114,000)					
Discounted Loss and LAE	\$2,672,000	\$3,106,000	\$3,310,000	\$3,554,000	\$3,860,000	\$4,267,000
Rate per \$100 of 2020 DE-9 Payroll	\$1.456	\$1.692	\$1.803	\$1.936	\$2.103	\$2.325

* ULAE is included with Loss and ALAE

The funding recommendations shown in the table above do not include any recognition of the existing funding margin (surplus or deficit) at June 30, 2021. They are for losses and loss adjustment expenses only, and do not include a provision for loss control, overhead, excess insurance premiums, and other expenses associated with the program.

DRAFT

The table below shows our funding recommendations for Northern California Cities Self Insurance Fund for the 2021-22 fiscal year, assuming a \$1,000,000 pool limit.

Northern California Cities Self Insurance Fund
Self-Insured Liability Program
Loss and LAE Funding Guidelines for 2021-22
Banking and Shared Layers Combined
Banking Layer: \$0 to \$50,000
Shared Layer: \$50,000 to \$1,000,000

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$4,765,000					
ULAE	0					
Investment Income Offset	(156,000)					
Discounted Loss and LAE	\$4,609,000	\$5,365,000	\$5,720,000	\$6,144,000	\$6,674,000	\$7,379,000
Rate per \$100 of 2020 DE-9 Payroll	\$2.511	\$2.923	\$3.116	\$3.347	\$3.636	\$4.020

* ULAE is included with Loss and ALAE

Northern California Cities Self Insurance Fund
Self-Insured Liability Program
Loss and LAE Funding Guidelines for 2021-22
Banking Layers
Banking Layer: \$0 to \$50,000

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$1,703,000					
ULAE	0					
Investment Income Offset	(33,000)					
Discounted Loss and LAE	\$1,670,000	\$1,948,000	\$2,078,000	\$2,234,000	\$2,427,000	\$2,685,000
Rate per \$100 of 2020 DE-9 Payroll	\$0.910	\$1.061	\$1.132	\$1.217	\$1.322	\$1.463

* ULAE is included with Loss and ALAE

Northern California Cities Self Insurance Fund
 Self-Insured Liability Program
 Loss and LAE Funding Guidelines for 2021-22
 Shared Layers
Shared Layer: \$50,000 to \$1,000,000

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$3,062,000					
ULAE	0					
Investment Income Offset	(123,000)					
Discounted Loss and LAE	\$2,939,000	\$3,417,000	\$3,642,000	\$3,910,000	\$4,247,000	\$4,694,000
Rate per \$100 of 2020 DE-9 Payroll	\$1.601	\$1.862	\$1.984	\$2.130	\$2.314	\$2.557

* ULAE is included with Loss and ALAE

The funding recommendations shown in the table above do not include any recognition of the existing funding margin (surplus or deficit) at June 30, 2021. They are for losses and loss adjustment expenses only, and do not include a provision for loss control, overhead, excess insurance premiums, and other expenses associated with the program.

DRAFT

The table below shows our funding recommendations for Northern California Cities Self Insurance Fund for the 2021-22 fiscal year, assuming a \$1,250,000 pool limit.

Northern California Cities Self Insurance Fund
Self-Insured Liability Program
Loss and LAE Funding Guidelines for 2021-22
Banking and Shared Layers Combined
Banking Layer: \$0 to \$50,000
Shared Layer: \$50,000 to \$1,250,000

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$4,926,000					
ULAE	0					
Investment Income Offset	(161,000)					
Discounted Loss and LAE	\$4,765,000	\$5,546,000	\$5,913,000	\$6,352,000	\$6,900,000	\$7,629,000
Rate per \$100 of 2020 DE-9 Payroll	\$2.596	\$3.021	\$3.221	\$3.461	\$3.759	\$4.156

* ULAE is included with Loss and ALAE

Northern California Cities Self Insurance Fund
Self-Insured Liability Program
Loss and LAE Funding Guidelines for 2021-22
Banking Layers
Banking Layer: \$0 to \$50,000

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$1,703,000					
ULAE	0					
Investment Income Offset	(33,000)					
Discounted Loss and LAE	\$1,670,000	\$1,948,000	\$2,078,000	\$2,234,000	\$2,427,000	\$2,685,000
Rate per \$100 of 2020 DE-9 Payroll	\$0.910	\$1.061	\$1.132	\$1.217	\$1.322	\$1.463

* ULAE is included with Loss and ALAE

Northern California Cities Self Insurance Fund
 Self-Insured Liability Program
 Loss and LAE Funding Guidelines for 2021-22
 Shared Layers
Shared Layer: \$50,000 to \$1,250,000

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$3,223,000					
ULAE	0					
Investment Income Offset	(128,000)					
Discounted Loss and LAE	\$3,095,000	\$3,598,000	\$3,835,000	\$4,118,000	\$4,473,000	\$4,944,000
Rate per \$100 of 2020 DE-9 Payroll	\$1.686	\$1.960	\$2.089	\$2.243	\$2.437	\$2.693

* ULAE is included with Loss and ALAE

The funding recommendations shown in the table above do not include any recognition of the existing funding margin (surplus or deficit) at June 30, 2021. They are for losses and loss adjustment expenses only, and do not include a provision for loss control, overhead, excess insurance premiums, and other expenses associated with the program.

DRAFT

The estimates in this report do not include a provision for the potential impact on the cost of liability claims as a result of the coronavirus (COVID-19) pandemic.

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

We appreciate the opportunity to be of service to Northern California Cities Self Insurance Fund in preparing this report. Please feel free to call Mike Harrington at (916) 244-1162, James Kim at (916) 290-4644 or Eric Small at (916) 244-1165 with any questions you may have concerning this report.

Sincerely,

Bickmore Actuarial

DRAFT

Mike Harrington, FCAS, MAAA
President and Principal, Bickmore Actuarial
Fellow, Casualty Actuarial Society
Member, American Academy of Actuaries

DRAFT

James Kim, ACAS, MAAA
Senior Analyst, Bickmore Actuarial
Associate, Casualty Actuarial Society
Member, American Academy of Actuaries

DRAFT

Eric Small
Actuarial Consultant, Bickmore Actuarial

TABLE OF CONTENTS

I. BACKGROUND	14
II. CONCLUSIONS AND RECOMMENDATIONS	16
A. LIABILITY FOR OUTSTANDING CLAIMS	16
B. PROGRAM FUNDING: GOALS AND OBJECTIVES	21
C. HISTORICAL TRENDS IN THE SELF-INSURANCE PROGRAM	23
D. COMPARISON WITH PREVIOUS RESULTS	31
E. DATA PROVIDED FOR THE ANALYSIS	37
III. ASSUMPTIONS AND LIMITATIONS	38
IV. GLOSSARY OF ACTUARIAL TERMS	40
V. EXHIBITS	42
VI. APPENDICES	65

I. BACKGROUND

Northern California Cities Self Insurance Fund began its self-insured liability program on July 1, 1981. The program began with eight members and now includes nineteen Northern California municipalities delineated below.

ANDERSON	FOLSOM	LINCOLN	RIO VISTA
AUBURN	GALT	MARYSVILLE	ROCKLIN
COLUSA	GRIDLEY	OROVILLE	WILLOWS
CORNING	IONE	PARADISE	YUBA CITY
DIXON	JACKSON	RED BLUFF	

Its current self-insured retention is \$500,000, and excess coverage is provided by CJPRMA. Claims administration services are provided by Sedgwick. Additional background on the program is shown in Appendix K.

As of June 30, 2021, NCCSIF is expected to have assets of \$17,915,000 for the program. Additional background on program funding is given in Appendix L.

Although NCCSIF carries a self-insured retention of \$500,000, the program is actually split into two parts, a banking layer and a shared layer. Each member is directly responsible for its actual losses in the banking layer. The shared layer losses are pooled among members.

For program years 2006-07 and prior, the banking layer applies to the first \$25,000 of each loss (\$100,000 for the City of Folsom). The shared layer applies to the portion of each loss between \$25,000 and \$500,000.

DRAFT

Starting with the 2007-08 program year, the banking layer applies to the first \$50,000 of each loss (\$100,000 for the City of Folsom). The shared layer applies to the portion of each loss between \$50,000 and \$1,000,000. Effective 7/1/2013, NCCSIF decreased the shared layer retention to \$500,000. The table below shows the confidence levels to which each layer was funded by year.

Accident Year	Shared Layer	Banking Layer
1996-97	70%	70%
1997-01	80%	70%
2001-02	80%	Expected
2002-03	60%	70%
2003-04	70%	70%
2004-05	70%	Expected
2005-06	70%	70%
2006-07	70%	70%
2007-08	70%	70%
2008-09	60%	60%
2009-10	60%	60%
2010-11	60%	60%
2011-12	60%	60%
2012-13	60%	60%
2013-14	60%	60%
2014-15	65%	65%
2015-16	67.5%	67.5%
2016-17	70%	70%
2017-18	75%	75%
2018-19	80%	80%
2019-20	80%	80%
2020-21	80%	80%
2021-22	80%	80%

The City of Lone joined NCCSIF on 7/1/2010 and carried a banking layer of \$25,000. Effective 7/1/2013, the City increased the banking layer retention to \$50,000.

The purpose of this review is to provide a guide to NCCSIF to determine reasonable funding levels for its self-insurance program according to the funding policy NCCSIF has adopted and to comply with Governmental Accounting Standards Board Statements #10 and #30. The specific objectives of the study are to estimate NCCSIF's liability for outstanding claims as of June 30, 2021, project ultimate loss costs for 2021-22, and provide funding guidelines to meet these liabilities and future costs.

II. CONCLUSIONS AND RECOMMENDATIONS

A. LIABILITY FOR OUTSTANDING CLAIMS

Graphs 1a, 1b and 1c on the following pages summarize our assessment of NCCSIF's funding position as of June 30, 2021. The dark-colored bars indicate our estimates of the program's liability for outstanding claims before recognition of the investment income that can be earned on the assets held before the claim payments come due. The horizontal line across each graph indicates NCCSIF's available assets at June 30, 2021.

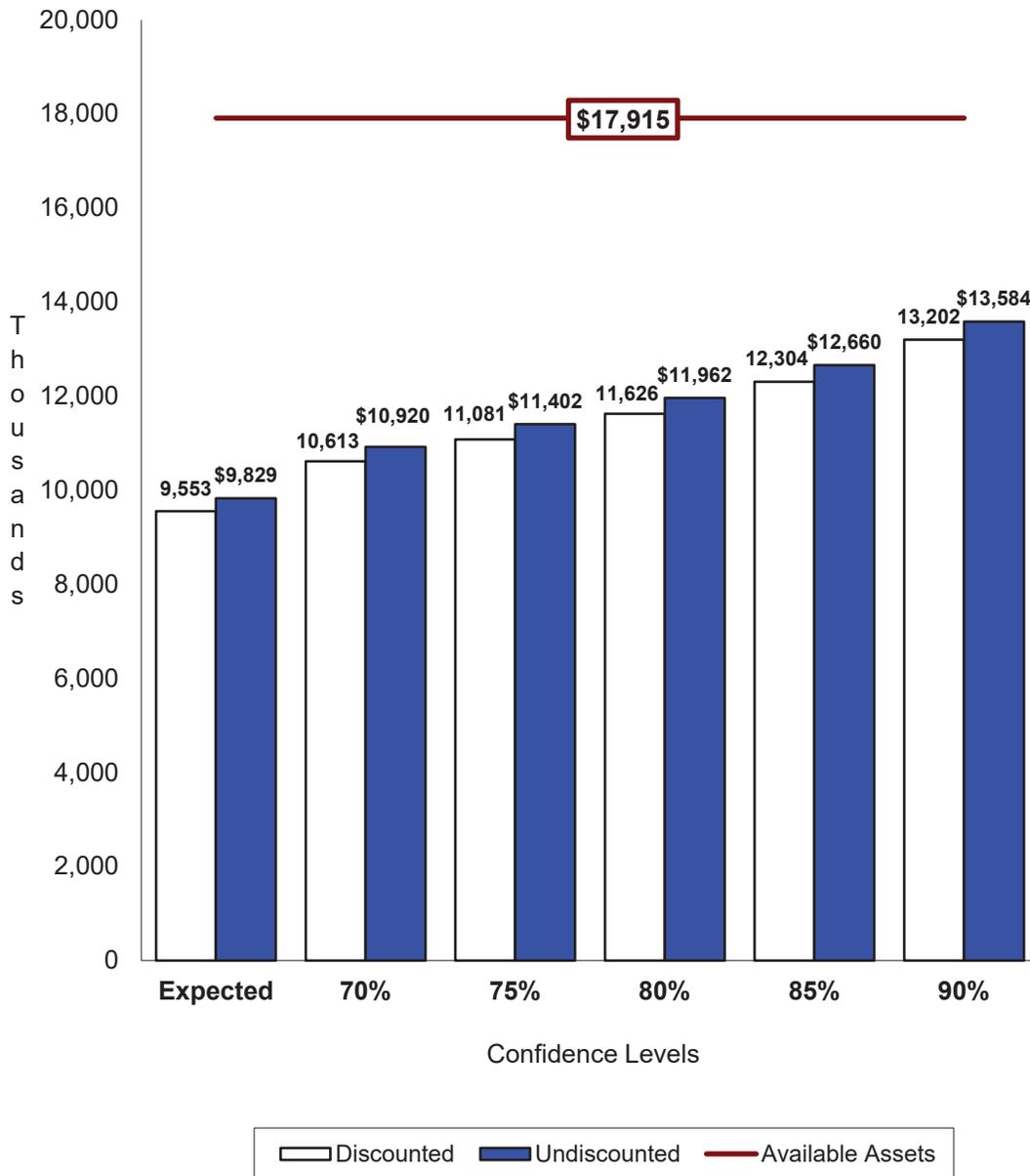
Our best estimate of the full value of NCCSIF's liability for outstanding claims within its pool limit is \$9,829,000, \$2,595,000 for the banking layer and \$7,234,000 for the shared layer as of June 30, 2021. These amounts include losses, allocated loss adjustment expenses (ALAE), and unallocated loss adjustment expenses (ULAE). ALAE is the direct cost associated with the defense of individual claims (e.g. legal fees, investigation fees, court charges). ULAE is the cost to administer claims to final settlement, which may be years in the future (e.g. claims adjusters' salaries, taxes).

There is some measure of uncertainty associated with our best estimate because of the random nature of much of the process that determines ultimate claims costs. For this reason, we generally recommend that a program such as this include some funding margin for the possibility that actual loss costs will be greater than the best estimate. We generally measure the amount of this margin by thinking in terms of the probability distribution of actual possible results around our best estimate. As the margin grows, the probability that the corresponding funding amount will be sufficient to meet actual claim liabilities increases. We typically refer to this probability as the "confidence level" of funding. Graphs 1a, 1b and 1c show the liabilities for outstanding claims at several confidence levels that are typically of interest to risk managers in formulating funding policies for self-insurance programs.

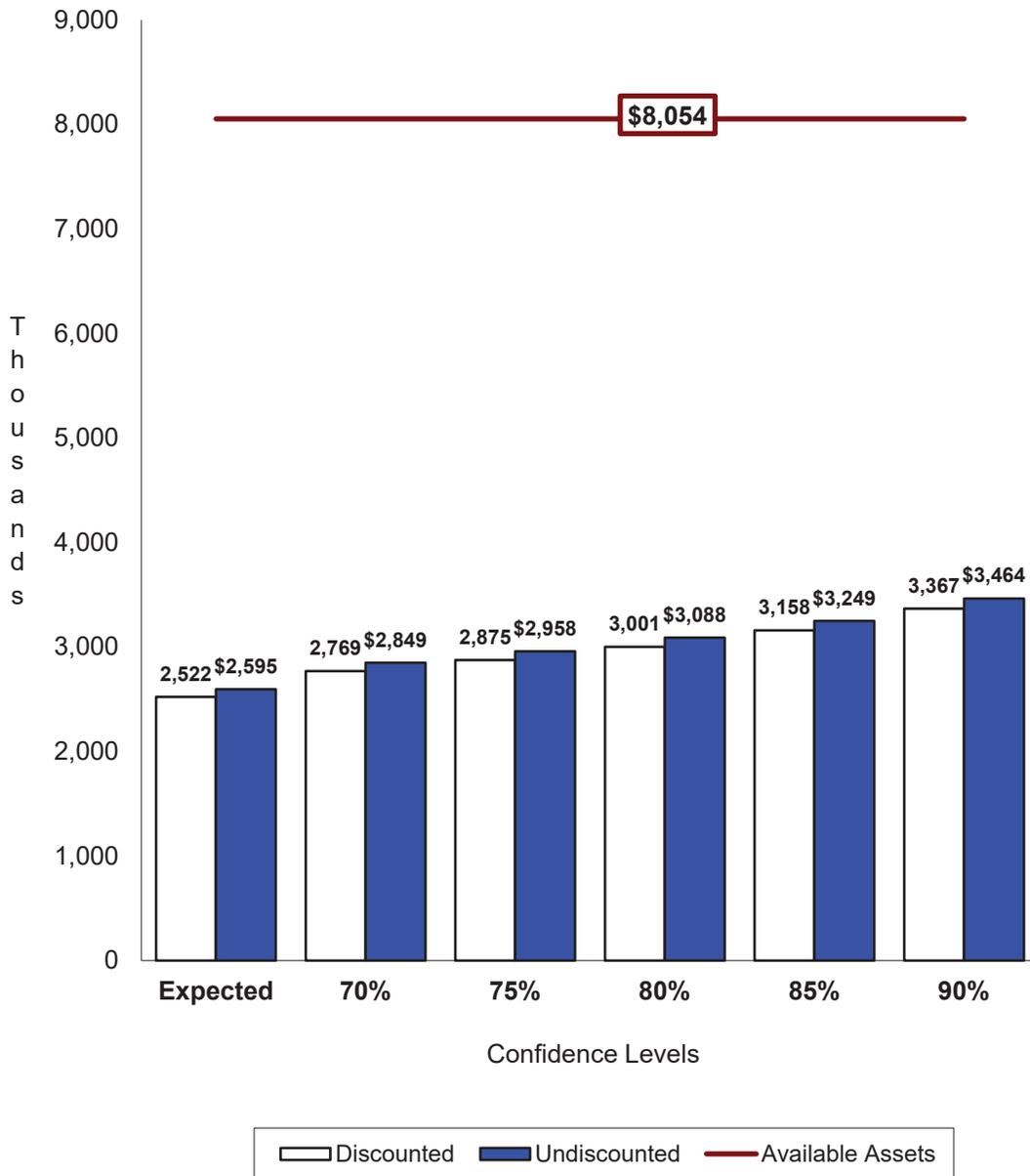
NCCSIF can earn investment income on the assets it holds until claims payments come due. Assuming a long-term average annual return on investments of 1.5%, we estimate the impact of investment income earnings to be about 2.8% if the program is funded within the range indicated in the graphs, resulting in a discounted liability for outstanding claims of \$9,553,000, \$2,522,000 for the banking layer, and \$7,031,000 for the shared layer as of June 30, 2021.

Investment income earnings will be less than this when the program does not maintain sufficient funding, and more when there is excess funding. Thus, thinking in terms of liabilities discounted for investment income can actually mask funding deficiencies and redundancies that might otherwise be obvious. However, the discounted liabilities do represent legitimate funding targets. The light-colored bars on Graphs 1a, 1b and 1c show our estimates of NCCSIF's discounted liability for outstanding claims.

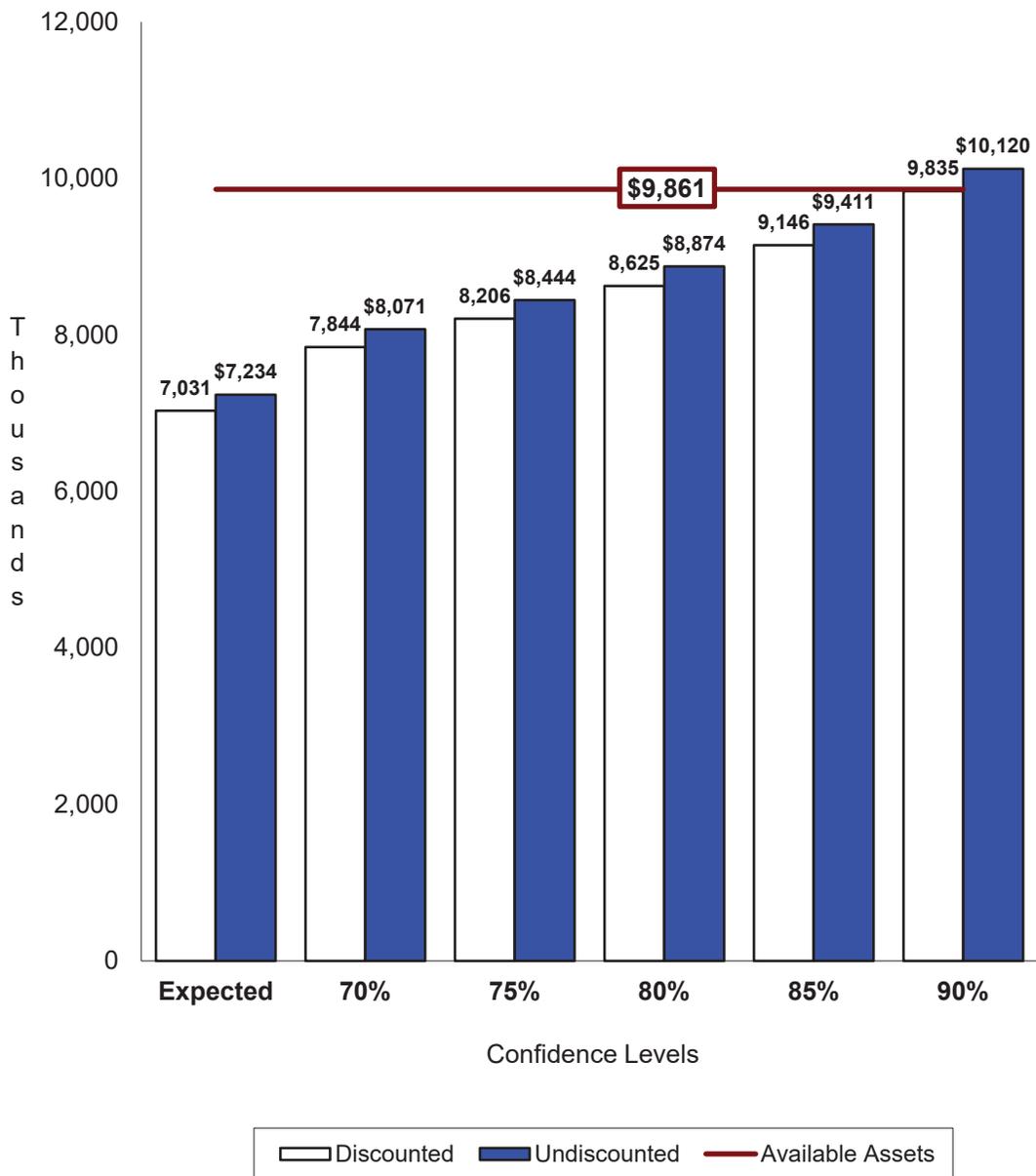
NCCSIF - Liability
Available Assets vs Outstanding Liability (\$000's)
at June 30, 2021
Banking and Shared Layers Combined



NCCSIF - Liability
Available Assets vs Outstanding Liability (\$000's)
at June 30, 2021
Banking Layer



NCCSIF - Liability
Available Assets vs Outstanding Liability (\$000's)
at June 30, 2021
Shared Layer



The table below displays a breakdown of the program's outstanding loss and LAE liabilities into case reserves and incurred but not reported (IBNR) reserves at June 30, 2021, before recognition of investment income.

Northern California Cities Self Insurance Fund
Self-Insured Liability Program
Estimated Liability for Unpaid Loss and LAE at June 30, 2021

Year	Case Reserves	IBNR Reserves	Total Outstanding
Prior	\$0	\$0	\$0
2008-09	0	0	0
2009-10	0	0	0
2010-11	0	0	0
2011-12	0	0	0
2012-13	0	0	0
2013-14	0	0	0
2014-15	53,283	38,588	91,871
2015-16	56,218	60,400	116,618
2016-17	257,204	133,259	390,463
2017-18	342,816	230,466	573,282
2018-19	2,208,601	628,165	2,836,766
2019-20	1,658,636	893,804	2,552,440
2020-21	771,054	2,496,095	3,267,149
Loss and ALAE	\$5,347,812	\$4,480,777	\$9,828,589
ULAE		0	0
Total	\$5,347,812	\$4,480,777	\$9,828,589

B. PROGRAM FUNDING: GOALS AND OBJECTIVES

As self-insurance programs have proliferated among public entities, it has become apparent that there is a large measure of inconsistency in the way in which these programs recognize and account for their claims costs. This is the result of the fact that there have been several different sources of guidance available, none of which has been completely relevant to public entity self-insurance programs.

According to the Governmental Accounting Standards Board (GASB), the most relevant source of guidance on the subject is Financial Accounting Standards Board Statement #60. A liability for unpaid claim costs, including all loss adjustment expenses, should be accrued at the time the self-insured events occur. This liability should include an allowance for incurred but not reported claims. It may be discounted for investment income at an appropriate rate of return, provided the discounting is disclosed. The regulations detailing the way in which this must be done are outlined in GASB's statements #10 and #30. These regulations are required to be applied by NCCSIF.

GASB #10 and #30 do not address asset requirements. They do, however, allow a range of amounts to be recognized for accounting purposes; specifically, GASB #10 and #30 allow recognition of a risk margin for unexpectedly adverse loss experience. Thus, for accounting purposes, it is possible to formulate a funding policy from a range of alternatives. The uncertainty in any estimate of the program's liability for outstanding claims should be taken into consideration in determining funding policy, but it may be offset by recognizing anticipated investment income earnings. This usually means developing a funding program based on discounted claims costs with some risk margin for unexpected adverse loss experience.

The amount of the risk margin should be a question of long-term funding policy. We recommend that the risk margin be determined by thinking in terms of the probability that a given level of assets will prove to be adequate. For example, a reasonable goal might be to maintain assets at the 85% confidence level.

A key factor to consider in determining funding policy is the degree to which stability is required in the level of contributions to the program from year to year. If you elect to maintain assets at a low confidence level, the chances are much greater that future events will prove that additional contributions should have been made for old claims. The additional contributions for old claims may be required at the same time that costs are increasing dramatically on new claims. The burden of funding for increases on past years as well as on current years, may well be prohibitive.

We generally recommend maintaining program assets at the 80% confidence level, after recognition of investment income, with a recommended range of the 75% to 85% confidence levels. We tend to think of the 70% confidence level as marginally acceptable and of the 90% confidence level as conservative. We recommend the 75% to 85% confidence level range because the probabilities are reasonably high that resulting assets will be sufficient to meet claim liabilities, yet the required risk margins are not so large that they will cause most self-insured entities to experience undue financial hardship. In addition, within this range, anticipated investment income generally offsets the required risk margin for the most part, which means that assets are likely sufficient on an undiscounted basis.

We also strongly believe, however, that the confidence level to which any future year is funded should be evaluated in light of the relative certainty of the assumptions underlying the actuarial analysis, NCCSIF's other budgetary constraints, and the relative level of risk it is believed appropriate to assume. This means formulating both short and long-term funding goals, which may be the same in some years, but different in others.

In general, we recommend funding each year's claims costs in that year. When surpluses or deficits have developed on outstanding liabilities and funding adjustments are necessary, they should be clearly identified as such so that the habit of funding each year's claims costs that year is maintained. We also recommend that you reduce a surplus more slowly than you would accumulate funding to reduce a deficit.

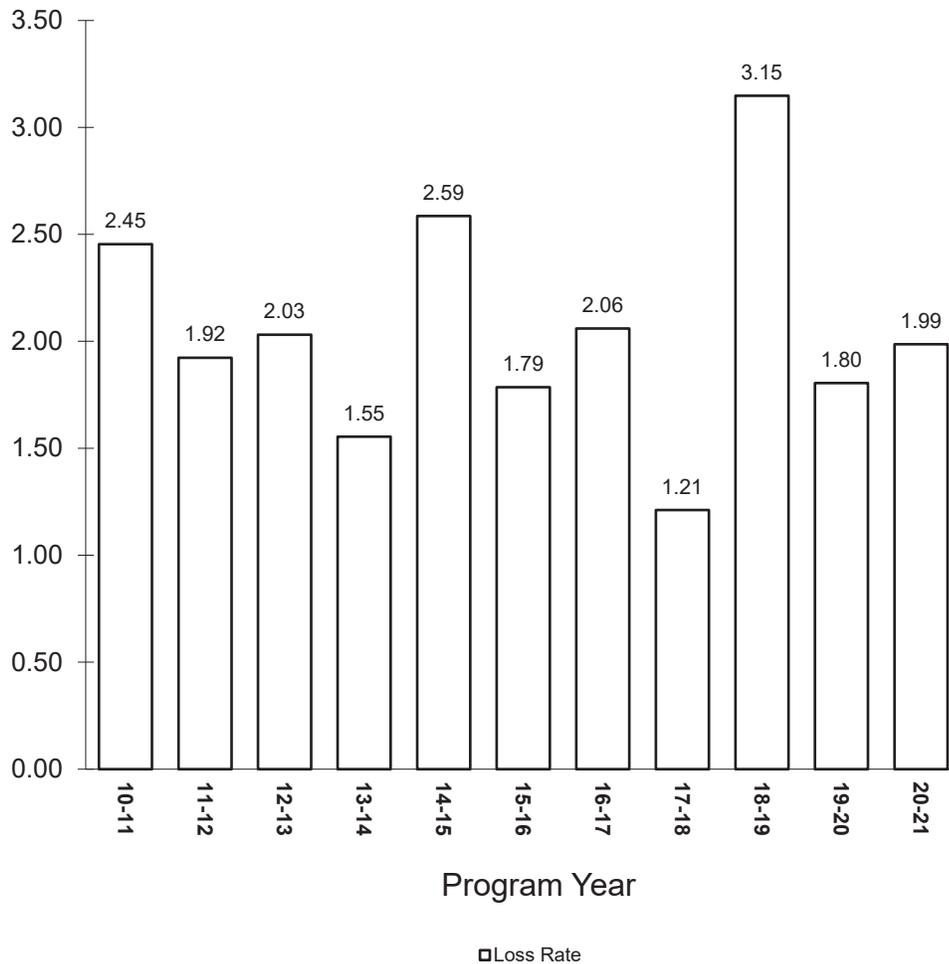
It is estimated that program assets will be \$17,915,000 at June 30, 2021, \$8,054,000 for the banking layer and \$9,861,000 for the shared layer, resulting in the program being funded above the 90% confidence level on a combined basis and for both the banking and shared layer separately.

C. HISTORICAL TRENDS IN THE SELF-INSURANCE PROGRAM

The program's loss rate per \$100 payroll has varied during the past ten years, but has been somewhat flat during the most recent nine years. Losses during the 2010-11 to 2012-13 years reflect the higher pool limit of \$1,000,000. Effective July 1, 2013, NCCSIF decreased the pool limit to \$500,000. See Graph 2a below.

Graph 2a

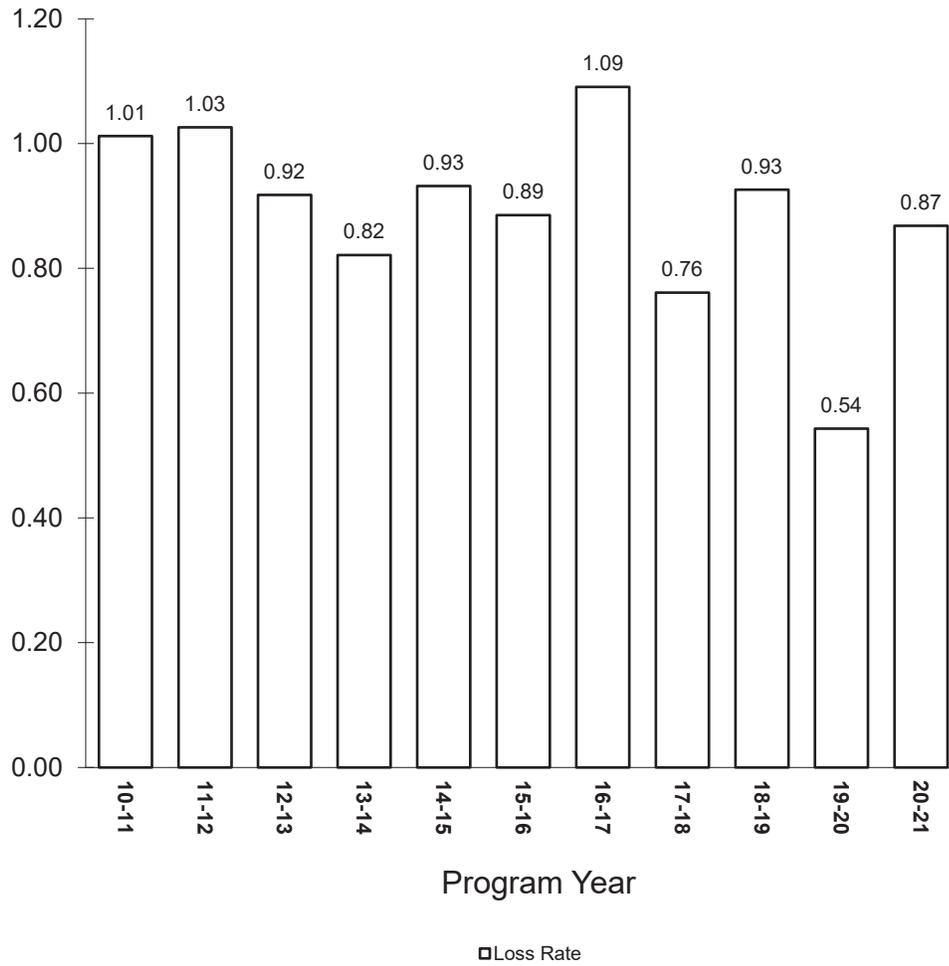
NCCSIF - Liability
Banking and Shared Layers Combined
Dollars of Loss per \$100 of Payroll



The banking loss rate per \$100 payroll has been gradually decreasing over the past ten years. See Graph 2b below.

Graph 2b

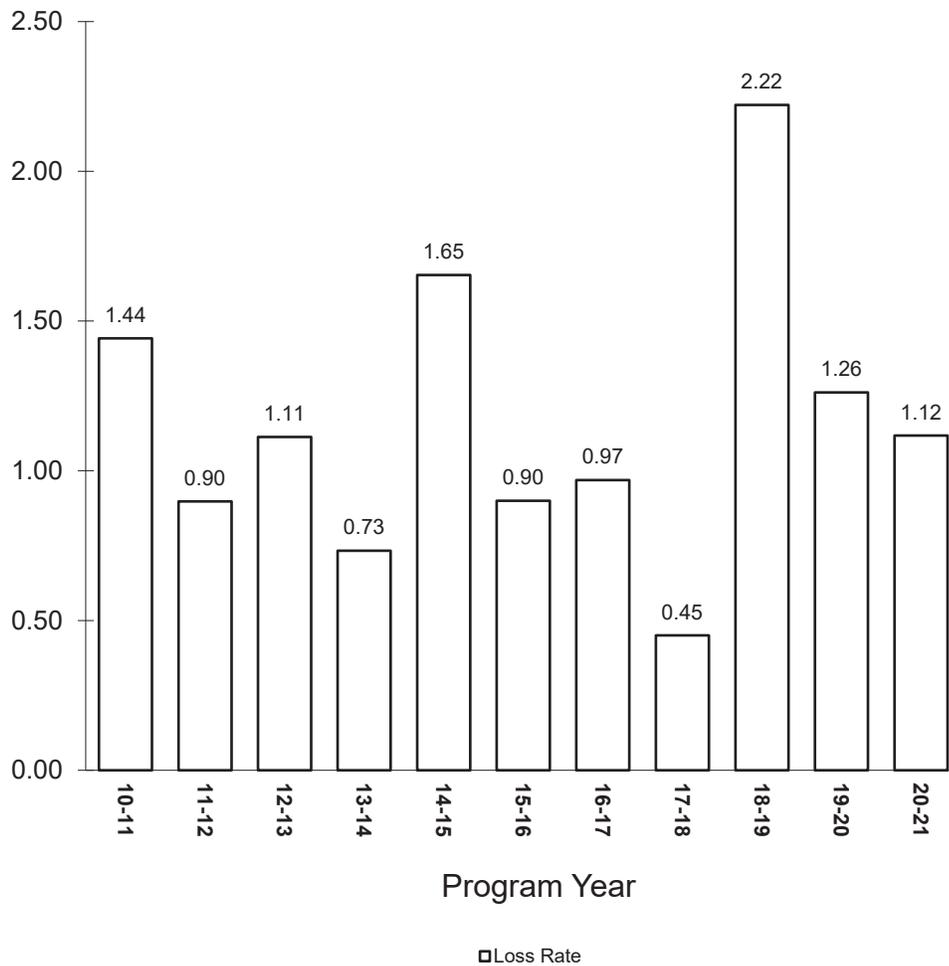
NCCSIF - Liability
Banking Layer
Dollars of Loss per \$100 of Payroll



The shared layer loss rate per \$100 payroll has varied over the past ten years, typical for excess layers, with no apparent trend. The 2010-11 to 2012-13 years reflect the shared layer from \$50,000 to \$1,000,000 per occurrence. The 2013-14 and subsequent years reflect the shared layer from \$50,000 to \$500,000 per occurrence. See Graph 2c below.

Graph 2c

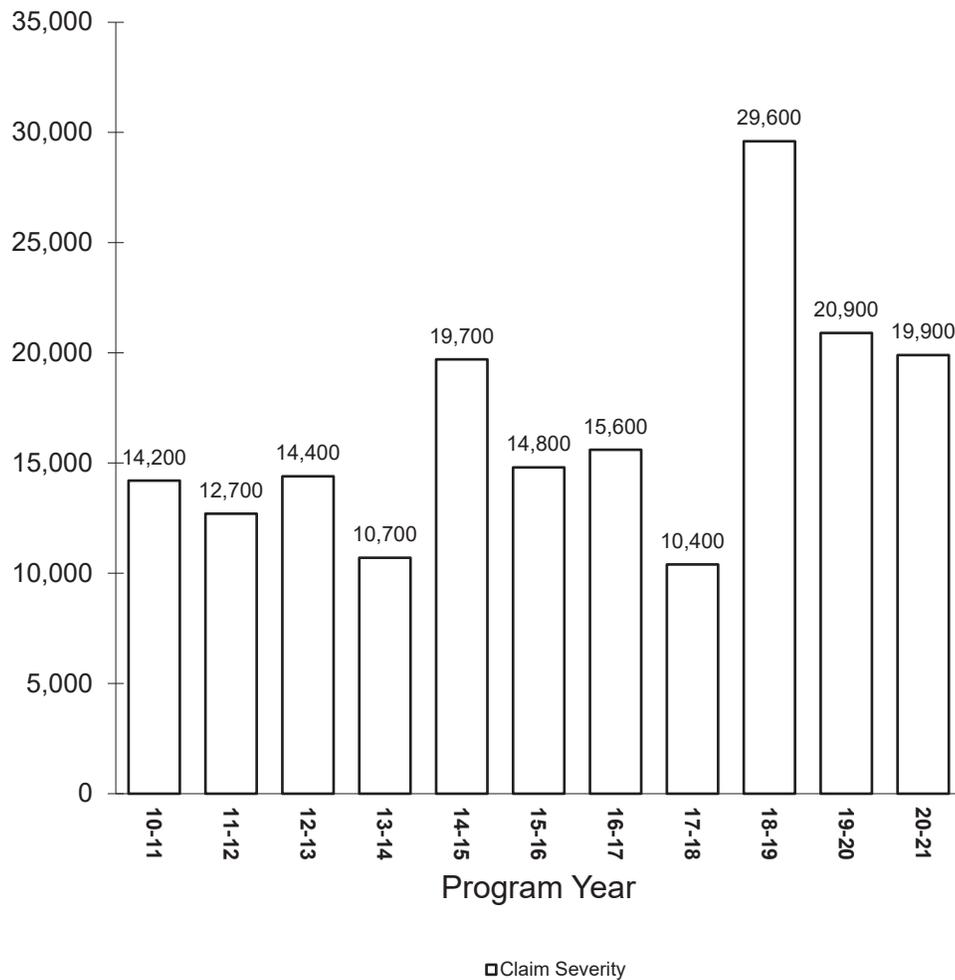
NCCSIF - Liability
Shared Layer
Dollars of Loss per \$100 of Payroll



The program's average cost per claim, or severity, has followed a generally increasing trend over the past ten years, with the 2014-15, 2018-19, and 2019-20 years coming in particularly high. The projected 2020-21 severity reflects that increasing trend. See Graph 3a below.

Graph 3a

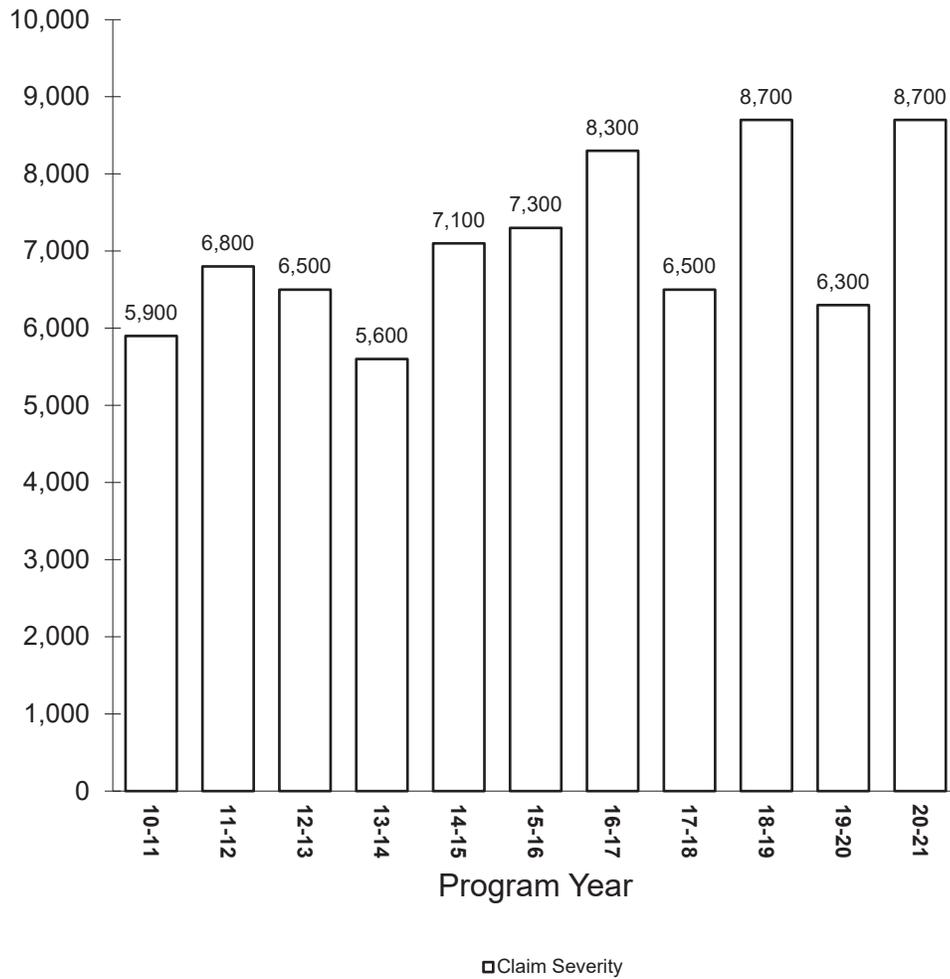
NCCSIF - Liability
Banking and Shared Layers Combined
Dollars of Loss per Claim



The banking layer average cost per claim, or severity, has followed a generally increasing trend over the past ten years. The projected 2020-21 severity reflects that increasing trend. See Graph 3b below.

Graph 3b

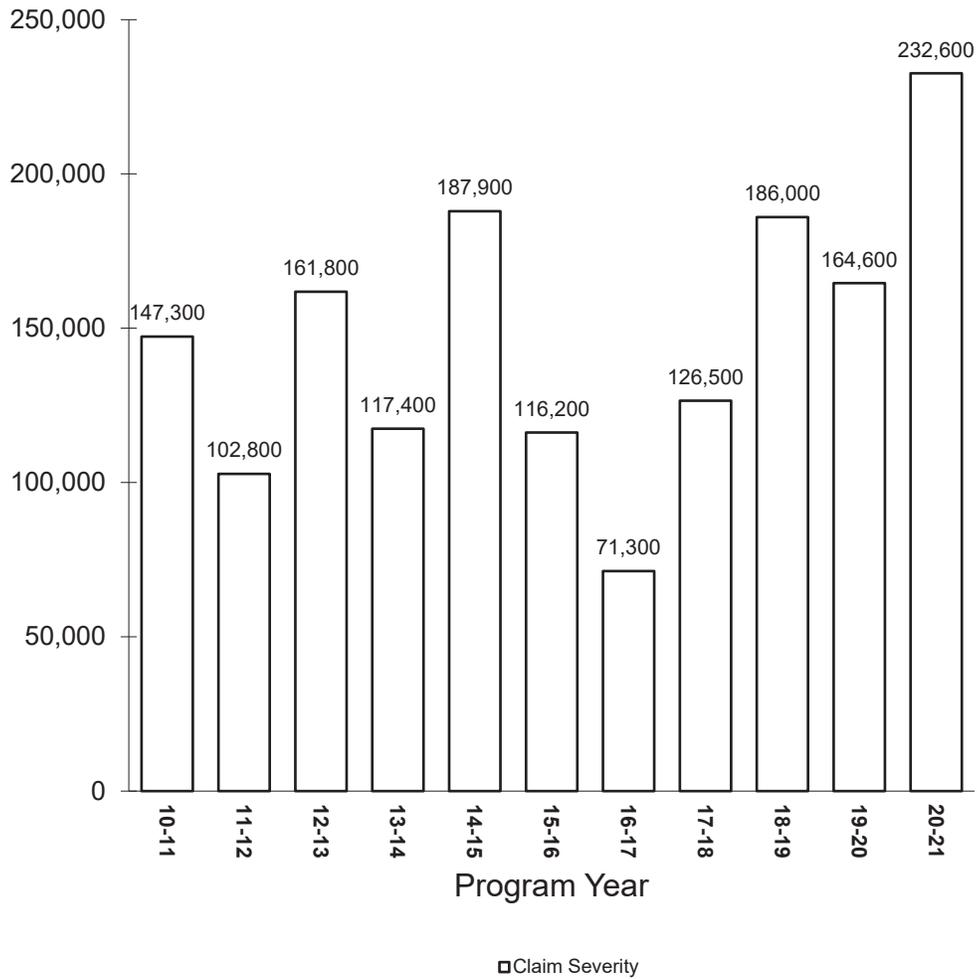
NCCSIF - Liability
Banking Layer
Dollars of Loss per Claim



The shared layer average cost per claim has seen dramatic variation over the past ten years. This is not unexpected since there are few claims in that layer each year; even one claim can have a significant impact. See Graph 3c below.

Graph 3c

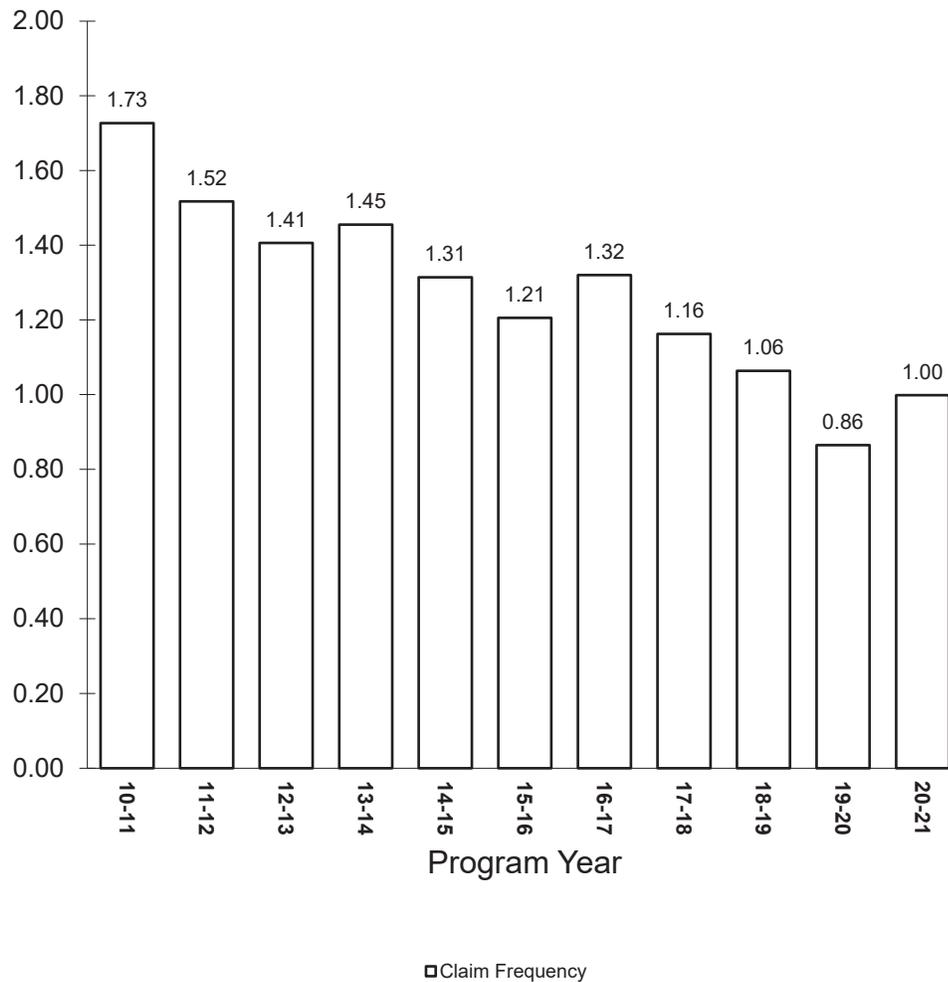
NCCSIF - Liability
Shared Layer
Dollars of Loss per Claim



The program's frequency of claims per \$1 million payroll has been generally decreasing over the past ten years. The projected 2020-21 frequency reflects that decreasing trend. See Graph 4a below. (Note that banking layer frequency is the same as shown below for the program.)

Graph 4a

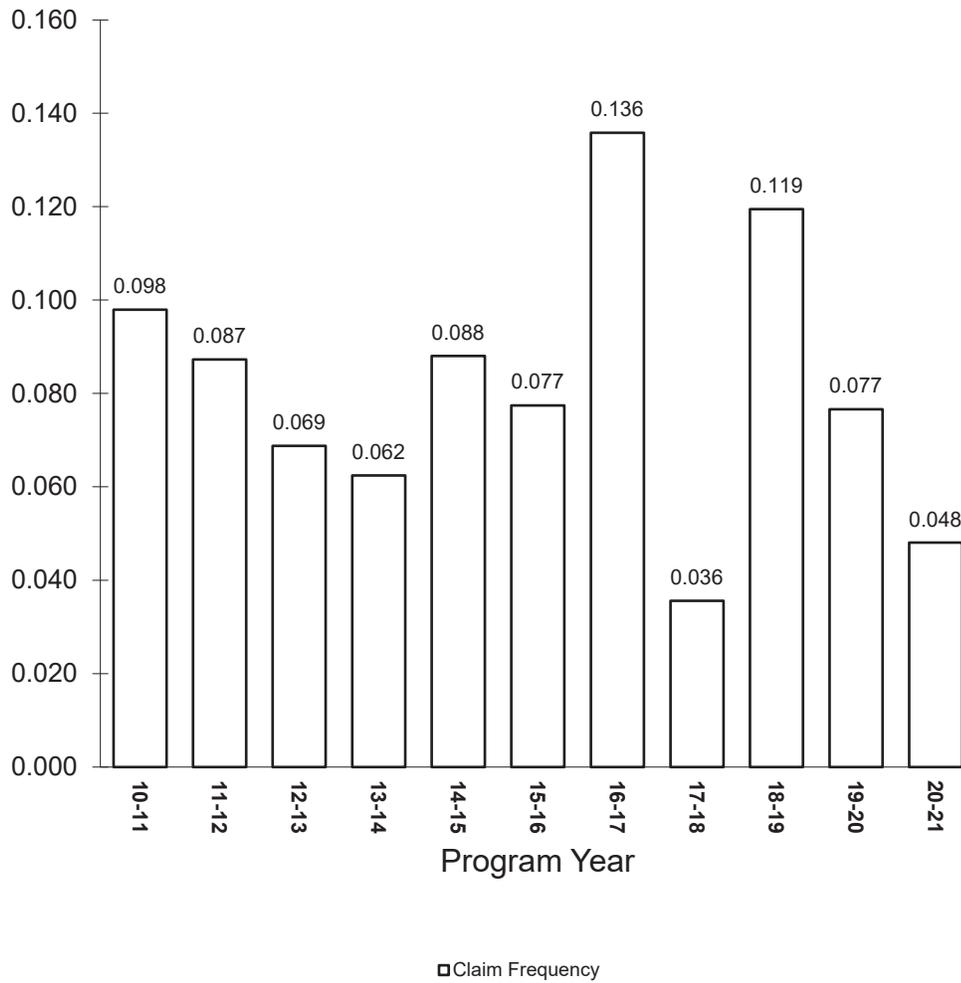
NCCSIF - Liability
Banking and Shared Layers Combined
Number of Claims per \$1 Million of Payroll



The shared layer frequency of claims per \$1 million payroll has been quite volatile since 2010-11. See Graph 4b below.

Graph 4b

NCCSIF - Liability
Shared Layer
Number of Claims per \$1 Million of Payroll



D. COMPARISON WITH PREVIOUS RESULTS

The prior report for Northern California Cities Self Insurance Fund was dated March 17, 2020. In the table below we display actual versus expected development of incurred losses and ALAE for the years shown by accident year between the December 31, 2019 evaluation date of the prior report and the December 31, 2020 evaluation date of the current report.

Actual Versus Expected Incurred Loss and ALAE Development

Banking and Shared Layers Combined

Accident Year	Expected Incurred Development	Actual Incurred Development	Actual Minus Expected
Prior	\$0	\$0	\$0
2000-01	0	0	0
2001-02	0	0	0
2002-03	0	0	0
2003-04	0	0	0
2004-05	0	0	0
2005-06	0	0	0
2006-07	0	0	0
2007-08	0	0	0
2008-09	0	1,000	1,000
2009-10	4,000	(143,000)	(147,000)
2010-11	0	0	0
2011-12	0	0	0
2012-13	0	0	0
2013-14	12,000	(32,000)	(44,000)
2014-15	49,000	(20,000)	(69,000)
2015-16	58,000	35,000	(23,000)
2016-17	183,000	(119,000)	(302,000)
2017-18	224,000	(223,000)	(447,000)
2018-19	619,000	1,681,000	1,062,000
2019-20	2,045,000	2,048,000	3,000
Total	\$3,194,000	\$3,228,000	\$34,000

* ULAE is included with Loss and ALAE

As shown, actual incurred development was greater than anticipated since the prior report. Based on the assumptions from the prior report, it was expected that incurred losses would increase by \$3,194,000 between the two evaluation dates. However, actual development was approximately \$3,228,000; or about \$34,000 more than expected.

In the table below we display actual versus expected development of paid losses and ALAE for the years shown by accident year between the December 31, 2019 evaluation date of the prior report and the December 31, 2020 evaluation date of the current report.

Actual Versus Expected Paid Loss and ALAE Development

Banking and Shared Layers Combined

Accident Year	Expected Paid Development	Actual Paid Development	Actual Minus Expected
Prior	\$0	\$0	\$0
2000-01	0	0	0
2001-02	0	0	0
2002-03	0	0	0
2003-04	0	0	0
2004-05	0	0	0
2005-06	0	0	0
2006-07	0	0	0
2007-08	0	0	0
2008-09	0	1,000	1,000
2009-10	41,000	11,000	(30,000)
2010-11	0	0	0
2011-12	0	0	0
2012-13	0	0	0
2013-14	26,000	1,000	(25,000)
2014-15	194,000	223,000	29,000
2015-16	238,000	242,000	4,000
2016-17	517,000	269,000	(248,000)
2017-18	557,000	208,000	(349,000)
2018-19	1,200,000	1,398,000	198,000
2019-20	838,000	163,000	(675,000)
Total	\$3,611,000	\$2,516,000	(\$1,095,000)

* ULAE is included with Loss and ALAE

As shown, actual paid development was less than anticipated since the prior report. Based on the assumptions from the prior report, it was expected that paid losses would increase by \$3,611,000 between the two evaluation dates. However, actual development was approximately \$2,516,000; or about \$1,095,000 less than expected.

In the table below we display the change in our estimates of the program's ultimate losses and ALAE for the years shown by accident year since our prior report.

Change in Ultimate Loss and ALAE*

Banking and Shared Layers Combined

Accident Year	Prior Report	Current Report	Change In Ultimate
Prior	\$20,120,000	\$20,120,000	\$0
2000-01	2,020,000	2,020,000	0
2001-02	2,038,000	2,038,000	0
2002-03	2,291,000	2,291,000	0
2003-04	2,054,000	2,054,000	0
2004-05	3,058,000	3,058,000	0
2005-06	2,338,000	2,338,000	0
2006-07	2,898,000	2,898,000	0
2007-08	2,050,000	2,050,000	0
2008-09	2,726,000	2,726,000	0
2009-10	5,975,000	5,819,000	(156,000)
2010-11	3,823,000	3,823,000	0
2011-12	2,928,000	2,928,000	0
2012-13	3,032,000	3,032,000	0
2013-14	2,383,000	2,318,000	(65,000)
2014-15	4,062,000	3,994,000	(68,000)
2015-16	2,956,000	2,932,000	(24,000)
2016-17	3,718,000	3,433,000	(285,000)
2017-18	2,487,000	2,042,000	(445,000)
2018-19	4,241,000	5,533,000	1,292,000
2019-20	3,526,000	3,297,000	(229,000)
Total	\$80,724,000	\$80,744,000	\$20,000

* ULAE is included with Loss and ALAE

As shown, overall we have increased our estimated ultimates by \$20,000 since our prior report. The greater than anticipated incurred loss development mentioned above translates to an increase in our estimates of ultimate losses. The changes by accident year generally track well with the actual versus expected incurred loss development.

At the time of the prior report, we estimated the liability for outstanding claims as of June 30, 2020 to be \$8,635,000 at the discounted, expected level. Our current estimate as of June 30, 2021, is \$9,553,000, an increase in our assessment of NCCSIF's outstanding liabilities, as shown below:

Outstanding Claim Liabilities for Loss and LAE
Banking and Shared Layers Combined

	Prior Report at June 30, 2020	Current Report at June 30, 2021	Change
(A) Case Reserves:	\$4,638,000	\$5,348,000	\$710,000
(B) IBNR Reserves:	4,246,000	4,481,000	235,000
(C) Claims Administration (ULAE*):	0	0	0
(D) Total Reserves:	\$8,884,000	\$9,829,000	\$945,000
(E) Offset for Investment Income:	(249,000)	(276,000)	(27,000)
(F) Total Outstanding Claim Liabilities:	\$8,635,000	\$9,553,000	\$918,000

* ULAE is included with Loss and ALAE

As shown, our estimate of outstanding claims liabilities at the discounted, expected level has increased between June 30, 2020 and June 30, 2021 as reflected in our prior and current reports respectively.

The increase in claim reserves (case and IBNR) is driven primarily by lower than expected claims payments as previously discussed. Reserves for future claims administration expenses are included with Loss and ALAE, resulting in a \$945,000 increase in total claim reserves. This increase in reserves leads to a larger offset for investment income. The net change due to the above factors is an overall increase of \$918,000 in our estimate of outstanding claim liabilities for loss and LAE.

At the time of the prior report, available assets were estimated to be \$16,194,000 as of June 30, 2020, which corresponded to the then-estimated discounted liability for outstanding claims above the 90% confidence levels. Available assets are currently estimated to be \$17,915,000 as of June 30, 2021, which corresponds to the currently estimated liability for outstanding claims above the 90% confidence level. It can be summarized as follows:

Funding Margin			
Banking and Shared Layers Combined			
	Prior Report at June 30, 2020	Current Report at June 30, 2021	Change
(A) Outstanding Liability at the Discounted Expected Level:	\$8,635,000	\$9,553,000	\$918,000
(B) Estimated Assets At June 30:	16,194,000	17,915,000	1,721,000
(C) Surplus/(Deficit):	\$7,559,000	\$8,362,000	\$803,000

As you can see, our estimate of the program's funding margin at the discounted, expected level has increased by \$803,000 between June 30, 2020 (as previously estimated) and June 30, 2021 (as currently estimated). This is driven by an increase in the estimated fund assets between the two points, partially offset by an increase in the estimated outstanding liability.

At the time of the prior report, our funding estimate for the 2020-21 year was \$3,950,000 at the discounted, expected level. That amount included allocated loss adjustment expenses (ALAE), unallocated loss adjustment expenses (ULAE), and a discount for anticipated investment income. Our current estimate for the 2021-22 year is \$3,926,000 at the discounted, expected level, a decrease in the program’s expected loss costs, as shown in the table below:

Comparison of Funding for Loss and LAE
Banking and Shared Layers Combined

	Prior Report 2020-21 Pool Limit = \$500,000	Current Report 2021-22 Pool Limit = \$500,000	Change
(A) Ultimate Loss and ALAE:	\$4,082,000	\$4,059,000	(\$23,000)
(B) Ultimate Claims Administration (ULAE)*:	0	0	0
(C) Total Claim Costs:	\$4,082,000	\$4,059,000	(\$23,000)
(D) Offset for Investment Income:	(132,000)	(133,000)	(1,000)
(E) Total Recommended Funding:	\$3,950,000	\$3,926,000	(\$24,000)
(F) Funding per \$100 of Payroll**:	\$2.191	\$2.139	(\$0.052)

* ULAE is included with Loss and ALAE

** Payroll is 2019 DE-9 for 2020-21 Funding and 2020 DE-9 for 2021-22 Funding.

As you can see, our funding recommendations at the discounted, expected level have decreased between 2020-21 and 2021-22, as shown in our prior and current reports respectively.

Our estimates of ultimate loss and ALAE have decreased by \$23,000, driven primarily by favorable loss experience for recent years as previously discussed. Investment income is expected to be slightly higher. The net change due to the above factors is an overall decrease of \$24,000 in our annual funding estimate for loss and LAE.

E. DATA PROVIDED FOR THE ANALYSIS

Overall, the data utilized in preparing this report appears to be accurate.

Comments and issues regarding the data are as follows:

- We have assumed that the program's self-insured retention will remain at \$500,000 per occurrence for 2020-21 and 2021-22 (See Appendix K).
- We estimated the June 30, 2020 asset balance by beginning with the December 31, 2020 asset balance, and adjusting for anticipated revenue and expense for the last six months of 2020-21 (see Appendix L).
- We received loss data evaluated as of December 31, 2020 (See Appendix M). We also utilized the data from NCCSIF's most recent actuarial study for our assessment of loss development.
- We have assumed that NCCSIF's payroll for 2021-22 will be \$194,318,471, based upon information provided by NCCSIF (See Appendix N).
- We have calculated funding rates using 2020 DE-9 payroll of \$183,555,242 since that is used as the rating base for the 2021-22 premiums.
- The estimates in this report do not include a provision for the potential impact on the cost of liability claims as a result of the coronavirus (COVID-19) pandemic.

The data provided for the analysis appears to be reasonable for use in this actuarial valuation of liabilities and projection of loss costs.

II. ASSUMPTIONS AND LIMITATIONS

Any quantitative analysis is developed within a very specific framework of assumptions about conditions in the outside world, and actuarial analysis is no exception. We believe that it is important to review the assumptions we have made in developing the estimates presented in this report. By doing so, we hope you will gain additional perspective on the nature of the uncertainties involved in maintaining a self-insurance program. Our assumptions, and some observations about them, are as follows:

- Our analysis is based on loss experience, exposure data, and other general and specific information provided to us by NCCSIF. We have accepted all of this information without audit.
- We have also made use of loss statistics that have been developed from the information gathered and compiled from other California public entities with self-insured liability programs.
- We have assumed that the future development of incurred and paid losses can be reasonably predicted on the basis of development of such losses in the recent past. We have also assumed that the historical development patterns for other California public entities with self-insured liability programs in the aggregate form a reasonable basis of comparison to the patterns from Northern California Cities Self Insurance Fund's data.
- We have made use of cost relationships for claims of various sizes derived from the most recent actuarial review of other California public entities with self-insured liability programs in the aggregate.
- We have assumed that there is a continuing relationship between past and future loss costs.
- It is not possible to predict future claim costs precisely. Most of the costs of liability claims arise from a small number of incidents involving serious injury. A relatively small number of such claims could generate enough loss dollars to significantly reduce, or even deplete, the self-insurance fund.
- We cannot predict and have not attempted to predict the impact of future law changes and court rulings on claims costs. This is one major reason why we believe our funding recommendations are reasonable now, but should not be extrapolated into the future.
- We have assumed that the loss rate trend associated with claim costs increases at 0.9% per year. We have assumed that claim severity increases at 3.5% per year, and that claim frequency decreases at 2.5% per year.
- We have assumed that payroll and other inflation-sensitive exposure measures increase 2.5% annually due to inflation.

- We have assumed that assets held for investment will generate an average annual return of 1.5% over the duration of payment of the loss liabilities. It should be noted that actual future investment returns may vary significantly from this assumption, depending upon the prevailing investment market conditions.
- The claims costs we have estimated include indemnity and medical payments, and all loss adjustment expenses. We have not included estimates for excess insurance contributions and other expenses associated with the program based upon information provided by NCCSIF.
- Our funding recommendations do not include provisions for catastrophic events not in NCCSIF's history, such as earthquakes, flooding, mass civil disorder, or mass occupational disease.
- Our estimates assume that all excess insurance is valid and collectible. Further, our funding recommendations do not include a provision for losses greater than NCCSIF's excess coverage.
- NCCSIF's assets available for the program are estimated to be \$17,915,000 as of June 30, 2021 for use in this report. This is shown in further detail in Appendix L.

IV. GLOSSARY OF ACTUARIAL TERMS

Accident Year - Year during which the accidents that generate a group of claims occurs, regardless of when the claims are reported, payments are made, or reserves are established.

Allocated Loss Adjustment Expenses (ALAE) - Expense incurred in settling claims that can be directly attributed to specific individual claims (e.g., legal fees, investigative fees, court charges, etc.)

Benefit Level Factor - Factor used to adjust historical losses to the current level of liability benefits.

Case Reserve - The amount left to be paid on a claim, as estimated by the claims administrator.

Claim Count Development Factor - A factor that is applied to the number of claims reported in a particular accident period in order to estimate the number of claims that will ultimately be reported.

Claim Frequency - Number of claims per \$1 million of payroll.

Confidence Level - An estimated probability that a given level of funding will be adequate to pay actual claims costs. For example, the 85% confidence level refers to an estimate for which there is an 85% chance that the amount will be sufficient to pay loss costs.

Discount Factor - A factor to adjust estimated loss costs to reflect anticipated investment income from assets held prior to actual claim payout.

Expected Losses - The best estimate of the full, ultimate value of loss costs.

Incurred but not Reported (IBNR) Losses - Losses for which the accident has occurred but the claim has not yet been reported. This is the ultimate value of losses, less any amount that has been set up as reported losses by the claims adjuster. It includes both amounts for claims incurred but not yet received by the administrator and loss development on already reported claims.

Loss Development Factor - A factor applied to losses for a particular accident period to reflect the fact that reported and paid losses do not reflect final values until all claims are settled (see Section IV).

Loss Rate - Ultimate losses per \$100 of payroll.

Non-Claims Related Expenses – Program expenses not directly associated with claims settlement and administration, such as excess insurance, safety program expenses, and general overhead. These exclude expenses associated with loss settlements (Indemnity/Medical, BI/PD), legal expenses associated with individual claims (ALAE), and claims administration (ULAE).

Outstanding Losses - Losses that have been incurred but not paid. This is the ultimate value of losses less any amount that has been paid.

Paid Losses - Losses actually paid on all reported claims.

Program Losses - Losses, including ALAE, limited to the SIR for each occurrence.

Reported Losses - The total expected value of losses as estimated by the claims administrator. This is the sum of paid losses and case reserves.

Self-Insured Retention (SIR) - The level at which an excess insurance policy is triggered to begin payments on a claim. Financially, this is similar to an insurance deductible.

Severity - Average claim cost.

Ultimate Losses - The value of claim costs at the time when all claims have been settled. This amount must be estimated until all claims are actually settled.

Unallocated Loss Adjustment Expenses (ULAE) – Claim settlement expenses that cannot be directly attributed to individual claims (e.g., claims adjusters' salaries, taxes, etc.)



BACK TO AGENDA

Northern California Cities Self Insurance Fund
Executive Committee Meeting
March 25, 2021

Agenda Item G.2.a.

**WORKERS' COMPENSATION PROGRAM
ANNUAL BANKING PLAN ADJUSTMENTS**

ACTION ITEM

ISSUE: Each year NCCSIF adjusts Member Banking Layer Fund balances by refunding amounts in excess of required funding or assessing members whose balances fall below the required funding. James Marta & Company has prepared the recommended dividend and assessment calculations for the Workers' Compensation Program.

RECOMMENDATION: Review, discuss and develop a recommendation for the Banking Layer Fund adjustments. The recommended dividend is 35% of the available Net Position. The assessment at 20% of the amount below the target benchmark is per the NCCSIF Policy and Procedure A-1.

FISCAL IMPACT: TBD - based on review and discussion at meeting. Recommended dividends totaling \$2,153,420 and assessments of \$93,154 will impact individual members while the Banking Layer itself will remain funded above the 90% Confidence Level.

BACKGROUND: On an annual basis, in accordance with Policy and Procedure A-1, Banking Plan Fund Adjustments, the NCCSIF Board of Directors reviews and determines whether to approve distribution of excess funds to members. This plan allows for redistribution to the members of funds in excess of the outstanding liabilities at a 90% Confidence Level plus a Buffer Layer of \$1,000,000 (*ten times the Self Insured Retention (SIR) of \$100,000*).

At the Board meeting, on January 8, 2015, members agreed to make a change to the adjustment formula by allocating the Buffer Layer contingency funds to all members rather than allocating the funds only to members whose balances are above the required funding levels. The formula spreadsheet was also revised to include more annotations explaining the calculations.

ATTACHMENT(S): Workers' Compensation Banking Layer Plan Adjustments

NCCSIF

Banking Layer Targeted Equity and Dividend and Assessment Worksheet
 Workers Compensation Banking Layer

Evaluation of Equity by member above 90% confidence level
 as of 12/31/20

\$10,000 or less assess
 100%, else 20%
 Expected Assessment

	Adjusted Net Position Equity at 12/31/20 A	O/S @ Exp times 90% Factor B 5530 1.183	margin to 90% claims C	10 x SIR \$1M Layer Allocated D	Net Margin above (below) 90% and 10xSIR E A-C-D	Members above target Amount Available F	Limited Amount Available Above target G <i>Limited to the net margin above target should equal col E</i>	35% Net Equity above pool 10xsir and 90% conf. level H	I
ANDERSON	238,753	427,936	66,198	20,322	152,233	152,233	142,243	49,785	-
AUBURN	167,489	902,863	139,665	44,180	(16,356)	-	-	-	(10,000)
COLUSA	98,179	189,294	29,282	9,896	59,001	59,001	55,129	19,295	-
CORNING	59,436	194,910	30,151	10,710	18,575	18,575	17,356	6,075	-
DIXON	474,652	895,792	138,572	52,884	283,196	283,196	264,611	92,614	-
ELK GROVE	646,354	2,784,430	430,728	130,689	84,937	84,937	79,363	27,777	-
FOLSOM	2,007,315	4,903,359	758,508	237,765	1,011,042	1,011,042	944,692	330,642	-
GALT	438,555	751,229	116,209	35,137	287,209	287,209	268,361	93,926	-
GRIDLEY	615,614	89,691	13,874	6,197	595,543	595,543	556,461	194,761	-
IONE	43,715	72,603	11,231	2,763	29,721	29,721	27,771	9,720	-
JACKSON	134,633	234,851	36,329	11,264	87,040	87,040	81,328	28,465	-
LINCOLN	537,231	900,880	139,358	39,032	358,841	358,841	335,292	117,352	-
MARYSVILLE	211,487	586,169	90,675	17,367	103,445	103,445	96,656	33,830	-
NEVADA CITY	224,307	170,220	26,331	9,282	188,694	188,694	176,311	61,709	-
OROVILLE	728,767	322,893	49,949	17,033	661,785	661,785	618,355	216,424	-
PARADISE	648,064	441,100	68,234	16,306	563,524	563,524	526,543	184,290	-
PLACERVILLE	162,657	668,199	103,365	36,904	22,388	22,388	20,919	7,322	-
RED BLUFF	(12,567)	2,070,782	320,332	82,869	(415,768)	-	-	-	(83,154)
RIO VISTA	177,591	264,507	40,917	14,908	121,766	121,766	113,775	39,821	-
ROCKLIN	1,143,533	1,926,141	297,958	102,557	743,018	743,018	694,257	242,990	-
WILLOWS	120,943	53,117	8,217	2,256	110,470	110,470	103,220	36,127	-
YUBA CITY	1,514,652	2,021,123	312,650	99,677	1,102,325	1,102,325	1,029,985	360,495	-
<hr/>									
	10,381,360	20,872,089	3,228,733	999,998	6,152,629	6,584,753	6,152,628	2,153,420	(93,154)

Total	
Margin to 90%	3,228,733
Plus 10x SIR	1,000,000
Total Target Margin	4,228,733
Amount above (below) Margin	6,152,629



BACK TO AGENDA

Northern California Cities Self Insurance Fund
Executive Committee Meeting
March 25, 2021

Agenda Item G.2.b.

**WORKERS' COMPENSATION PROGRAM
ANNUAL SHARED RISK PLAN ADJUSTMENTS**

ACTION ITEM

ISSUE: Each year NCCSIF reviews the financial status of the Shared Risk Layer Fund to determine if refunds or assessments may be declared. The total adjustment is allocated to members based on their pro-rata share of the total Shared contributions over a rolling ten-year period.

Based on the latest actuarial report, the Fund has \$2,251,000 in excess of the minimum required assets, defined as the lesser of total assets less outstanding liabilities at the 90% Confidence Level or Net Position of five times the SIR of \$400,000 (\$2,000,000). Please refer to the attached for details and discussion points, including how much of the available funds to disburse to each member.

Last year the total available for distribution was \$886,000, with a recommendation to refund as much as 50% of that amount, and the Board approved a 25% distribution. Given last year's decision and that the Shared Layer is experiencing adverse development, the Program Administrators have calculated the distribution at 25% for illustration.

RECOMMENDATION: Review and recommend refund amount of no more than 50% of the available amount, or \$1,125,500, per the attached breakdown by member.

FISCAL IMPACT: T.B.D., reduction of Net Position by amount of dividend approved.

BACKGROUND: On an annual basis in accordance with Policy and Procedure A-12, Shared Risk Layer Plan Fund Adjustments, the NCCSIF Board of Directors reviews and determines whether to approve distributions of excess Shared Risk Layer Funds to the members or if assessments need to be declared.

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

NCCSIF Shared Risk Layer Plan Fund Adjustments - WORKERS' COMPENSATION for 2021 Distribution

Estimated Available Assets as of June 30, 2020				Discounted Outstanding Liabilities @ Expected	Outstanding Liabilities @ 80%	Outstanding Liabilities @ 90%	5 times \$400K SIR	Available Refund, Lesser of the Two Formulas
A	B			C	D	E	F	A-E or A-F
\$27,462,000				\$18,934,000	\$22,554,000	\$25,211,000	\$2,000,000	\$2,251,000
	Net Position/NP over 5x SIR =			\$8,528,000	\$4,908,000	\$2,251,000	\$6,528,000	
						Refund of 25% =		\$562,750
Members	Historical Shared Layer Contributions FY 07/08 to FY 16/17	Total %	Available Refund	Assessment	25% of Available Refund			
Anderson	\$527,239	2.2%	\$50,260		\$12,565			
Auburn	\$838,730	3.6%	\$79,953		\$19,988			
Colusa	\$305,577	1.3%	\$29,130		\$7,282			
Corning	\$383,300	1.6%	\$36,539		\$9,135			
Dixon	\$1,114,186	4.7%	\$106,212		\$26,553			
Elk Grove	\$1,463,771	6.2%	\$139,536		\$34,884			
Folsom	\$4,943,845	20.9%	\$471,280		\$117,820			
Galt	\$1,211,495	5.1%	\$115,488		\$28,872			
Gridley	\$546,663	2.3%	\$52,112		\$13,028			
Ione	\$137,462	0.6%	\$13,104		\$3,276			
Jackson	\$302,526	1.3%	\$28,839		\$7,210			
Lincoln	\$1,570,618	6.7%	\$149,722		\$37,430			
Maysville	\$535,142	2.3%	\$51,013		\$12,753			
Nevada City	\$302,119	1.3%	\$28,800		\$7,200			
Oroville	\$954,483	4.0%	\$90,988		\$22,747			
Placerville	\$862,366	3.7%	\$82,206		\$20,552			
Paradise	\$816,385	3.5%	\$77,823		\$19,456			
Red Bluff	\$956,603	4.1%	\$91,190		\$22,797			
Rio Vista	\$452,898	1.9%	\$43,173		\$10,793			
Rocklin	\$2,446,846	10.4%	\$233,250		\$58,312			
Willows	\$310,294	1.3%	\$29,579		\$7,395			
Yuba City	\$2,630,998	11.1%	\$250,804		\$62,701			
Total	\$23,613,546	100.0%	\$2,251,000		\$562,750			

Any Available Refund should be in excess of the liabilities at the 90% confidence level and excess of the liabilities at expected plus 3-5 times SIR. This year we suggest 5 times SIR



BACK TO AGENDA

Northern California Cities Self Insurance Fund
Executive Committee Meeting
March 25, 2021

Agenda Item G.2.c.

**WORKERS' COMPENSATION PROGRAM
FY 21/22 DEPOSIT PREMIUM CALCULATIONS**

ACTION ITEM

ISSUE: Each year the Executive Committee reviews the actuary's recommended funding levels for the upcoming fiscal year and recommends the Deposit Premium to the Board.

Total funding at an 80% Confidence Level (CL) is estimated at \$14,692,312, an **increase of 7.9%** over current funding at the 80% CL. Total *payroll is increasing 1%, with the underlying rate for the self-insured layers increasing 2.9%. The rest of the increase is due to the excess coverage increasing up to 35%, or \$533,256.* The individual funding increase cap of 40% is applicable to one member this year, the City of Willows, with a total of \$30,957 reallocated to the rest of the members. The average funding and payroll change for the group is 10.9% over last year.

The excess coverage estimate as of January 2021 is \$2,069,000, a 35% increase over last year and 50% of the total premium increase for FY 21/22. The March 2021 estimate of up to \$1,955,000 is attached for reference, too late to be included here but adjustment will be made by the next Board meeting.

RECOMMENDATION: Maintain funding at the 80% Confidence Level.

FISCAL IMPACT: TBD, based on final excess and admin expenses.

BACKGROUND: Members have steadily increased the Confidence Level of annual funding over the years, from 65% to 70%, 75%, and as of FY 18/19 the current 80% CL. Over the same period the Discount Factor has decreased from 3% to 1.5%. Both of these changes have contributed to an increase in total funding, in addition to increases in payroll. NCCSIF's Funding Policy sets a goal of annual funding at an 80% CL.

ATTACHMENTS:

1. Preliminary FY 21/222 Workers' Compensation Deposit Calculations, 80% CL
2. PRISM FY 21/22 Excess Workers' Compensation Premium Estimate, March 2021

FY 21/22 NCCSIF Workers' Compensation Allocation PRELIMINARY

80% Confidence Level

Total Admin Expense = \$990,312

A	B	C	D	E	F	G	H	I	J	K	
Formula/Allocation		Member Share of: Last 5 Years Average Losses, Weighted 75%; FY 18/19	Member Share of EX MOD Adjusted Payroll	Member Share of: Last 5 Years Average Losses, Weighted 25%; FY 18/19	Member Share of Banking, Shared & Excess Premium	22 Equal Shares	C+D+E+F+G			Member % of Total Payroll Without Capped Members x Capped Amount	
Member	FY 21/22 Estimated PAYROLL (P)	BANKING LAYER \$0 to \$100K	SHARED LAYER \$100K to \$500K	PRISM EXCESS LAYER \$500K TO STATUTORY	Variable ADMIN EXPENSE 65%	Fixed ADMIN EXPENSE 35%	Preliminary FY 21/22 DEPOSIT	Total FY 20/21 Deposit	% Change DEPOSIT	Total FY 21/22 Deposit With Cap of 40%	Payroll Change from FY 20/21
Rate/Amount	Exposure Base	\$7,487,000	\$4,146,000	\$2,069,000	\$643,703	\$346,609	80% CL			\$ 30,957	
Anderson	\$ 4,095,034	\$153,488	\$75,024	\$36,560	\$12,453	\$15,755	\$293,280	\$299,037	-1.9%	\$293,788	1.0%
Auburn	\$ 7,189,036	\$329,004	\$158,460	\$78,002	\$26,565	\$15,755	\$607,786	\$532,092	14.2%	\$608,678	2.1%
Colusa	\$ 2,605,774	\$80,377	\$43,071	\$26,384	\$7,039	\$15,755	\$172,626	\$143,282	20.5%	\$172,949	12.5%
Corning	\$ 3,313,085	\$79,460	\$59,047	\$25,019	\$7,682	\$15,755	\$186,963	\$136,383	37.1%	\$187,374	8.8%
Dixon	\$ 10,956,807	\$372,675	\$193,763	\$115,217	\$32,023	\$15,755	\$729,433	\$771,003	-5.4%	\$730,791	-32.0%
Elk Grove	\$ 46,004,008	\$1,027,743	\$662,836	\$245,141	\$90,938	\$15,755	\$2,042,413	\$1,935,005	5.6%	\$2,048,117	4.9%
Folsom	\$ 47,574,717	\$1,359,059	\$736,043	\$417,505	\$118,039	\$15,755	\$2,646,401	\$2,285,124	15.8%	\$2,652,300	4.7%
Galt	\$ 12,747,317	\$378,858	\$225,701	\$80,640	\$32,190	\$15,755	\$733,143	\$732,167	0.1%	\$734,724	2.5%
Gridley	\$ 3,570,539	\$67,096	\$64,498	\$27,997	\$7,497	\$15,755	\$182,844	\$205,414	-11.0%	\$183,286	-19.9%
Ione	\$ 1,680,112	\$40,808	\$24,195	\$13,975	\$3,710	\$15,755	\$98,443	\$93,232	5.6%	\$98,652	4.0%
Jackson	\$ 2,173,111	\$105,881	\$45,978	\$23,603	\$8,243	\$15,755	\$199,459	\$201,649	-1.1%	\$199,729	-6.6%
Lincoln	\$ 16,793,802	\$313,337	\$183,667	\$122,686	\$29,112	\$15,755	\$664,556	\$589,495	12.7%	\$666,639	18.3%
Marysville	\$ 4,530,708	\$150,018	\$71,495	\$39,258	\$12,251	\$15,755	\$288,777	\$315,602	-8.5%	\$289,338	11.7%
Nevada City	\$ 2,801,835	\$156,878	\$58,709	\$32,124	\$11,637	\$15,755	\$275,102	\$259,309	6.1%	\$275,450	2.9%
Oroville	\$ 8,466,026	\$263,093	\$135,105	\$77,239	\$22,335	\$15,755	\$513,526	\$475,462	8.0%	\$514,576	17.6%
Paradise	\$ 4,859,324	\$202,953	\$95,422	\$38,015	\$15,803	\$15,755	\$367,949	\$370,273	-0.6%	\$368,551	4.5%
Placerville	\$ 7,792,934	\$183,716	\$117,474	\$65,971	\$17,249	\$15,755	\$400,166	\$347,449	15.2%	\$401,132	2.5%
Red Bluff	\$ 7,190,045	\$390,157	\$156,008	\$85,079	\$29,655	\$15,755	\$676,654	\$567,270	19.3%	\$677,545	2.3%
Rio Vista	\$ 4,198,335	\$119,538	\$72,787	\$45,165	\$11,157	\$15,755	\$264,402	\$234,404	12.8%	\$264,923	-20.2%
Rocklin	\$ 27,358,531	\$779,329	\$436,634	\$214,696	\$67,211	\$15,755	\$1,513,625	\$1,344,461	12.6%	\$1,517,017	0.7%
Willows	\$ 1,252,800	\$65,190	\$33,084	\$10,598	\$5,115	\$15,755	\$129,741	\$70,560	83.9%	\$98,784	0.0%
Yuba City	\$ 23,763,368	\$868,341	\$497,002	\$248,124	\$75,799	\$15,755	\$1,705,021	\$1,714,194	-0.5%	\$1,707,968	-0.7%
Total:	\$250,917,248	\$7,487,000	\$4,146,000	\$2,069,000	\$643,703	\$346,609	\$14,692,312	\$13,622,866	7.9%	\$14,692,312	1.3%

Actuary/Verif \$250,917,248 \$7,487,000 \$4,146,000 est. 3/19



Northern California Cities Self Insurance Fund (NCCSIF)

This third round of early estimates have been prepared to further aid you in budgeting for the 2021/22 fiscal year. At this time, updated estimates are being provided for all major programs. Since the January version: (1) The budget estimates have been updated with actuarial rates for the pooled layers; (2) The reinsurance rates were updated where we have proposals; and (3) We have incorporated more accurate administrative budget numbers. While the estimates are more refined from the previous version, they contain a range if there are still outstanding items specific to the program. The estimates are intended to be conservative; however, there may be a chance that final numbers will come in higher than the assumptions currently in place. For this reason we recommend continuing to budget toward the high end of the estimate range if one is provided.

If you are aware that you have had any substantial changes over the past 12 months, please contact Rebekah Winger and a better estimate can be developed for you.

Excess Workers' Compensation Program

Premium

19/20 Premium:	\$1,668,873	2019/20 Estimated Payroll:	\$231,495,323
20/21 Premium:	\$1,536,800	2020/21 Estimated Payroll:	\$222,962,549
21/22 Estimated Premium:	\$1,895,000 to \$1,955,000	2021/22 Estimated Payroll:	\$250,917,249
Payroll Audit:	(\$3,662)		
Estimated Collectible:	\$1,891,338 to \$1,951,338		

The EWC premium projections have been updated to reflect your entity's estimated 2021/22 payroll, as provided on your renewal application and your entity's losses based on the 6/30/20 evaluation date. Since the January estimate, we have updated the projected program administrative costs and received and updated the pool and reinsurance rates.

Pool rates have changed from last year as follows:

- County rates are up 10%
- High Safety Rates are down 6%
- Low Safety Rates are down 2%
- School rates are down 6%

Reinsurance premiums continue to be estimated at 5%-15% for most layers, but up to 40% for some Core Tower layers.

The estimates have become more accurate; however, we are still pending the finalization of most reinsurance agreements, so a range has been provided. We recommending budgeting at the high end of the range.

If you have directed us to apply the 2019/20 payroll audit to your 2021/22 premium, it has been included in the the total collection shown. If you have decided to handle the payroll audit outside of your renewal premium, the estimated premium shown is the estimated total collection.



BACK TO AGENDA

Northern California Cities Self Insurance Fund
Executive Committee Meeting
March 25, 2021

Agenda Item G.3.a.

**LIABILITY PROGRAM
ANNUAL BANKING PLAN ADJUSTMENTS**

ACTION ITEM

ISSUE: Each year NCCSIF adjusts member Banking Layer Fund balances by refunding amounts in excess of required funding or assessing members whose balances fall below the required funding. James Marta & Company has prepared the attached recommended dividend and assessment calculations for the Liability Program.

RECOMMENDATION: Review and develop a recommendation for the Banking Layer Fund adjustments. The recommended dividend is 35% of the available Net Position. The assessment at 20% of the amount below the target benchmark is per the NCCSIF Policy and Procedure A-1.

FISCAL IMPACT: TBD, based on committee recommendation. Recommended dividends totaling \$1,313,735 and assessments of \$109,282 will impact individual members while the Banking Layer itself will remain funded above the 90% Confidence Level.

BACKGROUND: On an annual basis, in accordance with Policy and Procedure A-1, Banking Plan Fund Adjustments, the NCCSIF Board of Directors reviews and determines whether to approve distribution of excess funds to members. This plan allows for redistribution to the members of funds in excess of the outstanding liabilities at a 90% Confidence Level plus a Buffer Layer of \$500,000 (*ten times the Self Insured Retention (SIR) of \$50,000*).

At the Board meeting, on January 8, 2015, members agreed to make a change to the adjustment formula by allocating the Buffer Layer contingency funds to all members rather than allocating the funds only to members whose balances are above the required funding levels. The formula spreadsheet was also revised to include more annotations explaining the calculations.

ATTACHMENT(S): Liability Banking Layer Plan Adjustments



BACK TO AGENDA

Northern California Cities Self Insurance Fund
Executive Committee Meeting
March 25, 2021

Agenda Item G.3.b.

**LIABILITY PROGRAM
ANNUAL SHARED RISK PLAN ADJUSTMENTS**

ACTION ITEM

ISSUE: Each year NCCSIF reviews the financial status of the Shared Risk Layer Fund to determine if refunds or assessments may be declared. The total adjustment is allocated to members based on their pro-rata share of the total Shared contributions over a rolling ten-year period.

Based on the most recent actuary report, the Fund is estimated to have available assets of \$9,861,000 as of June 30, 2021. This is \$2,838,000 above Outstanding Liabilities at the Expected Confidence Level (CL) and \$26,000 over Liabilities at the 90% CL, compared to \$798,000 last year. Even with this year's decrease, this remains a significant improvement over 2017, when the Fund was (\$1,525,000) *below* the 90% CL. The Fund has also maintained assets of \$580,000 above its other target benchmark of Net Position at least 5 times the *current* SIR of \$450,000 but is below the benchmark (-\$670,000) if a \$700,000 SIR is used. It is likely NorCal Cities will have to increase the SIR to \$700,000 in FY 22/23.

Given the current condition of the Fund and anticipated increase in the SIR in another year the Program Managers do not recommend a refund or assessment.

RECOMMENDATION: No refund or assessment.

FISCAL IMPACT: None.

BACKGROUND: On an annual basis in accordance with Policy and Procedure A-12, Shared Risk Layer Plan Fund Adjustments, the NCCSIF Board of Directors reviews and determines whether to approve distributions of Shared Risk Layer Funds to the members or declare assessments. In accordance with the Target Equity Policy it is NCCSIF's *goal to maintain a contingency fund equivalent to the 90% confidence level and to maintain an Equity-to-SIR ratio of 3 to 5 times the SIR.*

ATTACHMENT(S): Liability Shared Risk Layer Plan Adjustments

NCCSIF Shared Risk Layer Plan Fund Adjustments - LIABILITY for 2021 Distribution

Estimated Available Assets as of June 30, 2020		Outstanding Liabilities @ Expected 6/30/20	Outstanding Liabilities @ 70%	Outstanding Liabilities @ 80%	Outstanding Liabilities @ 90%	Benchmark Comparison Net Position to 5x SIR	Refund Available
A	B	C	D	E	F	G	Lesser of (A-F) or (C-G)
\$9,861,000		\$7,031,000	\$7,844,000	\$8,625,000	\$9,835,000	Assets > 90% CL	\$26,000
	Surplus/Deficit	\$2,830,000	\$2,017,000	\$1,236,000	\$26,000	Net Position minus 5X SIR	\$580,000
						\$2,250,000	
		-\$					No refund recommended
Members	Historical Shared Layer Contributions FY 05/06 to FY 15/16	Total %	Available Refund	Assessment	Less CJPRMA Refund	Total	No assessment needed
			\$ -	\$ -	\$ -		
Anderson	\$448,753	2.61%		\$0	0	\$0	
Auburn	\$945,212	5.50%		\$0	0	\$0	
Colusa	\$284,690	1.66%		\$0	0	\$0	
Corning	\$426,439	2.48%		\$0	0	\$0	
Dixon	\$892,109	5.19%		\$0	0	\$0	
Elk Grove	N/A						
Folsom	\$2,846,711	16.58%		\$0	0	\$0	
Galt	\$1,140,979	6.64%		\$0	0	\$0	
Gridley	\$458,569	2.67%		\$0	0	\$0	
Ione	\$71,389	0.42%		\$0	0	\$0	
Jackson	\$325,473	1.90%		\$0	0	\$0	
Lincoln	\$1,396,708	8.13%		\$0	0	\$0	
Marysville	\$679,694	3.96%		\$0	0	\$0	
Nevada City	N/A						
Oroville	\$1,059,847	6.17%		\$0	0	\$0	
Paradise	\$760,768	4.43%		\$0	0	\$0	
Placerville	N/A						
Red Bluff	\$973,379	5.67%		\$0	0	\$0	
Rio Vista	\$380,549	2.22%		\$0	0	\$0	
Rocklin	\$1,786,838	10.41%		\$0	0	\$0	
Willows	\$218,492	1.27%		\$0	0	\$0	
Yuba City	\$2,076,093	12.09%		\$0	0	\$0	
Total	\$17,172,692	100.00%		\$0	0	\$0	

* Missing data from 2001/02 and 2004/05

Any refund should be in excess of the liabilities at the 90% confidence level and excess of the liabilities at expected plus 5 times SIR.



BACK TO AGENDA

Northern California Cities Self Insurance Fund
Executive Committee Meeting
March 25, 2021

Agenda Item G.3.c.

**LIABILITY PROGRAM
FY 21/22 DEPOSIT PREMIUM CALCULATIONS**

ACTION ITEM

ISSUE: Each year the Executive Committee reviews the actuary's recommended funding levels for the upcoming fiscal year and recommends a Deposit Premium to the Board. This year the Program Administrators have prepared deposits based on the current \$500,000 Self-Insured Retention (SIR). The rates offered by CJPRMA this year for excess coverage at higher SIRs are significantly higher than the rates NorCal Cities' own actuary has calculated and so are not presented this year.

However, the increase in the CJPRMA rates is impacting the NorCal funding in that we are anticipating an excess premium increase of over 60% due to their change in the current funding formula to the traditional actuary method as well as an *estimated* 50% increase in the reinsurance above \$5M. This helped to create increases of over 30% for 11 of the 19 liability program members, and as a result the Program Administrators have prepared an exhibit with a 50% cap for consideration, reducing the number of capped members to 6 and the amount redistributed from \$667,551 to \$314,028.

Total funding at an 80% Confidence Level (CL) and \$500,000 SIR is estimated at \$9,065,150, an increase of 16% over FY 20/21 funding. A payroll increase of 2%, excess coverage increase of 63%, and 3% increase in the Shared Layer rate are the factors driving the funding.

RECOMMENDATION: Review and recommend to the Board to maintain funding at an 80% CL with an SIR of \$500,000. Determine recommendation for capping of premium increases.

FISCAL IMPACT: TBD, *based on final excess coverage pricing.*

BACKGROUND: Members have steadily increased the Confidence Level of annual funding from 65% to 70%, 75%, to the current 80% CL. Over the same period the Discount Factor has decreased from 3% to 1.5%. Both of these changes have contributed to an increase in total funding, in addition to increases in payroll in prior years.

ATTACHMENT(S): Preliminary FY 21/22 Liability Deposit Calculations, 80% CL, \$500,000 SIR.

FY 21/22 NCCSIF General Liability Funding Allocation DRAFT

80% Confidence Level				Total Admin Expense = \$449,497				
A	B	C	D	E	F	G	H	I
Formula/Allocation	Payroll (P)	Member Weighted Share Last 5 Years 25% Payroll, 75% Losses	Member Share of EX MOD Adjusted Payroll X Total Funding	Member Weighted Share Last 5 Years 75% Payroll, 25% Losses	(Admin/2) X Member % of Total Payroll	(Admin/2) ÷ 19 Equal Shares	C+D+E+F+G	
Member	2020 Calendar Year Payroll (DE 9)	BANKING LAYER \$0 to \$50K (*Folsom \$0 to \$100K)	SHARED LAYER \$50K to \$500K at 80% CL	CJPRMA EXCESS LAYER \$500k to \$40M	ADMIN EXPENSE 50%	ADMIN EXPENSE 50%	FY 21/22 TOTAL DEPOSIT 80% CL	FY 20/21 TOTAL DEPOSIT 80% CL
Rate/Amount	Exposure Base	\$2,234,000	\$3,000,000	\$3,375,239	\$224,749	\$224,749	80% CL	80% CL
Anderson	\$ 4,654,184	\$30,281	\$79,254	\$35,150	\$5,699	\$11,829	\$162,212	\$155,973
Auburn	\$ 6,948,048	\$136,598	\$169,381	\$232,352	\$8,507	\$11,829	\$558,667	\$499,738
Colusa	\$ 2,527,589	\$38,949	\$55,914	\$63,708	\$3,095	\$11,829	\$173,495	\$185,895
Corning	\$ 3,631,789	\$66,994	\$63,423	\$114,106	\$4,447	\$11,829	\$260,798	\$126,468
Dixon	\$ 9,695,118	\$50,619	\$132,329	\$44,730	\$11,871	\$11,829	\$251,377	\$161,585
Elk Grove								
Folsom	\$ 43,894,742	\$610,568	\$524,531	\$956,679	\$53,746	\$11,829	\$2,157,354	\$2,314,457
Galt	\$ 11,027,133	\$90,972	\$186,964	\$109,832	\$13,502	\$11,829	\$413,099	\$388,823
Gridley	\$ 4,275,659	\$50,000	\$85,668	\$72,659	\$5,235	\$11,829	\$225,391	\$178,487
Ione	\$ 1,563,176	\$29,408	\$29,999	\$50,472	\$1,914	\$11,829	\$123,622	\$96,274
Jackson	\$ 2,875,922	\$10,944	\$53,226	\$6,059	\$3,521	\$11,829	\$85,580	\$174,342
Lincoln	\$ 15,614,334	\$295,376	\$248,580	\$505,338	\$19,118	\$11,829	\$1,080,241	\$596,924
Marysville	\$ 4,529,402	\$110,332	\$89,728	\$199,668	\$5,546	\$11,829	\$417,102	\$278,890
Nevada City								
Oroville	\$ 6,629,871	\$96,685	\$120,480	\$153,406	\$8,118	\$11,829	\$390,518	\$246,894
Paradise	\$ 4,839,826	\$44,236	\$104,483	\$61,050	\$5,926	\$11,829	\$227,524	\$230,743
Placerville								
Red Bluff	\$ 6,369,163	\$91,040	\$126,582	\$142,914	\$7,799	\$11,829	\$380,163	\$233,352
Rio Vista	\$ 3,964,129	\$51,657	\$127,574	\$76,121	\$4,854	\$11,829	\$272,034	\$189,031
Rocklin	\$ 22,914,454	\$148,432	\$375,016	\$146,312	\$28,057	\$11,829	\$709,645	\$846,318
Willows	\$ 979,430	\$38,086	\$37,220	\$66,580	\$1,199	\$11,829	\$154,914	\$115,289
Yuba City	\$ 26,621,274	\$249,238	\$389,650	\$338,102	\$32,596	\$11,829	\$1,021,414	\$784,515
Total:	\$183,555,242	\$2,240,414	\$3,000,000	\$3,375,239	\$224,749	\$224,749	\$9,065,150	\$7,804,000

A	J	K	L			L		
Formula/Allocation	H-I	J/I	H + Member % of Total Uncapped Payroll X Capped Amount			H + Member % of Total Uncapped Payroll X Capped Amount		
Member	\$ Change Overall	% Change Overall	Total FY 21/22 Deposit With Cap of 30%	% Change After Cap	Amount Redistributed	Total FY 21/22 Deposit With Cap of 50%	% Change After Cap	Amount Redistributed
Rate/Amount			\$ 667,551		11 Capped	\$ 314,028		6 Capped
Anderson	\$6,239	4.0%	\$193,380	24%		\$172,874	11%	
Auburn	\$58,929	11.8%	\$605,197	21%		\$567,429	14%	
Colusa	-\$12,401	-6.7%	\$190,421	2%		\$183,957	2%	
Corning	\$134,330	106.2%	\$164,409	30%	\$96,389	\$189,702	50%	\$71,096
Dixon	\$89,792	55.6%	\$210,061	30%	\$41,316	\$242,378	50%	\$8,999
Elk Grove								
Folsom	-\$157,104	-6.8%	\$2,451,308	6%		\$2,157,354	-7%	
Galt	\$24,276	6.2%	\$486,946	25%		\$586,636	51%	
Gridley	\$46,904	26.3%	\$232,033	30%	-\$6,642	\$243,688	37%	
Ione	\$27,347	28.4%	\$125,157	30%	-\$1,535	\$126,400	31%	
Jackson	-\$88,762	-50.9%	\$104,839	-40%		\$88,231	-49%	
Lincoln	\$483,317	81.0%	\$776,002	30%	\$304,240	\$895,387	50%	\$184,855
Marysville	\$138,212	49.6%	\$362,558	30%	\$54,545	\$418,336	50%	-\$1,233
Nevada City								
Oroville	\$143,623	58.2%	\$320,963	30%	\$69,555	\$370,342	50%	\$20,176
Paradise	-\$3,219	-1.4%	\$259,935	13%		\$240,599	4%	
Placerville								
Red Bluff	\$146,811	62.9%	\$303,357	30%	\$76,806	\$350,027	50%	\$30,135
Rio Vista	\$83,003	43.9%	\$245,741	30%	\$26,294	\$282,156	49%	
Rocklin	-\$136,673	-16.1%	\$863,099	2%		\$756,809	-11%	
Willows	\$39,625	34.4%	\$149,875	30%	\$5,039	\$160,321	39%	
Yuba City	\$236,899	30.2%	\$1,019,869	30%	\$1,545	\$1,052,548	34%	
Total:	\$1,261,150	16.2%	\$9,065,150	16%	\$ 667,551	\$9,085,173	16%	\$ 314,028



Northern California Cities Self Insurance Fund
 Executive Committee Meeting
 March 25, 2021

Agenda Item G.4.

**SEDGWICK LIABILITY CLAIMS ADMINISTRATION SERVICES
 RENEWAL AGREEMENT**

ACTION ITEM

ISSUE: The Committee is provided the attached renewal proposal for liability claims administration per direction from the Board, to replace the agreement expiring as of 6/30/21.

Sedgwick has offered to continue their services for a three-year period for a flat fee plus time and expense for field adjusting, as indicated below.

Coverage line	Year 1	Year 2	Year 3
Annual Flat Fee for Desk Adjusting	\$261,756.00	\$269,609.00	\$277,697.00
Annual Time and Expense Rate for Field Adjusting	\$89.50 per hour	\$90.00 per hour	\$90.50 per hour

The fee for Year 1 is a 2.8% increase from the current fee of \$254,132, with no change in the hourly rate. Fees increase 3% in each of the subsequent two years. The fees for field adjusting were averaging approximately \$2,500 per month pre-COVID, with minimal expenses since the quarantine, and the proposal has caps of \$370,000, \$375,000 and \$380,000 in each of the three years, respectively.

RECOMMENDATION: Review and make a recommendation to the Board as presented or amended per discussion.

FISCAL IMPACT: Increase of 2.8% in current budget, from \$254,132 to \$261,756, plus field work.

BACKGROUND: Sedgwick and its predecessors York and Bragg & Associates have been providing claims administration services to NCCSIF since the inception of the Workers' Compensation and Liability Programs. The Board reviewed the service and latest performance surveys at their December 10, 2020, and provided direction to negotiate a new agreement with Sedgwick for liability claims administration.

ATTACHMENT(S): Renewal Fee Proposal Dated March 8, 2021

Renewal Fee Proposal for Northern California Cities Self-Insurance Fund (NCCSIF)

03/08/2021

Contract Term: 07/01/2021 – 06/30/2024

Summary of fees

All fees apply to the State of California. While Sedgwick also has capabilities outside these areas, quotes for additional countries/territories are not contemplated in this proposal.

Annual flat fee pricing – General Liability

Sedgwick’s annual flat fee pricing is based on the annual estimated claim volumes and the estimated required staffing to service those claims. If acquisitions, divestitures, changes in program requirements, or an increase in claim volume impacts the staffing requirements of the unit, Sedgwick reserves the right to modify the annual flat fee. Claims open at contract termination will either be transferred to the new administrator or handled by Sedgwick for an additional annual fee.

Coverage line	Year 1	Year 2	Year 3
Annual Flat Fee for Desk Adjusting	\$261,756.00	\$269,609.00	\$277,697.00
Annual Time and Expense Rate for Field Adjusting	\$89.50 per hour	\$90.00 per hour	\$90.50 per hour

Sedgwick’s Annual Fee quotation is a guaranteed flat annual fee and applies to claims administration services provided during the 12-month contract term. The total annual fee is not to exceed \$370,000 for term 07/01/2021-06/30/2022, \$375,000 for term 07/01/2022-06/30/2023 and not to exceed \$380,000 for term 07/01/2023-06/30/2024. Any additional administration beyond the contract term will be subject to an additional negotiated flat annual fee or other mutually agreed upon rate structure. If there is a significant increase in claims volume, Sedgwick may propose additional charges. If client agrees to such additional charges, the fees will be adjusted accordingly. If client does not agree to such charges, Sedgwick will have the right to terminate services on 90 days’ notice.

Items included in the quoted fees include:

- Services of client service director
- Telephonic claim reviews (semi-annual)
- RMIS access: viaOne for up to two users, which provides a platform-independent, web-based tool for viewing and analyzing claims data. Access provides secure, near real-time information from Sedgwick’s proprietary claims information systems.

Additional bundled services and fees:

- Subrogation services will be charged 25% of recoveries

- RMIS: Additional user access is \$870 per user per year
- RMIS data feeds: Additional interface files are \$225 per month for monthly file, \$645 per month for weekly file or \$1,945 per month for daily file
- RMIS: System interfaces or custom programming charged at \$185 per hour

Definitions, terms and conditions

Definitions

Life of contract: Sedgwick will administer all claims received during the contract for the quoted fee. Claims open at contract termination will either be transferred to the new administrator or handled by Sedgwick for an additional annual fee.

Allocated expenses: The claim fees agreed to shall include all costs incurred by Sedgwick in handling claims submitted, except those costs normally referred to as “allocated expenses.” These expenses will be billed to the individual claim file when incurred.

In some cases, Sedgwick engages subcontractors to assist us in providing services. In order to hold down the cost to our clients, Sedgwick may have arrangements with these subcontractors to cover expense for certain activities, including but not limited to, development of integrated data systems, account management, quality oversight and ongoing projects that improve penetration and efficiency for our examiners. These cooperative service agreements are not transactional-based and are not dependent on any activity generated by NCCSIF. In fact, the flat cooperative service fees remain the same regardless of whether NCCSIF uses these vendors on their program or not.

Allocated expenses include but are not limited to:

- Attorney fees and costs
- Hearing representation in lieu of attorney fees including preparation, travel expenses, attendance and system notations
- Court costs and appeal bonds
- Cost of providing rehabilitation services
- Cost of surveillance activities and other outside investigations
- Cost of expert witnesses, accident reconstruction specialists, or any other specialist necessary for the investigation and/or defense of a claim
- Cost incurred to obtain statements, photographs, records, transcripts, depositions, digital call recording, etc.
- Cost of inspections, appraisals, repair management, rental/replacement, etc.
- Cost of independent medical exam
- Cost of medical bill review, PPO, managed care and other similar programs
- Cost of medical experts, peer review, utilization review, case management, pre-certifications and

medical necessity evaluations

- Cost of translation services
- Medicare reporting and compliance services fees and costs
- Index filings
- Cost of vocational evaluations, vocational services, training or other vocational activities
- Cost of outside assistance necessary to prepare or protect a client's subrogation right or Special Disability Trust Fund claim
- Expenses for travel to depositions, mediations, arbitrations, hearings or other legal proceedings at the client's request or as required by law or rule of a federal, state or local agency

Terms and conditions

Quotation expiration: All pricing quoted is valid for a period of 90 days from submission unless a written extension is requested.

Payment terms: Claim service and information technology fees are billed on actuals on a monthly basis in arrears. Administrative fees are billed on an annual basis in advance based on annual estimates. The estimates are subject to audit 30 days after the conclusion of each contract year.

Early termination: Either party may terminate this Agreement by providing written notice sixty (60) days in advance to the other.

Reverse takeover (RTE) / Exit Data Services: Upon termination there will be a one-time fee of \$10,000 to support the final transfer of claim data including exporting of claim transactions, notes, and images in Sedgwick's standard format. Requests for customized data layouts will be scoped and charged at \$185 per hour. Fee is due prior to transition of data.

Submission of all applicable claims: The fees quoted are based on the assumption that NCCSIF will forward to Sedgwick all claims arising during the applicable time period in a covered jurisdiction. In the event that NCCSIF does not forward all such claims to Sedgwick, we reserve the right to adjust the fees accordingly.

Contract term: All fees assume the parties will enter into a three-year contract with an annual increase for 3% to all fees.



Northern California Cities Self Insurance Fund
Executive Committee Meeting
March 25, 2021

Agenda Item G.5.

FY 21/22 NCCSIF ADMINISTRATION BUDGET

INFORMATION ITEM

ISSUE: The Executive Committee reviews and recommends to the Board the budget for the next fiscal year. Attached is the preliminary budget for review and discussion. The Administrative Costs are discussed in more detail below. The budget to actual revenues provided by our accountant are used in creating the FY 21/22 budget.

Administrative Expenses

1. Claim Audits - Every year either the Liability or Workers' Compensation claims are audited. The Liability Claims audit in FY 19/20 was \$6,625 and is budgeted at \$7,500 for FY 21/22. A budget for an additional Workers' Compensation Claims audit is included at \$15,000 pending discussion regarding a follow-up audit for that program in FY 21/22.
2. Actuarial Services are increasing by \$360 (2.8%) per current service agreement.
3. Accounting Services are expected to increase \$3,600 (3.4%) per current contract.
4. York's Risk Control services are the same as last year based on the current contract, and the rest of the risk control budget is expected to be flat, *pending Lexipol renewal*.
5. State Funding/Fraud Assessment has been estimated to increase by 7% to match the actual expense of \$345,404 in FY 20/21. This is hard to predict as it is based on the amount of indemnity payments during the year.
6. The Program Administration and Brokerage Fee is increasing by \$11,375 (3.2%) per the terms of the current agreement.

RECOMMENDATION: None - information item only. The EC may give direction regarding the funding for the next draft budget.

FISCAL IMPACT: Total administrative expenses are estimated to be \$1,444,143, an increase of \$53,424 (3.8%) over FY 20/21, driven by the estimated increase of \$22,716, in the State's Self-Insured Assessment and the potential for an additional Workers' Compensation Claims Audit. The remainder is due to scheduled service contract increases. A small amount of surplus offset may be available to reduce the funding, to be determined as we get closer to the fiscal year end.

BACKGROUND: None

ATTACHMENT(S): Preliminary FY 21/22 NCCSIF Budget

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
ADMIN BUDGET - Draft Presented to EC as of March 25, 2021
July 1, 2021 to June 30, 2022

		WORK COMP	LIABILITY	GROUP PURCHASE	FY 21/22 TOTAL	FY 20/21 PRIOR YEAR	\$ CHANGE	% CHANGE
REVENUES								
Est	WC Program Banking Layer	\$7,487,000			\$7,487,000	\$7,215,000	\$272,000	4%
Est	WC Program Shared Layer	\$4,146,000			\$4,146,000	\$3,948,000	\$198,000	5%
Est	WC Program Admin Expense	\$990,312			\$990,312	\$924,122	\$66,190	7%
Est	Excess WC Coverage (EIA)	\$2,069,000			\$2,069,000	\$1,535,744	\$533,256	35%
Est	Liability Program Banking Layer		\$2,234,000		\$2,234,000	\$2,422,487	(\$188,487)	-8%
Est	Liability Program Shared Layer		\$3,000,000		\$3,000,000	\$2,849,538	\$150,462	5%
Est	Liability Program Admin Expense		\$449,497		\$449,497	\$466,596	(\$17,099)	-4%
Est	Excess Liability Coverage (CJPRMA)		\$3,375,239		\$3,375,239	\$2,065,379	\$1,309,860	63%
Est	Group Purchase Property Coverage (APIP)			\$2,694,117	\$2,694,117	\$2,275,629	\$418,488	18%
Est	Group Purchase Crime Coverage (ACIP)			\$53,523	\$53,523	\$53,523	\$0	0%
Est	Group Purchase Coverage (ADWRP)				\$12,336	\$12,336	\$0	0%
Est	Pass through Cost - Lexipol Fire Manuals				\$32,888	\$32,888	\$0	0%
N/A	Pass through Cost - Appraisal Services			N/A	N/A	N/A		
Est	Pass through Cost - Drone Coverage				\$5,000	\$4,736	\$264	6%
	Total Revenues	\$14,692,312	\$9,058,736	\$2,747,640	\$26,548,912	\$24,629,473		

EXPENSES		WORK COMP	LIABILITY		FY 21/22 TOTAL	FY 20/21 PRIOR YEAR	\$ CHANGE	% CHANGE
Administrative Expenses:								
Consultants								
52101	Claims Audit	\$15,000	\$7,500		\$22,500	\$14,625	\$7,875	53.8%
52102	Financial Audit	\$13,850	\$13,850		\$27,700	\$27,700	\$0	0.0%
52103	Legal Services	\$2,000	\$15,000		\$17,000	\$17,000	\$0	0.0%
52104	Actuarial Review	\$5,900	\$7,900		\$13,800	\$13,420	\$380	2.8%
52105	Computer Services				N/A	N/A	N/A	N/A
52106	CAJPA Accreditation (every 3 years: not until 2021)				N/A	\$5,850	N/A	N/A
52109	Misc. Consulting/Contingency	\$2,500	\$2,500		\$5,000	\$5,000	\$0	0.0%
	Total Consultant Expenses	\$39,250	\$46,750		\$86,000	\$74,720	\$11,280	15.1%

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
ADMIN BUDGET - Draft Presented to EC as of March 25, 2021
July 1, 2021 to June 30, 2022

		WORK COMP	LIABILITY	GROUP PURCHASE	FY 21/22 TOTAL	FY 20/21 PRIOR YEAR	\$ CHANGE	% CHANGE
Safety Services:								
52204	Risk Control Services Agreement	\$89,240	\$89,240		\$178,480	\$178,480	\$0	0.0%
52201	Outside Training	\$15,000	\$15,000		\$30,000	\$30,000	\$0	0.0%
52202	Risk Mgmt Comm Mtg Expense	\$750	\$750		\$1,500	\$1,500	\$0	0.0%
52207	Member Training and Risk Management	\$50,000	\$38,000		\$88,000	\$88,000	\$0	0.0%
52208	Lexipol Police Manual Updates & DTBs	\$144,441			\$148,774	\$144,441	\$4,333	3.0%
52209	Police Risk Management Funds	\$25,000	\$25,000		\$50,000	\$50,000	\$0	0.0%
	Total Safety Services Expenses	\$324,431	\$167,990		\$496,754	\$492,421	\$4,333	0.9%
Claims Administration								
52302	Claims Administration Fee (Reports, etc.) Annual	\$0	\$0		\$0	\$0	\$0	
	Claims Adjustment Fee*							
52304	State Funding/Fraud Assessment	\$345,000			\$345,000	\$322,284	\$22,716	7.0%
	Total Claims Administration Expenses	\$345,000	\$0		\$345,000	\$322,284	\$22,716	7.0%
Program Administration								
52401	Program Administration and Brokerage Fee	\$197,116	\$164,262		\$361,378	\$350,003	\$11,375	3.2%
52403	Accounting Services	\$56,745	\$56,745		\$113,490	\$109,770	\$3,720	3.4%
	Total Program Administration Expenses	\$253,861	\$221,007		\$474,868	\$459,773	\$15,095	3.3%
Board Expenses								
52501	Executive Committee	\$1,250	\$1,250		\$2,500	\$2,500	\$0	0.0%
52502	Executive Committee Member Travel	\$2,000	\$2,000		\$4,000	\$4,000	\$0	0.0%
52503	Board of Directors Meetings (includes Travel)	\$4,000	\$4,000		\$8,000	\$8,000	\$0	0.0%
52509	Board of Directors Long Range Planning (every 3 years, last LRP January 2020)	\$4,000	\$4,000		\$8,000	\$8,000	\$0	0.0%
52504	Association Memberships (PARMA, CAJPA, AGRIP)	\$2,500	\$2,500		\$5,000	\$5,000	\$0	0.0%
	Total Board Expenses	\$13,750	\$13,750		\$27,500	\$27,500	\$0	0.0%
OTHER Administration Expenses (Not identified with above budget line items)								
52000	Administrative Expense	\$0	\$0		\$0	\$0	\$0	0.0%
52001	Administration Expense - Other	\$0	\$0		\$0	\$0	\$0	0.0%
52900	Member Identity Theft Protection	\$14,020	0		\$14,020	\$14,020	\$0	0.0%
	Total Other Admin	\$14,020	\$0		\$14,020	\$14,020	\$0	0.0%
Total Admin Expenses		\$990,312	\$449,497		\$1,444,143	\$1,390,718	\$53,424	3.8%



Northern California Cities Self Insurance Fund
Executive Committee Meeting
March 25, 2021

Agenda Item G.6.

CORE LOGIC WILDFIRE RISK SCORES

ACTION ITEM

ISSUE: The Committee is asked to review and approve a proposal to use Core Logic to evaluate the relative wildfire risk of member properties. Members were offered a presentation, attached, after the last Board meeting to provide an overview of their methodology and resulting analysis of the relative wildfire risk in a particular location. Feedback from the meeting was positive regarding the Scores, and they would initially be used to the extent they support the upcoming property insurance renewal.

Members can also use this information as the first step in prioritizing and addressing wildfire risk for their properties. Members have already approved best practices for wildfire risk management, and the Program Administrators have researched options for consulting and/or training of employees to address the risks on the ground as a next step. See attached for reference to a relatively new professional designation as a Certified Wildfire Mitigation Specialist as well as related consulting services.

DISCUSSION: The pros and cons of using the risk scores were discussed as part of the presentation, with concern regarding identification of very high-risk locations and the impact on insurability. Members tended to agree it's better to have the information than not, with the understanding that risk mitigation will be an important element of an overall plan to address the hazards.

RECOMMENDATION: Review and approve agreement to run Wildfire Risk Scores.

FISCAL IMPACT: The cost per location is \$2.25, with no more than 2,222 locations to be assessed, for a cost not to exceed \$5,000.

BACKGROUND: After the last Board meeting Core Logic provided an overview of their methods of assessing the relative wildfire risk of specific areas and properties. The Wildfire Risk Score measures the distance from the geocoded address to:

- The nearest High or Very High risk area
- The nearest area designated as Wildland (area without any development)

And then combines:

- The risk on the property (L/M/H/VH)
- The distance to the nearest High or Very High (if not in H/VH now)
- The distance to the nearest Wildland
- Results in a score based on a 5 to 100 scale.

ATTACHMENT(S):

1. Core Logic Wildfire Risk Overview
2. Core Logic Statement of Work
3. Wildfire Risk Management Resources



Wildfire Risk Overview

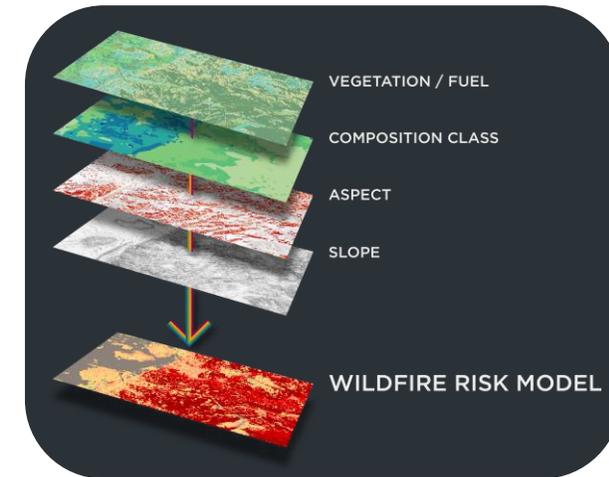
November, 2020
Tom Jeffery, Ph.D.

Comparison of Brushfire Risk Description and Wildfire Risk Score

- ◆ **Brushfire Risk** is based on categories of Low/Moderate/High/Very High
- ◆ These categories are created by combining 4 input factors
 - Fuels
 - Slope
 - Aspect
 - Fire history
- ◆ Most accurately described as the risk On a property or the risk at a specific location. Not the risk associated with embers or nearby high risk fuels.
- ◆ **Wildfire Risk Score** begins with the Brushfire Risk categories and adds to them.
 - Adds distance to nearest High/V-High risk
 - Adds distance to nearest Wildland
- ◆ Result is a numeric score (5-100) that identifies risk based on the combination of risk on the property and risk posed by embers that are generated in high risk fuels located outside the property.

Risk ON the property

- ◆ Four input variables are weighted (30x30 meter grid)
 - **Fuel** – species type and density (ignition/spread/intensity).
 - **Composition Class** – burn history/frequency.
 - **Aspect** – southerly slopes drier and warmer (ignition/spread/intensity).
 - **Slope** – steeper slopes more conducive to fire spread and intensity.



Resulting “Risk Description”



These are not describing the final wildfire score

Risk NEAR the property

- ◆ Urban properties often have little to no fuel (lawns) and are classified as Low risk.
- ◆ Just beyond the urban edge is High risk
 - Natural vegetation/fuel – dense chaparral or forest – WUI
- ◆ Windblown embers will carry from the natural vegetation to the property.



Combining risk ON and NEAR results in the Wildfire Risk Score

Wildfire Risk Score = 58
Risk Description = Low
 Dist to H = 556'
 Dist to Wildland = 1563'



Wildfire Risk Score = 63
Risk Description = Low
 Dist to H = 340'
 Dist to Wildland = 1348'

Wildfire Risk Score = 78
Risk Description = Low
 Dist to H = 49'
 Dist to Wildland = 1056'

This area was under a mandatory evacuation order due to the proximity of the Silverado Fire (Orange County)

Google Earth

Wildfire Risk Score

- ◆ Wildfire Risk Score measures the distance from the geocoded address to
 - The nearest High or Very High risk area
 - The nearest area designated as Wildland (area without any development – indicative of dense fuels and ignition opportunity)

- ◆ And then combines:
 - The risk on the property (L/M/H/VH)
 - The distance to the nearest High or Very High (if not in H/VH now)
 - The distance to the nearest Wildland

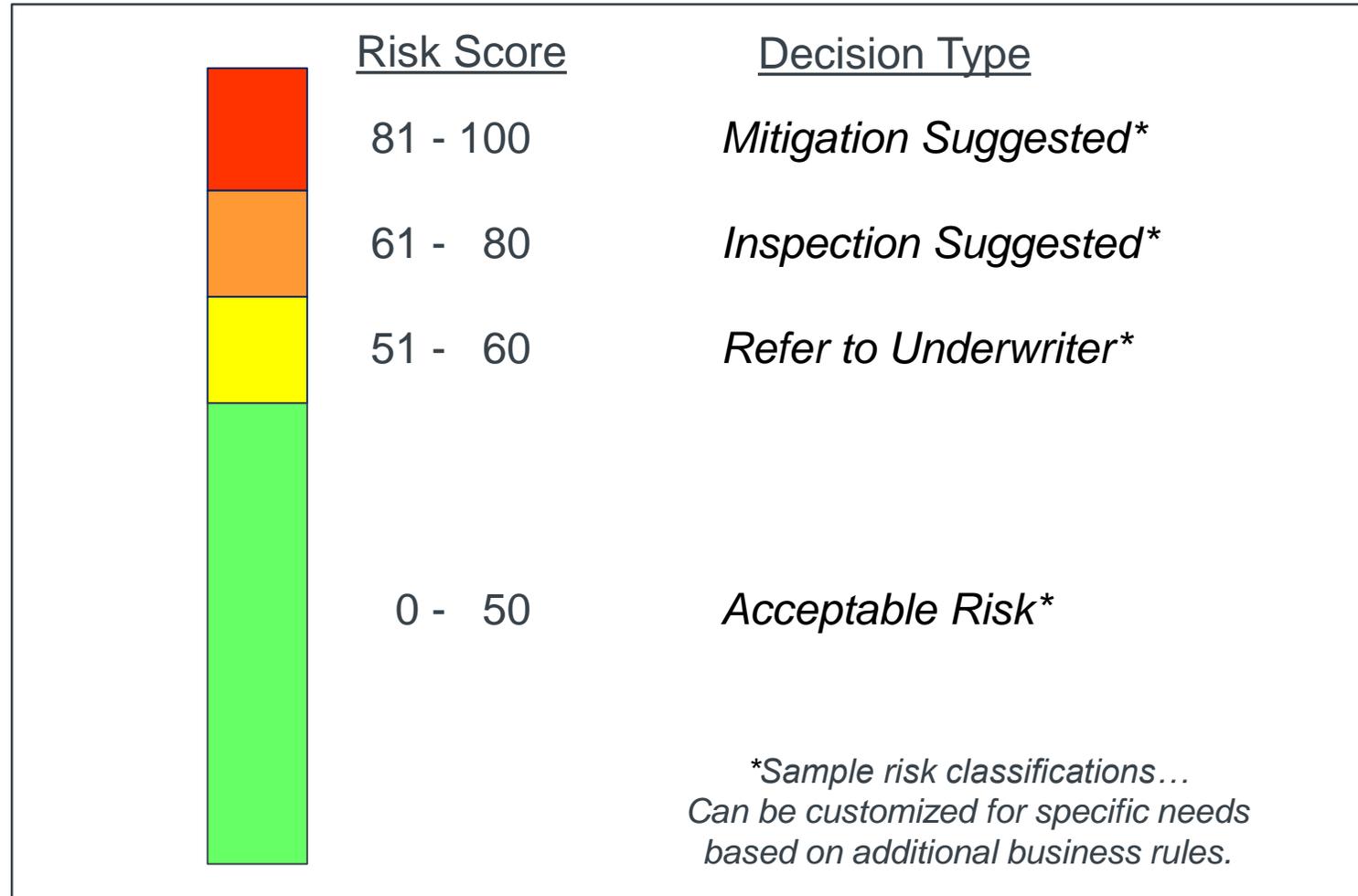
- ◆ Results in a score based on a 5 to 100 scale.

The Wildfire Score

- ◆ Especially important for urban areas where structures are built on parcels that may have lawn or landscaped vegetation but do not have any wildfire fuels on the property.
- ◆ In those areas, embers are the primary source of structure ignitions. The closer the proximity to those fuels the greater the opportunity for embers to ignite the structure.



Wildfire Score used to create decision buckets



Wildfire Risk Score: **12**

RISK DESCRIPTION	Low	BRUSHFIRE RISK LEVEL	1
BRUSHFIRE DISTANCE TO HIGH RISK FEET	6,158	BRUSHFIRE DISTANCE TO VERY HIGH RISK FEET	10,803

WILDFIRE PREBURN SCORE	84	BRUSHFIRE PREBURN RISK DESCRIPTION	High
PREBURN DISTANCE TO HIGH RISK FEET	0	PREBURN DISTANCE TO VERY HIGH RISK FEET	513

FIREBREAK LAND USE DENSITY CLASS	Medium Density Residential	FIREBREAK LAND USE DENSITY LEVEL	3
		FIREBREAK DISTANCE WILDLAND FEET	413
AVERAGE DAYS OF HIGH WIND	19	HAS RECENTLY BURNED	Yes

NUMBER OF PAST FIRES: 11 **Past Fire Overview**

1. Distance To Burn: 0
 Name Of Burn: WOOLSEY
 Size Of Burn: 96,949
 Year Of Burn: 2018

2. Distance To Burn: 836
 Name Of Burn: CORRAL
 Size Of Burn: 5,485
 Year Of Burn: 2007

- ◆ Wildfire Risk Score provides current risk
- ◆ PreBurn score provides long term view of risk to the property

Example of High Score – Low Brushfire (Urban)

 1003 BECKLEE RD GLENDORA, CA 91741-2201

LOCATION ACCURACY:  LATITUDE: 34.153881 LONGITUDE: -117.848688 MATCH CODE: A0000 SOURCE: PxPoint CENSUS BLOCK ID: 060374005011008

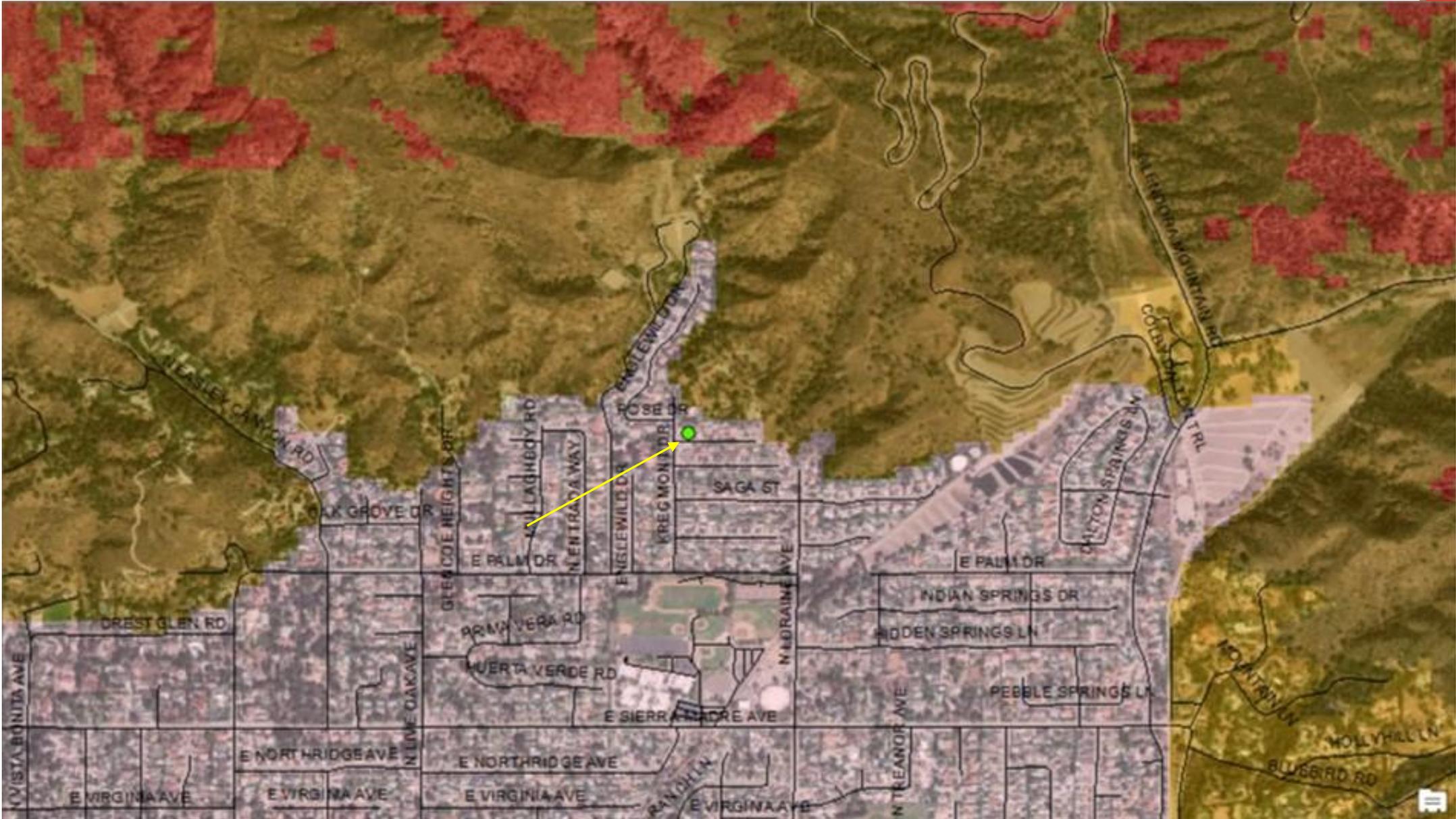
Wildfire Risk Score Report

Wildfire Risk Score: **73**

RISK DESCRIPTION	Urban	BRUSHFIRE RISK LEVEL	1
BRUSHFIRE DISTANCE TO HIGH RISK FEET	150	BRUSHFIRE DISTANCE TO VERY HIGH RISK FEET	2,336

Even though the property is low risk (urban) it is located in close proximity to nearby High risk









Wildfire Risk Score Report

Wildfire Risk Score: **94**

RISK DESCRIPTION	Very High
BRUSHFIRE DISTANCE TO HIGH RISK FEET	525
WILDFIRE PREBURN SCORE	N/A
PREBURN DISTANCE TO HIGH RISK FEET	N/A
FIREBREAK LAND USE DENSITY CLASS	Low Density Residential

BRUSHFIRE RISK LEVEL	4
BRUSHFIRE DISTANCE TO VERY HIGH RISK FEET	0
BRUSHFIRE PREBURN RISK DESCRIPTION	N/A
PREBURN DISTANCE TO VERY HIGH RISK FEET	N/A
FIREBREAK LAND USE DENSITY LEVEL	4

Example of high risk score due to on-property risk.

Wildfire Risk Score Report

Wildfire Risk Score: **20**

RISK DESCRIPTION	Moderate	BRUSHFIRE RISK LEVEL	2
BRUSHFIRE DISTANCE TO HIGH RISK FEET	4,443	BRUSHFIRE DISTANCE TO VERY HIGH RISK FEET	7,790
WILDFIRE PREBURN SCORE	N/A	BRUSHFIRE PREBURN RISK DESCRIPTION	N/A
PREBURN DISTANCE TO HIGH RISK FEET	N/A	PREBURN DISTANCE TO VERY HIGH RISK FEET	N/A
FIREBREAK LAND USE DENSITY CLASS	Medium Density Residential	FIREBREAK LAND USE DENSITY LEVEL	3

Example of low risk score.

Wildfire Risk Score Report

Wildfire Risk Score: **16**

RISK DESCRIPTION	Low	BRUSHFIRE RISK LEVEL	1
BRUSHFIRE DISTANCE TO HIGH RISK FEET	17,021	BRUSHFIRE DISTANCE TO VERY HIGH RISK FEET	24,729
WILDFIRE PREBURN SCORE	88	BRUSHFIRE PREBURN RISK DESCRIPTION	High
PREBURN DISTANCE TO HIGH RISK FEET	0	PREBURN DISTANCE TO VERY HIGH RISK FEET	18,796
FIREBREAK LAND USE DENSITY CLASS	Low Density Residential	FIREBREAK LAND USE DENSITY LEVEL	4
AVERAGE DAYS OF HIGH WIND	1	FIREBREAK DISTANCE WILDLAND FEET	747
NUMBER OF PAST FIRES	9	HAS RECENTLY BURNED	Yes

Past Fire Overview

1. Distance To Burn: 0
 Name Of Burn: CAMP
 Size Of Burn: 153,336
 Year Of Burn: 2018

2. Distance To Burn: 0
 Name Of Burn: BTU LIGHTNING COMPLEX (LONG BRANCH-JACK)
 Size Of Burn: 52,091
 Year Of Burn: 2008

Example of reduced risk score due to recent fire.

**STATEMENT OF WORK 12
TO THE
MASTER SERVICE AGREEMENT**

This Statement of Work 12 (the “SOW”) is between CDS Business Mapping, LLC a service-providing affiliate of CoreLogic Solutions, LLC, (“CDS”) and Alliant Insurance Services, Inc. (“Customer”) (collectively CDS and Customer are the “Parties,” or individually, a “Party”). This SOW is subject to the Master Services Agreement (“MSA”) dated May 1, 2017 and the Data and Analytics Licensing Addendum (“D&A Addendum”) dated July 10, 2017 between CoreLogic Solutions, LLC and Customer together with all subsequent amendments, exhibits, or attachments, (collectively, the “Agreement”). Capitalized terms used but not defined in this SOW shall have the meanings given in the Agreement. This SOW is effective as of **March 15, 2021** (“SOW Effective Date”). The Parties agree as follows:

- I. SERVICES, DELIVERY & FEES:** CDS shall provide Customer with the Services listed in the attached exhibit detailing Services, Delivery and Fee information (“**Fee Schedule**”) via the specified delivery method. If the Fee Schedule indicates that an exhibit is attached, the additional terms and conditions set forth in the exhibit apply to the Service.
- II. ADDITIONAL FEE INFORMATION:**
 - A. Annual Fee Increase:** The Fees for the Services under this SOW shall increase 3% annually, rounded to the nearest \$0.01, on the first day of each SOW renewal term.
 - B. Transaction Fee:** Customer shall pay to CDS a transaction fee as set forth in the Fee Schedule (“**Transactional Fee**”). The Fees accrued for the Services will be invoiced to Customer on a monthly basis, one month in arrears. Fees accrued in excess of the Monthly Minimum Fee in a given month do not carry-over towards satisfying Fees for any other Services or any other month.
- III. ADDITIONAL TERMS.**
 - A. Integration:** At any time during the term of this SOW, Customer may elect to integrate its application(s) with RiskMeter either by riskmeter.com or by corelogic.com (the “**Integration**”). Integration enables Customer to request and retrieve RiskMeter reports automatically via Customer’s application software. Customer is responsible for developing and implementing Customers’ interface in accordance with CDS’s specifications. Customer will establish the schedule for implementation at least thirty (30) days prior to the implementation start date. Prior to commercial release of the interface, which must be accepted in advance by CDS, Customer shall provide CDS access to the commercial release version of the interface on a non-production site. CDS will have fifteen (15) days to test whether the commercial release version conforms to its specifications and accept or reject the interface. Prior to any load testing, Customer will receive prior written consent from CDS and coordinate such requested load testing with CDS.
 - B. Integration Test Account:** The test account will remain active solely for Customer's testing purposes. Reports obtained via the test account are free of charge, provided that the volume of reports does not exceed ten (10%) percent of the total production volume in a given month. If within any month the number of reports via Customer's test account exceeds ten (10%) percent of Customer's production reports for such month, CDS reserves the right to charge Customer as if the excess reports were production reports. In no event will production reports be requested using the test/staging environment.
- IV. PERMITTED APPLICATIONS:** The Services shall be used solely for the applications specified below in accordance with the terms and conditions of this Agreement.
 - A. Customer’s Use:** Customer and its Permitted Affiliates shall use the Services solely for risk management, underwriting, and (re)insurance program marketing purposes only. Customer shall not resell or relicense the Services in whole or in part. Customer and its Permitted Affiliate may co-mingle the Services with the data obtained from other sources, provided that Customer and its Affiliates can at all times comply with the return or destruction of materials obligations under Section 10.5 (Destruction of Materials) of the Agreement.
 - B. Permitted Affiliate(s).** The entities defined in Exhibit A (Subsidiaries and Affiliates) are considered Permitted Affiliate(s) of Customer, to use the Services as set forth herein; provided such entities continue to control, be controlled by, or be under common control with Customer:

V. **SOW TERM AND RENEWAL:** The term of this SOW is for twelve (12) months, commencing on the SOW Effective Date. Thereafter, the term shall automatically renew for additional successive twelve (12) month terms. Either Party may forego automatic renewal of this SOW by giving the other Party at least sixty (60) days' written notice of termination prior to the expiration of the then-current term.

IN WITNESS WHEREOF, this SOW has been executed by the Parties hereto through their duly authorized representatives as of the SOW Effective Date.

CDS BUSINESS MAPPING, LLC
("CDS")

ALLIANT INSURANCE SERVICES, INC.
("Customer")

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

SERVICES, DELIVERY & FEE SCHEDULE FOR RISK METER SERVICES

CDS shall deliver the Services to Customer on the following delivery platforms, as applicable:
(i) RiskMeter Online™; (ii) RiskMeter Online Batch Tool, (iii) RiskMeter Integration.

Transaction Fees for Services			
Transaction Fees accrue from zero on the first day of each calendar month.			
Services	SKU #	Transaction Fees (per report)	Exhibits & Additional Information (as applicable)
Wildfire Risk Score (<i>Batch</i>)	HZFWRSBA	\$2.25	
Wildfire Risk Score	HZFWRSON	\$2.25	

EXHIBIT A
ALLIANT PERMITTED AFFILIATES

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND (NCCSIF)

More information



Understanding the Wildfire Threat to Homes eLearning course

Learn the basics of wildfire to understand how homes ignite wildfire

and what actions you can take to increase the chances of your home surviving.

[Take the course.](#)



Outthink Wildfire

NFPA has released a comprehensive strategy that will push for the transformation that, over time, will significantly reduce wildfire risk to communities.

The strategy is rooted in two realities – wildfires are going to happen, and the fire service will not be able to extinguish these fires at a pace to save people and property in their path.

[Learn more](#)

Firewise USA®

The Firewise USA® recognition program empowers residents to work collaboratively in reducing wildfire risks; currently there are more than 1,500 recognized Firewise USA® sites in 42 states actively engaging residents in preparing and protecting their homes against the threat of wildfire.

Training and Certification

- [Assessing Structure Ignition Potential from Wildfire](#) - Get the knowledge and skills needed through this two-day classroom training to effectively evaluate and communicate parcel level wildfire risks by using home ignition zone concepts to identify and address vulnerabilities that provide effective wildfire mitigation recommendations.
- [Certified Wildfire Mitigation Specialist program \(CWMS\)](#) - The CWMS credential offers professionals whose work involves wildfire hazard mitigation, the ability to demonstrate that they understand hazard mitigation measures, planning and preparedness strategies, public education practices, and wildland fire science.

Campaigns

- [Wildfire Community Preparedness Day](#) - Celebrated the first Saturday in May each year, Wildfire Community Preparedness Day is a great opportunity to raise wildfire awareness, promote collaboration and bring neighbors together to work on projects that can help protect homes, neighborhoods and entire communities from future wildfire risk or current post-fire impacts
- [TakeAction - Teens for Wildfire Safe Communities](#) - Empower youth living in communities with wildfire risks to take action through NFPA's free tools and resources designed to get them involved in risk reduction projects and activities with their family and friends.

Certified Wildfire Mitigation Specialist



The NFPA Certified Wildfire Mitigation Specialist Program (CWMS) was created in 2017 after discussions with fire service and forestry professionals at the federal, state, and local levels.

The CWMS credential offers professionals whose work involves wildfire hazard mitigation, the ability to demonstrate that they understand hazard mitigation measures, planning and preparedness strategies, public education practices, and wildland fire science. Gain the recognition you deserve as an expert in your field with this specialist certification.



The goals of this program are to:

- Recognize and provide evidence of knowledge of hazard mitigation, planning & preparedness, public education, and fire science concepts associated with the wildland/urban interface
- Enhance professionalism
- Ensure a uniform, fair process for certification that is accessible to everyone who is eligible
- Ensure proficiency in the use of NFPA codes and standards
- Facilitate success for those seeking certification
- Promote professional development through continuous learning

[Apply Now](#)

Program benefits

Program benefits

- Enhances professional credibility
- Validates specialized knowledge
- Increases customer and employer confidence
- Provides peer recognition

Certification holders also receive an NFPA certificate that highlights their accomplishment.

CWMS materials

- For more information, view the [candidate handbook \(PDF\)](#)
- [Retest application \(PDF\)](#)
- [3-year recertification form \(PDF\)](#)
- [CWMS examination content area weighting \(PDF\)](#)
- [Practicum home assessment guide \(PDF\)](#)
- [Practicum verification form \(PDF\)](#)

Reference materials

Body of knowledge

It is the candidate's responsibility to obtain the reference materials needed for study purposes. NFPA 1141, NFPA 1143, and NFPA 1144 are available for purchase by clicking on the related links. The remaining reference materials are available at no cost at the links provided.

- [NFPA 1141, Standard for Fire Protection Infrastructure for Land Development in Wildland, Rural, and Suburban Areas \(2017 edition\)](#)
- [NFPA 1143, Standard for Wildland Fire Management \(2018 edition\)](#)
- [NFPA 1144, Standard for Reducing Structure Ignition Hazards from Wildland Fires \(2018 edition\)](#)
- [Reducing Wildfire Risks in the Home Ignition Zone \(PDF\)](#)
- [Community Guide to Preparing and Implementing a Community Wildfire Protection Plan - August 2008 \(PDF\)](#)
- [Establishing Fire Prevention Education Cooperative Programs and Partnerships - NWCG - October 1999 \(PDF\)](#)
- [Safer from the Start, A Guide to Firewise-Friendly Developments, 2009 \(PDF\)](#)
- [Fire Communication and Education - NWCG - March 1999 \(PDF\)](#)
- [NWCG S-190, Introduction to Wildland Fire Behavior - 2008 \(PDF\)](#)

Contact CWMS

NFPA Certification Department
1 Batterymarch Park, Quincy, MA 02169
Tel: +1 617 984-7495; email: adminsvcs@nfpa.org



NATIONAL FIRE PROTECTION ASSOCIATION

The leading information and knowledge resource on fire, electrical and related hazards

PUBLIC EDUCATION

Public Education / Fire causes & risks / Wildfire / TakeAction - Teens for Wildfire Safe Communities

TakeAction



Throughout the U.S. more than 8 million students in grades 6 -12 live in a community with wildfire risks. If you're in that age group, you'll be glad to know there's a lot you can do to make the place where you live safer!

TakeAction is a campaign that provides resources and projects that benefit young adults, their families and neighbors. You can learn to prepare your [pets](#) and [horses](#) – and [yourself!](#) You can help others through a [community service project](#). You can [share our videos](#) with your friends!

Learn even more about wildfire and its impacts on people, pets, property and our environment by checking out our new videos. [Take a virtual field trip](#) to the scene of a wildfire and find out what firefighters and foresters have to say.

Did you know- Not all wildfires are bad. Kari Hines, a wildfire specialist in Texas, explains more about how wildfire can cause harm as well as be beneficial to the environment. Watch the video below.

Bastrop, Texas – Five Years After a Wildfire

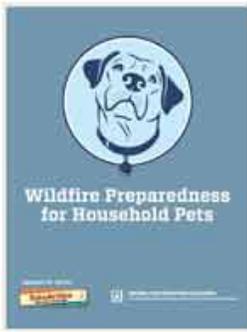


Featured content

Household pet evacuation kit

Don't forget to protect your pets! Get simple tools you'll need to start building your pet's evacuation kit.

Download the kit.



Check out all the great resources for you to take action for a wildfire safe community

- [Household pet evacuation checklist](#) (PDF)
- [Horses and livestock evacuation checklist](#) (PDF)
- [Community service project ideas](#) (PDF)
- [Project safety tips](#) (PDF)
- [Wildfire virtual field trips](#)
- [TakeAction video playlist](#)
- [Build your Backpack Go-Kit](#) (PDF)

Questions? [Contact NFPA's Wildfire Division.](#)

In This Section

- › **Household pets** Make sure pets are included in your family's evacuation plan; and build each pet their own pet evacuation kit
- › **Horses** Preparing horses for a wildfire evacuation requires an extra level of planning, preparedness and practice.
- › **Wildfire virtual field trips** Learn what happens to people, property and natural areas one year, five years and ten years after a major wildfire.
- › **Wildfire Risk Reduction Community Service Projects** You can do great things in your neighborhood to reduce a wildfire's massive power.
- › **Youth as change agents in wildfire preparedness** In 2012, NFPA took a look at what types of wildland fire education programs exist for grades 6-12.

About NFPA

Overview

Leadership

Careers

International

Offices

Directions

Grants & Awards

Quick Links

Codes & Standards

News & Research

Training & Events

Public Education

NFPA Fire & Life Safety Ecosystem

NFPA LiNK™

Alternative Fuel Vehicle Safety

Free Access



Low Cost Retrofit List

10 Low Cost Ways to Harden Your Home

1. When it is time to replace your roof, replace it with fire-resistant Class A roof material.
2. Block any spaces between your roof covering and sheathing (bird stops).
3. Install non-combustible corrosion resistant metal gutter covers on gutters to prevent the accumulation of leaves and debris in the gutter.
4. Cover your chimney and stovepipe outlets with noncombustible corrosion resistant metal mesh screen ([spark arrestor](#)), with 3/8-inch to 1/2-inch openings.**
5. Cover all vent openings with 1/16-inch to 1/8-inch noncombustible corrosion resistant metal mesh screens.**
6. Caulk and plug gaps greater than 1/16-inch around exposed rafters and blocking to prevent ember intrusion.
7. Inspect exterior siding for dry rot, gaps, cracks and warping. Caulk or plug gaps greater than 1/16-inch in siding and replace any damaged boards, including those with dry rot.
8. Install weather stripping to gaps greater than 1/16-inch in garage doors to prevent ember intrusion. The stripping must be compliant with UL Standard 10C.
9. When it's time to replace your windows, replace them with multi-paned windows with at least one pane of tempered glass.
10. When it's time to replace your siding or deck, use compliant noncombustible, ignition-resistant, or other [materials approved by the Office of the State Fire Marshal \(OSFM\)](#).

5 No Cost Ways to Create Defensible Space and Enhance the Effects of a Hardened Home

1. Regularly clean your roof, gutters, decks, and the base of walls regularly to avoid the accumulation of fallen leaves, needles and other flammable materials (see [Defensible Space](#) for more details).
2. Ensure all combustible materials are removed from underneath, on top of, or within five feet of a deck.
3. Remove vegetation or other combustible materials that are within five feet of windows and glass doors.
4. Replace wood mulch products within five feet of all structures with noncombustible products such as dirt, stone, or gravel.
5. Remove all dead or dying grass, plants, shrubs, trees, branches, leaves, weeds, and pine needles within 30 feet of all structures or to the property line.

*This list was developed as a best practices guide and to assist homeowners to ensure their home is more ignition-resistant from wildfires. Low cost can be subjective. Some of these items are based on upgrading to more stringent materials when that feature is up for replacement due to normal maintenance or lifespan, i.e. roofs.

** Do not use fiberglass or plastic mesh as they can melt or burn.

Updated 1/31/2020



Northern California Cities Self Insurance Fund
 Executive Committee Meeting
 March 25, 2021

Agenda Item G.7.

**FY 21/22 NORCAL CITIES EXECUTIVE COMMITTEE
 ROTATION & OFFICERS**

INFORMATION ITEM

ISSUE: Membership on the NCCSIF EC rotates annually, and each Member serves for a two-year term. NCCSIF Officers are selected from the EC as needed. The July 1, 2021 to June 30, 2022 term for the Executive Committee will include the following Members:

FY 21/22 NCCSIF Executive Committee

<u>Member</u>	<u>Representative</u>	<u>New</u>	<u>Term of Office</u> <i>Second Year Term</i>
City of Corning	Kristina Miller	July 1, 2021 to June 30, 2023	
City of Elk Gove	Kara Reddig	July 1, 2021 to June 30, 2023	
City of Ione	Lori McGraw	July 1, 2021 to June 30, 2023	
City of Jackson	Yvonne Kimball		July 1, 2020 to June 30, 2022
City of Marysville	Jennifer Styczynski		July 1, 2020 to June 30, 2022
City of Placerville	Dave Warren		July 1, 2020 to June 30, 2022
City of Red Bluff	Sandra Ryan	July 1, 2021 to June 30, 2023	
City of Yuba City	Spencer Morrison		July 1, 2020 to June 30, 2022

The **current Officers** are as follows:

President	Dave Warren	October 29, 2020 to June 30, 2022
Vice President	Jose Jasso	October 29, 2020 to June 30, 2022
Secretary	Jennifer Styczynski	June 1, 2020 to June 30, 2022
Treasurer (non-voting)	Jen Lee	Appointed annually (already appointed until June 30, 2021)
CJPRMA Rep (non-voting)	Veronica Rodriguez	Appointed as-needed

RECOMMENDATION: None – Information Only.



Northern California Cities Self Insurance Fund
Executive Committee Meeting
March 25, 2021

Agenda Item G.7. (continued)

FISCAL IMPACT: None.

BACKGROUND: The Executive Committee is a standing committee of the Board of Directors and is comprised of seven to eleven voting members, and two non-voting members. The President of the Board of Directors serves as the Chair of the Executive Committee. The President, Vice-President, Secretary, and seven to eight other Directors act as the voting members, so at times their number has varied from seven to nine. The two non-voting members are the Treasurer and the Representative to the CJPRMA Board of Directors.

Historically, the newly-elected officers (President, Vice President, Secretary and Treasurer) are nominated by the Executive Committee (acting as the Nominating Committee). The officers are chosen from the Executive Committee and are elected by the Board for a two-year term. The President is usually selected from the second-year Members (often the current Vice President) and the Vice President is generally selected from the first year members.

The Secretary is elected by the Board and serves a two-year term. The Treasurer is appointed annually by the Board and the CJPRMA Representative is appointed on an as-needed basis.

Rotating **Off** EC 6/30/2021

Folsom – Vacant
Lincoln- Veronica Rodriguez
Galt- Stephanie VanSteyn
Rio Vista- Jose Jasso
Nevada City –Loree McCay

Rotating **On** EC 7/1/2021

Elk Grove- Kara Reddig
Yuba City- Spencer Morrison
Corning- Kristina Miller
Red Bluff- Sandy Ryan
Ione- Lori McGraw

Remaining EC for another year

Marysville –Jennifer Styczynski
Placerville-Dave Warren
Jackson-Yvonne Kimball

Section 5 of the NCCSIF Bylaws describes the duties and responsibilities of the Officers of the Authority.

ATTACHMENT(S):

1. Section 4 and Section 5 of the NCCSIF Bylaws
2. Executive Committee Rotation Schedule 2019 - 2025

E. All meetings of the Board shall be called, noticed, held and conducted in accordance with the provisions of Ralph M. Brown Act (Government Code Section 54950 et seq.).

SECTION 4 **Executive Committee**

A. - Membership. The Executive Committee shall be composed of seven to eleven (7 to 11) *voting* and two (2) *non-voting* members of the Board of Directors or their alternates. The President, Vice President and Secretary shall serve as *voting* members on the Executive Committee. The remaining *voting* members shall be elected by the Board of Directors on a member rotation basis, as established by the Board of Directors. The two (2) non-voting members shall be comprised of the Treasurer and the CJPRMA Board Representative. The President shall act as Chairman.

B. - Term. The terms of all members of the Executive Board shall be two (2) years, except for those of the President, Vice President, and Secretary, who shall all serve for two (2) years irrespective of the member rotation. A member may be reappointed to serve on the Executive Committee, except for the immediate Past President.

C. - Powers, Duties and Responsibilities.

1. The Executive Committee shall conduct, direct and supervise the day-to-day business of the Authority and in doing so shall exercise the powers expressly granted to it by the Agreement, these Bylaws and as otherwise delegated by the Board of Directors.

2. The following duties and responsibilities shall be assumed and carried out by the Executive Committee, which shall have all powers necessary for those purposes:

- a. Provide general supervision and direction to the Program Director;
- b. Authorize payment of claims against the Authority; provided, however, that with respect to claims arising under coverage programs operated by the Authority, claim settlement authority shall be in accordance with the policies and procedures governing the particular program;
- c. Enter into contracts, within budget limits;
- d. Make payments pursuant to previously authorized contracts, within budget limits; this Authority includes the power to authorize and reimburse expenses incurred for budgeted activities, within budget limits;
- e. Review and recommend a budget to the Board no later than seventy-two (72) hours prior to the spring meeting of the Board;
- f. Act as Program Director in the absence of the Program Director;

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

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

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

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

D. - Meetings

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

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

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

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

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

a. Death of a Committee member;

b. Voluntary resignation;

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

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

SECTION 5
Officers of the Authority

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

B. The President, Vice President and Secretary shall be elected by the Board of Directors and shall serve two (2) year terms. No officer shall serve for more than two (2) complete consecutive terms in his or her respective office. The terms of each office will ordinarily commence on July 1st of each calendar year, except that if an election has not been conducted by that date, the terms shall commence as soon as the election has been held. The terms of each office shall end on June 30th of the calendar year, except that if the election of the officers to serve the next succeeding term has not been conducted, the incumbent officers shall continue to hold their offices until the election has been conducted.

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

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

SECTION 6
Committees

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

SECTION 7
Program Director and Other Staff

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

**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
2019 - 2025 Executive Committee Rotation Schedule by Size**

BOD Approved: 12/14/2017

Revised: 1/16/2020

Member	Size	Geography	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
Elk Grove, City of	Large	South			x	x			
Folsom, City of	Large	East	x	x			x	x	
Lincoln, City of	Large	East	x	x					x
Rocklin, City of	Large	East				x	x		
Yuba City, City of	Large	North			x	x			
Anderson, City of	Medium	West				x	x		
Auburn, City of	Medium	East				x	x		
Corning, City of	Medium	West			x	x			
Dixon, City of	Medium	South				x	x		
Galt, City of	Medium	South	x	x					x
Gridley, City of	Medium	North	x					x	x
Marysville, City of	Medium	North		x	x				
Oroville, City of	Medium	North	x					x	x
Paradise, Town of	Medium	North	x					x	x
Placerville, City of	Medium	East		x	x				
Red Bluff, City of	Medium	West			x	x			x
Rio Vista, City of	Medium	South	x	x			x	x	
Colusa, City of	Small	West						x	x
Ione, City of	Small	South			x	x			
Jackson, City of	Small	South		x	x			x	x
Nevada City, City of	Small	North	x	x			x	x	
Willows, City of	Small	West					x	x	
			8	8	8	9	8	9	8



BACK TO AGENDA

**Northern California Cities Self Insurance Fund
Executive Committee Meeting
March 25, 2021**

Agenda Item G.8.

PRELIMINARY 21/22 MEETING CALENDAR

ACTION ITEM

ISSUE: The proposed NCCSIF 21/22 Meeting Calendar is presented for review to determine if any dates should be modified due to conflicts.

RECOMMENDATION: Review the proposed dates and recommend a Meeting Calendar to the Board of Directors for approval.

FISCAL IMPACT: None.

BACKGROUND: Annually, the Executive Committee reviews and recommends the meeting calendar for NCCSIF Board, Executive, Risk Management, Claims, Police Risk Management and Finance Committees.

ATTACHMENT(S): Preliminary 21/22 Meeting Calendar



PROGRAM YEAR 21/22 MEETING CALENDAR

Thursday, August 5, 2021 **Police Risk Management Committee** at 10:00 a.m.

Thursday, September 23, 2021 **Claims Committee** at 10:00 a.m.
Executive Committee at 11:30 a.m.

Thursday, October 28, 2021 **Risk Management Committee** at 10:00 a.m.
Board of Directors at 12 noon

Thursday, November 4, 2021 **Police Risk Management Committee** at 10:00 a.m.

Thursday, December 16, 2021* **Board of Directors** at 10:00 a.m.

Thursday, February 10, 2022 **Police Risk Management Committee** at 10:00 a.m.

Thursday, March 24, 2022 **Claims Committee** at 10:00 a.m.
Executive Committee at 11:30 a.m.

Thursday, April 21, 2022 **Risk Management Committee** at 10:00 a.m.
Board of Directors at 12 noon

Thursday, May 5, 2022 **Police Risk Management Committee** at 10:00 a.m.

Thursday, May 19, 2022 **Claims Committee** at 10:00 a.m.
Executive Committee at 11:30 a.m.

Thursday, June 23, 2022* **Board of Directors** at 10:00 a.m.

Meeting Location: Rocklin Event Center - Garden Room
2650 Sunset Blvd., Rocklin, CA 95677

Rocklin Event Center – Ballroom *

Note: Additional Claims Committee Meetings may be scheduled as needed for Claims Authority approval which will be held via teleconference.



BACK TO AGENDA

**Northern California Cities Self Insurance Fund
Executive Committee Meeting
March 25, 2021**

Agenda Item G.9.

FY 21/22 RENEWAL UPDATES

INFORMATION ITEM

ISSUE: The Program Administrators provide an overview of the upcoming insurance renewals.

Property Program: the property market, particularly for wildfire exposures, continues to be extremely challenging, and recent freezes across much of Texas have diminished hope that the market was starting to stabilize. NorCal Cities remains on the loss leader list in the APIP program, with an estimated increase in rates of up to 65%. As a result, the Program Administrators have reached out to obtain coverage options, with the most likely option, if any, being a primary layer of coverage to as much as \$20-\$25M, with APIP still providing the Auto and Excess coverage as well as Cyber and Pollution.

Cyber Insurance: this market is also experiencing extreme rate increases, from 60% to 600%, due to the frequency and severity of insured losses over the last couple of years. We have been asked to provide applications for the excess coverage for the first time, and members can expect increases in that \$3M xs \$2M limit. The Cyber coverage that comes with APIP will also increase but the impact will not be as noticeable as with the excess or stand-alone coverages.

Crime: we are expecting a 10% to 15% increase overall for the coverage in the ACIP program. Losses overall have also trended up though not as dramatically as in property and cyber.

Individual Purchase Coverage: other lines of coverage, including airport and auto physical damage programs, are expected to be stable for renewal, with increases of 5-10% based on exposure increases.

RECOMMENDATION: None – information only.

FISCAL IMPACT: TBD, based on coverage and exposure.

BACKGROUND: None

ATTACHMENT(S): None



BACK TO AGENDA

Northern California Cities Self Insurance Fund
Executive Committee Meeting
March 25, 2021

Agenda Item I.

INFORMATION ITEMS

INFORMATION ITEM

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 2021-2022 Meeting Calendar
3. Impact of AB 392 on Police Criminal and Civil Liability Training Announcement

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
2020 Organizational Chart
Updated as of 2/6/2020

MEMBER ENTITY	BOARD OF DIRECTORS		BOARD ALTERNATES	RISK MANAGEMENT COMMITTEE	POLICE RISK MANAGEMENT COMMITTEE
City of ANDERSON		Liz Cottrell	Jeff Kiser	Liz Cottrell	Chief Michael Johnson
City of AUBURN		Cristina Shafer	<i>None Appointed</i>	Shari Harris	Chief Ryan L. Kinnan(Vice-Chair)
City of COLUSA		Ishrat Aziz-Khan	Shelly Kittle	Ishrat Aziz-Khan	Chief Josh Fitch
City of CORNING		Kristina Miller	Tom Watson	Tom Watson	Chief Jeremiah Fears
City of DIXON		Rachel Ancheta	Kate Zawadzki	Rachel Ancheta	Acting Chief Tom Cordova
City of ELK GROVE		Kara Reddig	Jim Ramsey	Jim Ramsey - Alternate Rep. Julie Rucker	Lieutenant Ryan Elmore
City of FOLSOM	*EC	Susan Walter	Steven Wang	Susan Walter	Chief Rick Hillman
City of GALT	EC/CC	Stephanie Van Steyn	Lorenzo Hines	Stephanie Van Steyn	Interim Chief Brian Kalinowski
City of GRIDLEY		<i>Vacant</i>	Elisa Arteaga	Elisa Arteaga	Chief Rodney Harr
City of IONE		<i>Vacant</i>	Lori McGraw	Lori McGraw	Chief Jeff Arnold
City of JACKSON	EC/CC	Yvonne Kimball	Dalacie Blankenship	Yvonne Kimball	Interim Chief Chris Mynderup
City of LINCOLN	EC CJPRMA Board Rep	Veronica Rodriguez	Ruthann Codina	Veronica Rodriguez	Chief Doug Lee
City of MARYSVILLE	S / EC/CC	Jennifer Styczynski	<i>Vacant</i>	Jennifer Styczynski	Chief Chris Sachs
City of NEVADA CITY	EC	Loree' McCay	Catrina Olson	Loree' McCay	Chief Chad Ellis
City of OROVILLE		Liz Ehrenstrom	<i>None Appointed</i>	Liz Ehrenstrom (Chair)	Chief Joe Deal
Town of PARADISE		<i>Vacant</i>	Crystal Peters	Crystal Peters	Chief Eric Reinbold
City of PLACERVILLE	*P / *EC / *CC	**Dave Warren (Chair)	Cleve Morris	Dave Warren	Chief Joseph Wren
City of RED BLUFF		Sandy Ryan	Anita Rice	Sandy Ryan	Chief Kyle Sanders (Chair)
City of RIO VISTA	VP/T/*EC/*CC	**Jose Jasso (Vice-Chair)	**Jen Lee, CPA	Jose Jasso	N/A
City of ROCKLIN		Kimberly Sarkovich	Andrew Schiltz, CPA	Kimberly Sarkovich	Chief Chad Butler
City of WILLOWS		Wayne Peadbody	<i>None Appointed</i>		N/A
City of YUBA CITY		Spencer Morrison	<i>Vacant</i>	Sheleen Loza	Chief Robert Landon

OFFICERS		
		Term of Office
President (P)	Dave Warren	10/29/2020 - 6/30/2021
Vice President (VP)	Jose Jasso	10/29/2020 - 6/30/2021
Treasurer (T)	Jen lee	10/29/2020 - 6/30/2021
Secretary (S)	Jennifer Styczynski	7/1/2020- 6/30/2021

Executive Committee (EC) - membership on the EC rotates annually based on a rotation schedule and each member serves for a two-year term, with the **President** serving as **Chair of the Committee**.

Claims Committee (CC) - members of the CC are annually selected by the EC. CC is traditionally made up of at least five members of the EC, with the **Vice President** serving as **Chair of the Committee**.

CJPRMA Board Representative
 Veronica Rodriguez appointed 10/24/2019

PROGRAM ADMINISTRATORS (Alliant Insurance Services)	
Michael Simmons	Marcus Beverly
Conor Boughey	Raychelle Maranan
Jenna Wirkner	

CLAIMS ADMINISTRATORS (Sedgwick formerly York)
Dorienne Zumwalt
Steven Scott (Workers' Comp)
Jill Petrarca (Liability)

RISK CONTROL CONSULTANTS (Sedgwick formerly York/Bickmore)
Dave Beal
Tom Kline (Police RM)

ADVISORS
Byrne Conley (Board Counsel)
James Marta, CPA (Accountant)



PROGRAM YEAR 20/21 MEETING CALENDAR

Thursday, August 6, 2020..... **Police Risk Management Committee** at 10:00 a.m.

Thursday, September 24, 2020 **Claims Committee** at 10:00 a.m.
Executive Committee at 11:30 a.m.

Thursday, October 29, 2020..... **Risk Management Committee** at 10:00 a.m.
Board of Directors at 12 noon

Thursday, November 5, 2020..... **Police Risk Management Committee** at 10:00 a.m.

Thursday, December 10, 2020 **Board of Directors** at 10:00 a.m.

Thursday, February 4, 2021 **Police Risk Management Committee** at 10:00 a.m.

Thursday, March 25, 2021 **Claims Committee** at 10:00 a.m.
Executive Committee at 11:30 a.m.

Thursday, April 22, 2021 **Risk Management Committee** at 10:00 a.m.
Board of Directors at 12 noon

Thursday, May 6, 2021 **Police Risk Management Committee** at 10:00 a.m.

Thursday, May 27, 2021 **Claims Committee** at 10:00 a.m.
Executive Committee at 11:30 a.m.

Thursday, June 17, 2021 ***Board of Directors** at 10:00 a.m.

Meeting Location: Rocklin Event Center - Garden Room (August 2020 to December 2020)
2650 Sunset Blvd., Rocklin, CA 95677
Ballroom *

Rocklin Community Center (April 22, 2021 and May 27, 2021)
5480 5th Street, Rocklin, CA 95677

Note: Additional Claims Committee Meetings may be scheduled as needed for Claims Authority approval which will be held via teleconference.

SAVE THE DATE REGIONAL TRAINING

Impact of AB 392 on Police Criminal and Civil Liability Presented by Gregory M. Fox

Topic Includes:

This session covers the challenges now facing public entities in adapting their police departments' training and policies on use of force to comply with the new California laws. This also presents an opportunity to discuss possible changes in policing and how best to use the new laws to defend and protect officers in both criminal and civil litigation. Senate Bill 230 further changing laws on force and police policies will also be discussed.

Date and Time:

Thursday, March 6, 2021 from noon-2:00 p.m.

Meeting ID: 940 4655 3694

Passcode: 135087

Link:

<https://alliantinsurance.zoom.us/j/94046553694?pwd=aGR3RE0vbDdka2s1UzZlZWG5zb0EwZz09>

Please reach out to NCCSIF Program Administrators if you have any questions.

Marcus.Beverly@alliant.com

Jenna.Wirkner@alliant.com

**OPEN TO ALL JPA MEMBERS
SPONSORED BY NCCSIF**

Trainer

Gregory M. Fox, Senior Partner at Bertrand, Fox, Elliot, Osman & Wezel will be conducting the training.

Who should attend

Risk Managers, Board Directors, Board Alternates, City Attorneys, Police Chiefs and Command Staff

