



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

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

**NCCSIF  
BOARD OF DIRECTORS  
MEETING AGENDA**

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

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

**Date:** Thursday, April 16, 2015  
**Time:** 11:00 a.m.

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

- A – Action**
- I – Information**
  
- 1 – Attached**
- 2 – Hand Out**
- 3 – Separate Cover**
- 4 – Verbal**
- 5 – Previously Mailed**

**MISSION STATEMENT**

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

**AGENDA**

- A. CALL TO ORDER**
- B. PUBLIC COMMENTS**  
*This time is reserved for members of the public to address the Executive Committee on matters pertaining to NCCSIF that are of interest to them.*
- C. APPROVAL OF AGENDA AS POSTED** **A 1**
- pg. 05 **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. 06 1. Board Meeting Minutes – January 8, 2015
  - pg. 15 2. Investment Reports
    - a. Chandler Asset Management Short/Long Term – February 2015
    - b. LAIF Report as of December 31, 2014
    - c. Treasurer’s Report as of December 31, 2014
  - pg. 25 3. Check Register at December 31, 2014



	<b>E. COMMITTEE REPORTS</b>	<b>I</b>	<b>1</b>
pg. 27	1. Police Risk Management Committee Meeting Minutes – February 5, 2015 (Draft)		
	<b>F. ADMINISTRATION REPORTS</b>	<b>I</b>	
	1. <b>President’s Report</b>		<b>4</b>
	<i>Russell Hildebrand will address the Board on items pertaining to NCCSIF.</i>		
	2. <b>Program Administrator’s Report</b>		<b>4</b>
	<i>Alliant will address the Board on items pertaining to NCCSIF.</i>		
	3. <b>Executive Committee Reportable Actions</b>		<b>4</b>
	<i>The Board will receive an update of the actions taken at the March 13 and April 10, 2014 Executive Committee meetings.</i>		
	<b>G. FINANCIAL REPORTS</b>		
pg. 30	1. <b>Quarterly Financial Report for Period Ending December 31, 2014</b>	<b>A</b>	<b>1</b>
	<i>James Marta Company will present the quarterly financial report ending December 31, 2014 for the Board to Accept and File.</i>		
pg. 59	2. <b>Budget to Actual as of December 31, 2014 Update</b>	<b>I</b>	<b>1</b>
	<i>The Board will receive an update on the Budget to Actual as of December 31, 2014.</i>		
	<b>H. JPA BUSINESS</b>		
pg. 60	1. <b>Actuarial Review of the Self Insured Programs</b>	<b>A</b>	<b>1</b>
pg. 97	a. <b>Workers’ Compensation Program</b>		
	<i>The Board will review and may approve the Draft Actuarial Study for the Workers’ Compensation Program.</i>		
	b. <b>Liability Program</b>		
	<i>The Board will review and may approve the Draft Actuarial Study for the Liability Program.</i>		
pg. 133	2. <b>Liability Program</b>	<b>A</b>	<b>2</b>
	a. <b>Distribution of CJPRMA Refund</b>		
	<i>The Board will review and approve the allocation of the CJPRMA Refund of \$251,186.</i>		
pg. 134	b. <b>Annual Banking Plan Adjustments</b>		
	<i>The Board will review and may approve adjustments to the Banking Layer for the Liability program.</i>		
pg. 139	c. <b>Annual Shared Risk Plan Adjustments</b>		
	<i>The Board will review and may approve adjustments to the Shared Risk Layer for the Liability program.</i>		



pg. 141	<b>d. Preliminary FY 15/16 Deposit Premium Calculations</b> <i>The Board will review and may approve the Preliminary FY 15/16 Deposit Premium Calculations for the Liability Program.</i>		
	<b>3. Workers' Compensation Program</b>	<b>A</b>	<b>2</b>
pg. 145	<b>a. Annual Banking Plan Adjustments</b> <i>The Board will review and may approve adjustments to the Banking Layer for the Workers' Compensation program.</i>		
pg. 147	<b>b. Annual Shared Risk Plan Adjustments</b> <i>The Board will review and may approve adjustments to the Shared Risk Layer for the Workers' Compensation program.</i>		
pg. 149	<b>c. Preliminary FY 15/16 Deposit Premium Calculations</b> <i>The Board will review and may approve the Preliminary FY 15/16 Deposit Premium Calculations for the Workers' Compensation Program.</i>		
pg. 153	<b>4. Property Renewal Update</b> <i>The Board will receive an update on the FY 15/16 Property Premiums.</i>	<b>I</b>	<b>4</b>
pg. 154	<b>5. NCCSIF JPA Crime Policy Renewal</b> <i>The Board will receive an update on NCCSIF's Crime Program Renewal.</i>	<b>A</b>	<b>4</b>
pg. 155	<b>6. Preliminary FY 15/16 NCCSIF Budget</b> <i>The Board will review and may approve the preliminary FY 15/16 NCCSIF Budget.</i>	<b>A</b>	<b>1</b>
pg. 158	<b>7. Approved Defense Counsel Update</b> <i>The Board will review and may approve recommended updates to the Approved Defense Counsel list.</i>	<b>A</b>	<b>1</b>
pg. 182	<b>8. Claim Committee Members</b> <i>The Board will approve the membership of the Claims Committee.</i>	<b>A</b>	<b>4</b>
pg. 183	<b>9. Round Table Discussion</b> <i>The floor will be open to Board members for any topics or ideas that members would like to address.</i>	<b>I</b>	<b>4</b>
	<b>I. INFORMATION ITEMS</b>	<b>I</b>	<b>1</b>
pg. 185	1. NCCSIF Organizational Chart		
pg. 186	2. NCCSIF Travel Reimbursement Form		
pg. 187	3. NCCSIF Resource Contact Guide		

**J. ADJOURNMENT**



**UPCOMING MEETINGS – Lincoln City Hall**

Police Risk Management Committee – May 7  
Executive Committee Meeting – May 21, 2015  
Claims Committee Meeting – May 21, 2015  
Risk Management Committee Meeting – June 18, 2015  
Board of Directors Meeting – June 18, 2015

*Per Government Code 54954.2, persons requesting disability related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact Michelle Minnick at Alliant Insurance at (916) 643-2715.*

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

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



## CONSENT CALENDAR

### ACTION ITEM

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

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

**FISCAL IMPACT:** None.

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

### ATTACHMENT(S):

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



**MINUTES OF THE  
2014 PLANNING SESSION & BOARD OF DIRECTORS MEETING  
THE HARVEST ROOM, YUBA CITY, CA 95993  
JANUARY 8, 2015**

**MEMBERS PRESENT**

Jeff Kiser, City of Anderson  
Liz Cottrell, City of Anderson  
Dylan Feik, City of Auburn  
John Brewer, City of Corning  
Michelle Pellegrino, City of Dixon  
Brad Koehn, City of Elk Grove  
Bruce Cline, City of Folsom  
Matt Michaelis, City of Gridley  
John Lee, City of Lincoln

Satwant Takhar, City of Marysville  
Corey Shaver, City of Nevada City  
Liz Ehrenstrom, City of Oroville  
Sandy Ryan, City of Red Bluff  
Russell Hildebrand, City of Rocklin  
Gina Will, Town of Paradise  
Natalie Walter, City of Yuba City  
Spencer Morrison, City of Yuba City

**MEMBERS ABSENT**

Toni Benson, City of Colusa  
Paula Islas, City of Galt  
Ed Pattison, City of Ione  
Michael Daly, City of Jackson

Dave Warren, City of Placerville  
Tim Chapa, City of Rio Vista  
Tim Sailsbery, City of Willows

**GUESTS & CONSULTANTS**

Michael Simmons, Alliant Insurance Services  
Marcus Beverly, Alliant Insurance Services  
Michelle Minnick, Alliant Insurance Services  
Henri Castro, Bickmore  
Mike Harrington, Bickmore

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

**A. CALL TO ORDER**

The meeting was called to order at 9:11 am.

**B. PUBLIC COMMENTS**

There were no public comments made.

**C. APPROVAL OF AGENDA AS POSTED**

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

**MOTION:** Bruce Cline

**SECOND:** Natalie Walter

**MOTION CARRIED  
UNANIMOUSLY**



## **D. 2014 LONG RANGE PLANNING TOPICS**

### **D1. Short History of NCCSIF & Self Insurance Pooling**

Michael Simmons provided the Board of Directors with a short history of how NCCSIF was formed and how coverage has grown over the years. He also led a general discussion about Self-insurance pooling for public entities.

### **D2. Current Financial Position & Target Funding Benchmark**

Marcus Beverly presented the Board of Directors with an update on NCCSIF's current financial position and Target Funding Benchmarks. Jim Marta also provided some historical insight regarding the current financial position. Ben Burg from York also provided insight regarding the Workers' Compensation reform that took place in 2013 which has increased claims cost.

Marcus Beverly also noted that the losses that generated the most payments in 2012 were losses that NCCSIF should continue to focus on preventing and reducing, namely sewer losses, wrongful termination and civil rights claims.

### **D3. How Funding Decisions Have Impacted Our Current Financial Position**

Marcus Beverly provided the Board of Directors with an overview of NCCSIF's prior funding decisions and how those have impacted the pool's current shared risk layer financial position. The decisions and results include a decrease in the funding confidence level, increase in the SIR for General Liability, increase in dividends, decrease in investment earnings, and an increase in claims.

Marcus noted that NCCSIF has taken action to address these trends by increasing the confidence level from 60% to 70%, lowering the GL SIR to \$500,000, reducing dividends, and lowering the discount rate to 1.5%. Claims have also declined over the last two years.

### **D4. Dividend and Assessment Process Overview**

Jim Marta led a discussion of the current process used to determine Banking Layer assessments and dividends for all members. Jim indicated that the working layer is increasing in size due to the increased number of claims. Jim also noted a change in the dividend policy that previously allowed members to choose a dividend amount up to 100% of the available dividends. This year the Board released 35% of the available amount without an option for more.

Jim Marta also noted that the pool currently has more money going out in dividends than coming back in assessments. A suggestion was made to make the dividend policy more symmetrical with the assessment policy.

Marcus Beverly made a suggestion to allocate the buffer layer to all members, rather than the current practice of allocating only to members with a positive net position above the 90% Confidence Level (CL). Members who are below the 90% CL would pay a little more while members who are above the threshold would not have to put as much into their banking layer.

Board members discussed the overview provided and gave feedback regarding any proposed changes, with focus on what is most equitable for all members..

#### **D5. Annual Funding Policies and Procedures**

Mike Harrington and Marcus Beverly presented the Board of Directors with a review of the current annual funding formulas. Mr. Harrington's presentation included a number of suggestions for simplifying the funding calculations and making the GL and WC programs more alike in how administrative and excess layers are allocated. .

#### **LUNCH SPEAKER Mike Harrington**

Mike Harrington provided the Board of Directors with a presentation regarding the first Public Entity Workers' Compensation Self Insured Study conducted by Bickmore Risk Services, including benchmarking data and the impact of SB863 changes.

#### **D6. Impediments to Success**

Mike Simmons and Marcus Beverly led a discussion regarding impediments to the success of NCCSIF. The Board of Directors was provided the opportunity to provide feedback and offer suggestions for potential improvement and the following topics were of focus.

##### **Communication**

A request was made to create better paths of communication amongst the members. A recommendation was made to create a clearing house email blast to all members when a question is submitted. The creation of a place on the website that would store member questions—that have been sent to Marcus Beverly—so they could be accessed by other members later was also suggested. It was noted that PRIMA and CSAC have something similar to this in the form of a bulletin board which includes previously asked questions and it was suggested that a CSAC representative attend the next board meeting in order to show the members how to use that bulletin board. Henri Castro from Bickmore, Marcus Beverly and Michael Simmons indicated that a Webinar about CSAC would be an alternative to having a CSAC representative attend a meeting. Another suggestion on how to increase communication was the creation of group on the LinkedIn (<https://www.linkedin.com/>) website for interagency communications.

##### **Shared Contracted Services**

Russell Hildebrand noted that NCCSIF could use the pool as an economy of scale for contracted services that all members require which could include tree trimming, CPR training, sidewalk inspections, employment investigations and legal services. Members would be charged a preferred rate if they utilize vendors who are contracted with NCCSIF instead of having individual member city contracts at a higher cost. A request was made by Henri Castro from Bickmore for the cities to put together a list of all services that are contracted out by each city and also what services the members would like to contract out (but are unable to as a result of funding or time restrictions). Henri Castro will also be putting together a survey for the members



in order to help identify the needs of the member cities which need to be addressed. Henri Castro from Bickmore, Russell Hildebrand and Michelle Pellegrino have volunteered for an Ad Hoc committee with the intent to identify items the pool needs so that Michael Simmons and Marcus Beverly can be on the lookout for vendors at PARMA.

### **Attorneys**

A request was made to re-examine the policy and procedures regarding the approved attorney list. It was noted that in some cases there are associates working under an approved defense attorney and the question was asked if this is acceptable per the NCCSIF policy and procedures. Marcus Beverly was asked to research and provide the Board of Directors with a recommendation at the next agenda meeting. The Board of Directors was also asked if they would like to make any changes to the approved attorney list and Marcus Beverly noted that he and Jennifer Nogosek are in the process of making revisions to the approved attorney lists for both Workers' Compensation and Liability and noted this will be on the next agenda. There was also a request made to find a respectable land use attorney.

### **Employment practices claims-**

Currently when a member city has a question or legal concern they contact attorneys who charge an hourly fee for each call and research of the topic in question. Rather than each member city being charged for legal assistance it was proposed that the pool should fund Legal Assistance through preferred attorneys which would help the member cities save money. It was recommended that this idea be further developed and be presented to the Executive Committee and if approved should be included in the budget for the next year.

Other emerging risk topics were mentioned and the Board of Directors was provided information as it relates to the general liability program. Drones are a growing concern for all member cities as the public has the ability to purchase a drone (130 pound instruments) that could potentially fall out of the sky. This is of greater concern if the city was the one to issue a permit for the drone to take off and land in a public area. Another concern for all member cities is inverse condemnation which is being applied to more claims as well as tree trimming.

### **D7. Timeline to Achieve Stated Goals**

There was no discussion on this item.

### **E. CONSENT CALENDAR**

1. Board of Directors Meeting Minutes – October 9, 2014
2. Check Register at October 31, 2014
3. Investment Report
  - a. Chandler Asset management Short/Long Term – November 2014
  - b. Treasurer's Report as of September 30, 2014
4. Utilization Report for Safety Grant Funds as of September 30, 2014



Sandra Ryan requested the minutes from the prior meeting be amended to reflect that Sandra Ryan was present at the last meeting on October 9, 2014.

**A motion was made to approve the Consent Calendar with requested change to the Minutes.**

**MOTION:** Liz Ehrenstrom                      **SECOND:** Russell Hildebrand                      **MOTION CARRIED UNANIMOUSLY**

**F. MINUTES AND COMMITTEE REPORTS**

1. Executive Committee Meeting Summary - November 13, 2014
2. Claims Committee Meeting Summary – November 13, 2014
3. Risk Management Committee Meeting Summary – October 10, 2014
4. Police Risk Management Committee Meeting Summary – August 15, 2014

There was no discussion on this item.

**G. ADMINISTRATION REPORTS**

**G1. President’s Report**

Ms. Liz Ehrenstrom had nothing to report.

**G2. Program Administrator’s Report**

Johnny Yang is no longer with Alliant Insurance Services and a Job Description has been posted and Alliant is actively seeking a replacement. Marcus Beverly has also mentioned that he will be visiting each member city over the next calendar year.

**G3. CJPRMA Report**

Marcus Beverly noted that CJPRMA has already completed their actuarial study. The rates are stable and there have been no big swings over the last several years. However, we should not expect to receive as much in dividends as in prior years).

**H. FINANCIAL REPORTS**

**H1. Quarterly Financial Report for Period Ending September 30, 2014**

Jim Marta presented to the Board the Quarterly Financial Report for Period Ending September 30, 2014. Total Net Position decreased by \$431,429 since June 30, from \$10,063,930 to \$9,632,501.



**A motion was made to approve the Quarterly Financial Report for Period Ending September 30, 2014.**

**MOTION:** Gina Will

**SECOND:** Russell Hildebrand

**MOTION CARRIED  
UNANIMOUSLY**

**I. JPA BUSINESS**

**II. Shared Risk Layer Plan Fund Adjustment P&P A-12 Revision**

Mr. Beverly advised that he has reviewed three NCCSIF policies that guide its funding decisions, including Banking Layer adjustments, Shared Layer adjustments, and Target Funding Benchmarks. Terms used in the policies need to be updated in part due to changes in the accounting terms they refer to.

Regarding the Shared Risk Layer Adjustments, P&P #A-12, Mr. Beverly noted there are minor changes recommended to language that is focused on year by year accounting when in fact we are looking at all open program years when making adjustments.

Mr. Beverly also recommended adding language regarding how refunds are distributed to the members, to parallel the language already in the Policy regarding how assessments are allocated.

Reference was made by the Board regarding the allocation by total historical contributions and what that means. Mr. Beverly stated that currently we use contributions for all program years. Though the Policy refers to closed years no years in either Program have been closed. However, given the number of old years without activity, particularly in the GL Program, he recommended closing older years and will bring that back to the Board at a later date.

Members also questioned if LAIF was the best measure to use for charging interest on late payments. Consensus was made to change the wording to the amount earned on funds during the quarter in which the payments are late.

Additional changes were made at Member request in number 4. Assessments (added per year of the assessment due) and number 7 (added in another layer or program before being refunded).

**A motion was made to approve the recommended revisions to the policies as presented with the additional revisions noted above.**

**MOTION:** Bruce Cline

**SECOND:** Russell Hildebrand

**MOTION CARRIED  
UNANIMOUSLY**

**II. Banking Layer Plan Fund Adjustment P&P A-1 Revision**

Marcus Beverly presented the recommended changes to the Banking Layer Plan Fund Adjustments. The changes were minor and reflected changes in accounting terms or those



preferred by Jim Marta, namely use of Net Position v. Net Assets and Net Margin v. Gross Assets.

The members also agreed with the recommendation made earlier in the meeting regarding allocating the buffer layer to all members and apply the change to this year's estimates. It was also recommended that the language be amended for the Executive Committee to review and approve the final implemented policy language. Bruce Cline requested a red line copy to show what the changes in the language will be so that the Board may review at the next meeting.

**A motion was made to approve the recommended revisions to the policies as provided.**

**MOTION:** Russell Hildebrand

**SECOND:** Bruce Cline

**MOTION CARRIED  
UNANIMOUSLY**

### **I3. Deposit Development Plan Revisions**

Marcus Beverly presented the recommended changes to the four policies that deal with the annual deposit, WC-1, WC-3, L-1, and L-4. The changes presented in the packet were to condense and clarify the language (reference payroll v. deposit basis and eliminate duplicative references to losses and payroll).

Members also provided feedback regarding Mike Harrington's suggested changes. Members agreed to change the language regarding setting the credibility factor so that the largest member's payroll will credit a maximum credibility factor of 70%.

However, given the number of other suggested changes and the impact they could have on funding members agreed to table any other recommended changes until further analysis can be provided. The recommendation that the funding cap be applied to the rate and not the overall premium will be reviewed at the next EC meeting.

Marcus Beverly provided the suggestion to simplify how we allocate the excess coverage for CSAC and CJPRMA. Since they charge NCCSIF based upon payroll numbers he suggested the excess premium should be allocated based upon payroll

A request was made to have Marcus Beverly show what the difference in premium would be for each member if calculated using the payroll vs the current method in order to make a decision that might affect funding in the 2016/17 Program Year.

Mr. Beverly noted that a new requirement for CAJPA accreditation as of July 1, 2015, requires NCCSIF to develop an Underwriting Policy in order to maintain CAJPA Accreditation with Excellence. Any changes that might be made to the funding formulas will be condensed and included in a new Underwriting Policy.

**A motion was made to approve the recommended revisions to the policies as provided.**



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

**I4. 4850 Benefits & Lade Case**

This Item was provided for information only. Discussion was held regarding the potential impact of this decision should members choose to follow it.

**I5. 2015 Slate of Officers and Executive Committee Rotation Schedule**

Ed Pattison is no longer with the City of Ione and Dave Andres will take his place. Also, Corey Shaver has been nominated as the Secretary but she is rotating off the EC so the Board of Directors was asked to nominate another member to take on the role of Secretary. Michelle Pellegrino from City of Dixon volunteered for the role of Secretary.

**A motion was made to approve Michelle Pellegrino from City of Dixon as the Secretary.**

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

Liz was presented with a parting gift (gavel) and Russell Hildebrand will take over as acting President.

**I6. Resolution 15-01 Authorizing Investment of Monies in LAIF**

**A motion was made to approve the NCCSIF Resolution with the recommended revisions to the officers per the discussion above.**

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

**I7. 2015 NCCSIF Service Calendar**

There was no discussion on this item.

**A motion was made to approve the recommended revisions to the Service Calendar as provided.**

**MOTION:** Bruce Cline      **SECOND:** Jeff Kaiser      **MOTION CARRIED UNANIMOUSLY**

**I8. 2015/16 Insurance Market Update and Renewal Marketing Plan**

Marcus Beverly provided an update on the expected changes to the insurance market for FY 2015/16 and the marketing plan for the various coverages. Information only.

**I9. 2015 NCCSIF Annual Report**

Copies of the latest Annual Report were distributed at the meeting. It has also been emailed to members and is available on the website

**J. INFORMATION ITEMS**

**J1. PARMA Conference (February 8 – 11, 2015)**

There was no discussion on this item.

**J2. NCCSIF Organizational Chart**

There was no discussion on this item.

**J3. NCCSIF 2015 Meeting Calendar**

There was no discussion on this item.

**J4. NCCSIF Travel Reimbursement Form**

There was no discussion on this item.

**J5. NCCSIF Resource Contact Guide**

There was no discussion on this item.

**K. ADJOURNMENT**

The meeting was adjourned at 3:04 pm.

Respectfully Submitted,

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Michelle Pellegrino  
Secretary

# Monthly Account Statement

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

February 1, 2015 through February 28, 2015

### Chandler Team

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

### Custodian

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

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



**PORTFOLIO CHARACTERISTICS**

Average Duration	3.66
Average Coupon	2.18 %
Average Purchase YTM	1.93 %
Average Market YTM	1.34 %
Average S&P/Moody Rating	AA+/Aa1
Average Final Maturity	4.02 yrs
Average Life	3.89 yrs

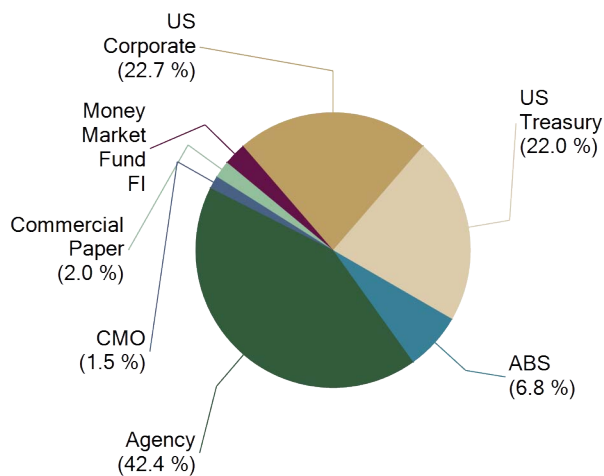
**ACCOUNT SUMMARY**

	Beg. Values as of 1/31/15	End Values as of 2/28/15
<b>Market Value</b>	21,567,901	21,425,314
<b>Accrued Interest</b>	122,511	98,067
<b>Total Market Value</b>	<b>21,690,413</b>	<b>21,523,382</b>
<b>Income Earned</b>	35,502	34,314
<b>Cont/WD</b>		0
<b>Par</b>	20,884,665	20,946,964
<b>Book Value</b>	20,939,909	20,998,667
<b>Cost Value</b>	21,223,508	21,266,369

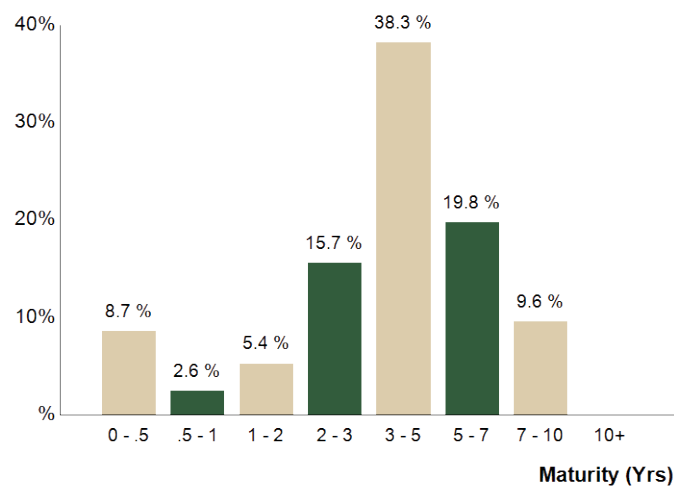
**TOP ISSUERS**

Issuer	% Portfolio
Government of United States	22.0 %
Federal Home Loan Mortgage Corp	11.8 %
Federal National Mortgage Assoc	10.8 %
Tennessee Valley Authority	9.8 %
Federal Home Loan Bank	7.7 %
Federal Farm Credit Bank	3.8 %
Dreyfus Institutional Reserves	2.7 %
John Deere ABS	2.5 %
<b>Total</b>	<b>71.0 %</b>

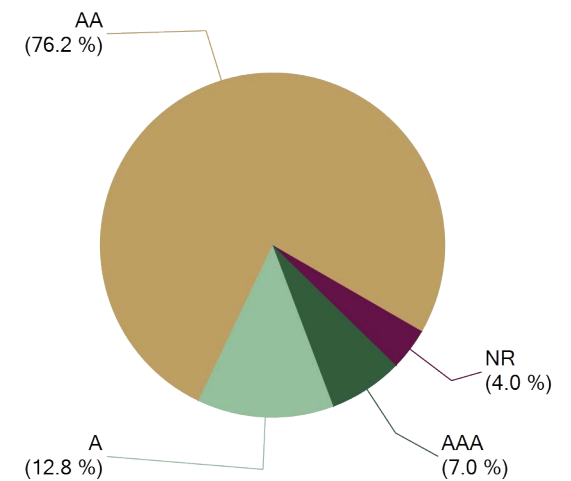
**SECTOR ALLOCATION**



**MATURITY DISTRIBUTION**



**CREDIT QUALITY (S&P)**



**PERFORMANCE REVIEW**

Total Rate of Return As of 2/28/2015	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			Since 5/31/2006	
					3 Yrs	5 Yrs	10 Yrs		
Northern Cal. Cities Self Ins. Fund Long Term	-0.78 %	0.70 %	0.85 %	2.77 %	1.62 %	2.99 %	N/A	4.63 %	48.54 %
1-10 yr Govt	-0.89 %	0.50 %	0.76 %	2.37 %	1.23 %	2.65 %	N/A	4.24 %	43.85 %
1-10 Year Govt/A Rated or better Corporate	-0.79 %	0.63 %	0.89 %	2.68 %	1.76 %	3.08 %	N/A	4.35 %	45.19 %





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

February 28, 2015

### COMPLIANCE WITH INVESTMENT POLICY

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

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



### Reconciliation Summary

As of 2/28/2015

BOOK VALUE RECONCILIATION		
<b>Beginning Book Value</b>		<b>\$20,939,909.03</b>
<b>Acquisition</b>		
+ Security Purchases	\$1,209,874.50	
+ Money Market Fund Purchases	\$1,435,564.25	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
<b>Total Acquisitions</b>		<b>\$2,645,438.75</b>
<b>Dispositions</b>		
- Security Sales	\$0.00	
- Money Market Fund Sales	\$1,210,806.79	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$1,119,693.98	
- Calls	\$225,000.00	
- Principal Paydowns	\$27,458.45	
<b>Total Dispositions</b>		<b>\$2,582,959.22</b>
<b>Amortization/Acretion</b>		
+/- Net Accretion	(\$3,721.79)	
		(\$3,721.79)
<b>Gain/Loss on Dispositions</b>		
+/- Realized Gain/Loss	\$0.00	
		\$0.00
<b>Ending Book Value</b>		<b>\$20,998,666.77</b>

CASH TRANSACTION SUMMARY		
<b>BEGINNING BALANCE</b>		<b>\$347,569.26</b>
<b>Acquisition</b>		
Contributions	\$0.00	
Security Sale Proceeds	\$0.00	
Accrued Interest Received	\$0.00	
Interest Received	\$63,105.80	
Dividend Received	\$0.00	
Principal on Maturities	\$1,119,693.98	
Interest on Maturities	\$306.02	
Calls/Redemption (Principal)	\$225,000.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$27,458.45	
<b>Total Acquisitions</b>	<b>\$1,435,564.25</b>	
<b>Disposition</b>		
Withdrawals	\$0.00	
Security Purchase	\$1,209,874.50	
Accrued Interest Paid	\$932.29	
<b>Total Dispositions</b>	<b>\$1,210,806.79</b>	
<b>Ending Book Value</b>		<b>\$572,326.72</b>

# Monthly Account Statement

## Northern CA Cities Self Ins. Fund Short Term

February 1, 2015 through February 28, 2015

### Chandler Team

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

### Custodian

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

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



**PORTFOLIO CHARACTERISTICS**

Average Duration	2.51
Average Coupon	1.20 %
Average Purchase YTM	1.23 %
Average Market YTM	1.00 %
Average S&P/Moody Rating	AA+/Aa1
Average Final Maturity	2.70 yrs
Average Life	2.56 yrs

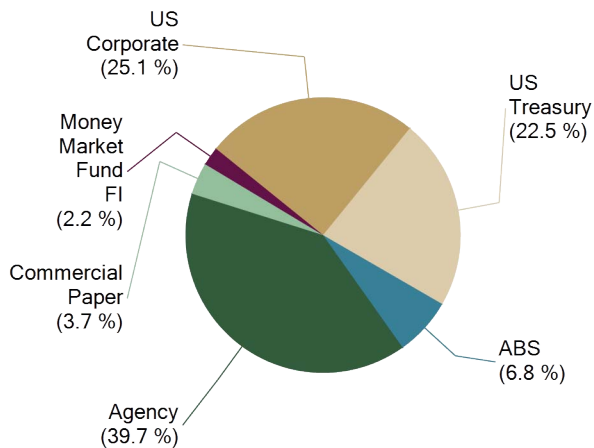
**ACCOUNT SUMMARY**

	Beg. Values as of 1/31/15	End Values as of 2/28/15
<b>Market Value</b>	20,686,690	20,622,399
<b>Accrued Interest</b>	77,407	63,349
<b>Total Market Value</b>	<b>20,764,098</b>	<b>20,685,747</b>
<b>Income Earned</b>	22,641	20,967
<b>Cont/WD</b>		0
<b>Par</b>	20,529,134	20,569,789
<b>Book Value</b>	20,473,695	20,510,953
<b>Cost Value</b>	20,523,298	20,540,923

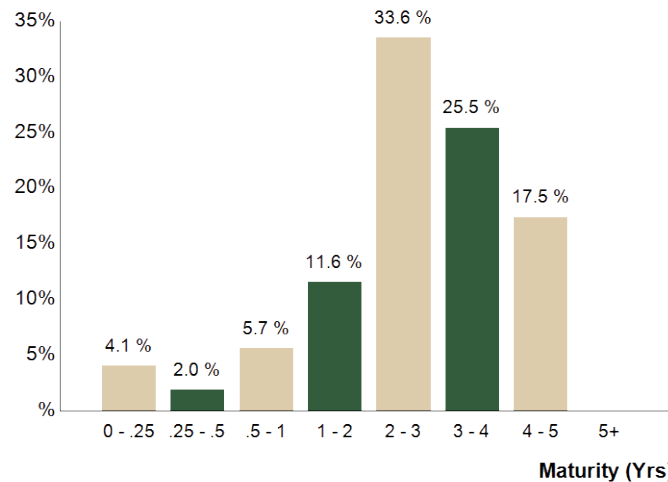
**TOP ISSUERS**

Issuer	% Portfolio
Government of United States	22.5 %
Federal National Mortgage Assoc	12.0 %
Federal Home Loan Mortgage Corp	11.9 %
Federal Home Loan Bank	10.8 %
Federal Farm Credit Bank	3.2 %
John Deere ABS	2.8 %
Dreyfus Institutional Reserves	2.2 %
Toyota Motor Corp	2.1 %
	<b>67.3 %</b>

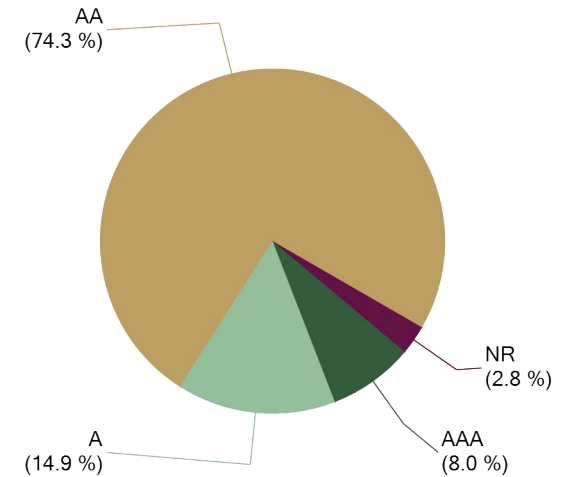
**SECTOR ALLOCATION**



**MATURITY DISTRIBUTION**



**CREDIT QUALITY (S&P)**



**PERFORMANCE REVIEW**

Total Rate of Return As of 2/28/2015	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			12/31/1997	Since 12/31/1997
					3 Yrs	5 Yrs	10 Yrs		
Northern CA Cities Self Ins. Fund Short Term	-0.39 %	0.36 %	0.56 %	1.36 %	1.14 %	1.87 %	3.50 %	4.39 %	109.16 %
1-5 yr Govt	-0.49 %	0.17 %	0.49 %	1.17 %	0.83 %	1.57 %	3.20 %	4.05 %	97.66 %
BAML 1-5 Year AAA-A (US Only Issuers)	-0.46 %	0.22 %	0.54 %	1.27 %	1.03 %	1.78 %	3.25 %	4.16 %	101.29 %



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

February 28, 2015

### COMPLIANCE WITH INVESTMENT POLICY

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

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



### Reconciliation Summary

As of 2/28/2015

BOOK VALUE RECONCILIATION	
<b>Beginning Book Value</b>	<b>\$20,473,694.90</b>
<b>Acquisition</b>	
+ Security Purchases	\$1,491,162.09
+ Money Market Fund Purchases	\$1,635,425.64
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
<b>Total Acquisitions</b>	<b>\$3,126,587.73</b>
<b>Dispositions</b>	
- Security Sales	\$127,316.25
- Money Market Fund Sales	\$1,492,327.49
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$1,204,708.22
- Calls	\$215,000.00
- Principal Paydowns	\$52,443.32
<b>Total Dispositions</b>	<b>\$3,091,795.28</b>
<b>Amortization/Accretion</b>	
+/- Net Accretion	\$233.31
	\$233.31
<b>Gain/Loss on Dispositions</b>	
+/- Realized Gain/Loss	\$2,232.50
	\$2,232.50
<b>Ending Book Value</b>	<b>\$20,510,953.16</b>

CASH TRANSACTION SUMMARY	
<b>BEGINNING BALANCE</b>	<b>\$310,320.10</b>
<b>Acquisition</b>	
Contributions	\$0.00
Security Sale Proceeds	\$127,316.25
Accrued Interest Received	\$350.86
Interest Received	\$35,315.21
Dividend Received	\$0.00
Principal on Maturities	\$1,204,708.22
Interest on Maturities	\$291.78
Calls/Redemption (Principal)	\$215,000.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$52,443.32
<b>Total Acquisitions</b>	<b>\$1,635,425.64</b>
<b>Disposition</b>	
Withdrawals	\$0.00
Security Purchase	\$1,491,162.09
Accrued Interest Paid	\$1,165.40
<b>Total Dispositions</b>	<b>\$1,492,327.49</b>
<b>Ending Book Value</b>	<b>\$453,418.25</b>



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 01/15/2015, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 12/31/2014.

Earnings Ratio		.00000696536180771
Interest Rate		0.25%
Dollar Day Total	\$	645,982,735.80
Quarter End Principal Balance	\$	6,877,713.78
Quarterly Interest Earned	\$	4,499.50

# NCCSIF

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


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

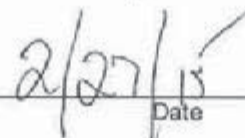
## NCCSIF INVESTMENT REPORT FOR THE QUARTER ENDING DECEMBER 31, 2014

	<u>MARKET VALUE</u>
CASH:	
(1) Tri Counties Checking	\$ 236,710.98
(2) Local Agency Inv Fund (LAIF)	<u>6,877,713.78</u>
Total Cash	<u>7,114,424.76</u>
INVESTMENTS (Unrestricted):	
(3) Chandler Investments	
Account no. 170	20,496,398.00
Account no. 171	<u>21,219,820.00</u>
Total Unrestricted Investments	<u>41,716,218.00</u>
TOTAL CASH AND INVESTMENTS	<u>\$48,830,642.76</u>

- (1) This consists of one interest-bearing checking account and two pass-thru accounts (liability and workers comp claims). The rate of interest is 0.10%
- (2) The LAIF rate of return as of quarter ended December 31, 2014 0.25%
- (3) See attached Investment Activity Reports.

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

  
\_\_\_\_\_  
Tim Salisbury, Treasurer

  
\_\_\_\_\_  
Date

*A Joint Powers Authority*

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



Northern California Cities Self Insurance Fund

Check/Voucher Register - e

11010 - Cash - General

From 1/1/2015 Through 2/28/2015

Check Number	Check Description	Vendor Name	Effective Date	Check Amount
8496	To record manual ck #8496	New Earth Market	1/16/2015	1,078.63
8497	System Generated Check/Vo...	Chandler Asset M...	1/20/2015	4,329.00
8498	System Generated Check/Vo...	York Risk Services...	1/20/2015	83,354.44
8499	System Generated Check/Vo...	James Marta	1/20/2015	5,363.50
8500	System Generated Check/Vo...	Gibbons & Conley	1/20/2015	794.94
8501	System Generated Check/Vo...	Alliant Insurance ...	1/20/2015	23,833.33
8502	System Generated Check/Vo...	Occu-Med Inc.	1/20/2015	1,500.00
8503	System Generated Check/Vo...	Bickmore Risk Ser...	1/20/2015	13,806.34
8504	System Generated Check/Vo...	City of Dixon	1/20/2015	736.11
8505	System Generated Check/Vo...	City of Placerville	1/20/2015	1,515.00
8506	System Generated Check/Vo...	DKF Solutions Gro...	1/20/2015	1,050.00
8507	System Generated Check/Vo...	George Silva	1/20/2015	176.40
8508	System Generated Check/Vo...	John Brewer	1/20/2015	94.64
8509	System Generated Check/Vo...	Liz Ehrenstrom	1/20/2015	54.87
8510	System Generated Check/Vo...	Marcus Beverly	1/20/2015	50.00
8511	System Generated Check/Vo...	The Bank of New ...	1/20/2015	662.50
8512	System Generated Check/Vo...	City of Folsom	1/20/2015	100.00
8513	System Generated Check/Vo...	Simple Pleasures	2/3/2015	882.68
8514	System Generated Check/Vo...	Chandler Asset M...	2/11/2015	4,349.00
8515	System Generated Check/Vo...	York Risk Services...	2/11/2015	36,137.86
8516	System Generated Check/Vo...	James Marta	2/11/2015	5,363.50
8517	System Generated Check/Vo...	Alliant Insurance ...	2/11/2015	23,833.33
8518	System Generated Check/Vo...	Occu-Med Inc.	2/11/2015	1,500.00
8519	System Generated Check/Vo...	City of Galt	2/11/2015	2,479.22
8520	System Generated Check/Vo...	Bickmore Risk Ser...	2/11/2015	18,806.33
8521	System Generated Check/Vo...	Champion Awards...	2/11/2015	69.23
8522	System Generated Check/Vo...	Michelle Minnick	2/11/2015	54.95
8523	System Generated Check/Vo...	Larry's Business C...	2/11/2015	731.00
8524	System Generated Check/Vo...	York	2/20/2015	44,556.15
8525	System Generated Check/Vo...	City of Dixon	2/20/2015	249.76
8526	System Generated Check/Vo...	City of Rio Vista	2/20/2015	88.55
8527	System Generated Check/Vo...	DKF Solutions Gro...	2/20/2015	1,050.00
8528	System Generated Check/Vo...	Liz Ehrenstrom	2/20/2015	100.22
8529	System Generated Check/Vo...	The Bank of New ...	2/20/2015	687.50
8530	System Generated Check/Vo...	Corey Shaver	2/20/2015	47.26

Report Total

279,486.24



BACK TO AGENDA

**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
April 16, 2015**

**Agenda Item E.**

**COMMITTEE REPORTS**

**INFORMATION ITEM**

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

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

**FISCAL IMPACT:** None.

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

**ATTACHMENT(S):**

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

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

**MEMBERS PRESENT**

John Ruffcorn, City of Auburn  
Art Olson, City of Elk Grove  
Jim Ramsey, City of Elk Grove  
Jason Browning, City of Folsom  
Sharon Blackburn, City of Folsom  
Dean Price, City of Gridley  
Jason Garringer, City of Marysville

Aaron Easton, City of Marysville  
Tim Foley, City of Nevada City  
Elizabeth Ehrenstrom, City of Oroville  
Paul Nanfito, City of Red Bluff  
Greg Bowman, City of Rio Vista  
Russ Hildebrand, City of Rocklin  
Forrest Richardson, City of Rocklin

**GUESTS & CONSULTANTS**

Michelle Minnick, Alliant Insurance Services  
Tom Kline, Bickmore Risk Services  
Henri Castro, Bickmore Risk Services

Jeff Johnston, Bickmore Risk Services  
Dr. Felicia Gomez, Pinnacle Training Systems

**A. CALL TO ORDER**

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

**B. PUBLIC COMMENTS**

There were no public comments.

**C. RISK MANAGEMENT**

**C1. Body Camera Update**

The Committee was asked to share any anecdotal evidence for the VieVu Body Cameras and it was mentioned that NCCSIF will eventually begin tracking claims to determine if there has been an impact since the implementation of the VieVu Body Cameras approximately three months ago on August 27, 2014.

The City of Rocklin noted that a woman had claimed that she was hit in the eye when the officer presented the ticket to her. However, when the video was reviewed it clearly showed that the woman was not hit by the ticket – the addition of the VieVu Body Cameras has had a positive effect on reducing potential claims in the City of Rocklin.

In the City of Folsom there was an Internal Affairs complaint from a family who alleged their son was being targeted by one officer. The video from the VieVu Body Cameras was reviewed by Internal Affairs and clearly showed that the son was not being truthful about his complaint

and so the video was also shown to the family who after review apologized and withdrew their complaint.

On average there have been two to three angst stories shared each meeting and the video taken from the VieVu Body Cameras has been used to reduce potential claims. It was also noted that the company has been great and very responsive to any server issues that have arisen.

## **C2. Outer Carrier Vests**

The Committee was given a handout which included information provided by the Chief of Central Marin Police Authority regarding the implementation of Outer Carrier Vests into their law enforcement. The Committee then discussed the information presented in the handout which reported the Central Marin Police Authority used a multi-pronged approach to implement the Outer Carrier Vests. This approach required buy-in from three sources: the employees, the community and local officials (government). The first step was to create a survey to identify what the potential issues are that create Workers' Compensation claims and the main issue identified was the weight of the duty belt. The second step was to identify possible solutions to remedy the weight of the duty belt issue and the Outer Carrier Vest was a possible solution. The third step taken by Central Marin Police Authority was to create a training and pilot program (using the parameters of comfort, ROM, ease of access, public perception). Each Outer Carrier Vest costs approximately \$300-500 and it was noted that the Outer Carrier Vests reduce stress to the neck, back and hips. There were also concerns about the militarist look of the Outer Carrier Vests and so the Central Marin Police Authority then reached out to municipalities, councils and public forums and to ensure transparency the vests were brought to the meetings and gained overwhelming support due to the motivation to use the Outer Carrier Vests (by providing a low cost Outer Carrier Vest to officers the city could reduce potential injury costs due to use of the duty belt only). After a three month trial period of use the Outer Carrier Vests were made a voluntary item but it should be noted that more than 90% of officers chose to continue wearing Outer Carrier Vests and there have been no claims reported at this time by Officers wearing those vests. The committee was also provided with Chief Todd Cusimano contact information in the event there are any follow up questions regarding the materials presented at the meeting.

It was also noted that one of the cities had implemented the Outer Carrier Vests approximately four years ago and there has been a recent shift of Officers transitioning back to using the duty belt due to complaints of hunching forward due to the weight of the vests. It was noted that the cities who have recently implemented the use of Outer Carrier Vests have not reported any complaints as a result of using the Outer Carrier Vests.

## **C3. Round Table Discussion**

Henri Castro reminded the committee that there is a Risk Control Website through Bickmore and they are in the process of getting a website set up that is customized specifically for Law Enforcement. It was noted that since Law Enforcement has the highest risk for exposure it is

important for Law Enforcement to share best practices to help bridge the gap between risk management and police. The committee was asked to provide information regarding what type of information should be listed on the website specific to Law Enforcement. The following topics were recommended to be included in the website:

- Sample Policy's from other cities that have been successful
- Training information (Safety Communications via email)
- Best Practices for Law Enforcement (fatigue, return to work)
- Creation of a "Near Miss System" for Law Enforcement (similar to what Fire Departments use)
- Creation of an alert when information has been posted to the Law Enforcement website
- Forum for questions (similar to CSAC)

It was also noted that CSAC-EIA started an Employment Law hotline which includes free unlimited calls for all CSAC-EIA members. It was also requested that Henri Castro from Bickmore send out an email to all NCCSIF members with CSAC-EIA contact information and also to send out an email to PRMC regarding the next topic for speaker at the next meeting.

#### **C4. Wellness and Fitness in Law Enforcement - "The Tactical Athlete"**

Dr. Felicia Gomez provided a presentation which included her experience working with law enforcement agencies on how to best use science principles to maximize physical performance of "tactical athletes".

#### **D. ADJOURNMENT**

The meeting was adjourned at 12:35 p.m.



**QUARTERLY FINANCIAL REPORT FOR PERIOD ENDING  
DECEMBER 31, 2014**

**ACTION ITEM**

**ISSUE:** The Board receives quarterly a report on the financial status of NCCSIF. James Marta & Company will review these with the NCCSIF's Financials for the Quarter ending December 31, 2014 to the Board.

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

**FISCAL IMPACT:** None

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

**ATTACHMENT(S):** Quarterly Financial Report for Period Ending December 31, 2014

**FINANCIAL REPORT**

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**DECEMBER 31, 2014**

**AND FOR THE SIX MONTHS THEN ENDED**

# **Northern California Cities Self Insurance Fund**



**Northern California Cities Self Insurance Fund**  
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**December 31, 2014**

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**James Marta & Company LLP**

*Certified Public Accountants*

*Accounting, Auditing, Tax, and Consulting*

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**ACCOUNTANT'S REPORT**

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

We have compiled the accompanying statement of net position of Northern California Cities Self Insurance Fund as of December 31, 2014, and the related statement of revenues, expenses and changes in net position for the six months then ended. The supplementary information on pages 4 through 24 are presented for purposes of additional analysis and has been compiled from information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplementary information and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

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

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

A statement of cash flows for the six months ended December 31, 2014 has not been presented. Accounting principles generally accepted in the United States of America require that such a statement be presented when financial statements purport to present financial position and results of operations. Management has elected to present designations of net position on the Statement of Net Position as of December 31, 2014, contrary to accounting principles generally accepted in the United States of America which bar the presentation of designations of net position on the Statement of Net Position.

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

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

*James Marta & Company LLP*

James Marta & Company LLP  
Certified Public Accountants  
Sacramento, California  
February 6, 2015

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Statement of Net Position  
December 31, 2014**

---

**Assets**

Current Assets	
Cash and Cash Equivalents	\$ 7,114,427
Interest Receivable	196,244
Excess Accounts Receivable	1,144,906
Prepaid Expense	<u>1,375,627</u>
Total Current Assets	<u>9,831,204</u>
Non-Current Assets	
Investments*	<u>41,716,221</u>
Total Assets	<u>\$ 51,547,425</u>

**Liabilities & Net Position**

Current Liabilities	
Accounts Payable	\$ 52,543
Deferred Revenue	<u>2,693,940</u>
Total Current Liabilities	<u>2,746,483</u>
Non-Current Liabilities	
Outstanding Liabilities*	36,730,083
ULAE*	<u>2,148,552</u>
Total Non-Current Liabilities	<u>38,878,635</u>
Total Liabilities	<u>\$ 41,625,118</u>
Net Position	
Designated for Contingency	200,000
Designated for Safety Grants	302,485
Undesignated	<u>9,419,822</u>
Total Net Position	<u>9,922,307</u>
Liability & Net Position	<u>\$ 51,547,425</u>

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

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Statement of Revenues, Expenses and Changes in Net Position  
For the Six Months Ended December 31, 2014**

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Operating Income		
Administration Deposit	\$	419,424
Banking Layer Deposit		3,451,897
Shared Risk Layer		1,983,660
Excess Deposit/Premium		967,145
Property/Crime Insurance Income		437,133
Risk Management Grants		91,532
Other Income		999
Total Operating Income		<u>7,351,790</u>
Operating Expenses		
Claims Paid		3,115,350
O/S Liability adj.		2,318,311
ULAE		133,283
Consultants		41,084
Administration-Other		164
Safety Service		218,019
Claims Administration		448,436
Program Administration		175,181
Board Expenses		3,786
Excess Insurance		890,292
Property/Crime Insurance Expense		437,129
Contingency Reserves		10,168
Total Operating Expenses		<u>7,791,203</u>
Operating Income (Loss)		(439,413)
Non-Operating Income		
Change in Fair Market Value		(79,243)
Investment Income		377,033
Total Non-Operating Income		<u>297,790</u>
Change in Net Position		(141,623)
Beginning Net Position		<u>10,063,930</u>
Ending Net Position	\$	<u>9,922,307</u>

## **SUPPLEMENTARY INFORMATION**

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

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Net Position - Liability  
December 31, 2014**

	<b>Total All Layers</b>	<b>Admin Layer</b>	<b>Shared Layer</b>	<b>Total Banking Layer (Memo)</b>
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 3,969,910	\$ 162,954	\$ 1,990,259	\$ 1,816,697
Interest Receivable	49,241	683	9,870	38,688
Excess Accounts Receivable	724,371	-	724,371	-
Prepaid Expense	893,371	48,206	845,165	-
<b>Total Current Assets</b>	<b>5,636,893</b>	<b>211,843</b>	<b>3,569,665</b>	<b>1,855,385</b>
<b>Non-Current Assets</b>				
Investments*	8,097,586	209,730	4,092,328	3,795,528
<b>Total Assets</b>	<b>\$ 13,734,479</b>	<b>\$ 421,573</b>	<b>\$ 7,661,993</b>	<b>\$ 5,650,913</b>
<b>Current Liabilities</b>				
Accounts Payable	\$ 46,108	\$ 2,694	\$ 246	\$ 43,168
Deferred Revenue	2,641,932	188,362	1,595,118	858,452
<b>Total Current Liabilities</b>	<b>2,688,040</b>	<b>191,056</b>	<b>1,595,364</b>	<b>901,620</b>
<b>Non-Current Liabilities</b>				
Outstanding Liabilities*	9,233,638	-	6,566,666	2,666,972
ULAE*	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>9,233,638</b>	<b>-</b>	<b>6,566,666</b>	<b>2,666,972</b>
<b>Total Liabilities</b>	<b>\$ 11,921,678</b>	<b>\$ 191,056</b>	<b>\$ 8,162,030</b>	<b>\$ 3,568,592</b>
<b>Net Position</b>				
Designated for Contingency	100,000	100,000	-	-
Undesignated	1,712,801	130,517	(500,037)	2,082,321
<b>Total Net Position</b>	<b>1,812,801</b>	<b>230,517</b>	<b>(500,037)</b>	<b>2,082,321</b>
<b>Liability &amp; Net Position</b>	<b>\$ 13,734,479</b>	<b>\$ 421,573</b>	<b>\$ 7,661,993</b>	<b>\$ 5,650,913</b>

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

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Net Position - Liability  
December 31, 2014**

	City of Anderson	City of Auburn	City of Colusa	City of Corning	City of Dixon	City of Folsom	City of Galt	City of Gridley	City of Ione
<b>Current Assets</b>									
Cash and Cash Equivalents	\$ 85,343	\$ 114,223	\$ 316	\$ 26,904	\$ 95,308	\$ 429,479	\$ 228,751	\$ 33,354	\$ 15,685
Interest Receivable	741	1,360	283	486	2,102	12,237	2,259	1,000	213
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-
Prepaid Expense	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>86,084</b>	<b>115,583</b>	<b>599</b>	<b>27,390</b>	<b>97,410</b>	<b>441,716</b>	<b>231,010</b>	<b>34,354</b>	<b>15,898</b>
<b>Non-Current Assets</b>									
Investments*	85,341	63,695	424	2,231	105,212	1,445,615	86,453	128,277	4,575
<b>Total Assets</b>	<b>\$ 171,425</b>	<b>\$ 179,278</b>	<b>\$ 1,023</b>	<b>\$ 29,621</b>	<b>\$ 202,622</b>	<b>\$ 1,887,331</b>	<b>\$ 317,463</b>	<b>\$ 162,631</b>	<b>\$ 20,473</b>
<b>Current Liabilities</b>									
Accounts Payable	\$ 104	\$ 977	\$ 896	\$ 97	\$ 1,147	\$ 12,791	\$ 2,061	\$ 594	\$ 73
Deferred Revenue	15,554	38,795	8,743	12,637	18,718	255,871	67,362	27,087	7,167
<b>Total Current Liabilities</b>	<b>15,658</b>	<b>39,772</b>	<b>9,639</b>	<b>12,734</b>	<b>19,865</b>	<b>268,662</b>	<b>69,423</b>	<b>27,681</b>	<b>7,240</b>
<b>Non-Current Liabilities</b>									
Outstanding Liabilities*	2,380	45,125	55,402	132,995	28,126	694,927	139,670	50,751	8,098
ULAE*	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>2,380</b>	<b>45,125</b>	<b>55,402</b>	<b>132,995</b>	<b>28,126</b>	<b>694,927</b>	<b>139,670</b>	<b>50,751</b>	<b>8,098</b>
<b>Total Liabilities</b>	<b>\$ 18,038</b>	<b>\$ 84,897</b>	<b>\$ 65,041</b>	<b>\$ 145,729</b>	<b>\$ 47,991</b>	<b>\$ 963,589</b>	<b>\$ 209,093</b>	<b>\$ 78,432</b>	<b>\$ 15,338</b>
<b>Net Position</b>									
Designated for Contingency	-	-	-	-	-	-	-	-	-
Undesignated	153,387	94,381	(64,018)	(116,108)	154,631	923,742	108,370	84,199	5,135
<b>Total Net Position</b>	<b>153,387</b>	<b>94,381</b>	<b>(64,018)</b>	<b>(116,108)</b>	<b>154,631</b>	<b>923,742</b>	<b>108,370</b>	<b>84,199</b>	<b>5,135</b>
<b>Liability &amp; Net Position</b>	<b>\$ 171,425</b>	<b>\$ 179,278</b>	<b>\$ 1,023</b>	<b>\$ 29,621</b>	<b>\$ 202,622</b>	<b>\$ 1,887,331</b>	<b>\$ 317,463</b>	<b>\$ 162,631</b>	<b>\$ 20,473</b>

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

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Net Position - Liability  
December 31, 2014**

	City of Jackson	City of Lincoln	City of Marysville	City of Orville	City of Paradise	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City
<b>Current Assets</b>										
Cash and Cash Equivalents	\$ 22,031	\$ 150,322	\$ 66,380	\$ 101,420	\$ 100,445	\$ 105,943	\$ 29,164	\$ 67,970	\$ 25,841	\$ 117,818
Interest Receivable	617	2,022	1,910	1,317	1,804	1,433	468	3,953	743	3,740
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Prepaid Expense	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>22,648</b>	<b>152,344</b>	<b>68,290</b>	<b>102,737</b>	<b>102,249</b>	<b>107,376</b>	<b>29,632</b>	<b>71,923</b>	<b>26,584</b>	<b>121,558</b>
<b>Non-Current Assets</b>										
Investments*	3,142	302,934	142,959	116,447	166,788	126,646	42,803	389,797	60,161	522,028
<b>Total Assets</b>	<b>\$ 25,790</b>	<b>\$ 455,278</b>	<b>\$ 211,249</b>	<b>\$ 219,184</b>	<b>\$ 269,037</b>	<b>\$ 234,022</b>	<b>\$ 72,435</b>	<b>\$ 461,720</b>	<b>\$ 86,745</b>	<b>\$ 643,586</b>
<b>Current Liabilities</b>										
Accounts Payable	\$ 1,472	\$ 1,172	\$ 2,382	\$ 466	\$ 1,273	\$ 3,236	\$ 88	\$ 5,811	\$ 3,765	\$ 4,763
Deferred Revenue	13,074	64,263	37,997	32,819	31,164	62,534	12,175	67,943	6,206	78,343
<b>Total Current Liabilities</b>	<b>14,546</b>	<b>65,435</b>	<b>40,379</b>	<b>33,285</b>	<b>32,437</b>	<b>65,770</b>	<b>12,263</b>	<b>73,754</b>	<b>9,971</b>	<b>83,106</b>
<b>Non-Current Liabilities</b>										
Outstanding Liabilities*	6,640	102,619	384,263	42,849	191,745	185,491	13,743	217,869	51,224	313,055
ULAE*	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>6,640</b>	<b>102,619</b>	<b>384,263</b>	<b>42,849</b>	<b>191,745</b>	<b>185,491</b>	<b>13,743</b>	<b>217,869</b>	<b>51,224</b>	<b>313,055</b>
<b>Total Liabilities</b>	<b>\$ 21,186</b>	<b>\$ 168,054</b>	<b>\$ 424,642</b>	<b>\$ 76,134</b>	<b>\$ 224,182</b>	<b>\$ 251,261</b>	<b>\$ 26,006</b>	<b>\$ 291,623</b>	<b>\$ 61,195</b>	<b>\$ 396,161</b>
<b>Net Position</b>										
Designated for Contingency	-	-	-	-	-	-	-	-	-	-
Undesignated	4,604	287,224	(213,393)	143,050	44,855	(17,239)	46,429	170,097	25,550	247,425
<b>Total Net Position</b>	<b>4,604</b>	<b>287,224</b>	<b>(213,393)</b>	<b>143,050</b>	<b>44,855</b>	<b>(17,239)</b>	<b>46,429</b>	<b>170,097</b>	<b>25,550</b>	<b>247,425</b>
<b>Liability &amp; Net Position</b>	<b>\$ 25,790</b>	<b>\$ 455,278</b>	<b>\$ 211,249</b>	<b>\$ 219,184</b>	<b>\$ 269,037</b>	<b>\$ 234,022</b>	<b>\$ 72,435</b>	<b>\$ 461,720</b>	<b>\$ 86,745</b>	<b>\$ 643,586</b>

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



**Northern California Cities Self Insurance Fund**  
**(Governmental Enterprise Fund)**  
**Combining Statement of Revenues, Expenses and Changes in Net Position - Liability**  
**For the Six Months Ended December 31, 2014**

	<b>Total</b>		<b>Shared</b>	<b>Total Banking</b>
	<b>All Layers</b>	<b>Admin Layer</b>	<b>Layer</b>	<b>Layer</b>
				<b>(Memo)</b>
Operating Income				
Administration Deposit	\$ 188,362	\$ 188,362	\$ -	\$ -
Banking Layer Deposit	858,452	-	-	858,452
Shared Risk Layer	673,097	-	673,097	-
Excess Deposit/Premium	484,889	-	484,889	-
Property/Crime Insurance Income	437,133	-	437,133	-
Other Income	978	-	150	828
<b>Total Operating Income</b>	<b>2,642,911</b>	<b>188,362</b>	<b>1,595,269</b>	<b>859,280</b>
Operating Expenses				
Claims Paid	837,629	-	152,209	685,420
O/S Liability adj.	612,552	-	525,540	87,012
Consultants	20,542	20,542	-	-
Administration-Other	82	82	-	-
Safety Service	125,318	125,318	-	-
Claims Administration	28,350	28,350	-	-
Program Administration	94,740	94,740	-	-
Board Expenses	1,893	1,893	-	-
Excess Insurance	408,036	-	408,036	-
Property/Crime Insurance Expense	437,129	-	437,129	-
Contingency Reserves	10,168	10,168	-	-
<b>Total Operating Expense</b>	<b>2,576,439</b>	<b>281,093</b>	<b>1,522,914</b>	<b>772,432</b>
Operating Income (Loss)	66,472	(92,731)	72,355	86,848
Non-Operating Income				
Change in Fair Market Value	(21,676)	(411)	(4,823)	(16,442)
Investment Income	104,759	1,837	22,217	80,705
<b>Total Non-Operating Income</b>	<b>83,083</b>	<b>1,426</b>	<b>17,394</b>	<b>64,263</b>
Change in Net Position	149,555	(91,305)	89,749	151,111
Beginning Net Position	1,663,246	321,822	(589,786)	1,931,210
Ending Net Position	\$ 1,812,801	\$ 230,517	\$ (500,037)	\$ 2,082,321

See Accompanying Accountant's Report

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Revenues, Expenses and Changes in Net Position - Liability  
For the Six Months Ended December 31, 2014**

	City of Anderson	City of Auburn	City of Colusa	City of Corning	City of Dixon	City of Folsom	City of Galt	City of Gridley	City of Ione
Operating Income									
Administration Deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Banking Layer Deposit	15,554	38,795	8,743	12,637	18,718	255,871	67,362	27,087	7,167
Shared Risk Layer	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-
Property/Crime Insurance Income	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	828
<b>Total Operating Income</b>	<b>15,554</b>	<b>38,795</b>	<b>8,743</b>	<b>12,637</b>	<b>18,718</b>	<b>255,871</b>	<b>67,362</b>	<b>27,087</b>	<b>7,995</b>
Operating Expenses									
Claims Paid	-	23,372	48,385	26,543	8,112	146,841	16,210	44,092	20,611
O/S Liability adj.	1	24,357	(817)	(32,369)	22,594	(17,610)	(54,988)	(48,896)	(16,021)
Consultants	-	-	-	-	-	-	-	-	-
Administration-Other	-	-	-	-	-	-	-	-	-
Safety Service	-	-	-	-	-	-	-	-	-
Claims Administration	-	-	-	-	-	-	-	-	-
Program Administration	-	-	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-	-	-
Excess Insurance	-	-	-	-	-	-	-	-	-
Property/Crime Insurance Expense	-	-	-	-	-	-	-	-	-
Contingency Reserves	-	-	-	-	-	-	-	-	-
<b>Total Operating Expense</b>	<b>1</b>	<b>47,729</b>	<b>47,568</b>	<b>(5,826)</b>	<b>30,706</b>	<b>129,231</b>	<b>(38,778)</b>	<b>(4,804)</b>	<b>4,590</b>
Operating Income (Loss)	15,553	(8,934)	(38,825)	18,463	(11,988)	126,640	106,140	31,891	3,405
Non-Operating Income									
Change in Fair Market Value	(292)	(556)	(116)	(175)	(913)	(5,396)	(953)	(447)	(97)
Investment Income	1,490	2,743	552	1,057	4,282	25,600	4,768	2,002	423
<b>Total Non-Operating Income</b>	<b>1,198</b>	<b>2,187</b>	<b>436</b>	<b>882</b>	<b>3,369</b>	<b>20,204</b>	<b>3,815</b>	<b>1,555</b>	<b>326</b>
Change in Net Position	16,751	(6,747)	(38,389)	19,345	(8,619)	146,844	109,955	33,446	3,731
Beginning Net Position	136,636	101,128	(25,629)	(135,453)	163,250	776,898	(1,585)	50,753	1,404
<b>Ending Net Position</b>	<b>\$ 153,387</b>	<b>\$ 94,381</b>	<b>\$ (64,018)</b>	<b>\$ (116,108)</b>	<b>\$ 154,631</b>	<b>\$ 923,742</b>	<b>\$ 108,370</b>	<b>\$ 84,199</b>	<b>\$ 5,135</b>

See Accompanying Accountant's Report

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Revenues, Expenses and Changes in Net Position - Liability  
For the Six Months Ended December 31, 2014**

	City of Jackson	City of Lincoln	City of Marysville	City of Oroville	City of Paradise	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City
Operating Income										
Administration Deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Banking Layer Deposit	13,074	64,263	37,997	32,819	31,164	62,534	12,175	67,943	6,206	78,343
Shared Risk Layer	-	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-	-
Property/Crime Insurance Income	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-
Total Operating Income	13,074	64,263	37,997	32,819	31,164	62,534	12,175	67,943	6,206	78,343
Operating Expenses										
Claims Paid	16,813	8,736	60,218	9,527	21,206	64,666	13,649	76,550	6,044	73,845
O/S Liability adj.	(15,290)	(33,878)	100,238	(15,755)	36,443	6,387	(9,496)	48,309	15,955	77,848
Consultants	-	-	-	-	-	-	-	-	-	-
Administration-Other	-	-	-	-	-	-	-	-	-	-
Safety Service	-	-	-	-	-	-	-	-	-	-
Claims Administration	-	-	-	-	-	-	-	-	-	-
Program Administration	-	-	-	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-	-	-	-
Excess Insurance	-	-	-	-	-	-	-	-	-	-
Property/Crime Insurance Expense	-	-	-	-	-	-	-	-	-	-
Contingency Reserves	-	-	-	-	-	-	-	-	-	-
Total Operating Expense	1,523	(25,142)	160,456	(6,228)	57,649	71,053	4,153	124,859	21,999	151,693
Operating Income (Loss)	11,551	89,405	(122,459)	39,047	(26,485)	(8,519)	8,022	(56,916)	(15,793)	(73,350)
Non-Operating Income										
Change in Fair Market Value	(254)	(822)	(802)	(560)	(786)	(596)	(208)	(1,726)	(317)	(1,426)
Investment Income	1,304	4,450	4,098	2,690	3,493	3,034	968	8,220	1,536	7,995
Total Non-Operating Income	1,050	3,628	3,296	2,130	2,707	2,438	760	6,494	1,219	6,569
Change in Net Position	12,601	93,033	(119,163)	41,177	(23,778)	(6,081)	8,782	(50,422)	(14,574)	(66,781)
Beginning Net Position	(7,997)	194,191	(94,230)	101,873	68,633	(11,158)	37,647	220,519	40,124	314,206
Ending Net Position	\$ 4,604	\$ 287,224	\$ (213,393)	\$ 143,050	\$ 44,855	\$ (17,239)	\$ 46,429	\$ 170,097	\$ 25,550	\$ 247,425

**Northern California Cities Self Insurance Fund**  
**(Governmental Enterprise Fund)**  
**Combining Statement of Net Position – Workers’ Compensation**  
**December 31, 2014**

	<b>Total</b>			<b>Total Banking</b>
	<b>All Layers</b>	<b>Admin Layer</b>	<b>Shared Layer</b>	<b>Layer</b>
				<b>(Memo)</b>
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 3,144,517	\$ 85,962	\$ 662,640	\$ 2,395,915
Interest Receivable	147,003	2,970	57,316	86,717
Excess Accounts Receivable	420,535	-	420,535	-
Prepaid Expense	482,256	-	482,256	-
<b>Total Current Assets</b>	<b>4,194,311</b>	<b>88,932</b>	<b>1,622,747</b>	<b>2,482,632</b>
<b>Non-Current Assets</b>				
Investments*	33,618,635	563,340	16,386,082	16,669,213
<b>Total Assets</b>	<b>\$ 37,812,946</b>	<b>\$ 652,272</b>	<b>\$ 18,008,829</b>	<b>\$ 19,151,845</b>
<b>Current Liabilities</b>				
Accounts Payable	\$ 6,435	\$ 2,760	\$ 1,451	\$ 2,224
Deferred Revenue	52,008	-	52,008	-
<b>Total Current Liabilities</b>	<b>58,443</b>	<b>2,760</b>	<b>53,459</b>	<b>2,224</b>
<b>Non-Current Liabilities</b>				
Outstanding Liabilities*	27,496,445	-	13,787,723	13,708,722
ULAE*	2,148,552	-	1,077,362	1,071,190
<b>Total Non-Current Liabilities</b>	<b>29,644,997</b>	<b>-</b>	<b>14,865,085</b>	<b>14,779,912</b>
<b>Total Liabilities</b>	<b>\$ 29,703,440</b>	<b>\$ 2,760</b>	<b>\$ 14,918,544</b>	<b>\$ 14,782,136</b>
<b>Net Position</b>				
Designated for Contingency	100,000	100,000	-	-
Designated for Safety Grants	302,485	302,485	-	-
Undesignated	7,707,021	247,027	3,090,285	4,369,709
<b>Total Net Position</b>	<b>8,109,506</b>	<b>649,512</b>	<b>3,090,285</b>	<b>4,369,709</b>
<b>Liability &amp; Net Position</b>	<b>\$ 37,812,946</b>	<b>\$ 652,272</b>	<b>\$ 18,008,829</b>	<b>\$ 19,151,845</b>

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

See Accompanying Accountant’s Report

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Net Position – Workers’ Compensation  
December 31, 2014**

	City of Anderson	City of Auburn	City of Colusa	City of Corning	City of Dixon	City of Elk Grove	City of Folsom	City of Galt	City of Gridley	City of Ione	City of Jackson
<b>Current Assets</b>											
Cash and Cash Equivalents	\$ 78,081	\$ 73,660	\$ 52,153	\$ 93,620	\$ 39,722	\$ 295,134	\$ 348,086	\$ 145,061	\$ 51,018	\$ 85,937	\$ 128,978
Interest Receivable	1,547	2,841	592	1,014	4,391	2,134	25,563	4,720	2,088	445	1,288
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-
Prepaid Expense	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>79,628</b>	<b>76,501</b>	<b>52,745</b>	<b>94,634</b>	<b>44,113</b>	<b>297,268</b>	<b>373,649</b>	<b>149,781</b>	<b>53,106</b>	<b>86,382</b>	<b>130,266</b>
<b>Non-Current Assets</b>											
Investments*	132,874	554,254	108,782	159,756	1,008,326	358,489	5,122,313	930,961	392,162	26,049	213,344
<b>Total Assets</b>	<b>\$ 212,502</b>	<b>\$ 630,755</b>	<b>\$ 161,527</b>	<b>\$ 254,390</b>	<b>\$ 1,052,439</b>	<b>\$ 655,757</b>	<b>\$ 5,495,962</b>	<b>\$ 1,080,742</b>	<b>\$ 445,268</b>	<b>\$ 112,431</b>	<b>\$ 343,610</b>
<b>Current Liabilities</b>											
Accounts Payable	\$ 40	\$ 74	\$ 15	\$ 27	\$ 112	\$ 56	\$ 653	\$ 121	\$ 54	\$ 12	\$ 33
Deferred Revenue	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>40</b>	<b>74</b>	<b>15</b>	<b>27</b>	<b>112</b>	<b>56</b>	<b>653</b>	<b>121</b>	<b>54</b>	<b>12</b>	<b>33</b>
<b>Non-Current Liabilities</b>											
Outstanding Liabilities*	454,906	590,165	68,697	161,009	612,091	688,424	3,874,667	709,589	102,974	8,454	116,799
ULAE*	35,546	46,115	5,368	12,581	47,828	53,793	302,763	55,447	8,046	661	9,127
<b>Total Non-Current Liabilities</b>	<b>490,452</b>	<b>636,280</b>	<b>74,065</b>	<b>173,590</b>	<b>659,919</b>	<b>742,217</b>	<b>4,177,430</b>	<b>765,036</b>	<b>111,020</b>	<b>9,115</b>	<b>125,926</b>
<b>Total Liabilities</b>	<b>\$ 490,492</b>	<b>\$ 636,354</b>	<b>\$ 74,080</b>	<b>\$ 173,617</b>	<b>\$ 660,031</b>	<b>\$ 742,273</b>	<b>\$ 4,178,083</b>	<b>\$ 765,157</b>	<b>\$ 111,074</b>	<b>\$ 9,127</b>	<b>\$ 125,959</b>
<b>Net Position</b>											
Designated for Contingency	-	-	-	-	-	-	-	-	-	-	-
Designated for Safety Grants	-	-	-	-	-	-	-	-	-	-	-
Undesignated	(277,990)	(5,599)	87,447	80,773	392,408	(86,516)	1,317,879	315,585	334,194	103,304	217,651
<b>Total Net Position</b>	<b>(277,990)</b>	<b>(5,599)</b>	<b>87,447</b>	<b>80,773</b>	<b>392,408</b>	<b>(86,516)</b>	<b>1,317,879</b>	<b>315,585</b>	<b>334,194</b>	<b>103,304</b>	<b>217,651</b>
<b>Liability &amp; Net Position</b>	<b>\$ 212,502</b>	<b>\$ 630,755</b>	<b>\$ 161,527</b>	<b>\$ 254,390</b>	<b>\$ 1,052,439</b>	<b>\$ 655,757</b>	<b>\$ 5,495,962</b>	<b>\$ 1,080,742</b>	<b>\$ 445,268</b>	<b>\$ 112,431</b>	<b>\$ 343,610</b>

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

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Net Position – Workers’ Compensation  
December 31, 2014**

	City of Lincoln	City of Marysville	City of Nevada City	City of Oroville	City of Paradise	City of Placerville	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City
<b>Current Assets</b>											
Cash and Cash Equivalents	\$ 62,673	\$ 104,784	\$ 11,348	\$ 78,784	\$ 27,300	\$ 100,382	\$ 80,700	\$ 28,458	\$ 147,503	\$ 92,905	\$ 269,628
Interest Receivable	4,223	3,990	1,058	2,750	3,768	2,710	2,993	978	8,258	1,552	7,814
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-
Prepaid Expense	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>66,896</b>	<b>108,774</b>	<b>12,406</b>	<b>81,534</b>	<b>31,068</b>	<b>103,092</b>	<b>83,693</b>	<b>29,436</b>	<b>155,761</b>	<b>94,457</b>	<b>277,442</b>
<b>Non-Current Assets</b>											
Investments*	650,328	814,880	287,764	499,957	772,370	675,072	508,316	189,120	1,760,010	263,955	1,240,131
<b>Total Assets</b>	<b>\$ 717,224</b>	<b>\$ 923,654</b>	<b>\$ 300,170</b>	<b>\$ 581,491</b>	<b>\$ 803,438</b>	<b>\$ 778,164</b>	<b>\$ 592,009</b>	<b>\$ 218,556</b>	<b>\$ 1,915,771</b>	<b>\$ 358,412</b>	<b>\$ 1,517,573</b>
<b>Current Liabilities</b>											
Accounts Payable	\$ 107	\$ 102	\$ 27	\$ 71	\$ 98	\$ 70	\$ 77	\$ 25	\$ 211	\$ 40	\$ 199
Deferred Revenue	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>107</b>	<b>102</b>	<b>27</b>	<b>71</b>	<b>98</b>	<b>70</b>	<b>77</b>	<b>25</b>	<b>211</b>	<b>40</b>	<b>199</b>
<b>Non-Current Liabilities</b>											
Outstanding Liabilities*	460,700	753,275	114,944	239,315	646,739	524,348	933,060	111,773	875,528	106,783	1,554,482
ULAE*	35,999	58,860	8,982	18,700	50,536	40,972	72,909	8,734	68,413	8,344	121,466
<b>Total Non-Current Liabilities</b>	<b>496,699</b>	<b>812,135</b>	<b>123,926</b>	<b>258,015</b>	<b>697,275</b>	<b>565,320</b>	<b>1,005,969</b>	<b>120,507</b>	<b>943,941</b>	<b>115,127</b>	<b>1,675,948</b>
<b>Total Liabilities</b>	<b>\$ 496,806</b>	<b>\$ 812,237</b>	<b>\$ 123,953</b>	<b>\$ 258,086</b>	<b>\$ 697,373</b>	<b>\$ 565,390</b>	<b>\$ 1,006,046</b>	<b>\$ 120,532</b>	<b>\$ 944,152</b>	<b>\$ 115,167</b>	<b>\$ 1,676,147</b>
<b>Net Position</b>											
Designated for Contingency	-	-	-	-	-	-	-	-	-	-	-
Designated for Safety Grants	-	-	-	-	-	-	-	-	-	-	-
Undesignated	220,418	111,417	176,217	323,405	106,065	212,774	(414,037)	98,024	971,619	243,245	(158,574)
<b>Total Net Position</b>	<b>220,418</b>	<b>111,417</b>	<b>176,217</b>	<b>323,405</b>	<b>106,065</b>	<b>212,774</b>	<b>(414,037)</b>	<b>98,024</b>	<b>971,619</b>	<b>243,245</b>	<b>(158,574)</b>
<b>Liability &amp; Net Position</b>	<b>\$ 717,224</b>	<b>\$ 923,654</b>	<b>\$ 300,170</b>	<b>\$ 581,491</b>	<b>\$ 803,438</b>	<b>\$ 778,164</b>	<b>\$ 592,009</b>	<b>\$ 218,556</b>	<b>\$ 1,915,771</b>	<b>\$ 358,412</b>	<b>\$ 1,517,573</b>

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

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

	<b>Total All Layers</b>	<b>Admin Layer</b>	<b>Shared Layer</b>	<b>Total Banking Layer (Memo)</b>
<b>Operating Income</b>				
Administration Deposit	\$ 231,062	\$ 231,062	\$ -	\$ -
Banking Layer Deposit	2,593,445	-	-	2,593,445
Shared Risk Layer	1,310,563	-	1,310,563	-
Excess Deposit/Premium	482,256	-	482,256	-
Risk Management Grants	91,532	91,532	-	-
Other Income	21	-	21	-
<b>Total Operating Income</b>	<b>4,708,879</b>	<b>322,594</b>	<b>1,792,840</b>	<b>2,593,445</b>
<b>Operating Expenses</b>				
Claims Paid	2,277,721	-	939,927	1,337,794
O/S Liability adj.	1,705,759	-	883,465	822,294
ULAE	133,283	-	69,031	64,252
Consultants	20,542	20,542	-	-
Administration-Other	82	82	-	-
Safety Service	92,701	92,701	-	-
Claims Administration	420,086	152,751	-	267,335
Program Administration	80,441	80,441	-	-
Board Expenses	1,893	1,893	-	-
Excess Insurance	482,256	-	482,256	-
<b>Total Operating Expenses</b>	<b>5,214,764</b>	<b>348,410</b>	<b>2,374,679</b>	<b>2,491,675</b>
<b>Operating Income (Loss)</b>	<b>(505,885)</b>	<b>(25,816)</b>	<b>(581,839)</b>	<b>101,770</b>
<b>Non-Operating Income</b>				
Change in Fair Market Value	(57,567)	(956)	(23,628)	(32,983)
Investment Income	272,274	5,934	99,474	166,866
<b>Total Non-Operating Income</b>	<b>214,707</b>	<b>4,978</b>	<b>75,846</b>	<b>133,883</b>
<b>Change in Net Position</b>	<b>(291,178)</b>	<b>(20,838)</b>	<b>(505,993)</b>	<b>235,653</b>
Beginning Net Position	8,400,684	670,350	3,596,278	4,134,056
<b>Ending Net Position</b>	<b>\$ 8,109,506</b>	<b>\$ 649,512</b>	<b>\$ 3,090,285</b>	<b>\$ 4,369,709</b>

See Accompanying Accountant’s Report

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

	City of Anderson	City of Auburn	City of Colusa	City of Corning	City of Dixon	City of Elk Grove	City of Folsom	City of Galt	City of Gridley	City of Ione	City of Jackson
Operating Income											
Administration Deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Banking Layer Deposit	55,464	81,645	28,961	45,433	95,703	371,821	550,957	101,210	26,424	7,692	45,534
Shared Risk Layer	-	-	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-	-	-
Risk Management Grants	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-
Total Operating Income	55,464	81,645	28,961	45,433	95,703	371,821	550,957	101,210	26,424	7,692	45,534
Operating Expenses											
Claims Paid	144,815	135,620	8,625	25,635	65,675	149,885	127,821	41,160	30,237	526	8,484
O/S Liability adj.	80,848	(76,861)	(2,682)	(12,125)	125,041	210,926	402,274	3,850	(59,289)	3,342	11,851
ULAE	6,317	(6,006)	(210)	(947)	9,771	16,482	31,433	301	(4,633)	261	926
Consultants	-	-	-	-	-	-	-	-	-	-	-
Administration-Other	-	-	-	-	-	-	-	-	-	-	-
Safety Service	-	-	-	-	-	-	-	-	-	-	-
Claims Administration	7,457	10,534	4,212	4,561	9,560	12,706	62,993	14,828	3,778	87	2,802
Program Administration	-	-	-	-	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-	-	-	-	-
Excess Insurance	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	239,437	63,287	9,945	17,124	210,047	389,999	624,521	60,139	(29,907)	4,216	24,063
Operating Income (Loss)	(183,973)	18,358	19,016	28,309	(114,344)	(18,178)	(73,564)	41,071	56,331	3,476	21,471
Non-Operating Income											
Change in Fair Market Value	(552)	(1,052)	(220)	(329)	(1,735)	(303)	(10,259)	(1,807)	(850)	(184)	(481)
Investment Income	2,863	5,272	1,057	2,068	8,215	4,046	49,397	9,232	3,819	805	2,524
Total Non-Operating Income	2,311	4,220	837	1,739	6,480	3,743	39,138	7,425	2,969	621	2,043
Change in Net Position	(181,662)	22,578	19,853	30,048	(107,864)	(14,435)	(34,426)	48,496	59,300	4,097	23,514
Beginning Net Position	(96,328)	(28,177)	67,594	50,725	500,272	(72,081)	1,352,305	267,089	274,894	99,207	194,137
Ending Net Position	\$ (277,990)	\$ (5,599)	\$ 87,447	\$ 80,773	\$ 392,408	\$ (86,516)	\$ 1,317,879	\$ 315,585	\$ 334,194	\$ 103,304	\$ 217,651



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

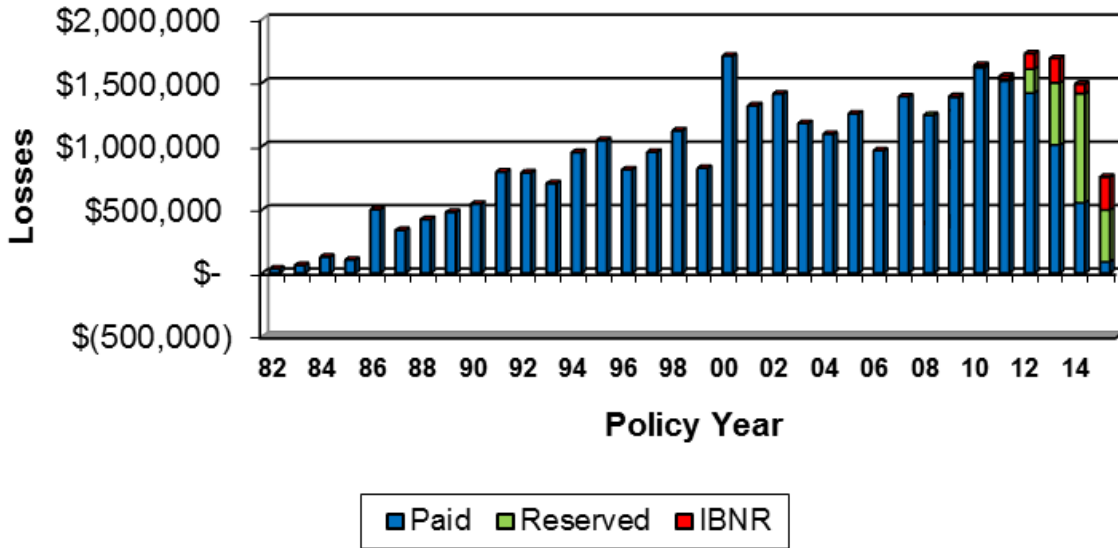
	City of Lincoln	City of Marysville	City of Nevada City	City of Oroville	City of Paradise	City of Placerville	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City
Operating Income											
Administration Deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Banking Layer Deposit	160,269	102,889	24,407	79,298	72,694	74,831	98,331	24,444	198,617	46,340	300,481
Shared Risk Layer	-	-	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-	-	-
Risk Management Grants	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Income</b>	<b>160,269</b>	<b>102,889</b>	<b>24,407</b>	<b>79,298</b>	<b>72,694</b>	<b>74,831</b>	<b>98,331</b>	<b>24,444</b>	<b>198,617</b>	<b>46,340</b>	<b>300,481</b>
Operating Expenses											
Claims Paid	32,716	(10,707)	45,083	68,323	191,033	21,063	70,779	5,574	30,699	10,269	134,479
O/S Liability adj.	(35,727)	22,490	(37,179)	(52,618)	(132,834)	42,923	128,929	(6,829)	(45,873)	49,175	202,662
ULAE	(2,792)	1,757	(2,905)	(4,112)	(10,380)	3,354	10,074	(534)	(3,584)	3,843	15,836
Consultants	-	-	-	-	-	-	-	-	-	-	-
Administration-Other	-	-	-	-	-	-	-	-	-	-	-
Safety Service	-	-	-	-	-	-	-	-	-	-	-
Claims Administration	6,232	13,418	3,427	8,163	13,870	13,338	22,187	3,423	18,785	4,386	26,588
Program Administration	-	-	-	-	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-	-	-	-	-
Excess Insurance	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>429</b>	<b>26,958</b>	<b>8,426</b>	<b>19,756</b>	<b>61,689</b>	<b>80,678</b>	<b>231,969</b>	<b>1,634</b>	<b>27</b>	<b>67,673</b>	<b>379,565</b>
<b>Operating Income (Loss)</b>	<b>159,840</b>	<b>75,931</b>	<b>15,981</b>	<b>59,542</b>	<b>11,005</b>	<b>(5,847)</b>	<b>(133,638)</b>	<b>22,810</b>	<b>198,590</b>	<b>(21,333)</b>	<b>(79,084)</b>
Non-Operating Income											
Change in Fair Market Value	(1,556)	(1,521)	(413)	(1,063)	(1,493)	(1,073)	(1,129)	(395)	(3,279)	(602)	(2,687)
Investment Income	8,706	7,966	1,841	5,166	6,623	5,130	5,885	1,864	15,843	2,957	15,587
<b>Total Non-Operating Income</b>	<b>7,150</b>	<b>6,445</b>	<b>1,428</b>	<b>4,103</b>	<b>5,130</b>	<b>4,057</b>	<b>4,756</b>	<b>1,469</b>	<b>12,564</b>	<b>2,355</b>	<b>12,900</b>
<b>Change in Net Position</b>	<b>166,990</b>	<b>82,376</b>	<b>17,409</b>	<b>63,645</b>	<b>16,135</b>	<b>(1,790)</b>	<b>(128,882)</b>	<b>24,279</b>	<b>211,154</b>	<b>(18,978)</b>	<b>(66,184)</b>
<b>Beginning Net Position</b>	<b>53,428</b>	<b>29,041</b>	<b>158,808</b>	<b>259,760</b>	<b>89,930</b>	<b>214,564</b>	<b>(285,155)</b>	<b>73,745</b>	<b>760,465</b>	<b>262,223</b>	<b>(92,390)</b>
<b>Ending Net Position</b>	<b>\$ 220,418</b>	<b>\$ 111,417</b>	<b>\$ 176,217</b>	<b>\$ 323,405</b>	<b>\$ 106,065</b>	<b>\$ 212,774</b>	<b>\$ (414,037)</b>	<b>\$ 98,024</b>	<b>\$ 971,619</b>	<b>\$ 243,245</b>	<b>\$ (158,574)</b>

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

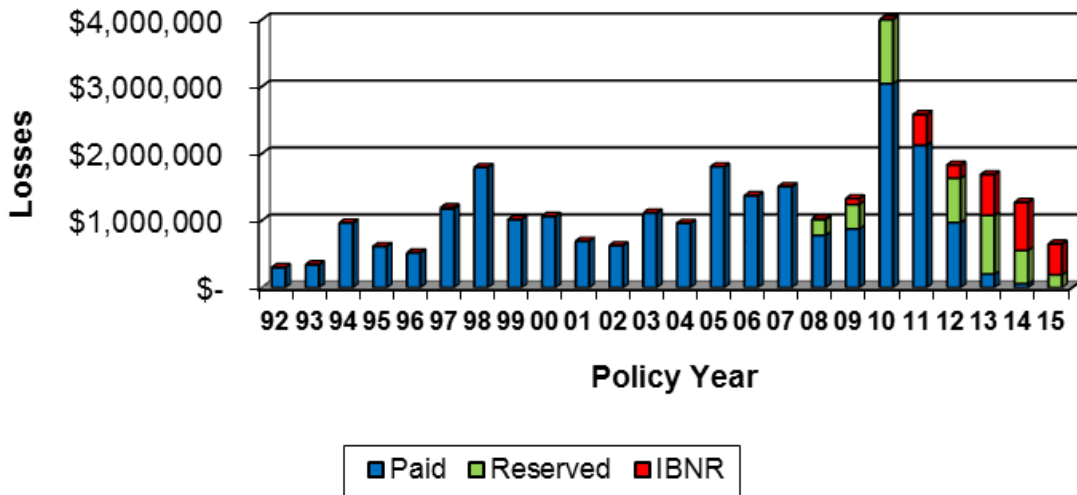
	Liability Banking 2015	Liability Shared Risk 2015	Total Liability Program		WC Banking 2015	WC Shared Risk 2015	Total WC Program		Totals	
			2015	2014			2015	2014	2015	2014
Unpaid claims and claim adjustment expenses at beginning of the fiscal year	\$ 2,579,981	\$ 6,041,127	\$ 8,621,108	\$ 7,872,023	\$ 13,893,362	\$ 13,912,620	\$ 27,805,982	\$ 27,589,496	\$ 36,427,090	\$ 35,461,519
Incurred claims and claim adjustment expenses:										
Provision for insured events of the current fiscal year	1,489,077	651,168	2,140,245	2,752,547	2,105,990	1,249,364	3,355,354	6,648,142	5,495,599	9,400,689
Increases (Decreases) in provision for insured events of prior fiscal years	(716,645)	26,581	(690,064)	886,914	54,097	574,028	628,125	(2,238,470)	(61,939)	(1,351,556)
Change in provision for ULAE in current year	-	-	-	-	64,253	69,031	133,284	97,416	133,284	97,416
Total incurred claims and claim adjustment expenses	<u>772,432</u>	<u>677,749</u>	<u>1,450,181</u>	<u>3,639,462.00</u>	<u>2,224,340</u>	<u>1,892,423</u>	<u>4,116,763</u>	<u>4,507,088</u>	<u>5,566,944</u>	<u>8,146,549</u>
Payments:										
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	553,740	-	553,740	331,505	303,040	-	303,040	912,428	856,780	1,243,933
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	131,700	152,210	283,910	2,558,872	1,034,752	939,958	1,974,710	3,378,174	2,258,620	5,937,046
Total Payments	<u>685,440</u>	<u>152,210</u>	<u>837,650</u>	<u>2,890,377</u>	<u>1,337,792</u>	<u>939,958</u>	<u>2,277,750</u>	<u>4,290,602</u>	<u>3,115,400</u>	<u>7,180,979</u>
Total unpaid claims and claim adjustment expenses at end of the fiscal year	<u>\$ 2,666,973</u>	<u>\$ 6,566,666</u>	<u>\$ 9,233,639</u>	<u>\$ 8,621,108</u>	<u>\$ 14,779,910</u>	<u>\$ 14,865,085</u>	<u>\$ 29,644,995</u>	<u>\$ 27,805,982</u>	<u>\$ 38,878,634</u>	<u>\$ 36,427,090</u>
Claims Liability	\$ 2,666,973	\$ 6,566,666	\$ 9,233,639	\$ 8,621,108	\$ 13,708,721	\$ 13,787,723	\$ 27,496,444	\$ 25,790,716	\$ 36,730,083	\$ 34,411,824
Claims ULAE	-	-	-	-	1,071,189	1,077,362	2,148,551	2,015,266	2,148,551	2,015,266
Total Claim Liabilities	<u>\$ 2,666,973</u>	<u>\$ 6,566,666</u>	<u>\$ 9,233,639</u>	<u>\$ 8,621,108</u>	<u>\$ 14,779,910</u>	<u>\$ 14,865,085</u>	<u>\$ 29,644,995</u>	<u>\$ 27,805,982</u>	<u>\$ 38,878,634</u>	<u>\$ 36,427,090</u>

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

**Liability - Banking**

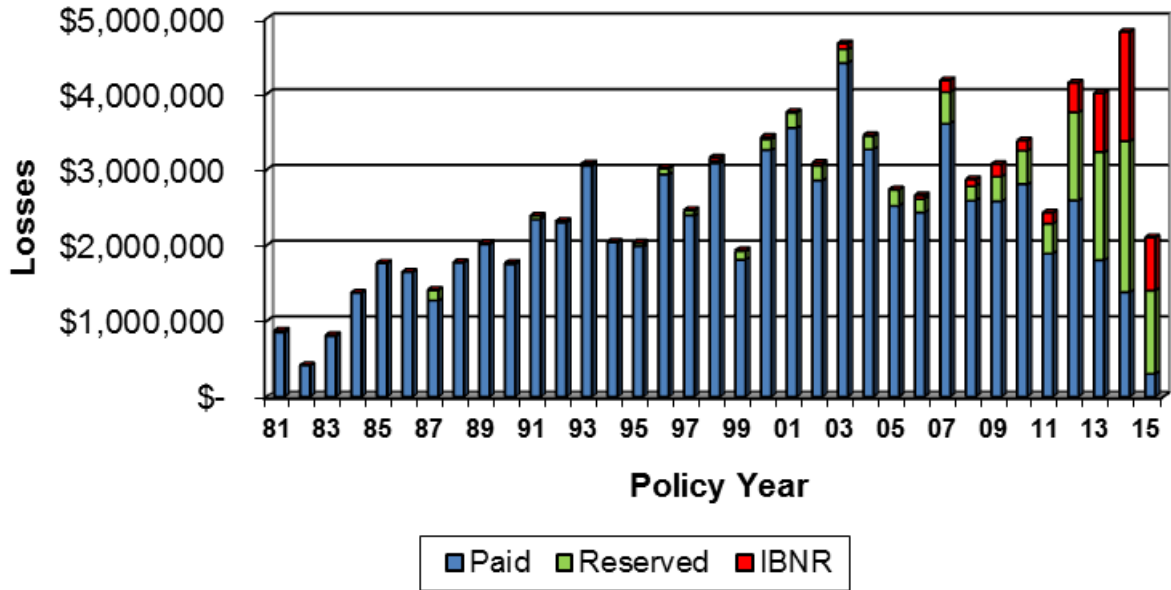


**Liability - Shared**

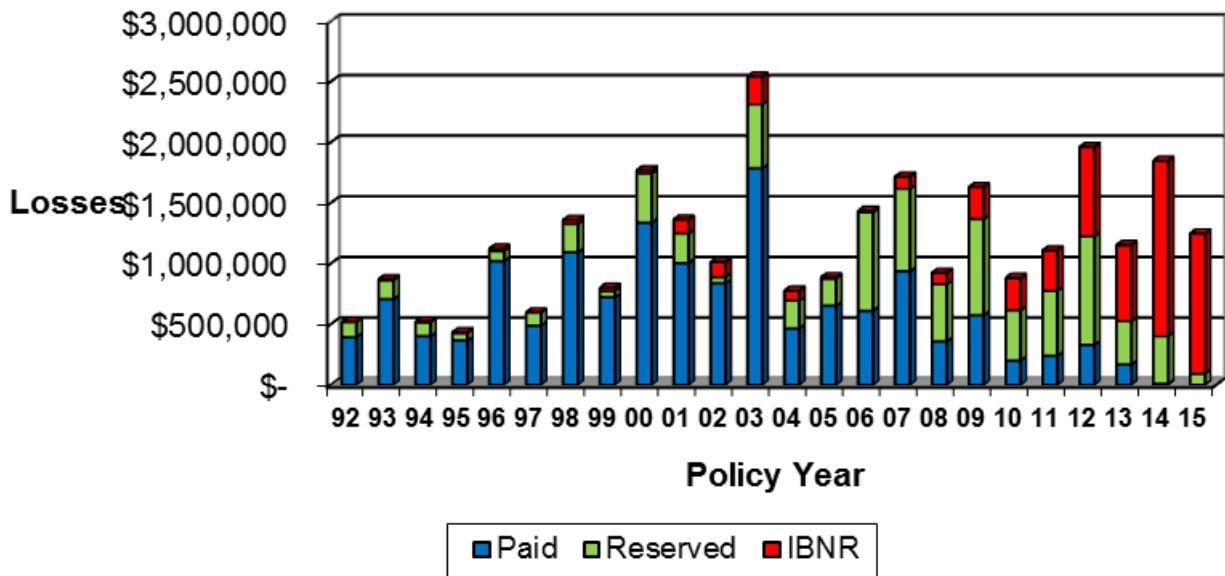


**Northern California Cities Self Insurance Fund**  
**Graphical Summary of Claims**  
**As of December 31, 2014**

**Workers Compensation - Banking**



**Workers Compensation - Shared**



See Accompanying Accountant's Report

**Northern California Cities Self Insurance Fund**  
**Budget to Actual**  
**As of December 31, 2014**

	Budget 2014-2015			YTD Expended 2014-2015			Remaining 2014-2015			
	Total	WC	Liab	Total	WC	Liab	Total \$	Total %	WC	Liab
<b>ADMIN BUDGET</b>										
<b>Administrative Revenue</b>										
41010 Administrative Deposit - See Note 1	\$ 838,846	\$ 462,123	\$ 376,723	\$ 419,423	\$ 231,061	\$ 188,362	\$ 419,423	50%	\$ 231,062	\$ 188,361
44030 Change in Fair Value - See Note 2	-	-	-	(1,367)	(956)	(411)	1,367		956	411
44040 Interest Income - See Note 2	-	-	-	7,772	5,934	1,838	(7,772)		(5,934)	(1,838)
44080 Risk Management Grants - See Note 3	-	-	-	91,532	91,532	-	(91,532)		(91,532)	-
Total Admin Revenue	\$ 838,846	\$ 462,123	\$ 376,723	\$ 517,360	\$ 327,571	\$ 189,789	\$ 413,018	49%	\$ 134,552	\$ 186,934
<b>Administrative Expenses</b>										
52100 Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
52101 Claims Audit	7,350	7,350	-	-	-	-	7,350	100%	7,350	-
52102 Financial Audit	27,000	13,500	13,500	26,100	13,050	13,050	900	3%	450	450
52103 Legal Services	10,000	5,000	5,000	6,229	3,115	3,114	3,771	38%	1,885	1,886
52104 Actuarial Services	10,500	4,200	6,300	-	-	-	10,500	100%	4,200	6,300
52106 JPA Accreditation	-	-	-	5,850	2,925	2,925	(5,850)		(2,925)	(2,925)
52107 Fidelity Bonds	2,000	1,000	1,000	2,905	1,452	1,453	(905)	-45%	(452)	(453)
52109 Miscellaneous Consultants	5,000	2,500	2,500	-	-	-	5,000	100%	2,500	2,500
Total Admin Expenses	\$ 61,850	\$ 33,550	\$ 28,300	\$ 41,084	\$ 20,542	\$ 20,542	\$ 20,766	34%	\$ 13,008	\$ 7,758
<b>Safety Services</b>										
52200 Safety Service	\$ -	\$ -	\$ -	\$ 13,203	\$ 3,150	\$ 10,053	\$ (13,203)		\$ (3,150)	\$ (10,053)
52201 Risk Mgmt Comm Services	30,000	15,000	15,000	75,935	41,419	34,516	(45,935)	-153%	(26,419)	(19,516)
52202 Risk Mgmt Comm Mtg Expense	1,000	500	500	441	220	221	559	56%	280	279
52203 Police Risk Mgmt Comm Svcs	12,400	6,200	6,200	58	29	29	12,342	100%	6,171	6,171
52204 On Site	178,140	104,230	73,910	-	-	-	178,140	100%	104,230	73,910
52207 Seminars and PARMA	72,600	40,000	32,600	8,336	4,168	4,168	64,264	89%	35,832	28,432
52208 Police Risk Mgmt Manual	96,500	6,500	90,000	48,206	-	48,206	48,294	50%	6,500	41,794
52209 Safety Contingency	50,000	25,000	25,000	43,942	21,971	21,971	6,058	12%	3,029	3,029
52214 OCCUMED	18,000	18,000	-	9,000	9,000	-	9,000	50%	9,000	-
52215 Online Risk Management Services	14,000	7,000	7,000	12,307	6,153	6,154	1,693	12%	847	846
52217 Wellness Optional	14,150	14,150	-	-	-	-	14,150	100%	14,150	-
Total Safety Services Expenses	\$ 486,790	\$ 236,580	\$ 250,210	\$ 211,428	\$ 86,110	\$ 125,318	\$ 275,362	57%	\$ 150,470	\$ 124,892

**Northern California Cities Self Insurance Fund**  
**Budget to Actual**  
**As of December 31, 2014**

	Budget 2014-2015			YTD Expended 2014-2015			Remaining 2014-2015			
	Total	WC	Liab	Total	WC	Liab	Total	Total %	WC	Liab
<b>ADMIN BUDGET CONTINUED</b>										
<b>Claims Administration</b>										
52302 Claims Administration Fee	\$ 19,800	\$ -	\$ 19,800	\$ 28,350	\$ -	\$ 28,350	\$ (8,550)	-43%	\$ -	\$ (8,550)
52305 MPN Services	24,900	24,900	-	-	-	-	24,900	100%	24,900	-
52304 State Funding/Fraud Assessment	145,000	145,000	-	152,751	152,751	-	(7,751)	-5%	(7,751)	-
Total Claims Admin Expenses	\$ 189,700	\$ 169,900	\$ 19,800	\$ 181,101	\$ 152,751	\$ 28,350	\$ 8,599	5%	\$ 17,149	\$ (8,550)
<b>Program Administration</b>										
52401 Program Administration Fee	\$ 286,000	\$ 130,000	\$ 156,000	\$ 143,000	\$ 64,350	\$ 78,650	\$ 143,000	50%	\$ 65,650	\$ 77,350
52403 Accounting Services	65,826	32,913	32,913	32,182	16,091	16,091	33,644	51%	16,822	16,822
Total Program Admin Expenses	\$ 351,826	\$ 162,913	\$ 188,913	\$ 175,182	\$ 80,441	\$ 94,741	\$ 176,644	50%	\$ 82,472	\$ 94,172
<b>Board Expenses</b>										
52501 Executive Committee	\$ 3,000	\$ 1,500	\$ 1,500	\$ 310	\$ 155	\$ 155	\$ 2,690	90%	\$ 1,345	\$ 1,345
52502 Executive Committee Member Travel	2,000	1,000	1,000	318	159	159	1,682	84%	841	841
52503 Board of Directors Meetings (includes Travel)	5,000	2,500	2,500	2,708	1,354	1,354	2,292	46%	1,146	1,146
XXXX Board of Directors Long Range Planning Session (every 3 years, 2012)	5,000	2,500	2,500	-	-	-	5,000	100%	2,500	2,500
52504 Association Memberships	4,000	2,000	2,000	450	225	225	3,550	89%	1,775	1,775
Total Board Expenses	\$ 19,000	\$ 9,500	\$ 9,500	\$ 3,786	\$ 1,893	\$ 1,893	\$ 15,214	80%	\$ 7,607	\$ 7,607
<b>Other Administration Expenses - Not identified with above budget line items</b>										
52000 Administrative Expense	\$ -	\$ -	\$ -	\$ 164	\$ 82	\$ 82	\$ (164)		\$ (82)	\$ (82)
Total Other Admin	\$ -	\$ -	\$ -	\$ 164	\$ 82	\$ 82	\$ (164)		\$ (82)	\$ (82)
<b>Total Admin Expenses</b>	<b>\$ 1,109,166</b>	<b>\$ 612,443</b>	<b>\$ 496,723</b>	<b>\$ 612,745</b>	<b>\$ 341,819</b>	<b>\$ 270,926</b>	<b>\$ 496,421</b>	<b>45%</b>	<b>\$ 270,624</b>	<b>\$ 225,797</b>
<b>TOTAL ADMIN REVENUE OVER EXPENSES</b>	<b>\$ (270,320)</b>	<b>\$ (150,320)</b>	<b>\$ (120,000)</b>	<b>\$ (95,385)</b>	<b>\$ (14,248)</b>	<b>\$ (81,137)</b>	<b>\$ (83,403)</b>		<b>\$ (136,072)</b>	<b>\$ (38,863)</b>

**Northern California Cities Self Insurance Fund**  
**Budget to Actual**  
**As of December 31, 2014**

	Budget 2014-2015			YTD Expended 2014-2015			Remaining 2014-2015			
	Total	WC	Liab	Total	WC	Liab	Total	Total %	WC	Liab
<b>BANKING LAYER BUDGET</b>										
<b>Banking Layer Revenue</b>										
41020 Banking Layer Deposit - See Note 1	\$ 6,903,775	\$ 5,186,876	\$ 1,716,899	\$ 3,451,889	\$ 2,593,440	\$ 858,449	\$ 3,451,886	50%	\$ 2,593,436	\$ 858,450
44020 CJPRMA Refund Transfer - See Note 4	(399,360)	-	(399,360)	-	-	-	(399,360)	100%	-	(399,360)
44030 Change in Fair Value - See Note 2	-	-	-	(49,421)	(32,980)	(16,441)	49,421		32,980	16,441
44040 Interest Income - See Note 2	-	-	-	247,583	166,878	80,705	(247,583)		(166,878)	(80,705)
44010 Other Income	-	-	-	999	21	978	(999)		(21)	(978)
Total Banking Layer Revenue	\$ 6,504,415	\$ 5,186,876	\$ 1,317,539	\$ 3,651,050	\$ 2,727,359	\$ 923,691	\$ 2,853,365	44%	\$ 2,459,517	\$ 393,848
<b>Banking Layer Expenses</b>										
51100 Claims Paid - See Note 5	\$ -	\$ -	\$ -	\$ 1,857,259	\$ 1,337,795	\$ 519,464	\$ (1,857,259)		\$ (1,337,795)	\$ (519,464)
51110 Claims Refunds	-	-	-	(188,293)	(183,993)	(4,300)	188,293		183,993	4,300
51000 Claims Adjusting Fee - See Note 5	924,000	540,000	432,000	-	-	-	-		-	-
51050 Voids - claims	-	-	-	(49,603)	(46,773)	(2,830)	49,603		46,773	2,830
51115 Claims Subrogation/Recoveries	-	-	-	(257,164)	(257,064)	(100)	257,164		257,064	100
51135 Claims Admin - Liability	-	-	-	165,957	-	165,957	(165,957)		-	(165,957)
51140 Claims Excess Adj	-	-	-	150,775	237,664	(86,889)	(150,775)		(237,664)	86,889
51400 OS Liability Adjustment	-	-	-	2,318,260	1,705,728	612,532	(2,318,260)		(1,705,728)	(612,532)
51800 ULAE Adjustment	-	-	-	133,284	133,284	-	(133,284)		(133,284)	-
52300 Claims Admin - Monthly WC Only	-	-	-	267,337	267,337	-	(267,337)		(267,337)	-
Total Banking Layer Expenses	\$ 924,000	\$ 540,000	\$ 432,000	\$ 4,397,812	\$ 3,193,978	\$ 1,203,834	\$ (4,397,812)		\$ (3,193,978)	\$ (1,203,834)
<b>TOTAL BANKING REVENUE OVER EXPENSES</b>	<b>\$ 5,580,415</b>	<b>\$ 4,646,876</b>	<b>\$ 885,539</b>	<b>\$ (746,762)</b>	<b>\$ (466,619)</b>	<b>\$ (280,143)</b>	<b>\$ 7,251,177</b>		<b>\$ 5,653,495</b>	<b>\$ 1,597,682</b>

**Northern California Cities Self Insurance Fund**  
**Budget to Actual**  
**As of December 31, 2014**

	Budget 2014-2015			YTD Expended 2014-2015			Remaining 2014-2015				
	Total	WC	Liab	Total	WC	Liab	Total	Total %	WC	Liab	
<b>SHARED RISK LAYER BUDGET</b>											
<b>Shared Layer Revenue</b>											
41030 Shared Risk Layer Deposit - See Note 1	\$ 3,967,319	\$ 2,621,126	\$ 1,346,193	\$ 1,983,660	\$ 1,310,563	\$ 673,097	\$ 1,983,659	50%	\$ 1,310,563	\$ 673,096	
41040 Excess Deposit/Premium - See Note 1	1,934,290	964,512	969,778	967,145	482,256	484,889	967,145	50%	482,256	484,889	
44030 Change in Fair Value	-	-	-	(28,451)	(23,628)	(4,823)	28,451		23,628	4,823	
44040 Interest Income	-	-	-	121,691	99,474	22,217	(121,691)		(99,474)	(22,217)	
44060 Property Premium - See Note 1	850,361	-	850,361	425,183	-	425,183	425,178	50%	-	425,178	
44070 Crime Premium - See Note 1	23,897	-	23,897	11,950	-	11,950	11,947	50%	-	11,947	
Total Shared Layer Revenue	\$ 6,775,867	\$ 3,585,638	\$ 3,190,229	\$ 3,481,178	\$ 1,868,665	\$ 1,612,513	\$ 3,294,689	49%	\$ 1,716,973	\$ 1,577,716	
<b>Shared Layer Expenses</b>											
51100 Claims Paid - See Note 5	\$ -	\$ -	\$ -	\$ 1,436,422	\$ 1,190,094	\$ 246,328	\$ (1,436,422)		\$ (1,190,094)	\$ (246,328)	
54100 Excess Deposit/Premium Exp - See Note 6	1,934,290	964,512	969,778	890,292	482,256	408,036	1,043,998	54%	482,256	561,742	
54200 Safety Grant Fund	-	150,000	-	6,590	6,590	-	(6,590)		(6,590)	-	
54150 Member Property Coverage - See Note 6	850,361	-	850,361	425,179	-	425,179	425,182	50%	-	425,182	
54150 Member Crime Coverage - See Note 6	23,897	-	23,897	11,950	-	11,950	11,947	50%	-	11,947	
Total Shared Layer Expenses	\$ 2,808,548	\$ 1,114,512	\$ 1,844,036	\$ 2,770,433	\$ 1,678,940	\$ 1,091,493	\$ 38,115	1%	\$ (714,428)	\$ 752,543	
<b>TOTAL SHARED REVENUE OVER EXPENSES</b>	<b>\$ 3,967,319</b>	<b>\$ 2,471,126</b>	<b>\$ 1,346,193</b>	<b>\$ 710,745</b>	<b>\$ 189,725</b>	<b>\$ 521,020</b>	<b>\$ 3,256,574</b>		<b>\$ 2,431,401</b>	<b>\$ 825,173</b>	
<b>OTHER INCOME/(EXPENSE)</b>											
51900 Claims Expense - Other	-	-	-	(49)	(31)	(18)	49		31	18	
52900 Contingency Reserves	(9,853)	-	(9,853)	(10,168)	-	(10,168)	315	-3%	-	315	
Rounding	-	-	-	(4)	(5)	1	-		-	-	
Total Other Income/(Expense)	\$ (9,853)	\$ -	\$ (9,853)	\$ (10,221)	\$ (36)	\$ (10,185)	\$ 364		\$ 31	\$ 333	
<b>TOTAL INCOME/(EXPENSE)</b>	<b>9,277,414</b>	<b>6,967,682</b>	<b>2,101,879</b>	<b>(141,623)</b>	<b>(291,178)</b>	<b>149,555</b>	<b>10,424,348</b>		<b>7,948,855</b>	<b>2,384,325</b>	



**Northern California Cities Self Insurance Fund**  
**Notes to Budget to Actual**  
**As of December 31, 2014**

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**1. Revenue Recognition**

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

**2. Investment Income**

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

**3. Risk Management Grants**

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

**4. CJPRMA Refund**

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

**5. Claims Expenses**

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

**6. Insurance Expense Recognition**

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

**Northern California Cities Self Insurance Fund  
Safety Grant Historic Usage Report  
As of December 31, 2014**

Member	ADA Grants Declared in FY 2009	Risk Management Grants elected to be retained in WC admin by members from their WC shared refund						Total funds available FY 2009 - FY 2014 for ADA grants and Risk Management Grants	Total Disbursements Paid through	Funds Available at 12/31/2014
	Board Meeting 4/24/2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014		12/31/2014		
Anderson	\$ 6,496.00	\$ 8,039.00	\$ 7,650.00	\$ 7,540.00	\$ 7,451.00	\$ 3,860.00	\$ 41,036.00	\$ 26,478.00	\$ 14,558.00	
Auburn	6,397.00	-	-	8,098.00	-	-	14,495.00	6,397.00	8,098.00	
Colusa	6,258.00	-	-	5,817.00	5,662.00	-	17,737.00	17,737.00	-	
Corning	6,157.00	6,149.00	5,788.00	5,678.00	-	-	23,772.00	23,772.00	-	
Dixon	6,592.00	-	-	-	10,379.00	-	16,971.00	11,762.47	5,208.53	
Elk Grove	-	-	-	-	-	-	-	-	-	
Folsom	16,732.00	62,977.00	-	61,737.00	61,566.00	32,328.00	235,340.00	124,222.92	111,117.08	
Galt	7,613.00	14,375.00	14,135.00	14,171.00	14,153.00	11,310.00	75,757.00	64,447.00	11,310.00	
Gridley	6,144.00	6,391.00	-	6,507.00	6,476.00	5,152.00	30,670.00	6,144.00	24,526.00	
Ione	-	-	-	-	-	514.00	514.00	-	514.00	
Jackson	5,627.00	3,510.00	3,487.00	-	-	-	12,624.00	5,500.00	7,124.00	
Lincoln	6,303.00	8,638.00	10,028.00	-	10,854.00	-	35,823.00	24,969.00	10,854.00	
Marysville	6,758.00	-	-	-	-	-	6,758.00	-	6,758.00	
Nevada City	5,665.00	-	-	-	3,618.00	1,896.00	11,179.00	5,665.00	5,514.00	
Oroville	7,633.00	-	-	-	-	-	7,633.00	7,633.00	-	
Placerville	6,883.00	-	-	-	-	9,048.00	15,931.00	6,883.00	9,048.00	
Paradise	7,182.00	-	-	-	-	-	7,182.00	7,182.00	-	
Red Bluff	7,339.00	12,860.00	12,493.00	12,290.00	-	-	44,982.00	44,982.00	-	
Rio Vista	5,818.00	-	4,770.00	4,766.00	-	3,759.00	19,113.00	5,818.00	13,295.00	
Rocklin	9,178.00	24,019.00	25,254.00	25,419.00	25,476.00	20,260.00	129,606.00	58,451.00	71,155.00	
Willows	5,856.00	4,618.00	4,412.00	-	-	3,405.00	18,291.00	14,886.00	3,405.00	
Yuba City	8,607.00	-	-	22,184.00	-	-	30,791.00	30,791.00	-	
	<b>\$ 145,238.00</b>	<b>\$ 151,576.00</b>	<b>\$ 88,017.00</b>	<b>\$ 174,207.00</b>	<b>\$ 145,635.00</b>	<b>\$ 91,532.00</b>	<b>\$ 796,205.00</b>	<b>\$ 493,720.39</b>	<b>\$ 302,484.61</b>	



BACK TO AGENDA

**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
April 16, 2015**

**Agenda Item G.2.**

**BUDGET TO ACTUAL AS OF DECEMBER 31, 2014**

**INFORMATION ITEM**

**ISSUE:** Members have asked for this item to be reviewed at each meeting to ensure that NCCSIF is on track. They have requested that the Program Administrators' discuss any items pertaining to the budget, updating members on the status of the current budget-to-actual.

**RECOMMENDATION:** None. NCCSIF Administrative expenses year-to-date are currently on track with the FY 2014/15 Budget.

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**ATTACHMENT(S):** Please refer to pages 19-22 of the Quarterly Financial Report for Period Ending December 31, 2014 - Budget to Actual as of December 31, 2014.



## ACTUARIAL STUDIES – WORKERS’ COMPENSATION PROGRAM

### ACTION ITEM

**ISSUE:** NCCSIF’s actuary provides an annual report to assist Members in making funding, dividend and assessment decisions. A summary of this year’s report is provided below and will be discussed in more detail at the meeting.

**Outstanding Liabilities at June 30:** The Actuary estimates that NCCSIF will have total assets of approximately \$37,480,000 on June 30, 2015, compared to \$36,854,951 last year. The estimated total Outstanding Liability at June 30 is \$33,951,000 at the 90% Confidence Level (CL), compared to \$32,411,000 last year. *This results in an estimated \$3,529,000 in net position above the 90% CL, compared to \$4,443,951 last year.*

Assets for the Banking Layer are estimated at \$19,350,000 as of June 30, 2015, slightly below the estimate of \$19,598,000 in 2014. Banking Layer liabilities are \$16,903,000 at the 90% CL. *This means the Banking Layer net position above the 90% confidence level is estimated at \$2,447,000.*

Assets for the Shared Risk Layer are estimated to be \$18,130,000 at June 30, 2015, compared to \$19,048,000 in 2014. Liabilities are estimated at \$17,048,000 at the 90% CL, compared to \$15,632,000 last year. *The net position in excess of the 90% confidence level is estimated to be \$1,082,000, compared to \$3,416,000 last year.*

**FY 15/16 Funding:** Total recommended funding for banking and shared risk layer is \$8,314,000 at the 65% Confidence Level (CL). *Overall the rates are flat, with a slight decrease in the banking layer (-1.8%) and a slight increase for the Shared Layer (+3.5%).*

At the 67.5% CL total recommended funding for banking and shared risk layer is \$8,458,000. *The total rate at the 67.5% CL is \$4.302, compared to \$4.229 at the 65% CL, an increase of 1.7%*

**RECOMMENDATION:** Accept draft and request final report.

**FISCAL IMPACT:** TBD; given the flat rates at the 65% CL for FY 15/16 funding the Executive Committee requested rates at the 67.5% CL to consider moving closer to the goal of 70% C.L.

**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.

**ATTACHMENT(S):** Workers’ Compensation Actuarial Study – **DRAFT** Summary & Select Exhibits



DRAFT

Wednesday, March 11, 2015

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 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 2015-16 program year to be \$7,792,000. 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, \$5,108,000 is for the banking layer (\$0 – \$100,000 per occurrence) and \$2,684,000 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 2015-16 claims translates to a rate of \$3.96 per \$100 payroll, \$2.60 for the banking layer and \$1.37 for the shared layer (assuming \$196,562,000 in rated payroll).

In addition, we estimate the program's liability for outstanding claims to be \$26,967,000 as of June 30, 2015 again including ALAE and ULAE, and discounted for anticipated investment income, but excluding 4850 TD and 4850 SC benefits. Of this amount, \$14,109,000 is for the banking layer and \$12,858,000 is for the shared layer. Given estimated program assets of \$37,480,000 as of June 30, 2015, the program will be funded above the 90% confidence level on a combined basis, and for the banking and shared layers individually (see Graphs 1a, 1b and 1c on pages 11, 12, and 13).

The \$26,967,000 estimate is the minimum liability to be booked by NCCSIF at June 30, 2015 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, 2015 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, 2015  
**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	\$26,975,000					
ULAE	1,561,000					
Investment Income Offset	<u>(1,569,000)</u>					
Discounted Loss and LAE	\$26,967,000	\$29,178,000	\$30,068,000	\$31,093,000	\$32,333,000	\$33,951,000
Available Funding	<u>37,480,000</u>					
<b>Surplus</b> or (Deficit)	\$10,513,000	\$8,302,000	\$7,412,000	\$6,387,000	\$5,147,000	<b>\$3,529,000</b>

Northern California Cities Self Insurance Fund  
 Self-Insured Workers' Compensation Program  
 Estimated Liability for Unpaid Loss and LAE  
**Banking Layer**  
 at June 30, 2015  
 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	\$13,369,000					
ULAE	1,561,000					
Investment Income Offset	<u>(821,000)</u>					
Discounted Loss and LAE	\$14,109,000	\$15,054,000	\$15,407,000	\$15,802,000	\$16,282,000	\$16,903,000
Available Funding	<u>19,350,000</u>					
Surplus or (Deficit)	\$5,241,000	\$4,296,000	\$3,943,000	\$3,548,000	\$3,068,000	\$2,447,000

**DRAFT**

Northern California Cities Self Insurance Fund  
 Self-Insured Workers' Compensation Program  
 Estimated Liability for Unpaid Loss and LAE

**Shared Layer**

at June 30, 2015

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	\$13,606,000					
ULAE	0					
Investment Income Offset	<u>(748,000)</u>					
Discounted Loss and LAE	\$12,858,000	\$14,124,000	\$14,661,000	\$15,291,000	\$16,051,000	\$17,048,000
Available Funding	<u>18,130,000</u>					
Surplus or (Deficit)	\$5,272,000	\$4,006,000	\$3,469,000	\$2,839,000	\$2,079,000	\$1,082,000

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

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

**DRAFT**

The table below shows our funding recommendations for Northern California Cities Self Insurance Fund for the 2015-16 fiscal year.

Northern California Cities Self Insurance Fund  
 Self-Insured Workers' Compensation Program  
**Loss and LAE Funding Guidelines for 2015-16**  
**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	\$7,458,000					
ULAE	659,000					
Investment Income Offset	(325,000)					
Discounted Loss and LAE	\$7,792,000	\$8,602,000	\$8,922,000	\$9,296,000	\$9,748,000	\$10,356,000
Rate per \$100 of 2015-16 Payroll	<b>\$3.96</b>	\$4.38	\$4.54	\$4.73	\$4.96	\$5.27

Northern California Cities Self Insurance Fund  
 Self-Insured Workers' Compensation Program  
 Loss and LAE Funding Guidelines for 2015-16  
**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	\$4,662,000					
ULAE	659,000					
Investment Income Offset	(213,000)					
Discounted Loss and LAE	\$5,108,000	\$5,578,000	\$5,752,000	\$5,946,000	\$6,186,000	\$6,497,000
Rate per \$100 of 2015-16 Payroll	\$2.60	\$2.84	\$2.93	\$3.02	\$3.15	\$3.30



**DRAFT**

Northern California Cities Self Insurance Fund  
 Self-Insured Workers' Compensation Program  
 Loss and LAE Funding Guidelines for 2015-16

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	\$2,796,000					
ULAE	0					
Investment Income Offset	(112,000)					
Discounted Loss and LAE	\$2,684,000	\$3,024,000	\$3,170,000	\$3,350,000	\$3,562,000	\$3,859,000
Rate per \$100 of 2015-16 Payroll	\$1.37	\$1.54	\$1.61	\$1.70	\$1.81	\$1.96

The funding recommendations shown in the table above do not include any recognition of the existing funding margin at June 30, 2015. 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.

**DRAFT**

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.

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

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

Sincerely,

Bickmore

**DRAFT**

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

**DRAFT**

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

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# DRAFT

## 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 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 CSAC Excess Insurance Authority. Claims administration services are provided by York Insurance Services. 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 pieces, 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%
1997-98	80%	70%
1998-99	80%	70%
1999-00	80%	70%
2000-01	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	60%	60%

## **DRAFT**

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, 2015, project ultimate loss costs for 2015-16, 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, 2015. 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, 2015.

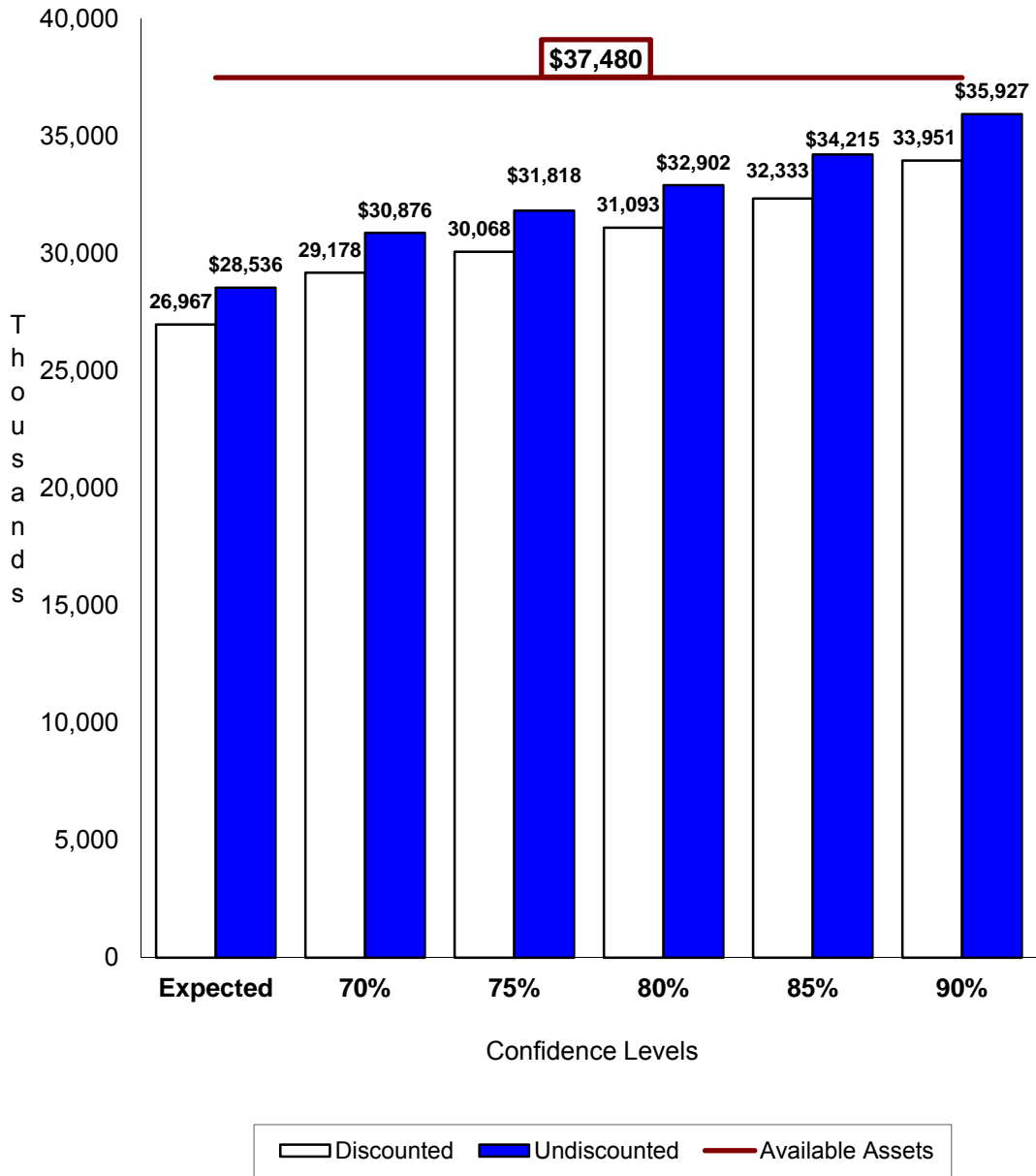
Our best estimate of the full value of NCCSIF's liability for outstanding claims within its pool limit is \$28,536,000, \$14,930,000 is for the banking layer and \$13,606,000 is for the shared layer as of June 30, 2015. These amounts include losses, allocated loss adjustment expenses (ALAE) and unallocated 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.

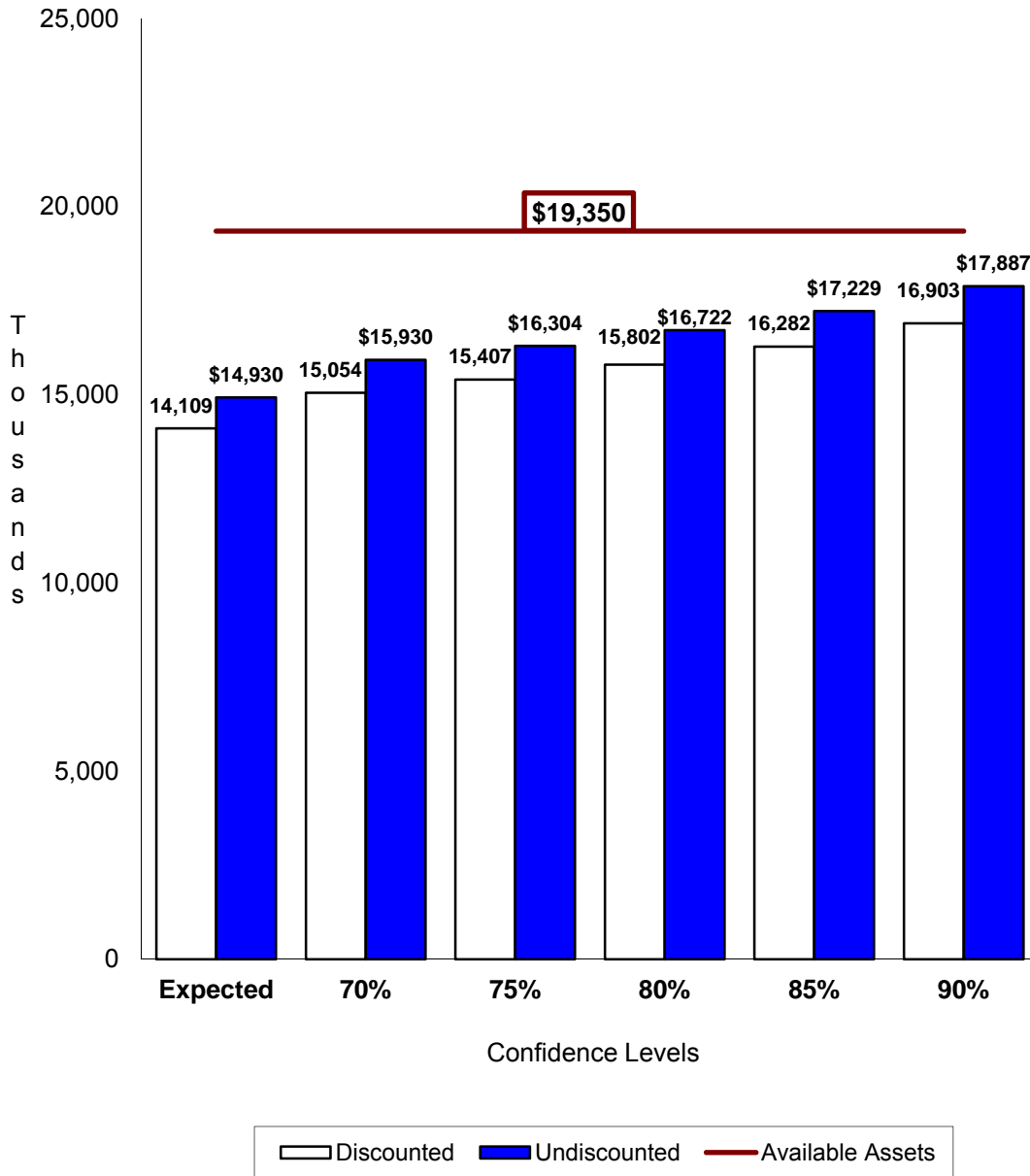
NCCSIF can earn investment income on the assets it holds until claims payments come due. Assuming a long-term average annual return on investments of 1.5%, we estimate the impact of investment income earnings to be about 6% if the program is funded within the range indicated in the graphs, resulting in a discounted liability for outstanding claims of \$26,967,000, \$14,109,000 for the banking layer and \$12,858,000 for the shared layer as of June 30, 2015.

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.

Northern California Cities Self Insurance Fund - Workers' Compensation  
 Available Assets vs Outstanding Liability (\$000's)  
 at June 30, 2015  
 Banking and Shared Layers Combined  
 Net of 4850 TD and 4850 SC

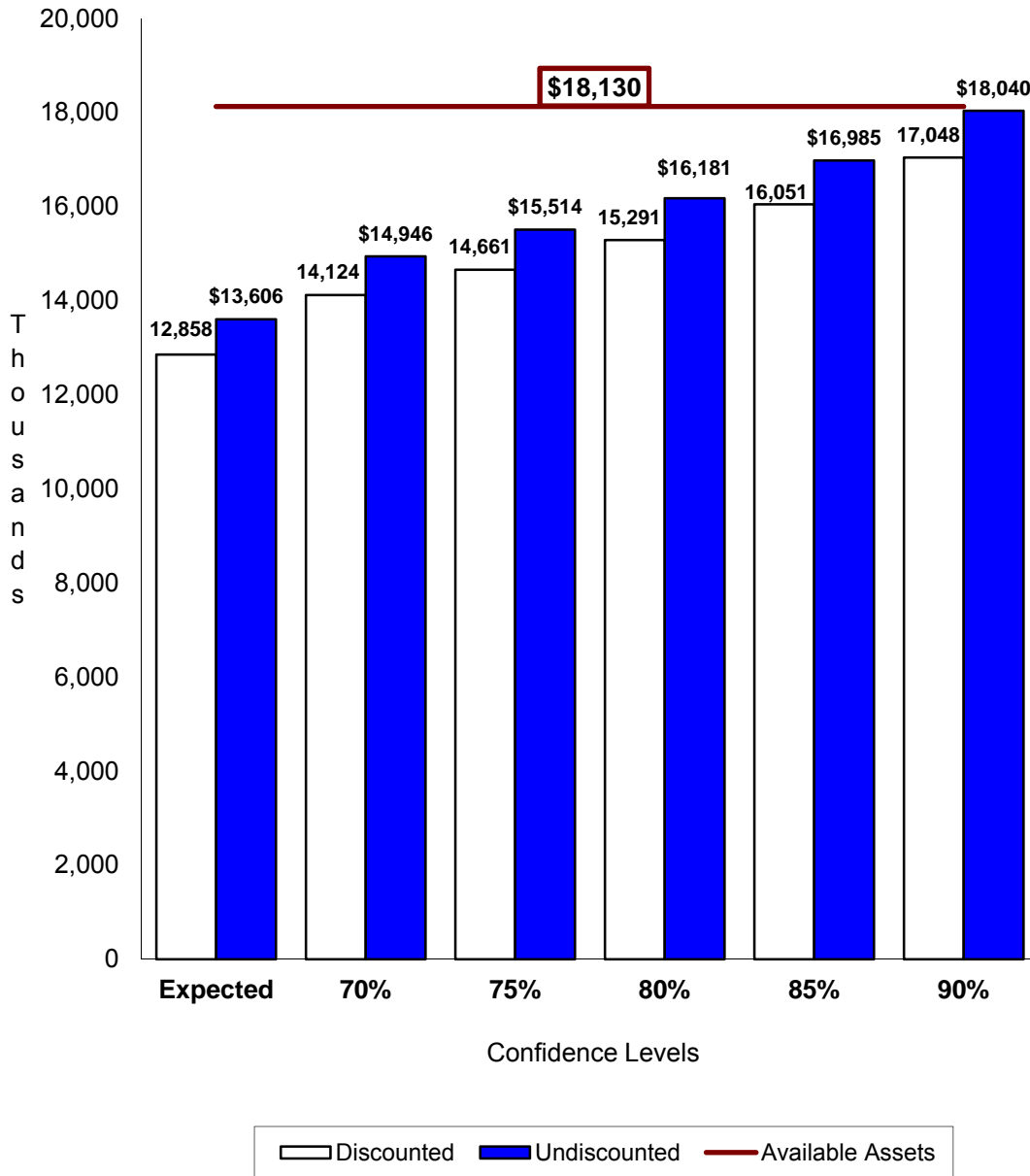


Northern California Cities Self Insurance Fund - Workers' Compensation  
Available Assets vs Outstanding Liability (\$000's)  
at June 30, 2015  
Banking Layer  
Net of 4850 TD and 4850 SC





Northern California Cities Self Insurance Fund - Workers' Compensation  
 Available Assets vs Outstanding Liability (\$000's)  
 at June 30, 2015  
 Shared Layer  
 Net of 4850 TD and 4850 SC



**DRAFT**

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, 2015, 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, 2015  
Banking and Shared Layers Combined  
Net of 4850 TD and 4850 SC

Year	Case Reserves	IBNR Reserves	Total Outstanding
Prior	\$728,127	\$25,068	\$753,195
1994-95	100,795	7,217	108,012
1995-96	158,889	20,050	178,939
1996-97	166,495	24,862	191,357
1997-98	262,289	46,279	308,568
1998-99	167,927	36,243	204,170
1999-00	559,261	82,097	641,358
2000-01	457,292	98,616	555,908
2001-02	254,712	89,523	344,235
2002-03	731,172	173,104	904,276
2003-04	414,538	134,752	549,290
2004-05	435,174	128,639	563,813
2005-06	975,625	157,081	1,132,706
2006-07	1,086,768	279,819	1,366,587
2007-08	663,888	238,361	902,249
2008-09	1,114,526	339,065	1,453,591
2009-10	848,082	354,568	1,202,650
2010-11	879,921	466,952	1,346,873
2011-12	1,973,215	487,358	2,460,573
2012-13	1,610,603	824,312	2,434,915
2013-14	2,272,305	1,516,622	3,788,927
2014-15	1,675,663	3,907,188	5,582,851
Loss and ALAE	\$17,537,267	\$9,437,776	\$26,975,043
ULAE		1,561,353	1,561,353
Total	\$17,537,267	\$10,999,129	\$28,536,396

**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 funding requirements. They do, however, allow a range of funded amounts to be recognized for accounting purposes; specifically, GASB #10 and #30 which allow recognition of a funding 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 margin for unexpected adverse loss experience.

The amount of the margin should be a question of long-term funding policy. We recommend that the margin be determined by thinking in terms of the probability that a given level of funding will prove to be adequate. For example, a reasonable goal might be to maintain a fund 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 fund at a low confidence level, the chances are much greater that future events will prove that additional contributions should have been made for current claims. The additional contributions for years by that time long past may be required at the same time that costs are increasing dramatically on then-current claims. The burden of funding increases on past years as well as on current years, may well be prohibitive.

## DRAFT

We generally recommend maintaining program funding 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 funding will be sufficient to meet claim liabilities, yet the required 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 margin for the most part, which means that it is also reasonable to think of the liabilities as being stated 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 that you fund each year's claims costs in that year. When surpluses or deficiencies 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 surplus funding more slowly than you would accumulate funding to make up a deficiency.

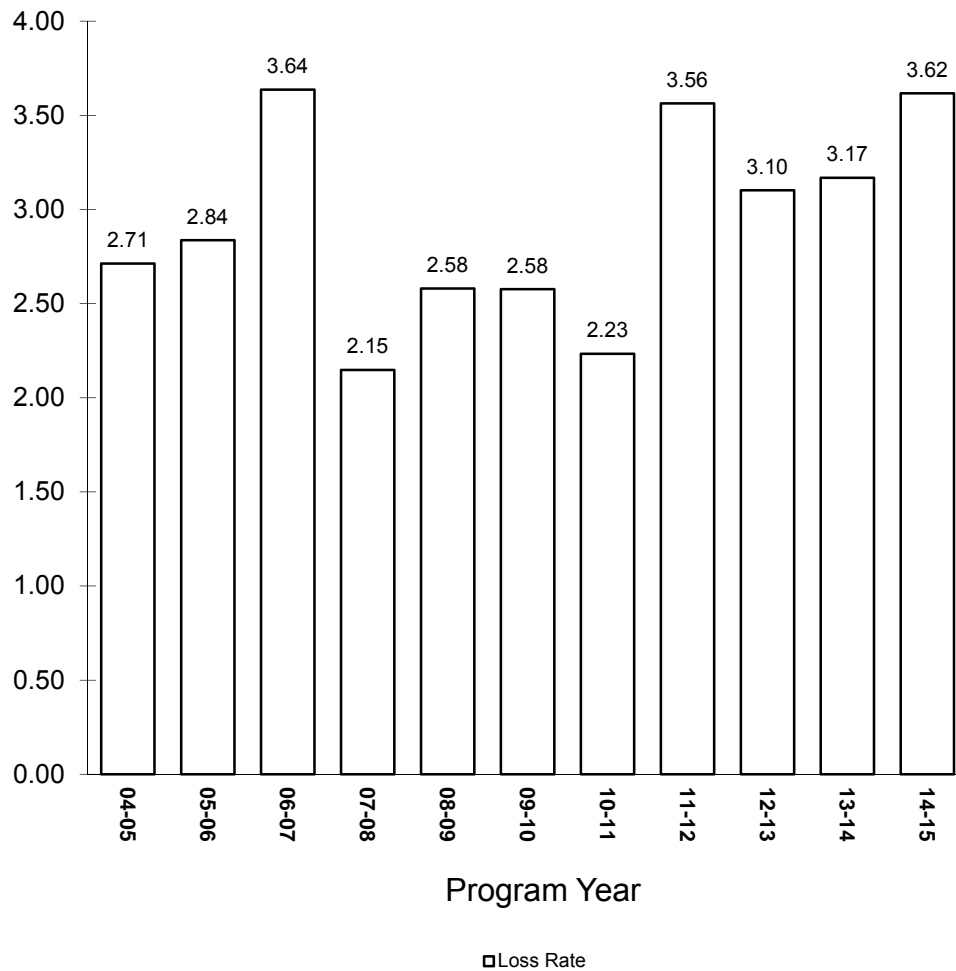
It is estimated that program assets will be \$37,480,000 at June 30, 2015, \$19,350,000 for the banking layer and \$18,130,000 for the shared layer, resulting in the program being funded above the 90% confidence level on a combined basis, and for the banking and shared layers individually.

### C. HISTORICAL TRENDS IN THE SELF-INSURANCE PROGRAM

The program's loss rate per \$100 payroll has varied substantially from year to year, with rates over the past ten years (i.e. subsequent to the legislative reforms) being notably less than prior years. The loss rate from 2007-08 and after has followed increasing trend. We selected a loss rate of \$3.62 per \$100 of payroll for the 2014-15 program year based on the assumption that this trend will continue. See graph below. 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

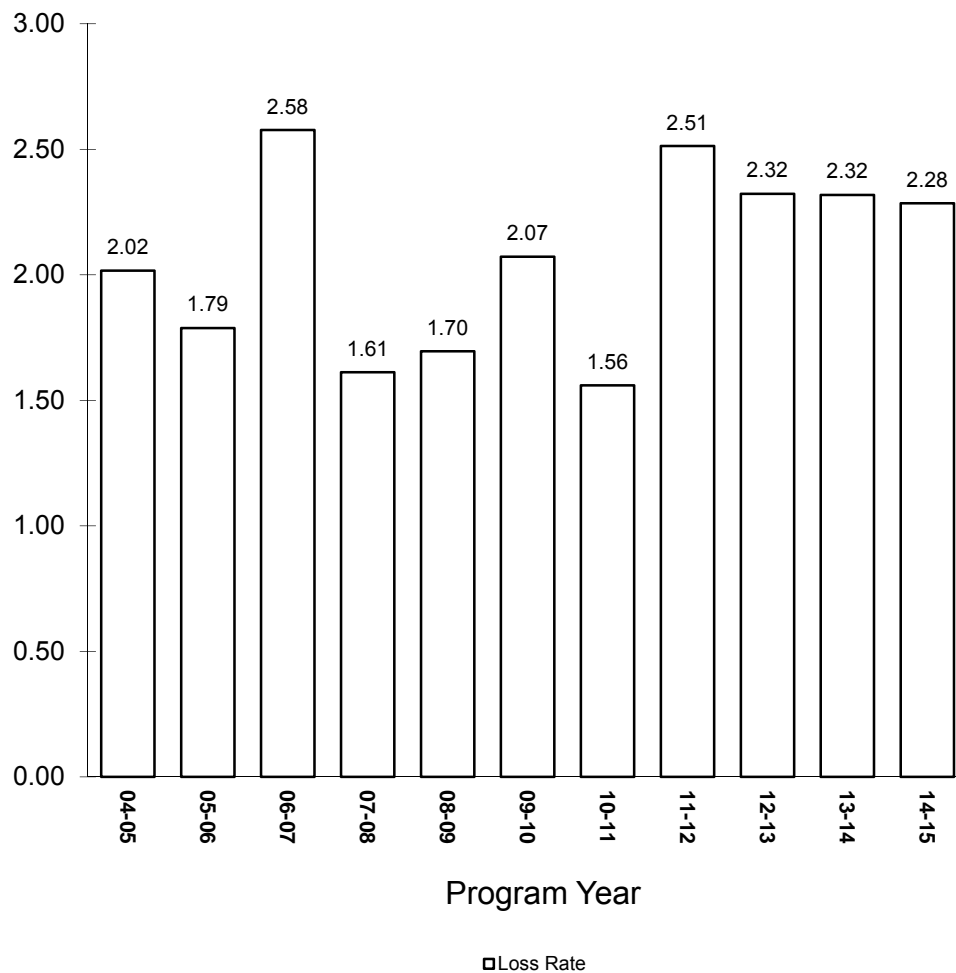


**DRAFT**

The banking layer loss rate per \$100 payroll has also been quite volatile, again with rates over the past ten years (i.e. subsequent to the legislative reforms) being notably less than prior years. Our projected 2014-15 loss rate is \$2.28, similar to the average of the most recent three years. 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

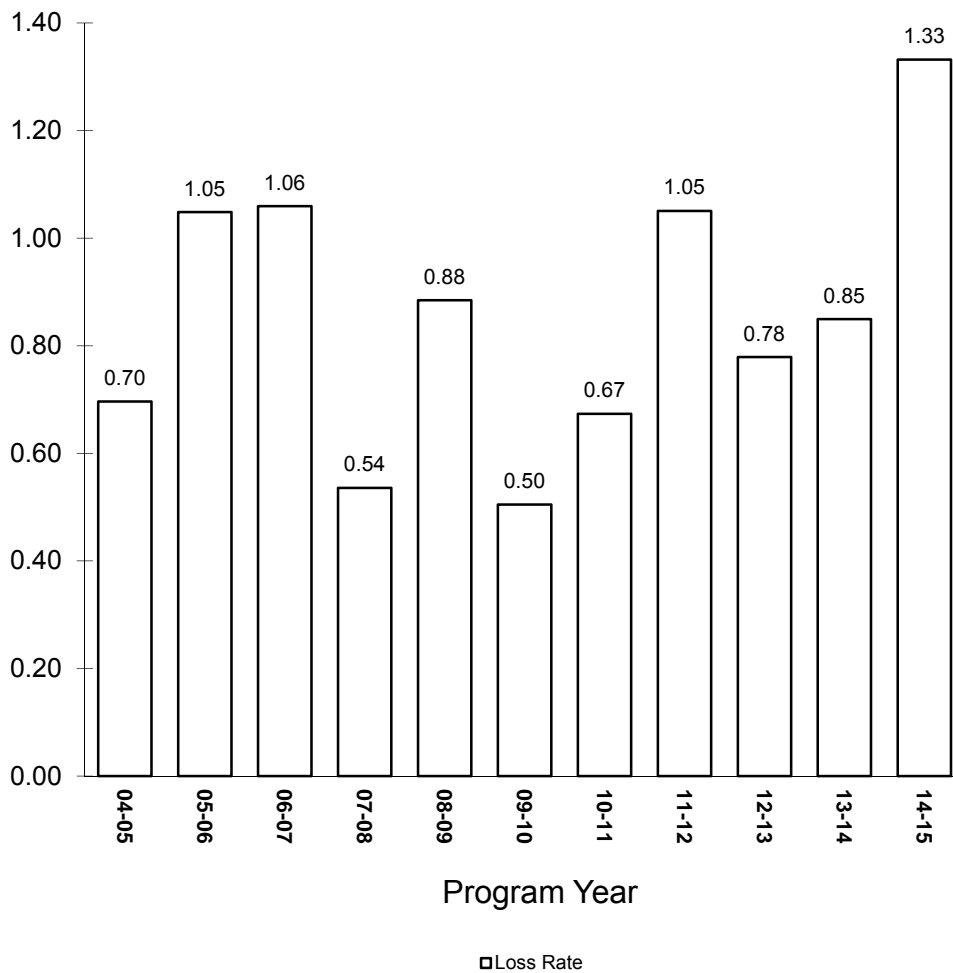


**DRAFT**

The shared layer loss rate has varied a great deal over the last ten years, typical for excess layers but has been increasing over the past ten years. We projected 2014-15 loss rate of \$1.33 based on this trend. See Graph 2c below.

Graph 2c

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

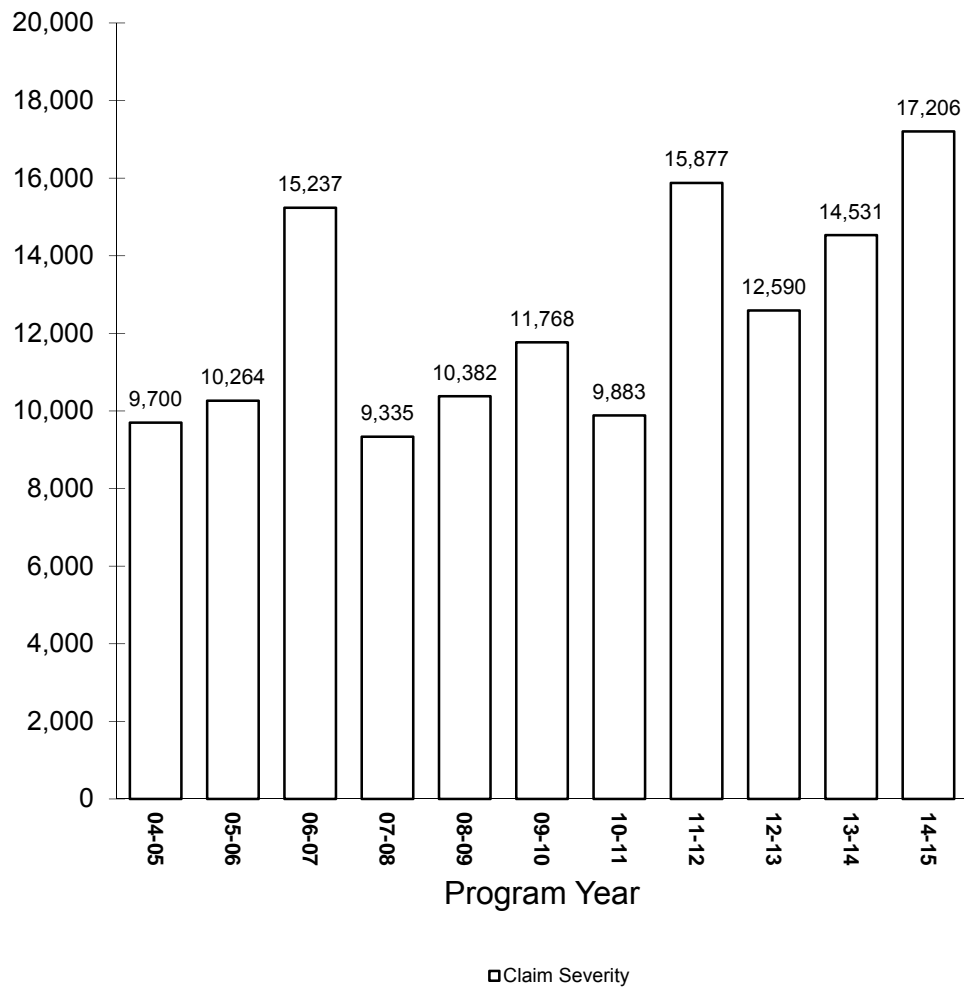


**DRAFT**

The program's average cost per claim has been quite variable, but has followed a generally increasing trend over the past ten years. The program's average cost per claim has ranged from a low of \$9,335 to a high of \$15,877. Our projected 2014-15 average cost per claim reflects generally increasing 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**



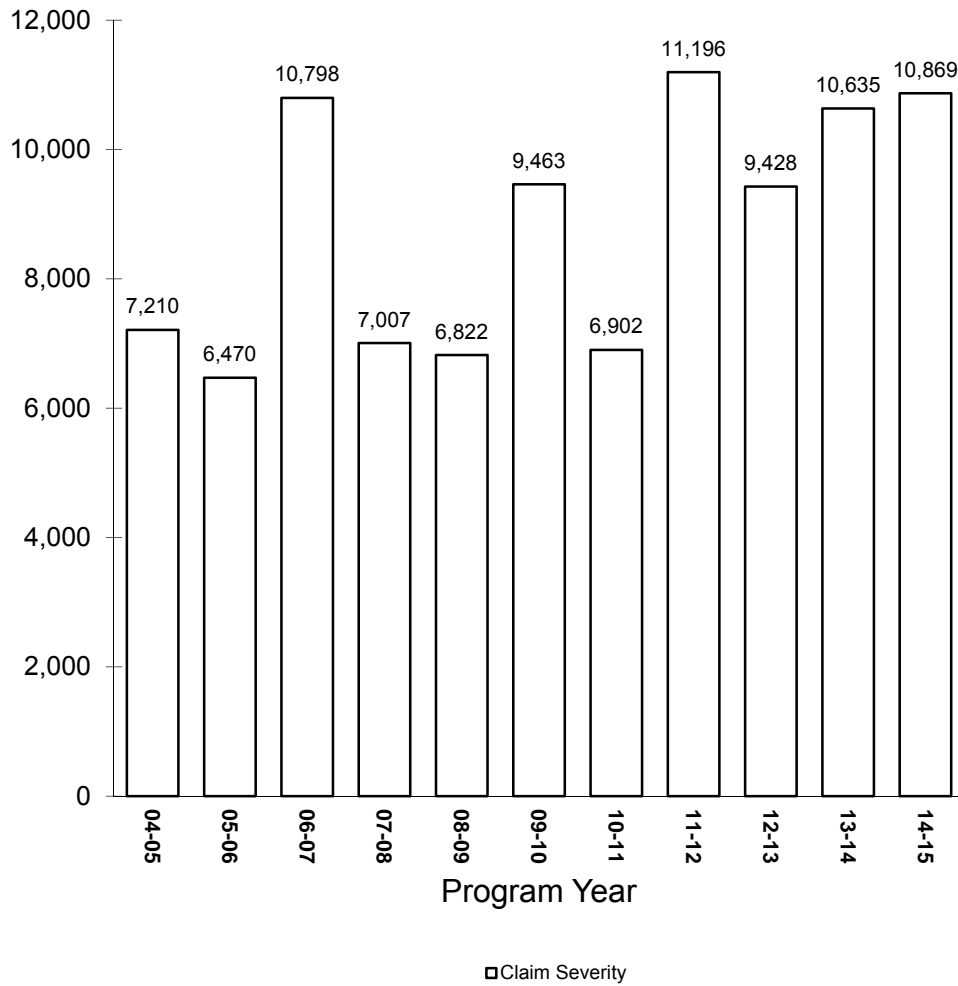


**DRAFT**

The banking layer's average cost per claim has varied considerably, ranging from a low of \$6,470 to a high of \$11,196. Our projected 2014-15 average cost is \$10,869. See Graph 3b below.

Graph 3b

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

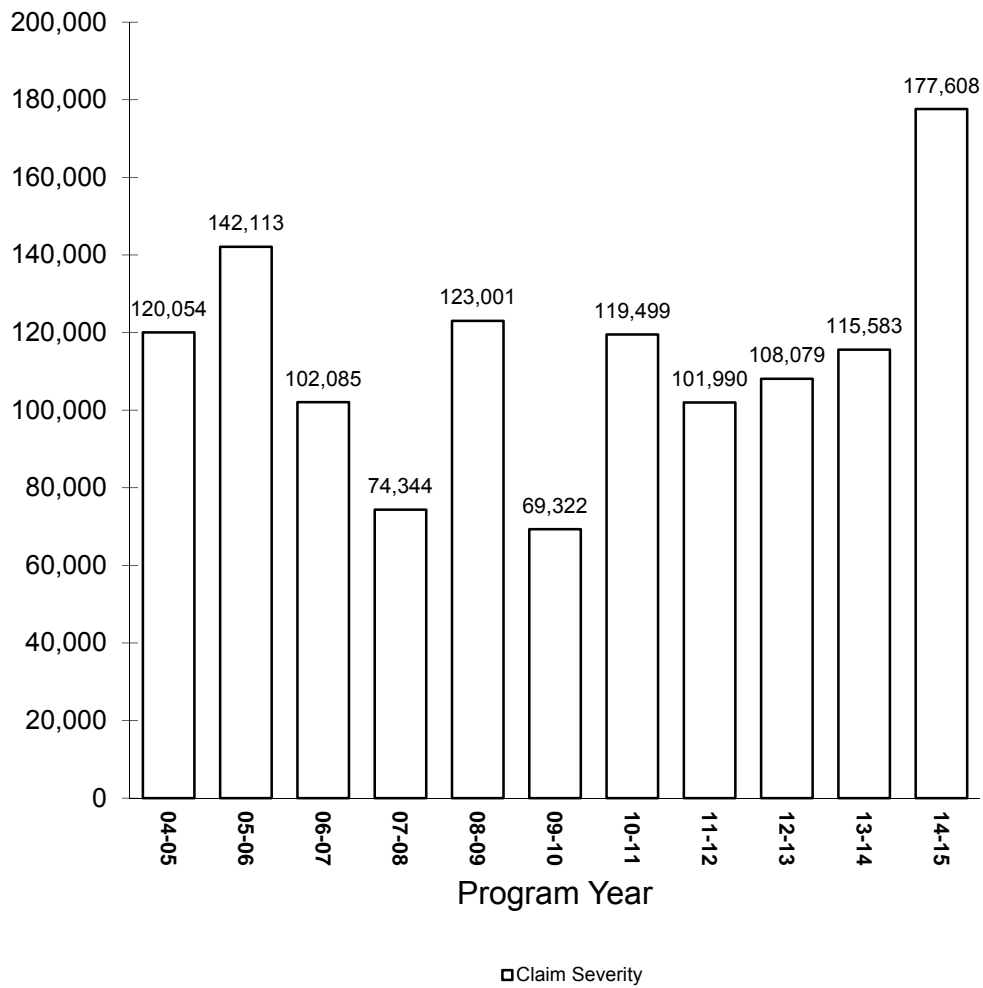


**DRAFT**

The shared layer average cost per claim has been extremely volatile over the period shown below but has been generally increasing. We project the 2014-15 shared layer severity to be \$177,608 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**

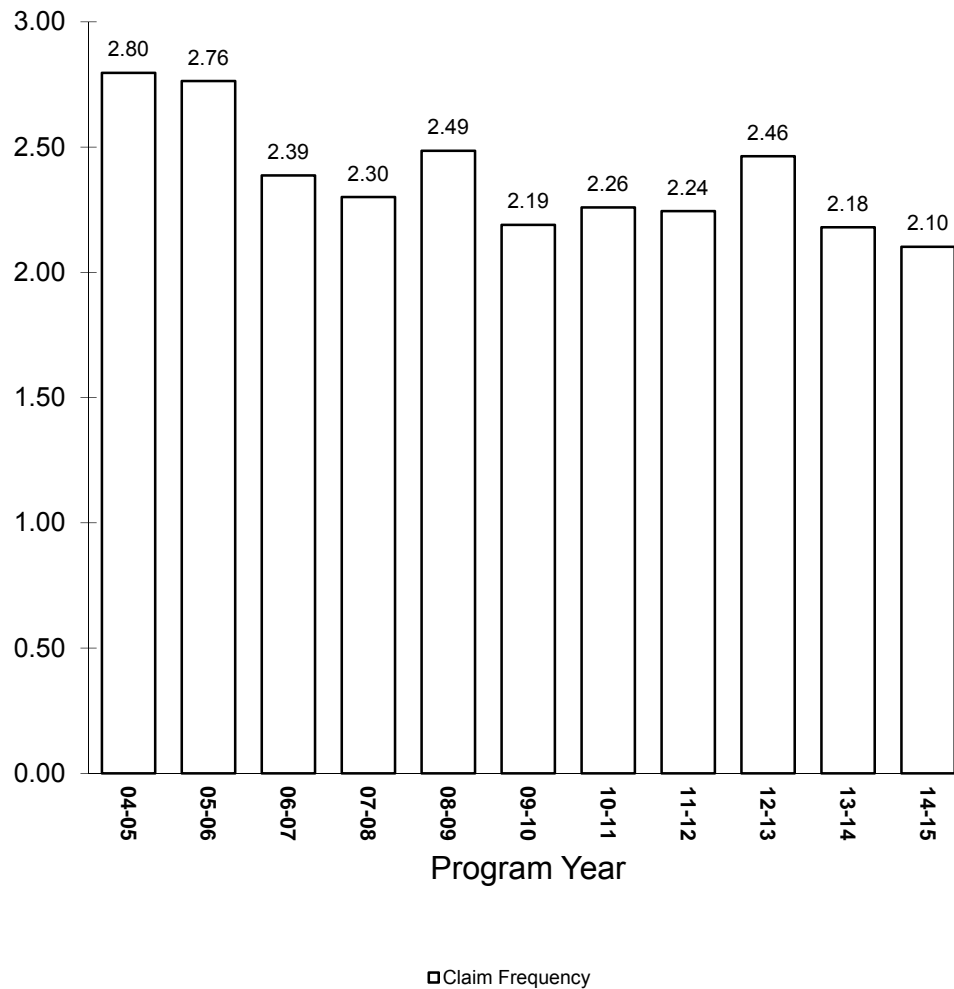


**DRAFT**

The program's frequency of claims per \$1 million payroll has been generally trending downward. The projected 2014-15 frequency of 2.10 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**

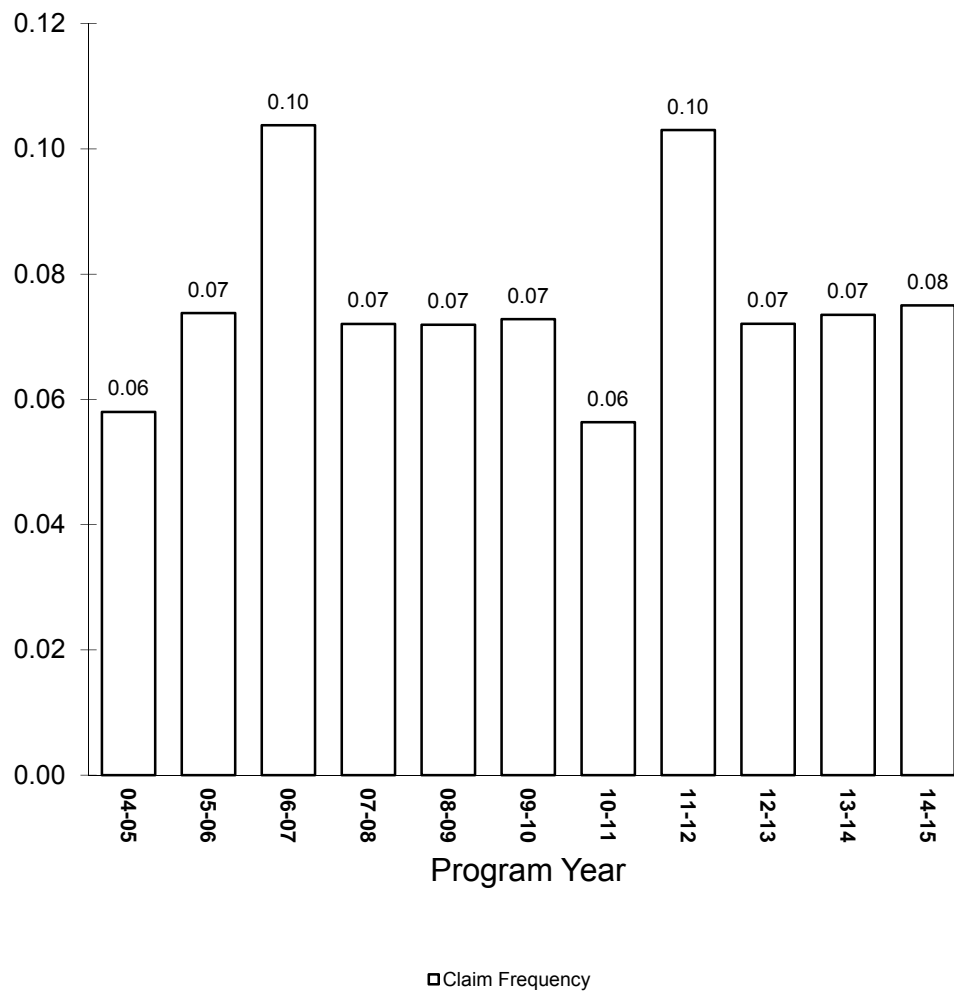


**DRAFT**

The shared layer frequency of claims per \$1 million payroll has been quite 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 2014-15 shared layer frequency to be 0.08 claims per \$1M payroll. See Graph 4b below.

Graph 4b

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



**DRAFT**

**D. COMPARISON WITH PREVIOUS RESULTS**

The prior report for Northern California Cities Self Insurance Fund was dated March 17, 2014. In the table below we display actual versus expected development of incurred losses and ALAE by accident year between the 12/31/2013 evaluation date of the prior report and the 12/31/2014 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	\$29,000	(\$994,598)	(\$1,023,598)
1994-95	7,000	31,038	24,038
1995-96	11,000	(16,624)	(27,624)
1996-97	9,000	54,880	45,880
1997-98	12,000	23,181	11,181
1998-99	8,000	(96,941)	(104,941)
1999-00	14,000	177,494	163,494
2000-01	14,000	(8,684)	(22,684)
2001-02	11,000	(110,800)	(121,800)
2002-03	26,000	(206,221)	(232,221)
2003-04	21,000	143,310	122,310
2004-05	20,000	221,443	201,443
2005-06	34,000	530,383	496,383
2006-07	85,000	172,937	87,937
2007-08	64,000	302,247	238,247
2008-09	93,000	148,541	55,541
2009-10	81,000	37,271	(43,729)
2010-11	221,000	368,671	147,671
2011-12	349,000	141,114	(207,886)
2012-13	766,000	693,981	(72,019)
2013-14	2,728,000	2,819,347	91,347
Total	\$4,603,000	\$4,431,970	(\$171,030)

As shown, actual incurred development was less than anticipated since the prior report.

**DRAFT**

In the table below we display actual versus expected development of paid losses and ALAE by accident year between the 12/31/2013 evaluation date of the prior report and the 12/31/2014 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	\$95,000	(\$1,075,348)	(\$1,170,348)
1994-95	14,000	8,413	(5,587)
1995-96	28,000	2,372	(25,628)
1996-97	22,000	44,456	22,456
1997-98	36,000	46,122	10,122
1998-99	30,000	15,550	(14,450)
1999-00	47,000	76,372	29,372
2000-01	58,000	66,353	8,353
2001-02	47,000	37,574	(9,426)
2002-03	136,000	118,298	(17,702)
2003-04	78,000	53,407	(24,593)
2004-05	74,000	41,144	(32,856)
2005-06	167,000	257,141	90,141
2006-07	268,000	239,081	(28,919)
2007-08	137,000	148,330	11,330
2008-09	272,000	120,871	(151,129)
2009-10	336,000	270,657	(65,343)
2010-11	371,000	302,506	(68,494)
2011-12	1,099,000	572,247	(526,753)
2012-13	1,085,000	872,133	(212,867)
2013-14	1,785,000	1,219,106	(565,894)
Total	\$6,185,000	\$3,436,785	(\$2,748,215)

As shown, actual paid development was less than anticipated since the prior report.

**DRAFT**

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
<b>Prior</b>	<b>\$26,547,000</b>	<b>\$25,545,000</b>	<b>(\$1,002,000)</b>
1994-95	2,445,000	2,469,000	24,000
1995-96	4,180,000	4,153,000	(27,000)
1996-97	3,045,000	3,092,000	47,000
1997-98	4,495,000	4,507,000	12,000
1998-99	2,853,000	2,747,000	(106,000)
1999-00	5,106,000	5,273,000	167,000
2000-01	5,159,000	5,140,000	(19,000)
2001-02	4,177,000	4,055,000	(122,000)
2002-03	7,385,000	7,149,000	(236,000)
2003-04	4,187,000	4,315,000	128,000
2004-05	3,572,000	3,783,000	211,000
2005-06	3,772,000	4,280,000	508,000
2006-07	5,939,000	6,034,000	95,000
2007-08	3,679,000	3,930,000	251,000
2008-09	4,713,000	4,734,000	21,000
2009-10	4,334,000	4,319,000	(15,000)
2010-11	3,614,000	3,637,000	23,000
2011-12	6,114,000	5,668,000	(446,000)
2012-13	5,116,000	4,822,000	(294,000)
2013-14	6,262,000	5,769,000	(493,000)
Total	\$116,694,000	\$115,421,000	<b>(\$1,273,000)</b>

As shown, overall we have decreased our estimated ultimates by \$1,273,000 since our prior report.

## DRAFT

At the time of the prior report, we estimated the liability for outstanding claims as of June 30, 2014 to be \$25,723,000 at the discounted, expected level. Our current estimate as of June 30, 2015, is \$26,967,000, an increase in our assessment of NCCSIF's outstanding liabilities, as shown below:

	Prior Report at June 30, 2014	Current Report at June 30, 2015	Change
(A) Case Reserves:	\$15,502,000	\$17,537,000	\$2,035,000
(B) IBNR Reserves:	9,799,000	9,438,000	(361,000)
(C) Claims Administration Reserves:	1,977,000	1,561,000	(416,000)
(D) Total Reserves:	\$27,278,000	\$28,536,000	\$1,258,000
(E) Offset for Investment Income:	(1,555,000)	(1,569,000)	(14,000)
<b>(F) Total Outstanding Claim Liabilities:</b>	<b>\$25,723,000</b>	<b>\$26,967,000</b>	<b>\$1,244,000</b>

As shown, our estimate of outstanding claims liabilities at the discounted, expected level has increased between June 30, 2014 and June 30, 2015 as reflected in our prior and current reports respectively.



## DRAFT

At the time of the prior report, available assets were estimated to be \$32,731,000 as of June 30, 2014, which corresponded to the then-estimated discounted liability for outstanding claims above the 90% confidence level. Available assets are currently estimated to be \$37,480,000 as of June 30, 2015, which corresponds to the currently estimated liability for outstanding claims above the 90% confidence level. It can be summarized as follows:

	Prior Report at June 30, 2014	Current Report at June 30, 2015	Change
(A) Outstanding Liability at the Discounted Expected Level:	\$25,723,000	\$26,967,000	\$1,244,000
(B) Estimated Assets At June 30:	32,731,000	37,480,000	4,749,000
<b>(C) Surplus/(Deficit):</b>	<b>\$7,008,000</b>	<b>\$10,513,000</b>	<b>\$3,505,000</b>

**DRAFT**

At the time of the prior report, our funding estimate for the 2014-15 year was \$7,510,000 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 2015-16 year is \$7,792,000 at the discounted, expected level, an increase in the program's expected loss costs, as shown in the table below:

	Prior Report 2014-15 Pool Limit = \$500,000	Current Report 2015-16 Pool Limit = \$500,000	Change
(A) Ultimate Loss and ALAE:	\$6,985,000	\$7,458,000	\$473,000
(B) Ultimate Claims Administration (ULAE):	825,000	659,000	(166,000)
(C) Total Claim Costs:	\$7,810,000	\$8,117,000	\$307,000
(D) Offset for Investment Income:	(300,000)	(325,000)	(25,000)
(E) Total Recommended Funding:	\$7,510,000	\$7,792,000	\$282,000
<b>(F) Funding per \$100 of Payroll:</b>	<b>\$3.96</b>	<b>\$3.96</b>	<b>\$0.00</b>

As you can see, our funding recommendations at the discounted, expected level have increased between 2014-15 and 2015-16, as shown in our prior and current reports respectively.

## DRAFT

### 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 2014-15 and 2015-16 (See Appendix K).
- We estimated the 6/30/2015 asset balance by beginning with the 12/31/14 asset balance, and adjusting for anticipated revenue and expense for the second half of 2014-15 (see Appendix L).
- We received loss data evaluated as of 12/31/2014 (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 2015-16 will be \$196,562,000 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 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 CSAC Excess Insurance Authority'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 CSAC Excess Insurance Authority'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 CSAC Excess Insurance Authority'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 cost 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 0.5% per year. We have assumed that claim severity increases at 2.5% per year, and that claim frequency decreases at 2.0% 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 to the CSAC-EIA 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 \$37,480,000 as of June 30, 2015 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.

## DRAFT

**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 - WC

**Funding Options for Program Year 2015-2016 (Excluding 4850 TD and 4850 SC)**

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

	Total	Banking	Shared
(A) Estimated Ultimate Losses Incurred in Accident Year 2015-2016:	\$7,458,000	\$4,662,000	\$2,796,000
(B) Estimated Claims Administration Fees Incurred in Accident Year 2015-2016: (From Exhibit 5, Page 1, item (L))	659,000	659,000	0
(C) Total Claims Costs Incurred in Accident Year 2015-2016: ((A) + (B))	\$8,117,000	\$5,321,000	\$2,796,000
(D) Anticipated Investment Income: ((C) x [1 - Appendix I, Page 2, (F)])	325,000	213,000	112,000
(E) Discounted Total Claims Costs Incurred in Accident Year 2015-2016: ((C) - (D))	\$7,792,000	\$5,108,000	\$2,684,000
(F) Funding Rates for 2015-2016 Incurred Claims Costs	\$3.963	\$2.598	\$1.365
(H) Confidence Level Factor: (From Appendix J)			
60%	1.033	1.034	1.031
65%	1.067	1.062	1.076
67.5%	1.085	1.077	1.102
70%	1.104	1.092	1.127
75%	1.145	1.126	1.181
80%	1.193	1.164	1.248
85%	1.251	1.211	1.327
90%	1.329	1.272	1.438
(I) Total Required Required Funding for 2015-2016 Incurred Claims Costs ((G) * (H))			
60%	\$8,049,000	\$5,282,000	\$2,767,000
65%	8,314,000	5,425,000	2,889,000
67.5%	8,458,000	5,501,000	2,957,000
70%	8,602,000	5,578,000	3,024,000
75%	8,922,000	5,752,000	3,170,000
80%	9,296,000	5,946,000	3,350,000
85%	9,748,000	6,186,000	3,562,000
90%	10,356,000	6,497,000	3,859,000
(I) Funding Rates for 2015-2016 Incurred Claims Costs			
60%	\$4.094	\$2.687	\$1.407
65%	4.229	2.759	1.469
67.5%	4.302	2.798	1.504
70%	4.375	2.837	1.538
75%	4.538	2.926	1.612
80%	4.728	3.024	1.704
85%	4.958	3.146	1.812
90%	5.268	3.305	1.963

Rates based on 2015-2016 payroll of \$196,600,000





## ACTUARIAL STUDIES – LIABILITY PROGRAM

### ACTION ITEM

**ISSUE:** NCCSIF’s actuary provides an annual report to assist members in making funding, dividend and assessment decisions. A summary of this year’s report is provided below and will be discussed in more detail at the meeting.

**Outstanding Liabilities at June 30:** The Actuary estimates the Liability Program will have total assets of approximately \$9,914,000 on June 30, 2015, compared to \$10,512,685 last year. The estimated total Outstanding Liability at June 30 is 11,301,000 at the 90% Confidence Level (C.L.), compared to \$10,274,000 last year. *This results in an estimated deficit of \$1,387,000 in net position above the 90% C.L., compared to \$1,650,000 last year.*

Assets for the Banking Layer are estimated at \$4,402,000 as of June 30, 2015, compared to \$3,773,000 in 2014. Banking Layer liabilities are \$3,192,000 at the 90% confidence level. *This means the Banking Layer net position above the 90% confidence level is estimated at \$581,000.*

Assets for the Shared Risk Layer are estimated to be \$5,512,000 at June 30, 2015, compared to \$4,851,000 in 2014. Liabilities are estimated at \$7,899,000 at the 90% C.L., compared to \$7,082,000 last year. *This results in an estimated deficit of \$2,387,000 in net position above the 90% C.L., compared to a deficit of \$2,231,000 last year.*

**FY 15/16 Funding:** Total recommended funding for banking and shared risk layer is \$3,195,000 at the 65% Confidence Level (C.L.), slightly above the funding of \$3,003,845 for FY 14/15. *The rate at the Expected C.L. is \$1.92 per \$100 in payroll, compared to \$1.85 last year, an increase of 3.8%*

At the 67.5% C.L. total recommended funding for banking and shared risk layer is \$3,301,000. *The total rate at the 67.5% CL is \$2.176, compared to \$2.106 at the 65% CL, an increase of 3%.*

**RECOMMENDATION:** Accept draft and request final report.

**FISCAL IMPACT:** TBD; depending on chosen Confidence Level. The current CL is 65%, with goal of increasing to 70% C.L.

**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.

**ATTACHMENT(S):** Liability Actuarial Study – **DRAFT** Summary & Select Exhibits

Thursday, March 12, 2015

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 2015-16 program years to be \$2,910,000. Of this amount, \$1,534,000 is for the banking layer (\$0 – \$50,000 per occurrence) and \$1,376,000 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 2015-16 claims translates to rates of \$1.92 per \$100 payroll, \$1.01 for the banking layer and \$0.91 for the shared layer (assuming \$151,680,000 in rated payroll).

In addition, we estimate the program's liability for outstanding claims to be \$8,113,000 as of June 30, 2015, again including ALAE and ULAE, and discounted for anticipated investment income. Of this amount, \$2,548,000 is for the banking layer and \$5,565,000 is for the shared layer. Given estimated program assets of \$9,914,000 as of June 30, 2015, the program is expected to be funded at the 80% confidence level 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 below the expected level. (See Graphs 1a, 1b and 1c on pages 10, 11, and 12.)

The \$8,113,000 estimate is the minimum liability to be booked by NCCSIF at June 30, 2015 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, 2015 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, 2015**

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$8,330,000					
ULAE*	0					
Investment Income Offset	(217,000)					
Discounted Loss and LAE	\$8,113,000	\$9,038,000	\$9,444,000	\$9,914,000	\$10,506,000	\$11,301,000
Assets	9,914,000					
Surplus or (Deficit)	\$1,801,000	\$876,000	\$470,000	\$0	(\$592,000)	(\$1,387,000)

\* ULAE is included with Loss and ALAE

Northern California Cities Self Insurance Fund  
**Self-Insured Liability Program**  
**Estimated Liability for Unpaid Loss and LAE**  
**Banking Layers**  
**at June 30, 2015**

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$2,616,000					
ULAE*	0					
Investment Income Offset	(68,000)					
Discounted Loss and LAE	\$2,548,000	\$2,798,000	\$2,905,000	\$3,032,000	\$3,190,000	\$3,402,000
Available Funding	4,402,000					
Surplus or (Deficit)	\$1,854,000	\$1,604,000	\$1,497,000	\$1,370,000	\$1,212,000	\$1,000,000

\* ULAE is included with Loss and ALAE

**DRAFT**

Northern California Cities Self Insurance Fund  
 Self-Insured Liability Program  
 Estimated Liability for Unpaid Loss and LAE  
**Shared Layers**  
 at June 30, 2015

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$5,714,000					
ULAE*	0					
Investment Income Offset	(149,000)					
Discounted Loss and LAE	\$5,565,000	\$6,240,000	\$6,539,000	\$6,882,000	\$7,316,000	\$7,899,000
Available Funding	5,512,000					
Surplus or (Deficit)	<b>(\$53,000)</b>	(\$728,000)	(\$1,027,000)	(\$1,370,000)	(\$1,804,000)	<b>(\$2,387,000)</b>

\* 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.

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The table below shows our funding recommendations for Northern California Cities Self Insurance Fund for the 2015-16 fiscal year.

Northern California Cities Self Insurance Fund  
Self-Insured Liability Program  
**Loss and LAE Funding Guidelines for 2015-16**  
**Banking and Shared Layers Combined**  
Banking Layer: \$0 to \$50,000  
Shared Layer: \$50,000 to \$500,000

	Expected	Marginally Acceptable		Recommended Range		
		60% CL	65% CL	Low 70% CL	Target 75% CL	High 80% CL
Loss and ALAE	\$3,003,000					
ULAE	0					
Investment Income Offset	(93,000)					
Discounted Loss and LAE	\$2,910,000	\$3,009,000	<b>\$3,195,000</b>	\$3,405,000	\$3,640,000	\$3,920,000
Rate per \$100 of 2015-16 Payroll	\$1.919	\$1.984	<b>\$2.106</b>	\$2.245	\$2.400	\$2.584

Northern California Cities Self Insurance Fund  
Self-Insured Liability Program  
Loss and LAE Funding Guidelines for 2015-16  
Banking Layers  
Banking Layer: \$0 to \$50,000

	Expected	Marginally Acceptable		Recommended Range		
		60% CL	65% CL	Low 70% CL	Target 75% CL	High 80% CL
Loss and ALAE	\$1,564,000					
ULAE	0					
Investment Income Offset	(30,000)					
Discounted Loss and LAE	\$1,534,000	\$1,587,000	\$1,684,000	\$1,792,000	\$1,913,000	\$2,057,000
Rate per \$100 of 2015-16 Payroll	\$1.011	\$1.046	\$1.110	\$1.181	\$1.261	\$1.356

\* ULAE is included with Loss and ALAE

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Northern California Cities Self Insurance Fund  
 Self-Insured Liability Program  
 Loss and LAE Funding Guidelines for 2015-16  
 Shared Layers  
 Shared Layer: \$50,000 to \$500,000

	Expected	Marginally Acceptable		Recommended Range		
		60% CL	65% CL	Low 70% CL	Target 75% CL	High 80% CL
Loss and ALAE	\$1,439,000					
ULAE	0					
Investment Income Offset	(63,000)					
Discounted Loss and LAE	\$1,376,000	\$1,422,000	\$1,511,000	\$1,613,000	\$1,727,000	\$1,863,000
Rate per \$100 of 2015-16 Payroll	\$0.907	\$0.938	\$0.996	\$1.063	\$1.139	\$1.228

\* 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, 2015. 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 report that follows outlines the scope of our study, its background, and our conclusions, recommendations, and assumptions. Judgments regarding the appropriateness of our conclusions and recommendations should be made only after studying the report in its entirety, including the graphs, attachments, exhibits and appendices. Our report has been developed for NCCSIF's internal use. It is not intended for general circulation.

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

Sincerely,

Bickmore

## **DRAFT**

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

## **DRAFT**

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## DRAFT

### 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 York Insurance Services. Additional background on the program is shown in Appendix K.

As of June 30, 2015, NCCSIF is expected to have assets of \$9,914,000 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 pieces, 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.

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 City of Ione 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, 2015, project ultimate loss costs for 2015-16, 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, 2015. 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, 2015.

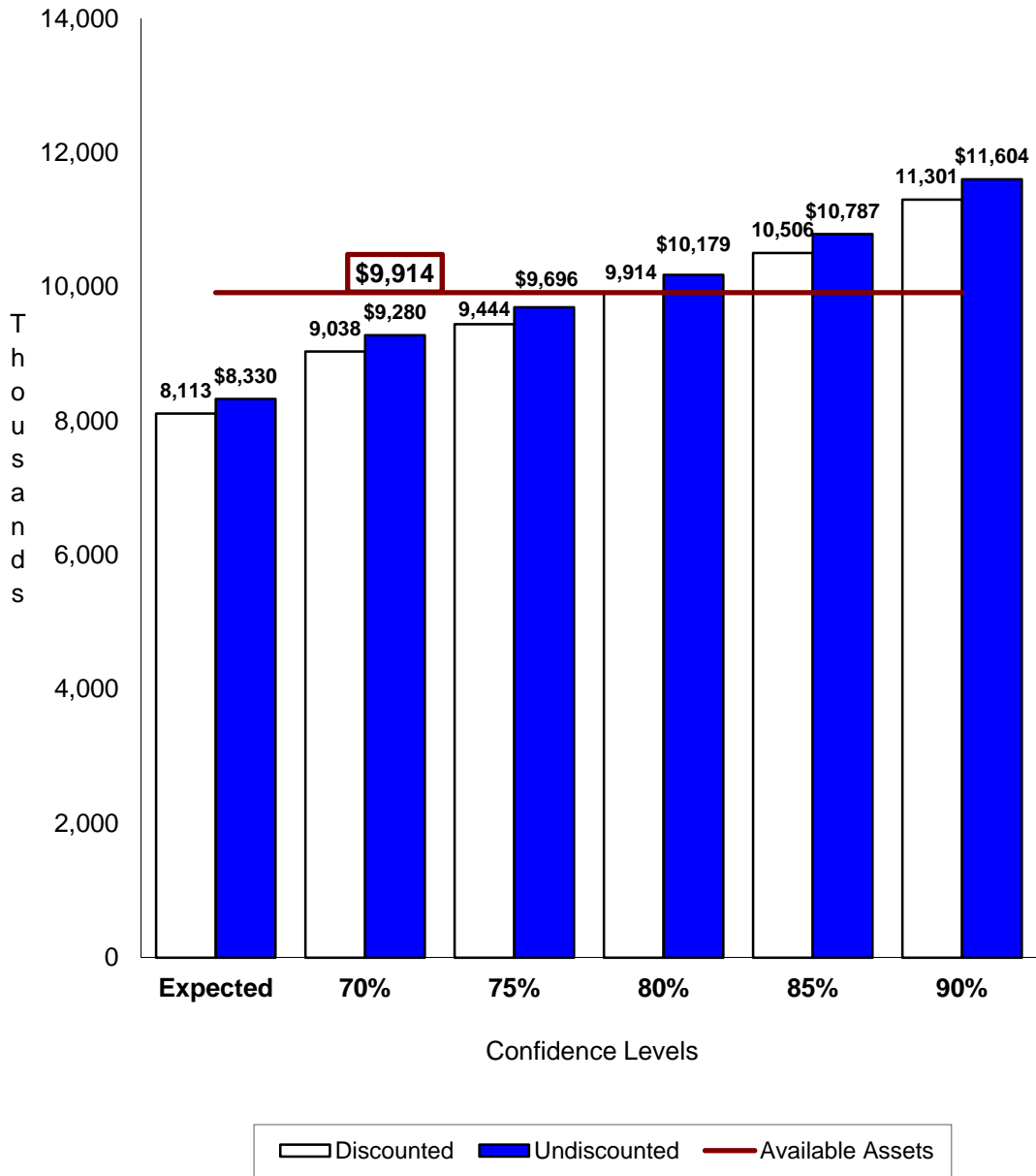
Our best estimate of the full value of NCCSIF's liability for outstanding claims within its pool limit is \$8,330,000, \$2,616,000 for the banking layer and \$5,714,000 for the shared layer as of June 30, 2015. These amounts include losses, allocated loss adjustment expenses (ALAE), and unallocated loss 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.

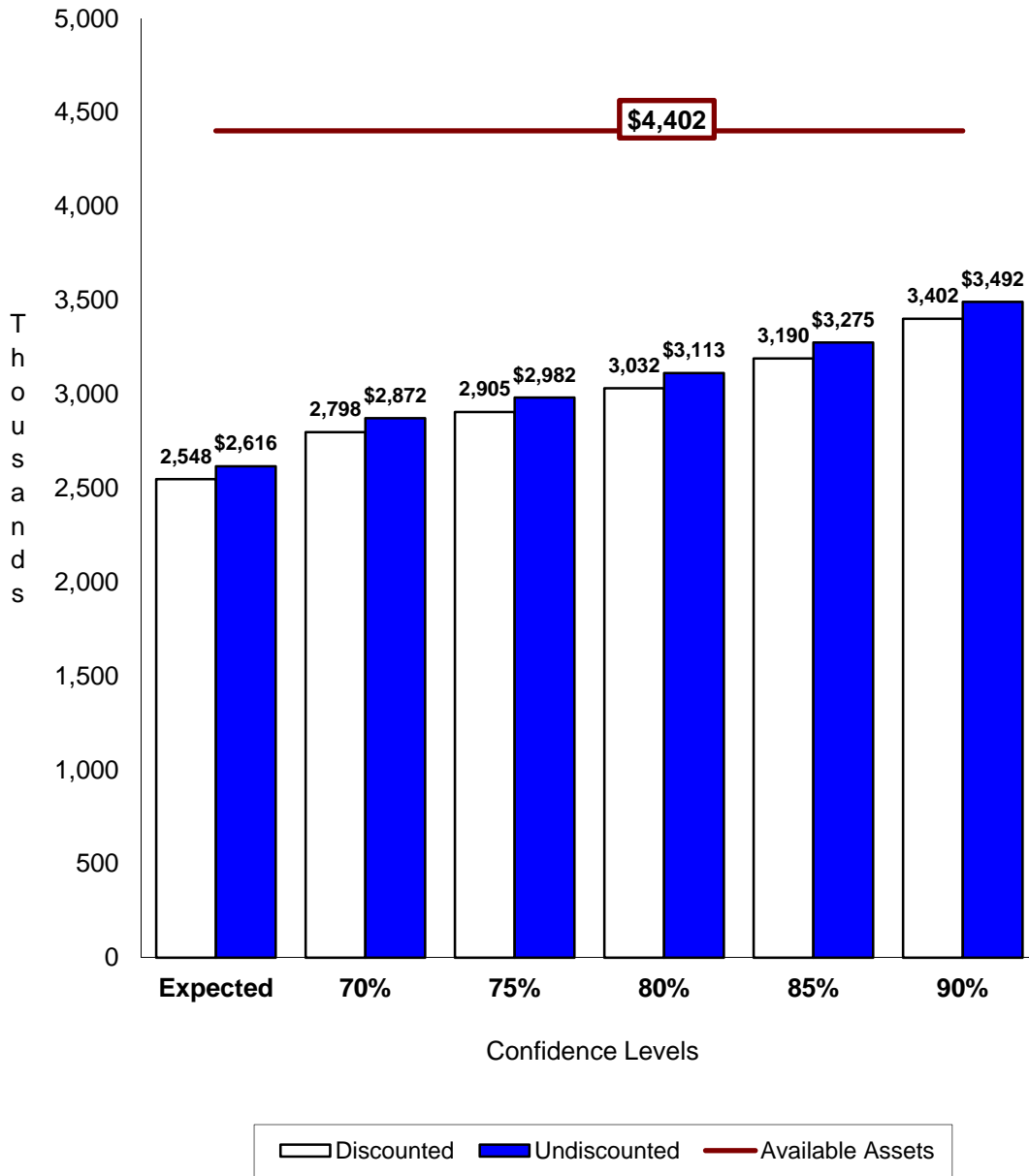
NCCSIF can earn investment income on the assets it holds until claims payments come due. Assuming a long-term average annual return on investments of 1.5%, we estimate the impact of investment income earnings to be about 3% if the program is funded within the range indicated in the graphs, resulting in a discounted liability for outstanding claims of \$8,113,000, \$2,548,000 for the banking layer, and \$5,565,000 for the shared layer as of June 30, 2015.

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.

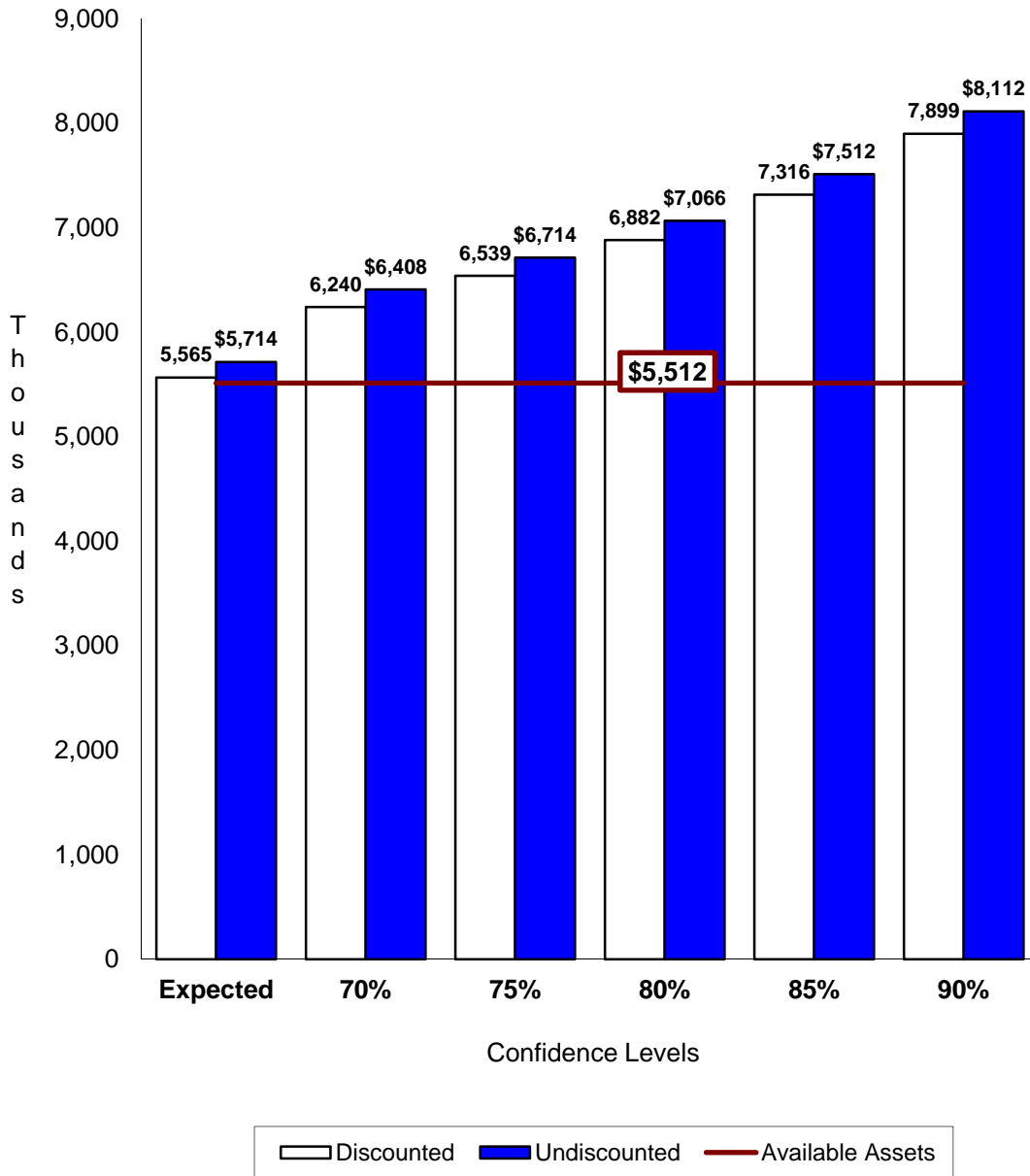
Northern California Cities Self Insurance Fund - Liability  
Available Assets vs Outstanding Liability (\$000's)  
at June 30, 2015  
Banking and Shared Layers Combined



Northern California Cities Self Insurance Fund - Liability  
Available Assets vs Outstanding Liability (\$000's)  
at June 30, 2015  
Banking Layer



Northern California Cities Self Insurance Fund - Liability  
Available Assets vs Outstanding Liability (\$000's)  
at June 30, 2015  
Shared Layer



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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, 2015, 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, 2015

Year	Case Reserves	IBNR Reserves	Total Outstanding
Prior	\$0	\$0	\$0
2007-08	187,031	15,922	202,953
2008-09	292,057	28,805	320,862
2009-10	902,068	68,616	970,684
2010-11	24,028	94,298	118,326
2011-12	602,815	149,416	752,231
2012-13	1,123,262	337,822	1,461,084
2013-14	1,325,757	722,065	2,047,822
2014-15	824,168	1,631,444	2,455,612
Loss and ALAE	\$5,281,186	\$3,048,388	\$8,329,574
ULAE		0	0
Total	\$5,281,186	\$3,048,388	\$8,329,574

**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.

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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 that you fund 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.

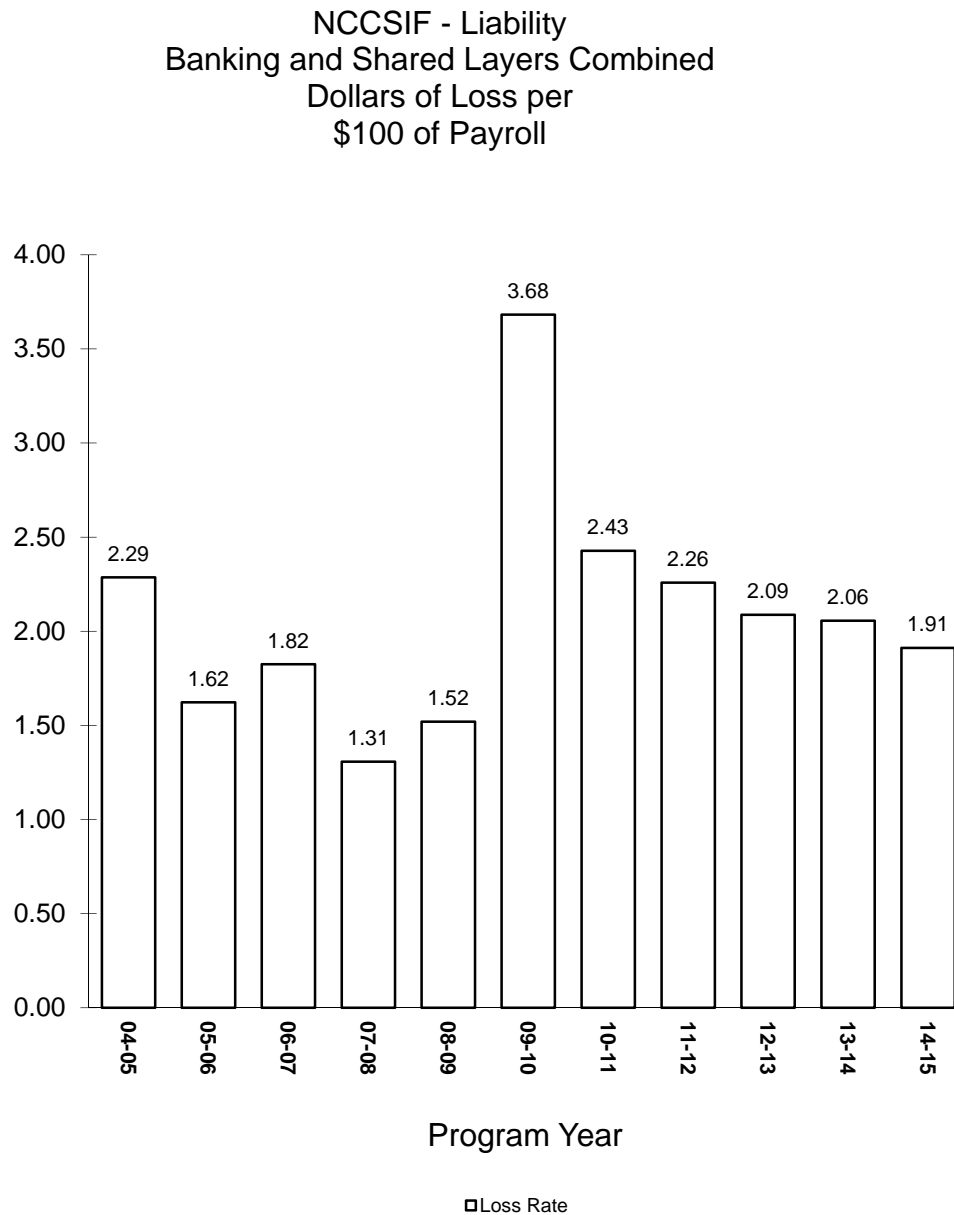
It is estimated that program assets will be \$9,914,000 at June 30, 2015, \$4,402,000 for the banking layer and \$5,512,000 for the shared layer, resulting in the banking layer being funded above the 90% confidence level, and the shared layer being funded below the expected level. Overall, the program is expected to be funded at the 80% confidence level on a combined basis.



**C. HISTORICAL TRENDS IN THE SELF-INSURANCE PROGRAM**

The program's loss rate per \$100 payroll generally decreased over the last ten years excluding 2004-05 and 2009-10 program years. The 2004-05 and 2009-10 years are impacted by high severity losses. Losses during the 2007-08 to 2012-13 years reflect the higher pool limit of \$1,000,000. Effective 7/1/2013, NCCSIF decreased the pool limit to \$500,000. See Graph 2a below.

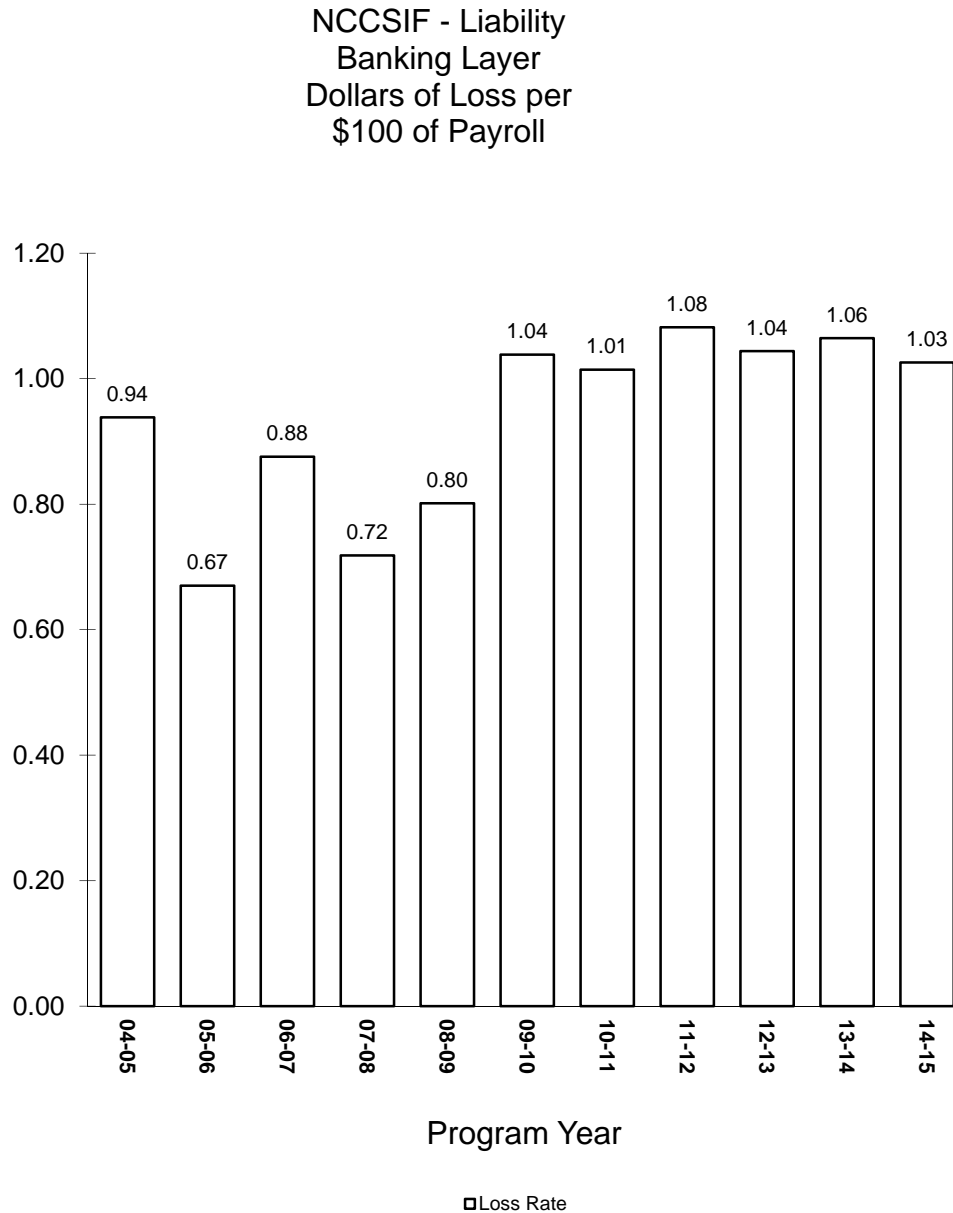
Graph 2a



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The banking loss rate per \$100 payroll generally decreased over the 2004-05 to 2008-09 program years, but increased afterward. Losses for 2007-08 and after reflect the new higher banking limit of \$50,000, and are expected to follow an increasing cost trend. See Graph 2b below.

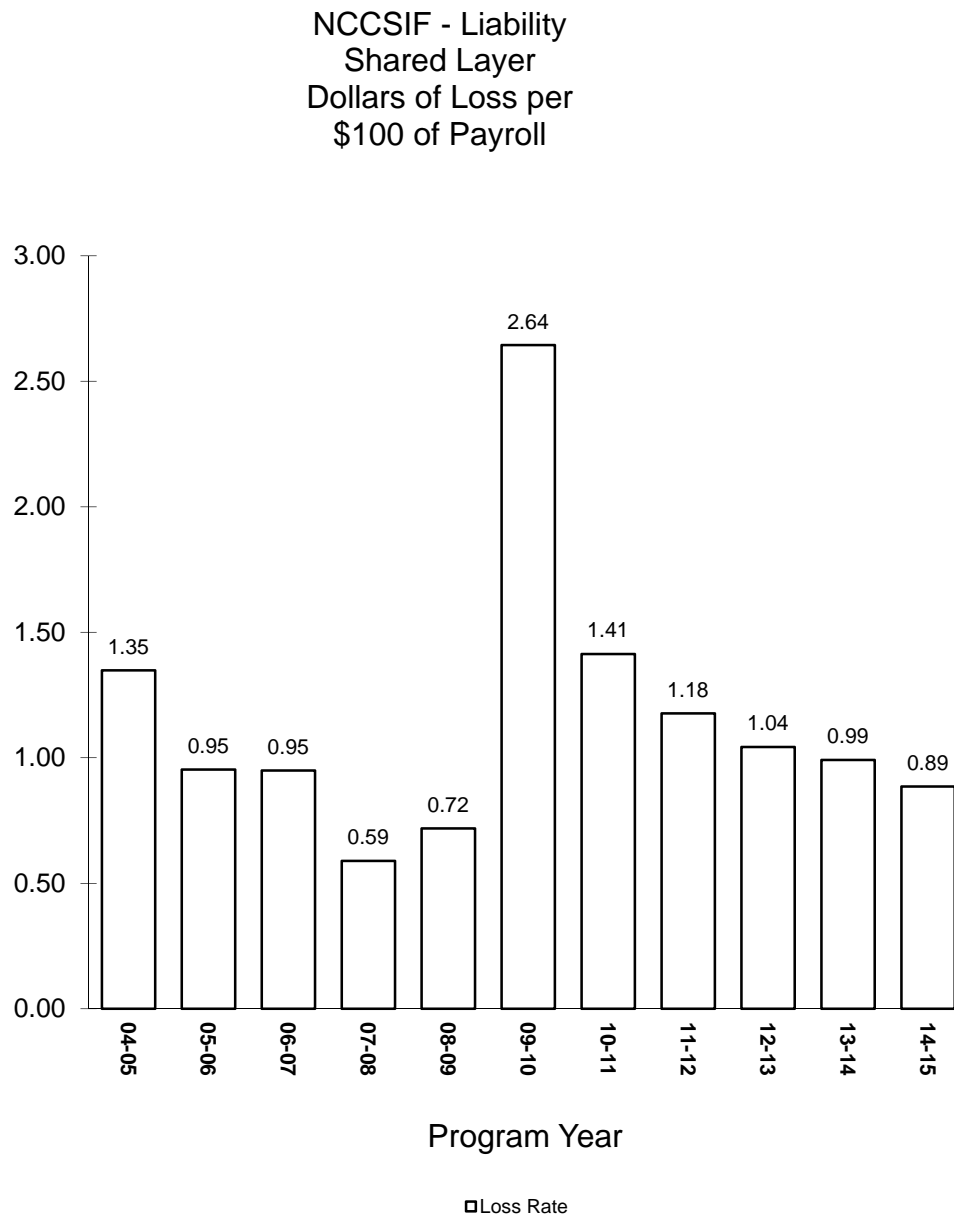
Graph 2b



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The shared layer loss rate per \$100 payroll has varied over the past ten years, typical for excess layers, with no apparent trend. The 2004-05 to 2006-07 years reflect the shared layer from \$25,000 to \$500,000 per occurrence, while the 2007-08 to 2012-13 years reflect the shared layer from \$50,000 to \$1,000,000 per occurrence. The 2013-14 and 2014-15 years reflect the shared layer from \$50,000 to \$500,000 per occurrence. See Graph 2c below.

Graph 2c

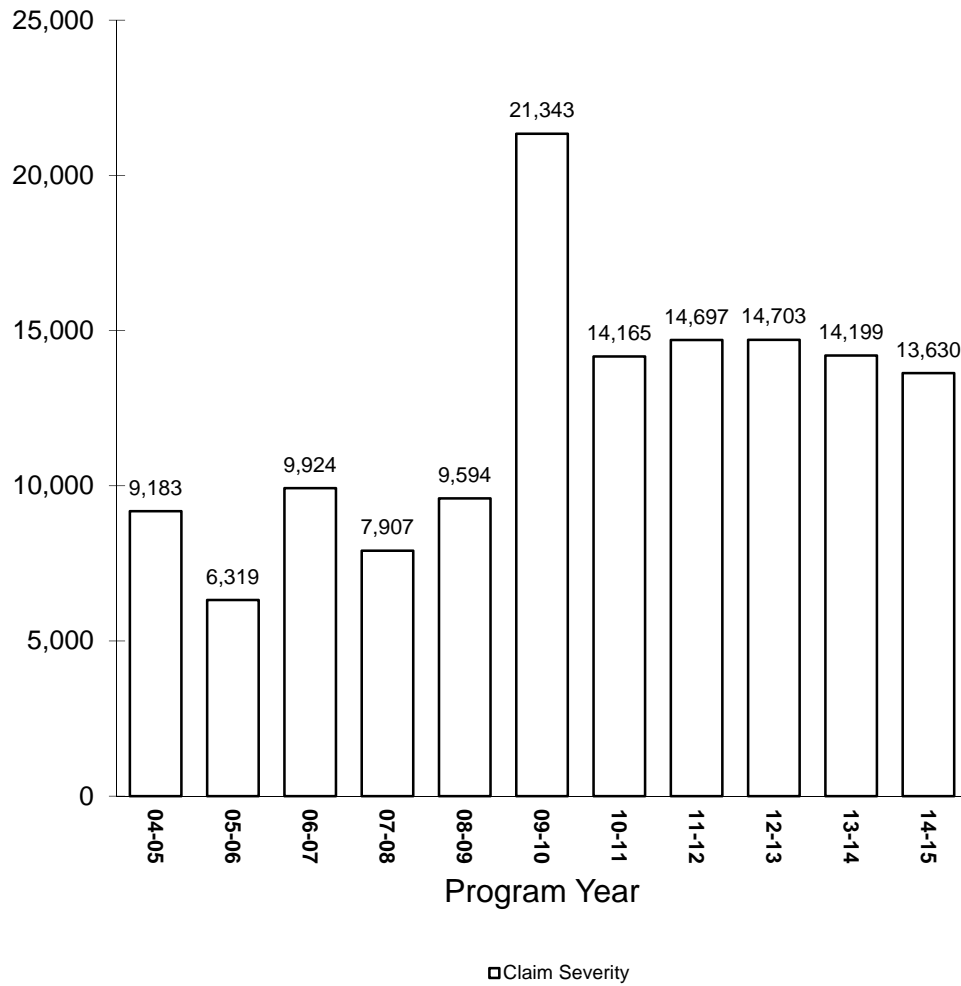


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The program's average cost per claim has been quite variable, but has followed a generally increasing trend over the past ten years, with recent years coming in particularly high. See Graph 3a below.

Graph 3a

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

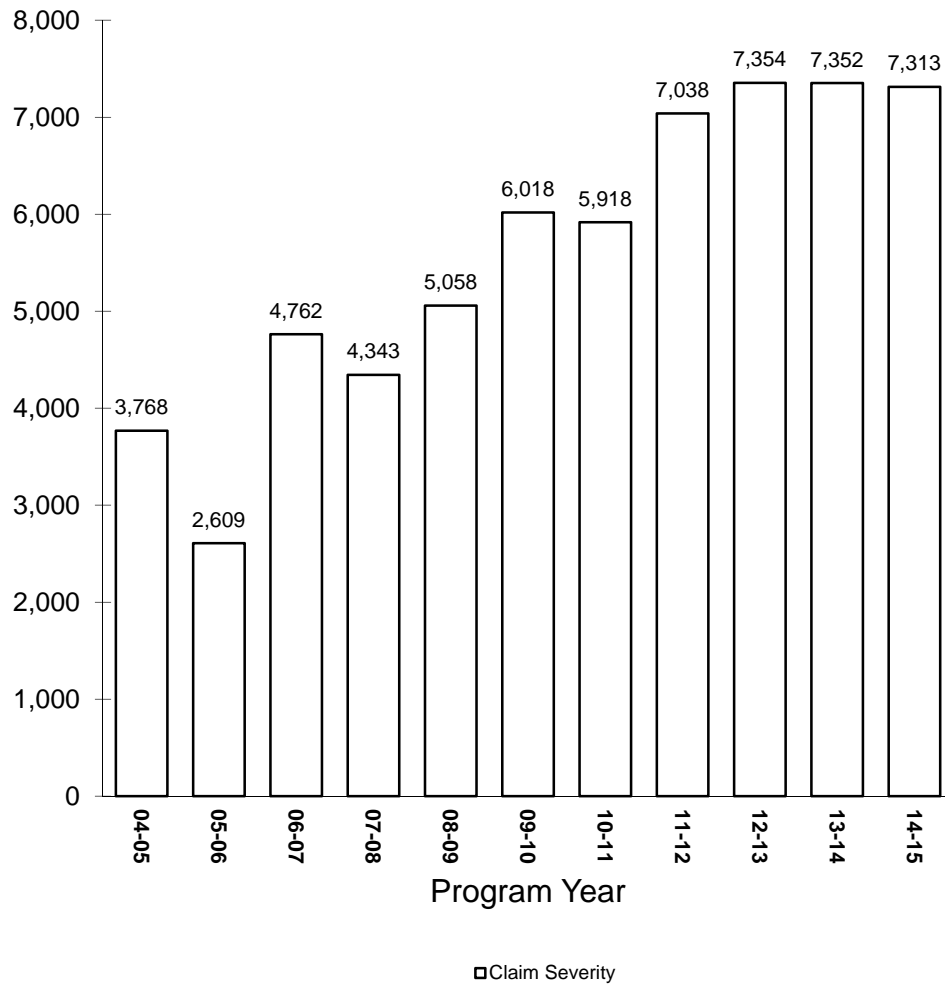


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The banking layer average cost per claim has followed a generally increasing trend over the past ten years, with relatively flat severity during the first four years, and a significantly increasing trend over the most recent six years. See Graph 3b below.

Graph 3b

**NCCSIF - Liability  
Banking Layer  
Dollars of Loss per Claim**

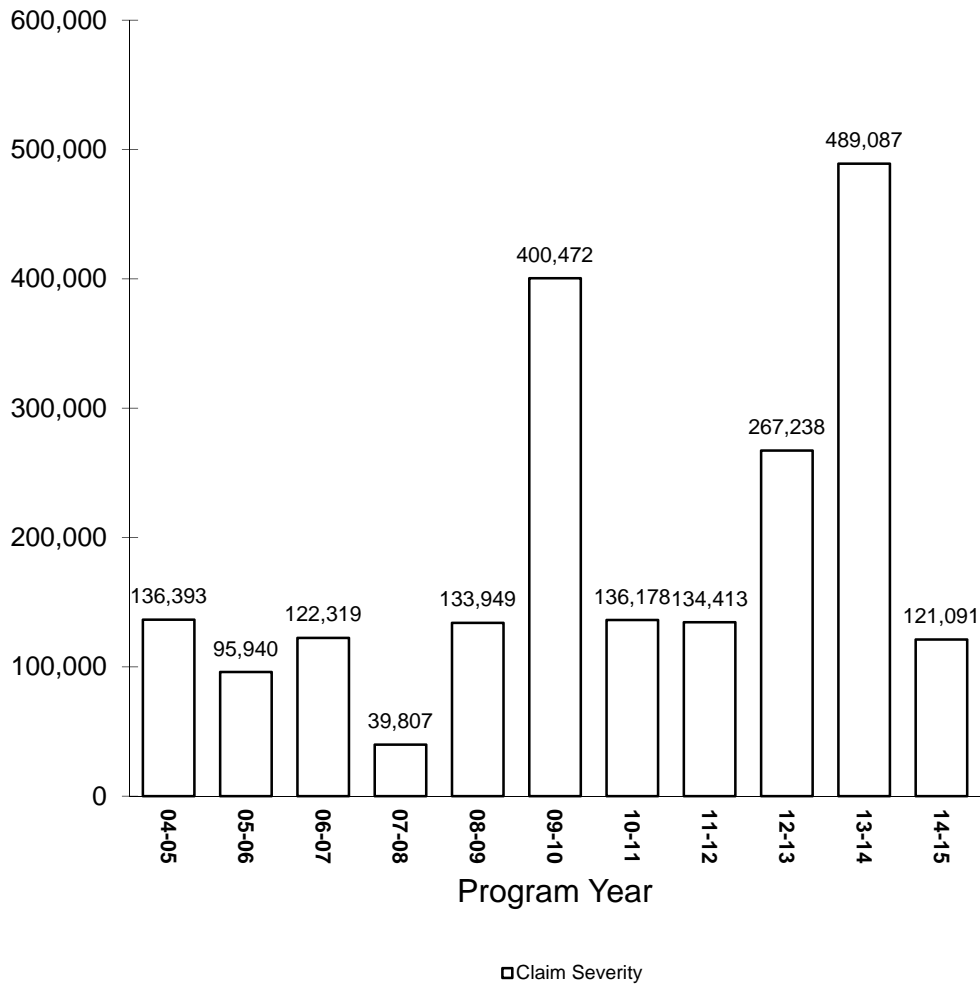


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The shared layer average cost per claim has seen dramatic variation over the last ten years. This is not unexpected since there are few claims in that layer each year; even one claim can have a significant impact. See Graph 3c below.

Graph 3c

**NCCSIF - Liability  
Shared Layer  
Dollars of Loss per Claim**

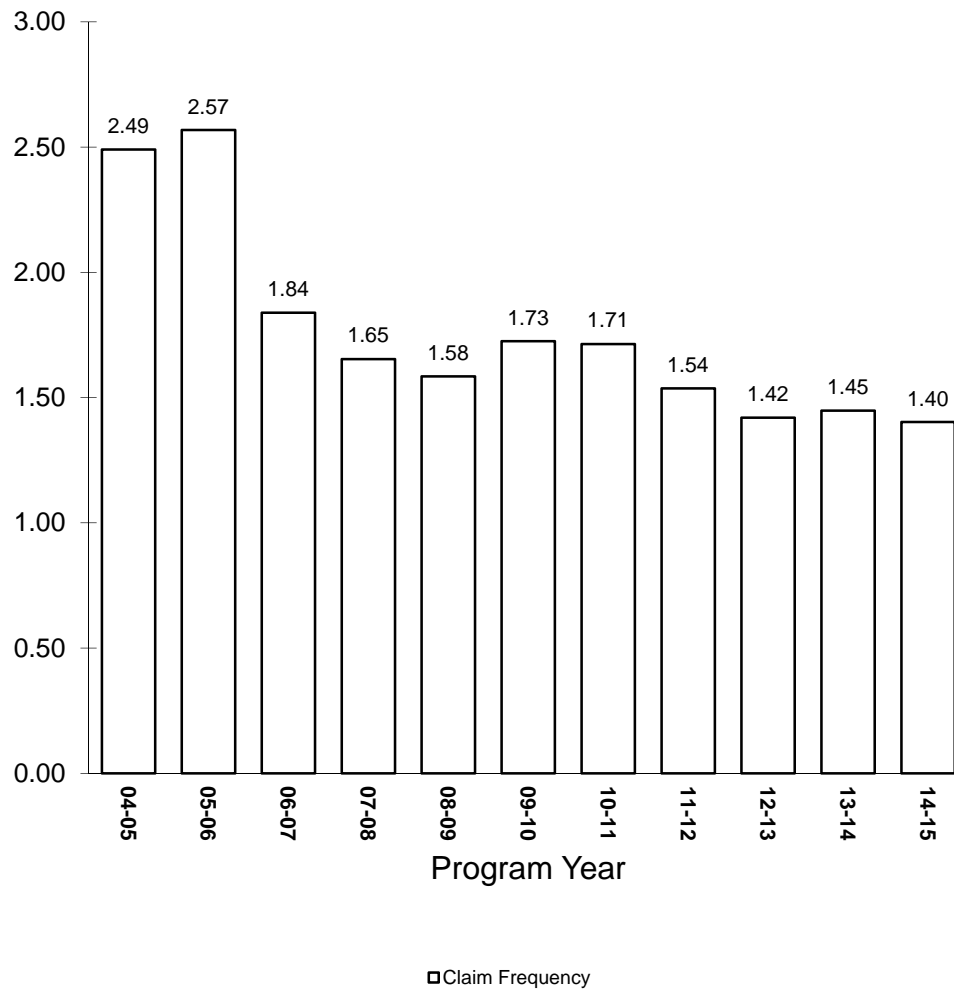


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The program's frequency of claims per \$1 million payroll has been generally decreasing over the past ten years. The projected 2014-15 frequency reflects that decreasing trend. See Graph 4a below. (Note that banking layer frequency is the same as shown below for the program.)

Graph 4a

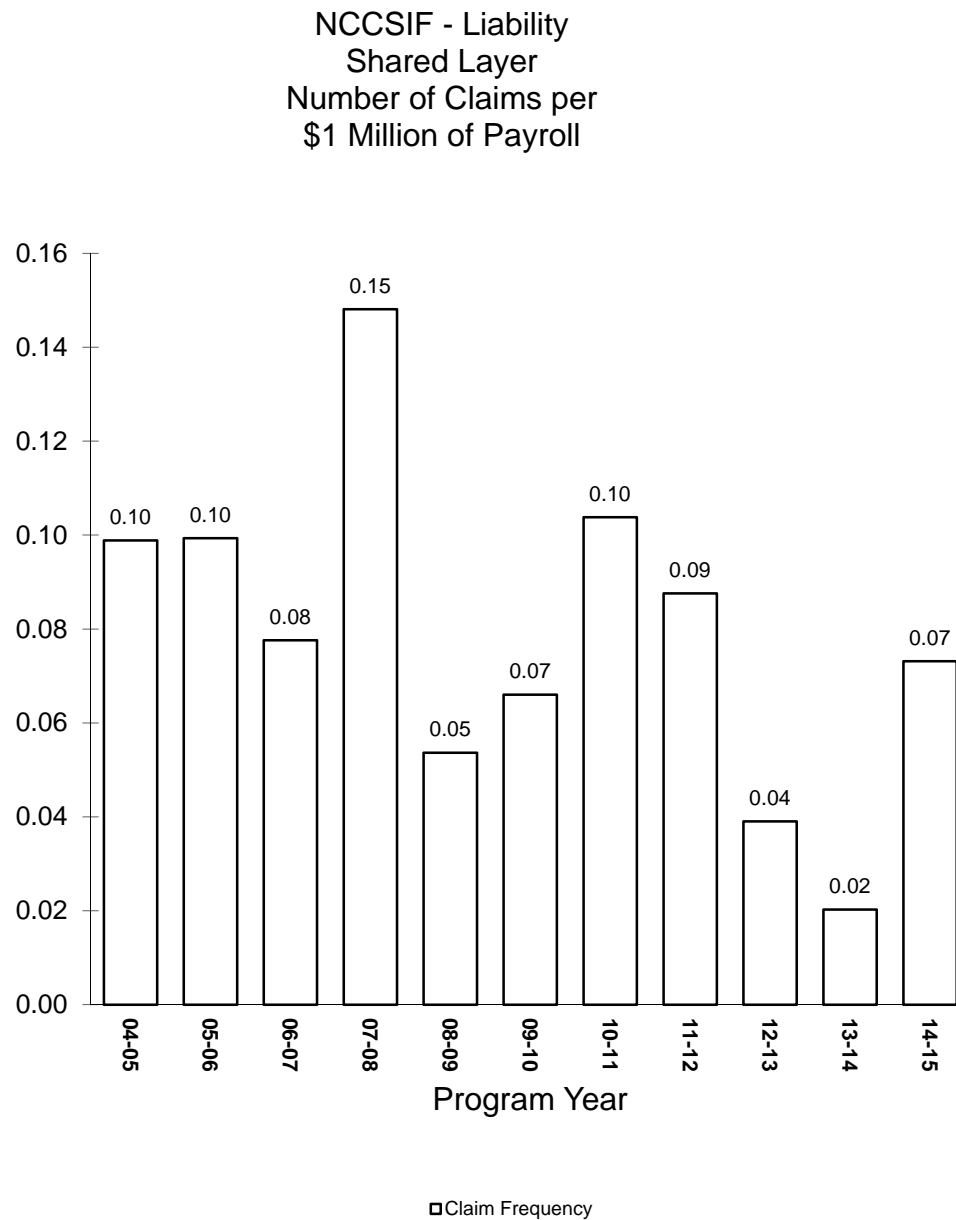
**NCCSIF - Liability  
Banking and Shared Layers Combined  
Number of Claims per  
\$1 Million of Payroll**



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The shared program's frequency of claims per \$1 million payroll has been generally decreasing over the past ten years. See Graph 4b below.

Graph 4b





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**D. COMPARISON WITH PREVIOUS RESULTS**

The prior report for Northern California Cities Self Insurance Fund was dated March 17, 2014. In the table below we display actual versus expected development of incurred losses and ALAE by accident year between the 12/31/2013 evaluation date of the prior report and the 12/31/2014 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	(\$3,514)	(\$3,514)
1994-95	0	0	0
1995-96	0	0	0
1996-97	1,000	0	(1,000)
1997-98	0	0	0
1998-99	0	0	0
1999-00	0	0	0
2000-01	0	0	0
2001-02	0	33	33
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	9,000	202,000	193,000
2008-09	15,000	143,536	128,536
2009-10	84,000	377,592	293,592
2010-11	70,000	(366,178)	(436,178)
2011-12	359,000	270,435	(88,565)
2012-13	588,000	230,549	(357,451)
2013-14	1,113,000	1,427,158	314,158
Total	\$2,239,000	\$2,281,611	\$42,611

\* 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 \$2,239,000 between the two evaluation dates. However, actual development was approximately \$2,282,000; or about \$43,000 more than expected.

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In the table below we display actual versus expected development of paid losses and ALAE by accident year between the 12/31/2013 evaluation date of the prior report and the 12/31/2014 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	\$4,000	\$105	(\$3,895)
1994-95	0	0	0
1995-96	0	0	0
1996-97	21,000	1,127	(19,873)
1997-98	0	0	0
1998-99	0	0	0
1999-00	0	0	0
2000-01	0	0	0
2001-02	0	33	33
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	48,000	52,545	4,545
2008-09	249,000	284,017	35,017
2009-10	467,000	119,780	(347,220)
2010-11	510,000	304,220	(205,780)
2011-12	654,000	255,602	(398,398)
2012-13	836,000	426,762	(409,238)
2013-14	633,000	453,795	(179,205)
Total	\$3,422,000	\$1,897,986	(\$1,524,014)

\* 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 \$3,422,000 between the two evaluation dates. However, actual development was approximately \$1,898,000; or about \$1,524,000 less than expected.

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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\***

Banking and Shared Layers Combined

Accident Year	Prior Report	Current Report	Change In Ultimate
Prior	\$7,467,248	\$7,463,310	(\$3,938)
1994-95	1,660,660	1,660,660	0
1995-96	1,333,617	1,333,617	0
1996-97	2,148,000	2,148,000	0
1997-98	2,915,348	2,915,348	0
1998-99	1,842,142	1,842,142	0
1999-00	2,774,466	2,774,466	0
2000-01	2,011,354	2,011,354	0
2001-02	2,038,259	2,038,292	33
2002-03	2,291,085	2,291,085	0
2003-04	2,053,756	2,053,756	0
2004-05	3,057,978	3,057,978	0
2005-06	2,337,873	2,337,873	0
2006-07	2,897,923	2,897,923	0
2007-08	2,091,000	2,285,000	194,000
2008-09	2,543,000	2,667,000	124,000
2009-10	5,615,000	5,912,000	297,000
2010-11	4,226,000	3,782,000	(444,000)
2011-12	3,530,000	3,439,000	(91,000)
2012-13	3,317,000	3,117,000	(200,000)
2013-14	2,830,000	3,067,000	237,000
Total	\$60,981,709	\$61,094,804	\$113,095

\* ULAE is included with Loss and ALAE

As shown, overall we have increased our estimated ultimates by \$113,000 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.

## DRAFT

At the time of the prior report, we estimated the liability for outstanding claims as of June 30, 2014 to be \$7,354,000 at the discounted, expected level. Our current estimate as of June 30, 2015, is \$8,113,000, 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, 2014	Current Report at June 30, 2015	Change
(A) Case Reserves:	\$4,509,000	\$5,282,000	\$773,000
(B) IBNR Reserves:	3,049,000	3,048,000	(1,000)
(C) Claims Administration (ULAE*):	0	0	0
(D) Total Reserves:	\$7,558,000	\$8,330,000	\$772,000
(E) Offset for Investment Income:	(204,000)	(217,000)	(13,000)
<b>(F) Total Outstanding Claim Liabilities:</b>	<b>\$7,354,000</b>	<b>\$8,113,000</b>	<b>\$759,000</b>

\* 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, 2014 and June 30, 2015 as reflected in our prior and current reports respectively.

The increase in claim reserves (case and IBNR) is driven primarily by a large increase in case reserves. Reserves for future claims administration expenses are included with Loss and ALAE, resulting in a \$772,000 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 \$759,000 in our estimate of outstanding claim liabilities for loss and LAE.

## DRAFT

At the time of the prior report, available assets were estimated to be \$8,624,000 as of June 30, 2014, which corresponded to the then-estimated discounted liability for outstanding claims between the 75% and 80% confidence levels. Available assets are currently estimated to be \$9,914,000 as of June 30, 2015, which corresponds to the currently estimated liability for outstanding claims at the 80% confidence level. It can be summarized as follows:

	Prior Report at June 30, 2014	Current Report at June 30, 2015	Change
(A) Outstanding Liability at the Discounted Expected Level:	\$7,354,000	\$8,113,000	\$759,000
(B) Estimated Assets At June 30:	8,624,000	9,914,000	1,290,000
<b>(C) Surplus/(Deficit):</b>	<b>\$1,270,000</b>	<b>\$1,801,000</b>	<b>\$531,000</b>

As you can see, our estimate of the program's funding margin at the discounted, expected level has increased by \$531,000 between June 30, 2014 (as previously estimated) and June 30, 2015 (as currently estimated). This is driven by an increase in the estimated fund assets between the two points, slightly offset by an increase in the estimated outstanding liability.

## DRAFT

At the time of the prior report, our funding estimate for the 2014-15 year was \$2,807,000 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 2015-16 year is \$2,910,000 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

	Prior Report 2014-15 Pool Limit = \$500,000	Current Report 2015-16 Pool Limit = \$500,000	Change
(A) Ultimate Loss and ALAE:	\$2,900,000	\$3,003,000	\$103,000
(B) Ultimate Claims Administration (ULAE):	0	0	0
(C) Total Claim Costs:	\$2,900,000	\$3,003,000	\$103,000
(D) Offset for Investment Income:	(93,000)	(93,000)	0
(E) Total Recommended Funding:	\$2,807,000	\$2,910,000	\$103,000
(F) Funding per \$100 of Payroll:	\$1.85	\$1.92	\$0.07

As you can see, our funding recommendations at the discounted, expected level have increased between 2014-15 and 2015-16, as shown in our prior and current reports respectively.

Our estimates of ultimate loss and ALAE have increased by \$103,000, driven primarily by adverse loss development. Investment income is expected to be same as prior. The net change due to the above factors is an overall increase of \$103,000 in our annual funding estimate for loss and LAE.

## **DRAFT**

### **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 2014-15 and 2015-16 (See Appendix K).
- We estimated the 6/30/2015 asset balance by beginning with the 12/31/2014 asset balance, and adjusting for anticipated revenue and expense for the second half of 2014-15 (see Appendix L).
- We received loss data evaluated as of 12/31/2014 (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 2015-16 will be \$151,680,000 based upon information provided by NCCSIF (See Appendix N).

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 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 cost 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 0.5% per year. We have assumed that claim severity increases at 3.0% 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.



## DRAFT

- 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 \$9,914,000 as of June 30, 2015 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.

## DRAFT

**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 - Liability

Funding Options for Program Year 2015-2016

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

Shared Layer Retention: \$500,000 (Including Folsom From \$100,000 - \$500,000)

	Total	Banking	Shared
(A) Estimated Ultimate Losses Incurred in Accident Year 2015-2016:	\$3,003,000	\$1,564,000	\$1,439,000
(B) Estimated Claims Administration Fees Incurred in Accident Year 2015-2016:	0	0	0
(C) Total Claims Costs Incurred in Accident Year 2015-2016: ((A) + (B))	\$3,003,000	\$1,564,000	\$1,439,000
(D) Anticipated Investment Income: ((C) x Average Discount Factor at 1.5%.	93,000	30,000	63,000
(E) Discounted Total Claims Costs Incurred in Accident Year 2015-2016: ((C) - (D))	\$2,910,000	\$1,534,000	\$1,376,000
(F) Rate per \$100 2015-2016 Payroll:	\$1.919	\$1.011	\$0.907
	Total	Banking	Shared
(G) Confidence Level Factor:			
60%	1.034	1.035	1.033
65%	1.098	1.098	1.098
67.5%	1.134	1.133	1.136
70%	1.170	1.168	1.172
75%	1.251	1.247	1.255
80%	1.347	1.341	1.354
85%	1.467	1.458	1.477
90%	1.627	1.615	1.641
(H) Total Required Funding for 2015-2016 Incurred Claims Costs ((E) * (G))			
60%	\$3,009,000	\$1,587,000	\$1,422,000
65%	3,195,000	1,684,000	1,511,000
67.5%	3,301,000	1,738,000	1,563,000
70%	3,405,000	1,792,000	1,613,000
75%	3,640,000	1,913,000	1,727,000
80%	3,920,000	2,057,000	1,863,000
85%	4,269,000	2,236,000	2,033,000
90%	4,735,000	2,477,000	2,258,000
(I) Funding Rates for 2015-2016 Incurred Claims Costs			
60%	\$1.984	\$1.046	\$0.938
65%	\$2.106	\$1.110	\$0.996
67.5%	\$2.176	\$1.146	\$1.030
70%	\$2.245	\$1.181	\$1.063
75%	\$2.400	\$1.261	\$1.139
80%	\$2.584	\$1.356	\$1.228
85%	\$2.814	\$1.474	\$1.340
90%	\$3.122	\$1.633	\$1.489

Rates based on 2015-2016 payroll of \$151,679,500



## DISTRIBUTION OF CJPRMA REFUND ALLOCATION

### ACTION ITEM

**ISSUE:** On an annual basis NCCSIF's excess coverage provider, CJPRMA, calculates their assets and liabilities for each Program Year and makes adjustments as needed. *This year NCCSIF has received a refund of \$251,186.* The Board needs to approve distribution of these funds.

**RECOMMENDATION:** The Executive Committee recommends applying the CJPRMA refund to the Liability Shared Risk Layer to offset the annual \$600,000 assessment the Board approved in 2013.

**FISCAL IMPACT:** TBD – allocation of \$251,186 as directed by members.

**BACKGROUND:** For the past nine years, CJPRMA has paid a refund to NCCSIF, ranging from \$40,000 to \$600,000.

CJPRMA has changed the method used to calculate yearly deposits, but NCCSIF still maintains a large surplus with CJPRMA; this means that for the next few years *NCCSIF will continue to receive refunds, but they will likely begin diminishing each year.* Historically, NCCSIF has used the CJPRMA refund to offset their Liability funding costs.

Our long term goal for the Liability Program is to maintain funds in accordance with our Target Equity Policy & Procedure # A-17. This P&P recommends a contingency fund at an amount equal to the 90% confidence level and to also have a Net Position to SIR ratio of 3 to 5 to 1.

Since the contingency margins were not met, in 2013 NCCSIF members agreed to use a portion of the CJPRMA refund annually to assist with the building of the contingency fund, in addition to assessments of up to \$600,000 per year. Last year the CJPRMA refund of \$399,360 was distributed 67% (\$267,571) to the Liability Shared Risk Layer and 33% (\$131,789) to the deposit calculation.

**ATTACHMENT(S):** None



## ANNUAL BANKING PLAN ADJUSTMENTS – LIABILITY PROGRAM

### 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.

**RECOMMENDATION:** The Executive Committee recommends the adjustments as presented, with a total of \$280,790 in refunds and \$181,502 in assessments.

**FISCAL IMPACT:** Jim Marta will discuss the fiscal impact during the meeting.

**BACKGROUND:** On an annual basis, in accordance with Policy and Procedure A-1, Banking Plan Fund Adjustments, the NCCSIF Board of Directors annually 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 last 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 only to members whose balances are above the required funding levels. The Board requested that the final revisions be provided at the next meeting.

### ATTACHMENT(S):

1. Liability Banking Layer Adjustments.
2. Revised P&P A-1, Banking Plan Fund Adjustments, redline version.

<b>Liability Banking Layer</b>											
Evaluation of Equity by member above 90% confidence level as of 12/31/14											
Adjusted Member Equity at 12/31/14	O/S @ Exp times 90% Factor	margin to 90% claims	10 x SIR Layer Allocated	Net margin above (below) 90% & 10 x SIR	Members above target amount Available	Limited Amount Available Above Target	100% Net Equity above pool 10xsir and 90% conf. level	50% Net Equity above pool 10xsir and 90% conf. level	35% Net Equity above pool 10xsir and 90% conf. level	\$10,000 or less assess 100%, else 20% Expected Assessment	
A	B	C	D	E	F	G	H	I	J	K	
	5640					<i>Limited to the net margin Above target total equals column E</i>					
	1.335										
ANDERSON	153,370	3,201	803	464.25	152,102	152,102			24,979	-	
AUBURN	88,401	68,225	17,120	9,896	61,385	61,385			10,081	-	
COLUSA	(75,859)	89,770	22,526	13,021	(111,407)	-	-	-	-	(22,281)	
CORNING	(114,289)	175,120	43,944	25,402	(183,635)	-	-	-	-	(36,727)	
DIXON	149,248	44,735	11,226	6,489	131,533	131,533			21,601	-	
FOLSOM	954,473	886,701	222,506	128,618	603,350	603,350			99,086	-	
GALT	144,778	137,855	34,593	19,996	90,189	90,189			14,811	-	
GRIDLEY	102,929	42,748	10,727	6,201	86,001	86,001			14,124	-	
IONE	8,193	6,729	1,688	976	5,528	5,528			908	-	
JACKSON	9,724	2,029	509	294	8,920	8,920			1,465	-	
LINCOLN	291,885	130,774	32,816	18,969	240,100	240,100			39,431	-	
MARYSVILLE	(229,180)	534,067	134,017	77,468	(440,664)	-	-	-	-	(88,133)	
OROVILLE	135,670	67,056	16,827	9,727	109,117	109,117			17,920	-	
PARADISE	58,469	237,805	59,674	34,494	(35,699)	-	-	-	-	(7,140)	
RED BLUFF	(20,180)	251,556	63,125	36,489	(119,793)	-	-	-	-	(23,959)	
RIO VISTA	55,722	5,941	1,491	862	53,370	53,370			8,765	-	
ROCKLIN	188,833	265,843	66,710	38,561	83,562	83,562			13,723	-	
WILLOWS	15,878	81,296	20,400	11,792	(16,314)	-	-	-	-	(3,263)	
YUBA CITY	249,180	415,586	104,286	60,282	84,613	84,613			13,896	-	
	2,167,243	3,447,036	864,987	500,000	802,257	1,709,769	802,257	-	-	280,790	(181,502)
					Margin to 90% conf. level		864,987				
					Plus 10x SIR		500,000				
					Total target equity		1,364,987				
					Amount above/(below) margin		802,257				

## ADMINISTRATIVE POLICY AND PROCEDURE #A-1

### SUBJECT: BANKING LAYER PLAN FUND ADJUSTMENTS

#### Policy Statement:

It shall be the policy of the Northern California Cities Self Insurance Fund to review annually each Program's financial status and evaluate the appropriateness of declaring either a refund or an assessment to Members.

When determined to be fiscally responsible by the Board of Directors, any adjustment shall be in accordance with the provisions outlined in this policy and procedure.

#### Provisions:

1. The refund/assessment calculations shall be performed annually and presented to the Board of Directors at its meeting in April.
2. The Net Assets, ~~Gross Assets~~Net Margin, Expected Liability, Buffer Allocation and Available Refund, as defined below, shall be used for purposes of calculating any adjustments.

Net Position~~Assets~~ is the amount of Net Position in the Financial Consultant's Financial Report at December 31 adjusted by the subsequent actuarial update for December 31.

Expected Liabilities are the Discounted Loss and Loss Adjustment Expenses (LAE) at the Expected Confidence Level at December 31, as calculated in the annual Actuarial Report.

Buffer Allocation ~~is the allocation among all banking Members with positive Gross Assets of the sum of the negative Gross Assets and 10 times the Banking Layer Retained Limit.~~

Net Margin ~~Gross Assets~~ ~~are is~~ the sum of the Net Assets minus the Expected Liabilities at the 90% Confidence Level plus the buffer allocation of 10 times the Banking Layer Retained Limit.

~~Buffer Allocation is the allocation among Members with positive Gross Assets of the sum of the negative Gross Assets and 10 times the Banking Layer Limit.~~

Available Refund is the excess of the amount above the Net Margin~~sum of Gross Assets~~ ~~minus the Buffer Allocation.~~



Assessments:

1. A Member with a negative ~~Gross-Assets~~Net Margin shall be required to pay twenty percent (20%) of the negative amount in two installments, due September 15 and December 15, in the calendar year in which the assessment is declared. If 20% of the negative ~~Gross-Assets~~Net Margin is less than \$10,000, then the full amount is due in the first installment of September 15, rather than two installments.
2. A Member failing to meet the payment schedule above shall be charged interest in the amount earned on funds deposited in LAIF.

Refunds:

1. A Member shall be eligible for a refund by meeting the following conditions:
  - A. Participation in the Program for three years
  - B. A positive Available Refund
2. The amount of the Available Refund distributed to Members will be determined annually by the Board of Directors.
3. Members may decline the refund and leave such funds or a portion of the funds in their Banking Layer.
4. Members may elect to allocate the remaining amount available as follows:
  - A. If funds are not being retained in their Banking Layer, then a negative balance in another Program must first be offset.
  - B. If not used for “3.” or “4.A.” above, remaining available funds, or any portion thereof, may be used to offset the next fiscal year deposits, used for Risk Management Grants, or may be requested in the form of a check.

<b>Effective Date:</b>	May 26, 1989
First Revision Date:	June 14, 1996
Second Revision Date:	June 13, 1997
Third Revision Date:	December 17, 1999
Fourth Revision Date:	December 15, 2000
Fifth Revision Date:	March 16, 2007
Sixth Revision Date:	December 13, 2007

Seventh Revision Date: April 25, 2008  
Eighth Revision Date: January 24, 2013  
Ninth Revision Date: October 9, 2014  
Tenth Revision Date: January 8, 2015



**ANNUAL SHARED RISK PLAN ADJUSTMENT  
LIABILITY PROGRAM**

**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.

Based on the review as of 12/31/14, the Fund has assets of \$7,661,993, just above the Outstanding Liabilities at an 80% Confidence Level (CL) but almost \$900,000 below the goal of a 90% CL plus 3-5 times the SIR of \$450,000.

**Members previously agreed to assess themselves \$600,000 per year for up to five years** to increase assets to meet target funding goals, and that is planned to continue this year. The attached provides the allocation of the assessment among the members, assuming members will agree to allocate all of this year's refund from CJPRMA to the assessment.

**RECOMMENDATION:** The scheduled Assessment of \$600,000 should continue, but be offset by the full amount of the CJPRMA refund.

**FISCAL IMPACT:** Total assessment of \$600,000.

**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 Fund Adjustments

Shared Risk Layer Plan Fund Adjustments - LIABILITY for 2014-15 Funding						
Total Assets as of 12/31/14*		Outstanding Liabilities @ Expected	Outstanding Liabilities @ 70%	Outstanding Liabilities @ 80%	Outstanding Liabilities @ 90%	Any surplus 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
						A-(C+G) or A-F
\$7,661,993		\$6,037,000	\$6,767,000	\$7,459,000	\$8,559,000	(\$897,007)
		\$ -		\$ 600,000		No refund available
Members	Historical Shared Layer Deposits 2000-2014	Total %		Assessment Allocation	Less CJPRMA Refund	Assessment Amount
Anderson	\$503,477	2.46%		\$ 14,779	(6,187)	\$ 8,592
Auburn	\$1,191,038	5.83%		\$ 34,963	(14,637)	\$ 20,326
Colusa	\$401,853	1.97%		\$ 11,796	(4,938)	\$ 6,858
Corning	\$510,682	2.50%		\$ 14,991	(6,276)	\$ 8,715
Dixon	\$1,027,244	5.03%		\$ 30,155	(12,624)	\$ 17,531
Elk Grove				\$ -	0	\$ -
Folsom	\$3,555,027	17.39%		\$ 104,357	(43,688)	\$ 60,669
Galt	\$1,397,138	6.84%		\$ 41,013	(17,170)	\$ 23,843
Gridley	\$521,454	2.55%		\$ 15,307	(6,408)	\$ 8,899
Ione	\$58,825	0.29%		\$ 1,727	(723)	\$ 1,004
Jackson	\$402,169	1.97%		\$ 11,806	(4,942)	\$ 6,863
Lincoln	\$1,602,550	7.84%		\$ 47,043	(19,694)	\$ 27,349
Marysville	\$979,290	4.79%		\$ 28,747	(12,035)	\$ 16,712
Oroville	\$1,380,085	6.75%		\$ 40,512	(16,960)	\$ 23,552
Paradise	\$901,252	4.41%		\$ 26,456	(11,076)	\$ 15,380
Red Bluff	\$1,261,185	6.17%		\$ 37,022	(15,499)	\$ 21,523
Rio Vista	\$465,938	2.28%		\$ 13,678	(5,726)	\$ 7,952
Rocklin	\$1,815,079	8.88%		\$ 53,281	(22,306)	\$ 30,975
Willows	\$237,315	1.16%		\$ 6,966	(2,916)	\$ 4,050
Yuba City	\$2,227,945	10.90%		\$ 65,401	(27,380)	\$ 38,021
						\$ -
<b>Total</b>	<b>\$20,439,546</b>	<b>100.00%</b>		<b>\$ 600,000</b>	<b>(251,186)</b>	<b>\$ 348,814</b>

\*Uses Total Assets at 12/31/14 from Quarterly Financial Statement

186791

-251186

\*\* Ione is in calculation but not eligible for refund until 2013.



**PRELIMINARY FY 15/16 DEPOSIT PREMIUM CALCULATIONS  
LIABILITY PROGRAM**

**ACTION ITEM**

**ISSUE:** Each year the Board reviews the actuary's recommended funding levels for the upcoming fiscal year and approves the Deposit Premium.

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

Total funding at a 67.5% Confidence Level (CL) for FY 15/16 is estimated at \$4,598,242, an increase of 7.5%.

The total is offset by \$110,517 from administration budget savings. Individual member increases are capped at 25%. **Payroll for the liability program remains flat.**

**RECOMMENDATION:** Fund at the 67.5% CL for FY 15/16.

**FISCAL IMPACT:** TBD

**BACKGROUND:** Members have increased the Confidence Level of annual funding from 60% CL to the current 65% C.L., with a goal of 70% C.L. 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.

**ATTACHMENTS:**

1. Preliminary FY 15/16 Liability Deposit Calculations at 65% and 67.5% CLs.
2. Summary of the adjustments and Net Deposits at the 65% and 67.5% CLs.

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND

LIABILITY PROGRAM

July 1, 2015 to June 30, 2016

Banking Shared

Funding Confidence Level: 65% 65%  
 Banking Layer Funding \$1,798,018  
 Shared Risk Layer Funding \$1,433,399

Discounting Rate 1.50%  
 CJPRMA Est. Contribution: \$854,092  
 Administrative Expenses: \$515,555

Capped Percentage 25%

MEMBER ENTITY	BANKING LAYER	SHARED RISK	CJPRMA CONTRIBUTION	ADMIN EXPENSE	ADMIN OFFSET	TOTAL DEPOSIT	LAST YEAR'S DEPOSIT	Total Deposit Perc Change	FINAL DEPOSIT	FINAL DEPOSIT	Final Deposit Perc Change
Anderson	\$32,519	\$34,042	\$17,205	\$16,607	(\$3,560)	\$96,813	\$94,604	2.33%	\$96,813	\$96,813	2.33%
Auburn	\$82,591	\$68,894	\$37,266	\$23,368	(\$5,009)	\$207,111	\$199,553	3.79%	\$207,111	\$207,111	3.79%
Colusa	\$15,736	\$20,882	\$10,098	\$13,969	(\$2,995)	\$57,691	\$59,198	-2.54%	\$57,691	\$57,691	-2.54%
Corning	\$29,643	\$32,921	\$16,579	\$15,808	(\$3,389)	\$91,561	\$81,354	12.55%	\$91,561	\$91,561	12.55%
Dixon	\$38,943	\$62,764	\$32,757	\$24,617	(\$5,277)	\$153,804	\$145,997	5.35%	\$153,804	\$153,804	5.35%
Elk Grove					\$0				\$0		
Folsom	\$532,990	\$241,564	\$205,474	\$96,838	(\$20,759)	\$1,056,107	\$1,015,443	4.00%	\$1,056,107	\$1,056,107	4.00%
Galt	\$131,547	\$114,080	\$57,340	\$28,603	(\$6,131)	\$325,439	\$319,080	1.99%	\$325,439	\$325,439	1.99%
Gridley	\$37,870	\$42,681	\$21,222	\$18,322	(\$3,928)	\$116,169	\$134,582	-13.68%	\$116,169	\$116,169	-13.68%
Ione	\$10,867	\$14,608	\$6,919	\$12,295	(\$2,636)	\$42,053	\$43,995	-4.42%	\$42,053	\$42,053	-4.42%
Jackson	\$41,649	\$24,576	\$14,859	\$14,012	(\$3,004)	\$92,092	\$75,300	22.30%	\$92,092	\$92,092	22.30%
Lincoln	\$144,468	\$124,640	\$66,858	\$33,307	(\$7,140)	\$362,132	\$329,823	9.80%	\$362,132	\$362,132	9.80%
Marysville	\$87,566	\$38,777	\$25,803	\$15,890	(\$3,406)	\$164,629	\$152,640	7.85%	\$164,629	\$164,629	7.85%
Oroville	\$66,316	\$73,130	\$35,520	\$25,497	(\$5,466)	\$194,998	\$199,495	-2.25%	\$194,998	\$194,998	-2.25%
Town of Paradise	\$50,909	\$43,772	\$23,319	\$17,934	(\$3,844)	\$132,090	\$145,491	-9.21%	\$132,090	\$132,090	-9.21%
Red Bluff	\$137,301	\$76,217	\$43,145	\$19,943	(\$4,275)	\$272,330	\$247,414	10.07%	\$272,330	\$272,330	10.07%
Rio Vista	\$23,061	\$31,738	\$15,936	\$15,638	(\$3,352)	\$83,020	\$77,942	6.52%	\$83,020	\$83,020	6.52%
Rocklin	\$154,175	\$184,146	\$102,314	\$53,960	(\$11,567)	\$483,028	\$438,975	10.04%	\$483,028	\$483,028	10.04%
Willows	\$12,729	\$23,051	\$10,485	\$13,541	(\$2,903)	\$56,904	\$50,107	13.57%	\$56,904	\$56,904	13.57%
Yuba City	\$167,139	\$180,915	\$110,993	\$55,406	(\$11,877)	\$502,576	\$466,811	7.66%	\$502,576	\$502,576	7.66%
<b>Total:</b>	<b>\$1,798,018</b>	<b>\$1,433,399</b>	<b>\$854,092</b>	<b>\$515,555</b>	<b>(\$110,517)</b>	<b>\$4,490,547</b>	<b>\$4,277,805</b>	<b>4.97%</b>	<b>\$ 4,490,547</b>	<b>\$4,490,547</b>	<b>4.97%</b>

**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND**

**LIABILITY PROGRAM**

**July 1, 2015 to June 30, 2016**

Banking                      Shared

**Funding Confidence Level: 67.5%**

Banking Layer Funding                      \$1,856,214  
 Shared Risk Layer Funding                      \$1,482,898

Discounting Rate    1.50%  
 CJPRMA Est. Contribution:                                      \$854,092  
 Administrative Expenses:                                      \$515,555

Capped  
 Percentage    25%

MEMBER ENTITY	BANKING LAYER	SHARED RISK	CJPRMA CONTRIBUTION	ADMIN EXPENSE	ADMIN OFFSET	TOTAL DEPOSIT	LAST YEAR'S DEPOSIT	Total Deposit Perc Change	FINAL DEPOSIT	Final Deposit Perc Change
Anderson	\$33,573	\$35,204	\$17,205	\$16,607	(\$3,560)	\$99,030	\$94,604	4.68%	\$99,033	4.7%
Auburn	\$85,270	\$71,246	\$37,266	\$23,368	(\$5,009)	\$212,141	\$199,553	6.31%	\$212,149	6.3%
Colusa	\$16,246	\$21,595	\$10,098	\$13,969	(\$2,995)	\$58,914	\$59,198	-0.48%	\$58,916	-0.5%
Corning	\$30,604	\$34,045	\$16,579	\$15,808	(\$3,389)	\$93,647	\$81,354	15.11%	\$93,650	15.1%
Dixon	\$40,206	\$64,906	\$32,757	\$24,617	(\$5,277)	\$157,210	\$145,997	7.68%	\$157,215	7.7%
Elk Grove					\$0					
Folsom	\$550,158	\$250,378	\$205,474	\$96,838	(\$20,759)	\$1,082,089	\$1,015,443	6.56%	\$1,082,127	6.6%
Galt	\$135,813	\$117,974	\$57,340	\$28,603	(\$6,131)	\$333,599	\$319,080	4.55%	\$333,611	4.6%
Gridley	\$39,099	\$44,138	\$21,222	\$18,322	(\$3,928)	\$118,854	\$134,582	-11.69%	\$118,858	-11.7%
Ione	\$11,219	\$15,107	\$6,919	\$12,295	(\$2,636)	\$42,904	\$43,995	-2.48%	\$42,906	-2.5%
Jackson	\$43,000	\$25,415	\$14,859	\$14,012	(\$3,004)	\$94,282	\$75,300	25.21%	\$94,125	25.0%
Lincoln	\$149,153	\$128,894	\$66,858	\$33,307	(\$7,140)	\$371,072	\$329,823	12.51%	\$371,085	12.5%
Marysville	\$90,406	\$40,101	\$25,803	\$15,890	(\$3,406)	\$168,793	\$152,640	10.58%	\$168,799	10.6%
Oroville	\$68,467	\$75,627	\$35,520	\$25,497	(\$5,466)	\$199,645	\$199,495	0.07%	\$199,652	0.1%
Town of Paradise	\$52,560	\$45,266	\$23,319	\$17,934	(\$3,844)	\$135,235	\$145,491	-7.05%	\$135,240	-7.0%
Red Bluff	\$141,754	\$78,818	\$43,145	\$19,943	(\$4,275)	\$279,385	\$247,414	12.92%	\$279,395	12.9%
Rio Vista	\$23,809	\$32,821	\$15,936	\$15,638	(\$3,352)	\$84,852	\$77,942	8.87%	\$84,855	8.9%
Rocklin	\$159,176	\$190,432	\$102,314	\$53,960	(\$11,567)	\$494,314	\$438,975	12.61%	\$494,332	12.6%
Willows	\$13,142	\$23,838	\$10,485	\$13,541	(\$2,903)	\$58,104	\$50,107	15.96%	\$58,106	16.0%
Yuba City	\$172,559	\$187,091	\$110,993	\$55,406	(\$11,877)	\$514,173	\$466,811	10.15%	\$514,191	10.1%
<b>Total:</b>	<b>\$1,856,214</b>	<b>\$1,482,898</b>	<b>\$854,092</b>	<b>\$515,555</b>	<b>(\$110,517)</b>	<b>\$4,598,242</b>	<b>\$4,277,805</b>	<b>7.49%</b>	<b>\$4,598,242</b>	<b>7.5%</b>

Liability Funding Options								
MEMBER ENTITY	65% Confidence Level		67.5% Confidence Level		Total Adjustments	Net 65% CL	Net 67.5% CL	Difference
	DEPOSIT	% Change	DEPOSIT	% Change				
Anderson	\$96,813	2.3%	\$99,033	4.7%	\$ (16,387)	\$80,426	\$82,646	\$ 2,220
Auburn	\$207,111	3.8%	\$212,149	6.3%	\$ 10,245	\$217,356	\$222,393	\$ 5,038
Colusa	\$57,691	-2.5%	\$58,916	-0.5%	\$ 29,139	\$86,830	\$88,055	\$ 1,225
Corning	\$91,561	12.5%	\$93,650	15.1%	\$ 45,442	\$137,004	\$139,092	\$ 2,088
Dixon	\$153,804	5.3%	\$157,215	7.7%	\$ (4,070)	\$149,734	\$153,145	\$ 3,411
Elk Grove					\$ -		\$0	\$ -
Folsom	\$1,056,107	4.0%	\$1,082,127	6.6%	\$ (38,417)	\$1,017,690	\$1,043,710	\$ 26,020
Galt	\$325,439	2.0%	\$333,611	4.6%	\$ 9,032	\$334,471	\$342,643	\$ 8,172
Gridley	\$116,169	-13.7%	\$118,858	-11.7%	\$ (5,225)	\$110,944	\$113,633	\$ 2,689
Ione	\$42,053	-4.4%	\$42,906	-2.5%	\$ 96	\$42,149	\$43,001	\$ 853
Jackson	\$92,092	22.3%	\$94,125	25.0%	\$ 5,398	\$97,491	\$99,523	\$ 2,032
Lincoln	\$362,132	9.8%	\$371,085	12.5%	\$ (12,082)	\$350,049	\$359,002	\$ 8,953
Marysville	\$164,629	7.9%	\$168,799	10.6%	\$ 104,845	\$269,474	\$273,644	\$ 4,170
Nevada City					\$ -		\$0	\$ -
Oroville	\$194,998	-2.3%	\$199,652	0.1%	\$ 5,632	\$200,630	\$205,284	\$ 4,654
Town of Paradise	\$132,090	-9.2%	\$135,240	-7.0%	\$ 22,520	\$154,610	\$157,760	\$ 3,150
Placerville					\$ -		\$0	\$ -
Red Bluff	\$272,330	10.1%	\$279,395	12.9%	\$ 45,482	\$317,812	\$324,877	\$ 7,065
Rio Vista	\$83,020	6.5%	\$84,855	8.9%	\$ (813)	\$82,207	\$84,041	\$ 1,834
Rocklin	\$483,028	10.0%	\$494,332	12.6%	\$ 17,252	\$500,280	\$511,584	\$ 11,304
Willows	\$56,904	13.6%	\$58,106	16.0%	\$ 7,313	\$64,217	\$65,419	\$ 1,202
Yuba City	\$502,576	7.7%	\$514,191	10.1%	\$ 24,125	\$526,702	\$538,316	\$ 11,615
<b>Total:</b>	<b>\$ 4,490,547</b>	<b>5.0%</b>	<b>4,598,242</b>	<b>7.5%</b>	<b>\$ 249,527</b>	<b>\$4,740,074</b>	<b>\$4,847,769</b>	<b>\$ 107,695</b>

Liability Program Adjustments			
MEMBER	Banking Layer Adjustments	Shared Layer Assessment	Total
Anderson	\$ (24,979)	\$ 8,592	\$ (16,387)
Auburn	\$ (10,081)	\$ 20,326	\$ 10,245
Colusa	\$ 22,281	\$ 6,858	\$ 29,139
Corning	\$ 36,727	\$ 8,715	\$ 45,442
Dixon	\$ (21,601)	\$ 17,531	\$ (4,070)
Elk Grove		\$ -	\$ -
Folsom	\$ (99,086)	\$ 60,669	\$ (38,417)
Galt	\$ (14,811)	\$ 23,843	\$ 9,032
Gridley	\$ (14,124)	\$ 8,899	\$ (5,225)
Ione	\$ (908)	\$ 1,004	\$ 96
Jackson	\$ (1,465)	\$ 6,863	\$ 5,398
Lincoln	\$ (39,431)	\$ 27,349	\$ (12,082)
Marysville	\$ 88,133	\$ 16,712	\$ 104,845
Nevada City	\$ -	\$ -	\$ -
Oroville	\$ (17,920)	\$ 23,552	\$ 5,632
Town of Paradise	\$ 7,140	\$ 15,380	\$ 22,520
Placerville	\$ -	\$ -	\$ -
Red Bluff	\$ 23,959	\$ 21,523	\$ 45,482
Rio Vista	\$ (8,765)	\$ 7,952	\$ (813)
Rocklin	\$ (13,723)	\$ 30,975	\$ 17,252
Willows	\$ 3,263	\$ 4,050	\$ 7,313
Yuba City	\$ (13,896)	\$ 38,021	\$ 24,125
<b>Total:</b>	<b>\$ (99,287)</b>	<b>\$ 348,814</b>	<b>\$ 249,527</b>





**ANNUAL BANKING PLAN ADJUSTMENTS – WORKERS’ COMPENSATION PROGRAM**

**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.

**RECOMMENDATION:** The Executive Committee recommends the adjustments as presented, with a total of \$765,299 in refunds and \$399,562 in assessments.

**FISCAL IMPACT:** Jim Marta will present and discuss the fiscal impact at the meeting.

**BACKGROUND:** On an annual basis, in accordance with Policy and Procedure A-1, Banking Plan Fund Adjustments, the NCCSIF Board of Directors annually 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 last 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.

**ATTACHMENT(S):** Workers’ Compensation Banking Layer Adjustments.

Workers Compensation Banking Layer

Evaluation of Equity by member above 90% confidence level as of 12/31/14

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

	Adjusted Net Position Equity at 12/31/14 <b>A</b>	O/S @ Exp times 90% Factor <b>B</b>	margin to 90% claims <b>C</b>	10 x SIR \$1M Layer Allocated <b>D</b>	Net Margin above (below) 90% and 10xSIR <b>E</b>	Members above target Amount Available <b>G</b>	Limited Amount Available Above target <b>H</b>	100% Net Equity above pool 10xsir and 90% conf. level <b>I</b>	50% Net Equity above pool 10xsir and 90% conf. level <b>J</b>	35% Net Equity above pool 10xsir and 90% conf. level <b>K</b>	<b>L</b>
		5530			A-C-D	Limited to the net margin Above target total equals column E					
ANDERSON	(264,068)	570,883	94,353	36,822	(395,243)	-	-	-	-	-	(79,049)
AUBURN	99,561	636,283	105,162	37,401	(43,002)	-	-	-	-	-	(8,600)
COLUSA	96,996	77,289	12,774	7,502	76,721	76,721	40,091	-	-	14,032	-
CORNING	113,476	168,783	27,896	12,581	72,999	72,999	38,146	-	-	13,351	-
DIXON	402,637	778,329	128,639	51,160	222,839	222,839	116,446	-	-	40,756	-
ELK GROVE	(173,630)	993,538	164,207	75,426	(413,263)	-	-	-	-	-	(82,653)
FOLSOM	1,817,029	4,406,579	728,299	257,062	831,668	831,668	434,592	-	-	152,107	-
GALT	463,465	739,352	122,197	46,133	295,135	295,135	154,224	-	-	53,979	-
GRIDLEY	386,603	70,216	11,605	5,836	369,162	369,162	192,908	-	-	67,518	-
IONE	104,802	9,125	1,508	1,353	101,941	101,941	53,270	-	-	18,644	-
JACKSON	246,376	116,447	19,246	7,799	219,331	219,331	114,612	-	-	40,114	-
LINCOLN	347,067	443,320	73,270	30,841	242,956	242,956	126,958	-	-	44,435	-
MARYSVILLE	170,932	901,640	149,019	52,837	(30,924)	-	-	-	-	-	(6,185)
NEVADA CITY	183,206	140,089	23,153	8,591	151,463	151,463	79,148	-	-	27,702	-
OROVILLE	338,674	290,809	48,064	19,838	270,772	270,772	141,493	-	-	49,523	-
PARADISE	177,875	749,307	123,842	44,912	9,121	9,121	4,766	-	-	1,668	-
PLACERVILLE	285,187	590,502	97,596	33,817	153,775	153,775	80,356	-	-	28,125	-
RED BLUFF	(442,979)	1,239,823	204,912	67,861	(715,752)	-	-	-	-	-	(143,150)
RIO VISTA	131,719	104,001	17,189	6,933	107,597	107,597	56,226	-	-	19,679	-
ROCKLIN	1,080,490	1,000,414	165,344	69,187	845,959	845,959	442,060	-	-	154,721	-
WILLOWS	244,348	136,600	22,577	8,831	212,940	212,940	111,273	-	-	38,946	-
YUBA CITY	15,103	1,799,720	297,450	117,279	(399,626)	-	-	-	-	-	(79,925)
	5,824,869	15,963,050	2,638,300	1,000,000	2,186,568	4,184,378	2,186,568	-	-	765,299	(399,562)
			Total								
			Margin to 90%		2,638,300						
			Plus 10x SIR		1,000,000						
			Total Target Margin		3,638,300						
			Amount above (below Margin)		2,186,568						-



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

**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.

Based on the review as of 12/31/14, the Fund has \$1,132,829 in excess of the minimum required assets, defined as outstanding liabilities at the 90% Confidence Level and five times the SIR of \$400,000. Please refer to the attached for details and discussion points, including how much of the available funds to disburse and using a portion to continue funding risk management grants.

**RECOMMENDATION:** Refund no more than 50% of the available amount and provide direction regarding allocation of a portion of the refund to risk management grants.

**FISCAL IMPACT:** TBD

**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. Members were previously provided an option of how much of the total refund they would take as a check, apply to their upcoming premium, and/or apply to risk management grants. This year the members are not given an option regarding the refund but are asked to determine how much to fund in risk management grants.

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

Shared Risk Layer Plan Fund Adjustments - Workers' Compensation for 2015 Distribtution							
Total Assets at 12/31/14	Previous Assessment (Refund)	Discounted Outstanding Liabilities @ Expected	Outstanding Liabilities @ 80%	Outstanding Liabilities @ 90%	5 times SIR		Available Refund
A	B	C	D	E	F		A-E
\$18,008,829		\$12,725,000	\$15,134,000	\$16,876,000	\$2,000,000		\$1,132,829
Recommended Refund of: \$		566,415			Recommended	50%	566,415
Members	Historical Shared Layer Contributions 1991-2014	Total %	Refund	Assessment	Less Risk Management Grants?	Risk Mgmt. Grants	
						250,000	
Anderson	\$1,002,349	2.88%	\$16,296		\$9,103	\$ 7,193	
Auburn	\$1,163,791	3.34%	\$18,921		\$10,570	\$ 8,351	
Colusa	\$756,421	2.17%	\$12,298		\$6,870	\$ 5,428	
Corning	\$765,024	2.20%	\$12,438		\$6,948	\$ 5,490	
Dixon	\$1,477,450	4.24%	\$24,020		\$13,418	\$ 10,602	
Elk Grove	\$784,465						
Folsom	\$8,040,060	23.08%	\$130,714		\$73,021	\$ 57,694	
Galt	\$2,311,463	6.63%	\$37,579		\$20,993	\$ 16,587	
Gridley	\$921,764	2.65%	\$14,986		\$8,372	\$ 6,614	
Ione	\$150,278	0.43%	\$2,443		\$1,365	\$ 1,078	
Jackson	\$597,107	1.71%	\$9,708		\$5,423	\$ 4,285	
Lincoln	\$1,404,447	4.03%	\$22,833		\$12,755	\$ 10,078	
Maysville	\$1,205,643	3.46%	\$19,601		\$10,950	\$ 8,651	
Nevada City	\$595,852	1.71%	\$9,687		\$5,412	\$ 4,276	
Oroville	\$1,715,428	4.92%	\$27,889		\$15,580	\$ 12,310	
Placerville	\$1,450,903	4.16%	\$23,589		\$13,177	\$ 10,411	
Paradise	\$1,544,124	4.43%	\$25,104		\$14,024	\$ 11,080	
Red Bluff	\$1,592,827	4.57%	\$25,896		\$14,466	\$ 11,430	
Rio Vista	\$856,274	2.46%	\$13,921		\$7,777	\$ 6,144	
Rocklin	\$3,184,513	9.14%	\$51,773		\$28,922	\$ 22,851	
Willows	\$997,320	2.86%	\$16,214		\$9,058	\$ 7,157	
Yuba City	\$3,106,345	8.92%	\$50,503		\$28,212	\$ 22,290	
Total	\$35,623,847	100.00%	\$566,415		\$316,415	\$ 250,000	

Total less Elk Grove \$34,839,382

Elk Grove is in calculations but is not eligible for dividend until 2016.



**PRELIMINARY FY 15/16 DEPOSIT PREMIUM CALCULATIONS –  
WORKERS’ COMPENSATION PROGRAM**

**ACTION ITEM**

**ISSUE:** Each year the Board reviews the actuary’s recommended funding levels for the upcoming fiscal year and approves the Deposit Premium.

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

Total funding at a 67.5% Confidence Level (CL) for FY 15/16 is estimated at \$9,958,106, an increase of 7.8%.

The total is offset by \$227,027 from administration budget savings. *Individual member increases are capped at 40%. This includes a payroll increase of 7%.*

**RECOMMENDATION:** Fund at a 67.5% CL for FY 15/16.

**FISCAL IMPACT:** TBD

**BACKGROUND:** Members have increased the Confidence Level of annual funding from 60% to the current 65% C.L., with a goal of 70% C.L. 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, driven more recently by an increase in payroll.

**ATTACHMENTS:**

1. Preliminary FY 15/16 Workers’ Compensation Deposit Calculations at 65% and 67.5% CLs.
2. Summary of the adjustments and Net Deposits at the 65% and 67.5% CLs.

**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND**

**WORKERS' COMPENSATION PROGRAM**

**July 1, 2015 to June 30, 2016**

	Banking	Shared								
<b>Funding Confidence Level:</b>	65%	65%			Discounting Factor	1.50%				<b>Capped</b>
Banking Layer Funding	\$5,239,028				CSAC-EIA Premium:	\$1,197,421				<b>Percentage</b>
Shared Risk Layer Funding	\$2,743,325				Administrative Expenses:	\$599,807				40%

MEMBER ENTITY	BANKING LAYER	SHARED RISK	CSAC Contribution	ADMIN EXPENSE	ADMIN OFFSET	TOTAL DEPOSIT	LAST YEAR'S DEPOSIT	Total Deposit Perc Change	FINAL DEPOSIT	Final Deposit Perc Change
Anderson	\$152,202	\$55,800	\$23,342	\$19,125	(\$7,239)	\$243,229	\$186,484	30.43%	\$243,854	30.76%
Auburn	\$187,522	\$79,432	\$49,978	\$22,872	(\$8,657)	\$331,147	\$301,163	9.96%	\$331,998	10.24%
Colusa	\$53,073	\$26,577	\$11,532	\$12,989	(\$4,916)	\$99,255	\$112,021	-11.40%	\$99,510	-11.17%
Corning	\$68,710	\$40,424	\$16,302	\$14,488	(\$5,484)	\$134,441	\$158,328	-15.09%	\$134,786	-14.87%
Dixon	\$186,844	\$105,618	\$48,566	\$23,927	(\$9,056)	\$355,899	\$350,265	1.61%	\$356,814	1.87%
Elk Grove	\$777,400	\$486,384	\$165,196	\$71,555	(\$27,084)	\$1,473,452	\$1,346,405	9.44%	\$1,477,239	9.72%
Folsom	\$1,078,547	\$505,976	\$241,198	\$88,923	(\$33,657)	\$1,880,987	\$1,910,228	-1.53%	\$1,885,821	-1.28%
Galt	\$204,820	\$122,766	\$48,115	\$25,445	(\$9,631)	\$391,515	\$373,542	4.81%	\$392,522	5.08%
Gridley	\$43,645	\$43,375	\$15,431	\$13,482	(\$5,103)	\$110,830	\$130,930	-15.35%	\$111,115	-15.13%
Ione	\$9,452	\$18,461	\$6,442	\$10,501	(\$3,975)	\$40,881	\$45,810	-10.76%	\$40,986	-10.53%
Jackson	\$41,485	\$25,040	\$12,558	\$12,459	(\$4,716)	\$86,826	\$147,128	-40.99%	\$87,049	-40.83%
Lincoln	\$356,572	\$180,567	\$90,427	\$36,471	(\$13,804)	\$650,233	\$573,909	13.30%	\$651,904	13.59%
Marysville	\$151,171	\$57,986	\$26,888	\$19,331	(\$7,317)	\$248,059	\$298,221	-16.82%	\$248,697	-16.61%
Nevada City	\$57,406	\$33,119	\$14,992	\$13,616	(\$5,154)	\$113,979	\$96,578	18.02%	\$114,272	18.32%
Oroville	\$140,806	\$91,932	\$37,241	\$20,816	(\$7,879)	\$282,917	\$301,463	-6.15%	\$283,644	-5.91%
Town of Paradise	\$115,662	\$55,623	\$20,623	\$17,398	(\$6,585)	\$202,721	\$237,561	-14.67%	\$203,242	-14.45%
Placerville	\$154,938	\$85,128	\$37,469	\$21,147	(\$8,004)	\$290,678	\$274,659	5.83%	\$291,425	6.10%
Red Bluff	\$316,993	\$98,780	\$47,494	\$29,278	(\$11,082)	\$481,464	\$327,249	47.12%	\$458,149	40.00%
Rio Vista	\$57,201	\$45,450	\$18,510	\$14,301	(\$5,413)	\$130,049	\$114,510	13.57%	\$130,383	13.86%
Rocklin	\$361,711	\$222,293	\$100,883	\$38,980	(\$14,754)	\$709,113	\$728,559	-2.67%	\$710,936	-2.42%
Willows	\$81,967	\$29,329	\$13,472	\$14,459	(\$5,473)	\$133,755	\$146,603	-8.76%	\$134,099	-8.53%
Yuba City	\$640,900	\$333,264	\$150,762	\$58,244	(\$22,045)	\$1,161,124	\$1,073,021	8.21%	\$1,164,108	8.49%
<b>Total</b>	<b>\$5,239,028</b>	<b>\$2,743,325</b>	<b>\$1,197,421</b>	<b>\$599,807</b>	<b>(\$227,027)</b>	<b>\$9,552,554</b>	<b>\$9,234,638</b>	<b>3.44%</b>	<b>\$9,552,554</b>	<b>3.44%</b>

**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND**  
**WORKERS' COMPENSATION PROGRAM**

**July 1, 2015 to June 30, 2016**

Banking                      Shared

**Funding Confidence Level: 67.55**

Banking Layer Funding                      \$5,455,453  
 Shared Risk Layer Funding                      \$2,932,452

Discounting Factor                      1.50%  
 CSAC-EIA Premium                      \$1,197,421  
 Administrative Exp                      \$599,807

**Capped  
 Percentage  
 40%**

MEMBER ENTITY	BANKING LAYER	SHARED RISK	CSAC Contribution	ADMIN EXPENSE	ADMIN OFFSET	TOTAL DEPOSIT	LAST YEAR'S DEPOSIT	Total Deposit Perc Change	FINAL DEPOSIT	Final Deposit Perc Change
Anderson	\$158,489	\$59,647	\$23,342	\$19,121	(\$7,237)	\$253,361	\$186,484	35.86%	<b>\$254,519</b>	36.48%
Auburn	\$195,268	\$84,908	\$49,978	\$22,839	(\$8,645)	\$344,349	\$301,163	14.34%	<b>\$345,922</b>	14.86%
Colusa	\$55,266	\$28,409	\$11,532	\$12,989	(\$4,916)	\$103,279	\$112,021	-7.80%	<b>\$103,751</b>	-7.38%
Corning	\$71,549	\$43,211	\$16,302	\$14,492	(\$5,485)	\$140,068	\$158,328	-11.53%	<b>\$140,708</b>	-11.13%
Dixon	\$194,563	\$112,900	\$48,566	\$23,924	(\$9,055)	\$370,897	\$350,265	5.89%	<b>\$372,592</b>	6.37%
Elk Grove	\$809,515	\$519,916	\$165,196	\$71,660	(\$27,123)	\$1,539,164	\$1,346,405	14.32%	<b>\$1,546,196</b>	14.84%
Folsom	\$1,123,102	\$540,858	\$241,198	\$88,872	(\$33,638)	\$1,960,392	\$1,910,228	2.63%	<b>\$1,969,349</b>	3.09%
Galt	\$213,281	\$131,230	\$48,115	\$25,458	(\$9,636)	\$408,449	\$373,542	9.34%	<b>\$410,315</b>	9.84%
Gridley	\$45,448	\$46,366	\$15,431	\$13,493	(\$5,107)	\$115,631	\$130,930	-11.69%	<b>\$116,159</b>	-11.28%
Ione	\$9,843	\$19,734	\$6,442	\$10,507	(\$3,977)	\$42,548	\$45,810	-7.12%	<b>\$42,743</b>	-6.70%
Jackson	\$43,198	\$26,766	\$12,558	\$12,457	(\$4,715)	\$90,264	\$147,128	-38.65%	<b>\$90,677</b>	-38.37%
Lincoln	\$371,302	\$193,016	\$90,427	\$36,448	(\$13,795)	\$677,397	\$573,909	18.03%	<b>\$680,492</b>	18.57%
Marysville	\$157,416	\$61,984	\$26,888	\$19,323	(\$7,314)	\$258,297	\$298,221	-13.39%	<b>\$259,477</b>	-12.99%
Nevada City	\$59,777	\$35,402	\$14,992	\$13,616	(\$5,154)	\$118,634	\$96,578	22.84%	<b>\$119,176</b>	23.40%
Oroville	\$146,623	\$98,270	\$37,241	\$20,826	(\$7,883)	\$295,078	\$301,463	-2.12%	<b>\$296,426</b>	-1.67%
Town of Paradise	\$120,440	\$59,458	\$20,623	\$17,404	(\$6,587)	\$211,337	\$237,561	-11.04%	<b>\$212,303</b>	-10.63%
Placerville	\$161,339	\$90,997	\$37,469	\$21,147	(\$8,004)	\$302,947	\$274,659	10.30%	<b>\$304,331</b>	10.80%
Red Bluff	\$330,088	\$105,590	\$47,494	\$29,254	(\$11,073)	\$501,354	\$327,249	53.20%	<b>\$458,149</b>	40.00%
Rio Vista	\$59,564	\$48,584	\$18,510	\$14,307	(\$5,415)	\$135,549	\$114,510	18.37%	<b>\$136,168</b>	18.91%
Rocklin	\$376,654	\$237,618	\$100,883	\$38,980	(\$14,754)	\$739,381	\$728,559	1.49%	<b>\$742,759</b>	1.95%
Willows	\$85,353	\$31,351	\$13,472	\$14,455	(\$5,471)	\$139,160	\$146,603	-5.08%	<b>\$139,796</b>	-4.64%
Yuba City	\$667,375	\$356,239	\$150,762	\$58,234	(\$22,041)	\$1,210,568	\$1,073,021	12.82%	<b>\$1,216,099</b>	13.33%
<b>Total</b>	<b>\$5,455,453</b>	<b>\$2,932,452</b>	<b>\$1,197,421</b>	<b>\$599,807</b>	<b>(\$227,027)</b>	<b>\$9,958,106</b>	<b>\$9,234,638</b>	<b>7.83%</b>	<b>\$9,958,106</b>	<b>7.83%</b>

NCCSIF Funding Options for FY 2015-16

Workers' Compensation Funding Options								
MEMBER ENTITY	65% Confidence Level		67.5% Confidence Level		Total Adjustments	Net 65% CL	Net 67.5% CL	Difference
	DEPOSIT	% Change	DEPOSIT	% Change				
Anderson	\$243,854	30.8%	\$254,877	36.7%	\$ 69,946	\$ 313,800	\$ 324,823	\$ 11,023
Auburn	\$331,998	10.2%	\$346,353	15.0%	\$ (1,970)	\$ 330,028	\$ 344,383	\$ 14,355
Colusa	\$99,510	-11.2%	\$103,991	-7.2%	\$ (20,902)	\$ 78,608	\$ 83,089	\$ 4,482
Corning	\$134,786	-14.9%	\$140,977	-11.0%	\$ (20,299)	\$ 114,487	\$ 120,678	\$ 6,191
Dixon	\$356,814	1.9%	\$373,043	6.5%	\$ (54,174)	\$ 302,640	\$ 318,869	\$ 16,230
Elk Grove	\$1,477,239	9.7%	\$1,547,570	14.9%	\$ 82,653	\$ 1,559,892	\$ 1,630,223	\$ 70,331
Folsom	\$1,885,821	-1.3%	\$1,971,056	3.2%	\$ (225,127)	\$ 1,660,694	\$ 1,745,929	\$ 85,234
Galt	\$392,522	5.1%	\$410,796	10.0%	\$ (74,971)	\$ 317,551	\$ 335,825	\$ 18,274
Gridley	\$111,115	-15.1%	\$116,409	-11.1%	\$ (75,890)	\$ 35,225	\$ 40,519	\$ 5,294
Ione	\$40,986	-10.5%	\$42,935	-6.3%	\$ (20,009)	\$ 20,977	\$ 22,926	\$ 1,949
Jackson	\$87,049	-40.8%	\$90,907	-38.2%	\$ (45,537)	\$ 41,512	\$ 45,370	\$ 3,858
Lincoln	\$651,904	13.6%	\$681,186	18.7%	\$ (57,190)	\$ 594,714	\$ 623,996	\$ 29,281
Marysville	\$248,697	-16.6%	\$259,840	-12.9%	\$ (4,765)	\$ 243,932	\$ 255,075	\$ 11,143
Nevada City	\$114,272	18.3%	\$119,428	23.7%	\$ (33,113)	\$ 81,159	\$ 86,315	\$ 5,156
Oroville	\$283,644	-5.9%	\$296,817	-1.5%	\$ (65,102)	\$ 218,542	\$ 231,715	\$ 13,173
Paradise	\$203,242	-14.4%	\$212,628	-10.5%	\$ (15,692)	\$ 187,550	\$ 196,936	\$ 9,386
Placerville	\$291,425	6.1%	\$304,729	10.9%	\$ (41,303)	\$ 250,122	\$ 263,426	\$ 13,304
Red Bluff	\$458,149	40.0%	\$458,149	40.0%	\$ 128,684	\$ 586,833	\$ 586,833	\$ -
Rio Vista	\$130,383	13.9%	\$136,434	19.1%	\$ (27,456)	\$ 102,927	\$ 108,978	\$ 6,051
Rocklin	\$710,936	-2.4%	\$743,501	2.1%	\$ (183,643)	\$ 527,293	\$ 559,858	\$ 32,566
Willows	\$134,099	-8.5%	\$140,065	-4.5%	\$ (48,003)	\$ 86,096	\$ 92,062	\$ 5,966
Yuba City	\$1,164,108	8.5%	\$1,217,214	13.4%	\$ 51,712	\$ 1,215,820	\$ 1,268,926	\$ 53,106
<b>Total:</b>	<b>\$ 9,552,554</b>	<b>3.4%</b>	<b>9,968,906</b>	<b>7.9%</b>	<b>\$ (682,151)</b>	<b>\$ 8,870,403</b>	<b>\$ 9,286,755</b>	<b>\$ 416,352</b>

Workers' Compensation Adjustments				
MEMBER	Banking Layer Adjustments	Shared Layer Adjustment	Risk Management Grant Fund	Total
Anderson	\$ 79,049	\$ (16,296)	\$ 7,193	\$ 69,946
Auburn	\$ 8,600	\$ (18,921)	\$ 8,351	\$ (1,970)
Colusa	\$ (14,032)	\$ (12,298)	\$ 5,428	\$ (20,902)
Corning	\$ (13,351)	\$ (12,438)	\$ 5,490	\$ (20,299)
Dixon	\$ (40,756)	\$ (24,020)	\$ 10,602	\$ (54,174)
Elk Grove	\$ 82,653	\$ -	\$ -	\$ 82,653
Folsom	\$ (152,107)	\$ (130,714)	\$ 57,694	\$ (225,127)
Galt	\$ (53,979)	\$ (37,579)	\$ 16,587	\$ (74,971)
Gridley	\$ (67,518)	\$ (14,986)	\$ 6,614	\$ (75,890)
Ione	\$ (18,644)	\$ (2,443)	\$ 1,078	\$ (20,009)
Jackson	\$ (40,114)	\$ (9,708)	\$ 4,285	\$ (45,537)
Lincoln	\$ (44,435)	\$ (22,833)	\$ 10,078	\$ (57,190)
Marysville	\$ 6,185	\$ (19,601)	\$ 8,651	\$ (4,765)
Nevada City	\$ (27,702)	\$ (9,687)	\$ 4,276	\$ (33,113)
Oroville	\$ (49,523)	\$ (27,889)	\$ 12,310	\$ (65,102)
Paradise	\$ (1,668)	\$ (25,104)	\$ 11,080	\$ (15,692)
Placerville	\$ (28,125)	\$ (23,589)	\$ 10,411	\$ (41,303)
Red Bluff	\$ 143,150	\$ (25,896)	\$ 11,430	\$ 128,684
Rio Vista	\$ (19,679)	\$ (13,921)	\$ 6,144	\$ (27,456)
Rocklin	\$ (154,721)	\$ (51,773)	\$ 22,851	\$ (183,643)
Willows	\$ (38,946)	\$ (16,214)	\$ 7,157	\$ (48,003)
Yuba City	\$ 79,925	\$ (50,503)	\$ 22,290	\$ 51,712
<b>Total:</b>	<b>\$ (365,738)</b>	<b>\$ (566,413)</b>	<b>\$ 250,000</b>	<b>\$ (682,151)</b>





## PROPERTY RENEWAL UPDATE

### INFORMATION ITEM

**ISSUE:** Members have been provided their current property schedules and asked to review and revise them as needed. Staff is still receiving updates from members and will provide the updated schedules and rates for FY 15/16 to the Executive Committee and Board of Directors when completed.

**RECOMMENDATION:** None. This is provided as information only.

**FISCAL IMPACT:** To be determined. The property market remains soft and **rates are not expected to increase more than 5%**. Member premiums may increase or decrease based on the amount of Total Insured Values (TIV) they report.

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

**ATTACHMENT(S):** None.



BACK TO AGENDA

**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
April 16, 2015**

**Agenda Item H.5.**

**CRIME POLICY RENEWAL UPDATE**

**INFORMATION ITEM**

**ISSUE:** NCCSIF's Crime policy (Bond) expires on July 1, 2015. Members have received Crime Renewal Applications and are asked to return them by April 15, 2015. Preliminary numbers are expected to be available by mid-May and will be presented to the Board of Directors for approval.

**RECOMMENDATION:** None. This information is provided as information only.

**FISCAL IMPACT:** TBD.

**BACKGROUND:** The NCCSIF Crime Policy is through National Union Fire Insurance Co. of Pittsburg. Chartis carries an A.M. Best rating of A, XV (\$2 billion or greater). Member costs are allocated based on number of employees.

**ATTACHMENT(S):** None.



## PRELIMINARY 2015/16 NCCSIF 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. We reviewed the budget to actual revenues provided by our accountant in creating the FY 2015/16 budget.

### ADMINISTRATIVE EXPENSES

- The Claims Audits – Every year either the Liability or Workers’ Compensation claims are audited. The Liability claims audit was performed in FY13/14 and will be conducted in FY15/16. Current costs of \$7,350 are allocated to the Workers’ Compensation Claims Audit.
- The Financial Audit amount has been increased in accordance with the current contract with Crowe Horwath
- Legal Services has increased from \$10,000 to \$13,000.
- Actuarial Services are included at \$6,800 for liability and \$5,000 for WC, including the \$2,000 credit we received from CSAC for the actuarial each year.
- NCCSIF is currently renewing their CAJPA accreditation with excellence. This cost occurs every three years.
- Fidelity Bonds are expected to remain the same at \$2,000. This is the bond for the JPA/Treasurer.
- Miscellaneous Consultants remains the same at \$5,000.
- Bickmore’s services have been broken out this year and have been increased from a total of \$160,220 to 164,720 to reflect a projected additional increase of 2%. Their agreement allows for annual adjustment.
- Lexipol Law Enforcement Policy Manual was increased from \$96,500 to \$101,500 to reflect current costs.
- Wellness was increased from \$14,150 to \$15,072 to reflect increase in new agreement with ACI.



**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
April 16, 2015**

- State Funding/Fraud Assessment has been increased from \$145,000 to \$165,000 in anticipation of 8% increase.
- Total Program Administration costs have been increased from \$351,826 to \$357,370 to anticipate increases in coverage renewals and the program administration agreement.

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

**FISCAL IMPACT:** Total administrative expenses are estimated to be \$1,134,262 compared to \$1,078,846 last year, an increase of 5.1%. Last year's increase was 0.01%

Total revenues are estimated at \$14,342,470 compared to \$14,651,448 last year, a decrease of 2.1%

**BACKGROUND:** None

**ATTACHMENT(S):** Preliminary FY 2015/16 NCCSIF Budget.

**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND**  
**PRELIMINARY DRAFT BUDGET**  
**July 1, 2015 to June 30, 2016**

CATEGORY		PRIOR YEAR	TOTAL	WORKERS' COMP.	LIABILITY	% Change	\$ Change
Chart of Acc't							
<b>REVENUES:</b>							
41010	Program Administration & Brokerage	\$ 351,826	\$ 357,370	\$ 165,425	\$ 191,945	1.6%	\$ 5,544
	Claims Administration	\$ 189,700	\$ 215,600	\$ 194,700	\$ 20,900	13.7%	\$ 25,900
	Admin, Safety & Board less Offset	\$ 297,320	\$ 221,248	\$ 23,455	\$ 197,793	-25.6%	\$ (76,072)
	Banking Layer Deposit	\$ 7,264,137	\$ 7,311,667	\$ 5,455,453	\$ 1,856,214	0.7%	\$ 47,530
	CJPRMA Refund Distribution	\$ (399,360)	\$ (251,186)	\$ -	\$ (251,186)	-37.1%	\$ 148,174
	Shared Risk Layer Deposit	\$ 4,149,424	\$ 4,415,350	\$ 2,932,452	\$ 1,482,898	6.4%	\$ 265,926
	Excess Coverage Deposit (CSAC and CJPRMA)	\$ 1,934,290	\$ 2,072,421	\$ 1,197,421	\$ 875,000	7.1%	\$ 138,131
	Group Purchase Coverages	\$ -	\$ -	\$ -	\$ -		\$ -
Est	Member Property	\$ 830,361	\$ 850,000	\$ -	\$ -	2.4%	\$ 19,639
Est	Member Crime	\$ 23,897	\$ 26,000	\$ -	\$ -	8.8%	\$ 2,103
Est	Member ID Fraud	\$ 9,853	\$ 16,000	\$ -	\$ -	62.4%	\$ 6,147
	<b>TOTAL REVENUES</b>	<b>\$ 14,651,448</b>	<b>\$ 14,342,470</b>	<b>\$ 9,968,906</b>	<b>\$ 4,373,564</b>	<b>-2.1%</b>	<b>\$ (308,978)</b>
							\$ -
	<b>Administrative Expenses:</b>						\$ -
52101	Claims Audit	\$ 7,350	\$ 5,000	\$ -	\$ 5,000	-32.0%	\$ (2,350)
52102	Financial Audit	\$ 27,000	\$ 26,100	\$ 13,050	\$ 13,050	-3.3%	\$ (900)
52103	Legal Services	\$ 10,000	\$ 13,000	\$ 3,000	\$ 10,000	30.0%	\$ 3,000
52104	Actuarial Review	\$ 10,500	\$ 11,800	\$ 5,000	\$ 6,800	12.4%	\$ 1,300
52106	CAJPA Accreditation (2017)	\$ -	\$ -	\$ -	\$ -		\$ -
52107	Employee Dishonesty Bonds	\$ 2,000	\$ 2,200	\$ 1,100	\$ 1,100	10.0%	\$ 200
52109	Misc. Consulting/Contingency	\$ 5,000	\$ 5,000	\$ 2,500	\$ 2,500	0.0%	\$ -
	<b>Total Administration Expenses</b>	<b>\$ 61,850</b>	<b>\$ 63,100</b>	<b>\$ 24,650</b>	<b>\$ 38,450</b>	<b>2.0%</b>	<b>\$ 1,250</b>
							\$ -
	<b>Safety Services:</b>						\$ -
52204	Bickmore Onsite Risk Assessments	\$ 63,000	\$ 67,500	\$ 36,000	\$ 31,500	7.1%	\$ 4,500
52204	Bickmore Police Risk Mgmt Comm Training	\$ 12,400	\$ 12,400	\$ 6,200	\$ 6,200	0.0%	\$ -
52204	Bickmore Risk Control Service Days	\$ 36,460	\$ 36,460	\$ 18,230	\$ 18,230	0.0%	\$ -
52204	Bickmore Phone Consultation	\$ 18,600	\$ 18,600	\$ 9,300	\$ 9,300	0.0%	\$ -
52204	Bickmore Newsletter	\$ 5,580	\$ 5,580	\$ 2,790	\$ 2,790	0.0%	\$ -
52204	Bickmore Safety Training Coordination	\$ 14,880	\$ 14,880	\$ 7,440	\$ 7,440	0.0%	\$ -
52204	Bickmore Meeting Preparation	\$ 9,300	\$ 9,300	\$ 4,650	\$ 4,650	0.0%	\$ -
	Total Bickmore Services = \$164,720						\$ -
52214	OCCUMED Occupational Health Consulting	\$ 18,000	\$ 18,000	\$ 18,000	\$ -	0.0%	\$ -
52215	Online Risk Management Services - TargetSolutions	\$ 14,000	\$ 14,000	\$ 7,000	\$ 7,000	0.0%	\$ -
52217	ACI - Wellness Optional	\$ 14,150	\$ 15,072	\$ 15,072	\$ -	6.5%	\$ 922
52201	Bickmore (Not part of contract) & Other Outside Training	\$ 30,000	\$ 30,000	\$ 15,000	\$ 15,000	0.0%	\$ -
52202	Risk Mgmt Comm Mtg Expense	\$ 1,000	\$ 9,300	\$ 4,650	\$ 4,650	830.0%	\$ 8,300
52207	Seminars and PARMA	\$ 72,600	\$ 72,600	\$ 40,000	\$ 32,600	0.0%	\$ -
52208	Lexipol Law Enforcement Policy Manual Updates DTBs	\$ 96,500	\$ 101,500	\$ 6,500	\$ 95,000	5.2%	\$ 5,000
52209	Police Risk Management Funds	\$ 50,000	\$ 50,000	\$ 25,000	\$ 25,000	0.0%	\$ -
	<b>Total Safety Services Expense</b>	<b>\$ 456,470</b>	<b>\$ 475,192</b>	<b>\$ 215,832</b>	<b>\$ 259,360</b>	<b>4.1%</b>	<b>\$ 18,722</b>
							\$ -
	<b>Claims Administration</b>						\$ -
52302	Claims Administration Fee**(Adjusting Paid through claims costs)	\$ 19,800	\$ 50,600	\$ 29,700	\$ 20,900	155.6%	\$ 30,800
52303	Fraud Hotline	\$ -	\$ -	\$ -	\$ -		\$ -
52305	MPN Services*	\$ 24,900	\$ -	\$ -	\$ -	-100.0%	\$ (24,900)
52304	State Funding/Fraud Assessment	\$ 145,000	\$ 165,000	\$ 165,000	\$ -	13.8%	\$ 20,000
	<b>Total Claims Admin Expenses</b>	<b>\$ 189,700</b>	<b>\$ 215,600</b>	<b>\$ 194,700</b>	<b>\$ 20,900</b>	<b>13.7%</b>	<b>\$ 25,900</b>
	*MPN services are based on all members using program.						\$ -
							\$ -
	<b>Program Administration</b>						\$ -
52401	Program Administration Fee	\$ 286,000	\$ 291,720	\$ 132,600	\$ 159,120	2.0%	\$ 5,720
52403	Accounting Services	\$ 65,826	\$ 65,650	\$ 32,825	\$ 32,825	-0.3%	\$ (176)
	<b>Total Program Admin Expenses</b>	<b>\$ 351,826</b>	<b>\$ 357,370</b>	<b>\$ 165,425</b>	<b>\$ 191,945</b>	<b>1.6%</b>	<b>\$ 5,544</b>
							\$ -
	<b>Board Expenses</b>						\$ -
52501	Executive Committee	\$ 3,000	\$ 3,000	\$ 1,500	\$ 1,500	0.0%	\$ -
52502	Executive Committee Member Travel	\$ 2,000	\$ 3,000	\$ 1,500	\$ 1,500	50.0%	\$ 1,000
52503	Board of Directors Meetings (includes Travel)	\$ 5,000	\$ 8,000	\$ 2,500	\$ 3,000	60.0%	\$ 3,000
XXXXX	Board of Directors Long Range Planning Session (every 3 years, 201	\$ 5,000	\$ 5,000	\$ 2,500	\$ 2,500	0.0%	\$ -
52504	Association Memberships (PARMA, CAJPA, AGRIP)	\$ 4,000	\$ 4,000	\$ 2,000	\$ 2,000	0.0%	\$ -
	<b>Total Board Expenses</b>	<b>\$ 19,000</b>	<b>\$ 23,000</b>	<b>\$ 10,000</b>	<b>\$ 10,500</b>	<b>21.1%</b>	<b>\$ 4,000</b>
							\$ -
	<b>Other Administration Expenses - Not identified with above budget line items</b>						\$ -
52000	Administrative Expense	\$ -	\$ -	\$ -	\$ -		\$ -
52001	Administration Expense - Other	\$ -	\$ -	\$ -	\$ -		\$ -
	Total Other Admin	\$ -	\$ -	\$ -	\$ -		\$ -
							\$ -
	<b>Total Admin Expenses</b>	<b>\$ 1,078,846</b>	<b>\$ 1,134,262</b>	<b>\$ 610,607</b>	<b>\$ 521,155</b>	<b>5.1%</b>	<b>\$ 55,416</b>
	<b>Net Loss/Admin Surplus Offset</b>			\$ (227,027)	\$ (110,517)		
				<b>\$ 383,580</b>	<b>\$ 410,638</b>		



## UPDATES TO LIST OF APPROVED COUNSEL

### ACTION ITEM

**ISSUE:** The list of approved counsel is reviewed periodically and amended as needed based on requests and feedback from members, claims administrator, and program administrator. Revisions to the Liability defense counsel list have been reviewed and approved by the Claims Committee with the exception of the Arthoffer & Tonkin firm, requested by Cameron Dewey to have another firm in the Redding area.

**RECOMMENDATION:** Approve recommended revisions and additions to the list of approved liability legal counsel.

**FISCAL IMPACT:** None.

**BACKGROUND:** NCCSIF has an approved Policy & Procedure (#A9) regarding Defense Counsel Selection that restricts us of attorneys to the Approved List. Requests for revisions to the Approved List must be approved by the Claims Committee. The Committee has recommended revisions the approved liability counsel list and is in the process of reviewing the policy to determine if revisions are needed to clarify use of associates and use of a firm versus individuals on the list.

### ATTACHMENT(S):

1. Suggested revisions to Approved list of Liability Defense Counsel
2. C.V. for Cota Cole, LLP
3. C.V. for Allen, Glaessner, Hazelwood & Werth, LLP
4. C.V. for Arthoffer & Tonkin Law Firm

**ADMINISTRATIVE POLICY & PROCEDURE #A-9**

**ATTACHMENT A**

**LIABILITY  
Approved Law Firms**

Name of Law Firm	Attorneys	Areas of Expertise
Angelo, Kilday & Kilduff 601 University Avenue, Suite 150 Sacramento, CA 95825 (916) 564-6100	Bruce A. Kilday Carolee Kilduff Larry Angelo Serena Sanders Carrie Frederickson Corri Sarno Alex Hughes	Police Liability, General Liability, Auto, Personnel, Heavy Trial Experience
Ayers & Associates 930 Executive Way Suite 200 Redding, CA 96002 (530) 229-1340	William Ayers	Dangerous Condition, Auto, General Liability, Environmental Liability
<del>Barkett and Gumpert 2862 Arden Way, Suite 101 Sacramento, CA 95828 (916) 481-3683 Fax: (916) 481-3948</del> <b>Out of Business</b>	<del>Frank Gumpert</del>	<del>Dangerous Condition, Police, Civil Rights, Inverse Condemnation, Auto General Liability, Heavy to Light Trial Experience</del>
Bertrand, Fox, Elliott et al 2749 Hyde Street San Francisco, CA 94109 (415) 353-0999	Eugene Elliott	
<del>Gary Brickwood Brickwood, Olmstead &amp; Underwood 1135 Pine Street, #210 Redding, CA 96001 (530) 245-1877</del>	<del>Gary Brickwood</del>	<del>Police, Auto, Dangerous Conditions</del> <b>No longer use</b>
<del>Caulfield <b>Law Firm</b>, Davies and Donahue 3500 American River Drive Sacramento, CA 95864 (916) 487-7700 Fax: (916) 487-7091</del> <b>1101 Investment Blvd Ste 120 El Dorado Hills, CA 95762 (916) 933-3200</b>	<del>Rich Caulfield Brian Hayden (P.E., J.D.) Robert E. Davies Andrew Caulfield</del>	Same as above, with Construction Defect, Heavy to Medium Trial Experience
<b>Donahue Davies LLP 1 Natoma Street Folsom, CA 95630 (916) 817-2900</b>	<b>Robert E Davies Brian Hayden</b>	

**ADMINISTRATIVE POLICY & PROCEDURE #A-9**

Name of Law Firm	Attorneys	Areas of Expertise
<p>Gregory P. Einhorn 48 Hanover Lane, Suite 2 Chico, CA 95973 (530) 898-0228 — <b>NO LONGER USE</b></p>	<p>Gregory P. Einhorn</p>	<p>Employment Law, General Liability, Municipal</p>
<p>Dennis Halsey, Esq. Attorney at Law 9 Highland Circle Chico, CA 95926 (530) 345-1976 Fax: (530) 894-7783</p>	<p>Dennis Halsey</p>	<p>Dangerous Condition, Police Liability, Auto, General Liability, Medium Train Experience</p>
<p>Kronick, Moskovitz Tiedemann &amp; Girard 400 Capitol Mall, 27<sup>th</sup> Floor Sacramento, CA 95814</p>	<p>Ronald Scholar  Bruce A. Scheidt *</p>	<p>Civil Rights, California Fair Employment and Housing, Tort Claims, California Public Records</p>
<p>Peters, Rush, Habib &amp; McKenna P.O. Box 3509 Chico, CA 95927 (530) 342-3593</p>	<p>Dave Rush Mark Habib Jim McKenna</p>	<p>Dangerous Condition, Police Liability, General Liability, Auto, Good Trial Experience</p>
<p>Porter Scott <del>Weiberg &amp; Delehant</del> P.O. Box 255428 Sacramento, CA 95865 (916) 929-1481 Fax: (916) 927-3706</p>	<p>Nancy Sheehan <del>Michael Pott</del> John Whitefleet <del>Clayton Cook</del> <del>Katherine Mola</del> Kevin Kreutz Terry Cassidy Carl L. Fessenden Steve Horan Russell Porter <del>Russ Wunderli</del></p>	<p>Police, Civil Rights, Dangerous Condition, Inverse Condemnation, Auto, General Liability, Heavy to Light Trial Experience</p>
<p>Matheny Sears Linkert &amp; Jaime, LLP 3638 American River Drive Sacramento, CA 95864 (916) 978-3434 Fax: (916) 978-3430</p>	<p>Matthew Jaime Douglas Sears Richard Linkert Michael Bishop</p>	
<p>Justin N. Tierney 1006 Fourth Street, Suite 212 Sacramento, CA 95814</p>	<p>Justin N. Tierney</p>	<p>Dangerous Condition, Auto, Medium Trial Experience</p>



## ADMINISTRATIVE POLICY & PROCEDURE #A-9

Name of Law Firm	Attorneys	Areas of Expertise
The Law Office of James A. Wyatt 2130 Eureka Way Redding, CA 96001 (530) 244-6060 P.O. Box 992338 Redding, CA 96099-2338	James A. Wyatt**	Dangerous Condition, Civil Rights, Police, Wrongful Termination, Auto Liability, Labor Law, Heavy Trial Experience
Murphy, Campbell, Alliston & Quinn, PLC. 8801 Folsom Boulevard, Suite 230 Sacramento, CA 95826 (916) 400-2300	Stephanie L. Quinn	Auto, Wrongful Deaths, Slip and falls, Fire and Trespassing Experience
<u>Cota Cole LLP</u> <u>2261 Lava Ridge Court</u> <u>Roseville, CA 95661</u> <u>916-780-9009</u>	<u>Dennis Cota</u> <u>Derek Cole</u> <u>Daniel King</u>	<u>Land Use, civil rights, environmental issues.</u>
<u>Allen, Glaessner, Hazelwood, Werth</u> <u>180 Montgomery Street, Ste. 1200</u> <u>San Francisco, CA 94104</u> <u>415-697-2000</u>	<u>Dale Allen</u> <u>Mark Hazelwood</u> <u>Steve Werth</u>	<u>Police liability, ADA, sidewalk, employment practices, general municipal liability</u>
<u>Arthofer &amp; Tonkin Law Offices</u> <u>1314 Oregon Street</u> <u>Redding, CA 96001</u> <u>(530) 722-9002</u>	<u>Kenneth Arthofer</u> <u>Griffith Tonkin</u>	<u>Public entity, injury, real estate.</u>
Law Office of Douglas Thorn 7601 Watson Way Citrus Heights, CA 95610 (916) 735-9910 drthorn@surewest.net	Douglas Thorn	EPL - Paradise

\* Bruce A. Scheidt will be used only as respects the Eaton vs. Rocklin litigation.

\*\* Do not use for Red Bluff or CJPRMA cases

**ADD EDITION DATE, eg. March 2015**

## Marcus Beverly

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**To:** Elizabeth M. Ehrenstrom; russell.hildebrand@rocklin.ca.us  
**Subject:** RE: NCCSIF Approved Attorney List Update

**From:** Elizabeth M. Ehrenstrom [mailto:ehrenstromem@cityoforoville.org]  
**Sent:** Tuesday, March 10, 2015 11:33 AM  
**To:** Marcus Beverly; russell.hildebrand@rocklin.ca.us  
**Subject:** FW: NCCSIF Approved Attorney List Update  
**Importance:** High

Hi Marcus and Russ,

Cota Cole Law firm would like to be on our approved list of attorneys. Please consider adding them to the list. The City of Oroville has had great success with this law firm.

Thanks,

Liz Ehrenstrom  
Human Resources  
City of Oroville  
(530) 538-2407

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**From:** Scott Huber [mailto:shuber@cotalawfirm.com]  
**Sent:** Tuesday, March 10, 2015 9:37 AM  
**To:** Elizabeth M. Ehrenstrom  
**Cc:** Derek Cole; Karen A. Feld  
**Subject:** Re: NCCSIF Approved Attorney List Update

Liz,  
I have attached an electronic brochure regarding the legal services available to public agencies through our firm. I spoke with Russ Hildebrand about this matter and he mentioned that the best way to get on the list would be for me to send this to you and have you forward it to the other board members via email for their consideration at the upcoming Claims Committee meeting on March 19.

As you can see, our firm offers a wide variety of legal services for public agencies. We pride ourselves in offering top tier legal services in an economical fashion for our clients.

Please let me know if you have any questions or comments. Thanks!

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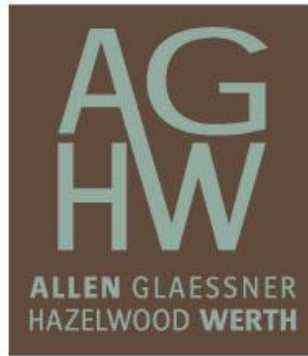
Scott E. Huber, Partner

Cota Cole<sup>LLP</sup>

2261 Lava Ridge Court  
Roseville, CA 95661  
916-780-9009 - Main phone  
916-787-7511 - Direct dial  
916-780-9050 - Fax

Email: [shuber@cotalawfirm.com](mailto:shuber@cotalawfirm.com)

Website: <http://www.cotalawfirm.com>



## **Allen, Glaessner, Hazelwood & Werth, LLP** **Attorneys at Law**

### **Trusted in Trial**



When you call yourself a trial attorney, you are promising your clients that in the event a trial is required, they will have experienced and skilled counsel who know their way around a courtroom. This skill and confidence to succeed only comes from having “been in the arena...” Because of this hard earned experience, we understand trial is an arena of last resort, but one that clients must be prepared for when faced with unreasonable and uncompromising adversaries. With over 65 jury trials, and thousands of lawsuits resolved short of trial, the partners of this firm have established the trust of their clients. Not because we say so, but because we have proven it in the courtroom.

# Practice Areas

## **Public Entity Practice**

AGHW's public entity team has developed a practice that encompasses the breadth of public entity defense litigation. From civil rights lawsuits against public entities and their police departments and officers, tort liability claims from the mundane to the complex, to the defense of public entities under design defect and dangerous condition, the team has the experience and successes in resolving cases before trial, prevailing on summary judgment, and prevailing in trial.

## **Employment Practices**

The firm provides a variety of services for clients with employment issues, including counseling and advising on prospective personnel actions; representing employers facing charges, investigations and hearings before the EEOC, DFEH, DIR and Labor Commissioner; conducting independent workplace investigations; advising on, creating and/or revising employment contracts, personnel policies and employee handbooks; and handling all types of trials concerning employment matters in federal and state courts, both jury and non-jury

## **General Litigation**

The combined experience of over 100 years of trial practice of the AGHW partners has taken each and every one of them through the vast variety of civil litigation, covering all types of negligence, transportation and premises liability claims resulting in serious or catastrophic injuries; sexual misconduct; fraud; business torts; defamation and privacy violations; the defense of professionals in various disputes; as well as representing both policyholders and insurers in coverage matters. Clients appreciate our ability to handle matters or refer them to other counsel if appropriate.

## **Mediation Practice**

The four partners of AGHW are available for mediation. Each partner has an active practice that keeps us well informed on what is happening in the courtrooms of Northern and Central California, as well as our interaction with a broad array of counsel, better helping us bring to mediation an understanding of what it takes to resolve cases. This is an alternative for those who seek practicing lawyers as mediators as a cost effective alternative to the mediation services currently available in the marketplace. Please contact each attorney individually for their availability and fee schedule. The partners charge only an hourly rate, without administrative fees.

# Articles

## Our Start

Dale Allen, Peter Glaessner, Mark Hazelwood and Steve Werth individually began practicing law between 1982 and 1989. From Low, Ball & Lynch, PC through Lombardi, Loper, and Conant, LLP, they learned and developed their skills as trial attorneys from some of the very best and respected lawyers in Northern California. And what they learned most of all is that being prepared for trial and having the respect of your peers as a skilled trial attorney leads to the best representation and best results. Because if your adversary does not believe you are prepared, willing, and able to excel in trial, the client will pay more without the desired results.

This firm was formed in the belief that as trial attorneys, not simply litigators, our clients would get the best of both worlds. AGHW's focus is on early evaluation toward resolving a matter, sometimes even prior to the filing of a lawsuit, through directed investigation and possible intervention of a neutral party. If a lawsuit is filed, AGHW evaluates and budgets the lawsuit. An efficient discovery plan leading to a dispositive motion or resolution through mediation on the best terms for the client is pursued. Discovery is thought out and not shotgun. Throughout the litigation, teamwork is emphasized between AGHW and our clients as we strive to ensure the best representation is presented to the court and the adversary. AGHW is always ready and prepared to put the best trial skills forward should the adversary's position require a trial.

The four partners have been in over 65 trials, defending police officers, nonprofits, public and private employers, and governmental entities. These lawsuits include wrongful death and catastrophic injury, cases involving dangerous condition of public property, private property, sexual misconduct, trucking and public bus accidents, employment trials in courts or administrative forums, harassment, discrimination, retaliation, whistle blowing, and wage and hours. With one partner a member of ABOTA, and the other three having nearly the qualifying number of trials to be proposed, few boutique firms have the number of experienced trial lawyers with the variety of experience as we do.

It has been the goal of each of the partners to share with clients their experience developed over the years. "Paying it forward" is not simply a concept to throw about but a reality for the partners of this firm. During the years of practice all of the partners have lectured at a variety of venues from PARMA, CAJPA, the Association of Defense Counsel of Northern California, as well as personal appearances for clients in home offices all over the country. It is our mission, not simply a claim, to provide our clients with the training and understanding of areas of law so they can better recognize and implement risk prevention, and then if brought into litigation, are better able to defend against the meritless lawsuits.

## Partners

### Dale L. Allen, Jr.



Dale Allen is a partner and a member of the American Board of Trial Advocates (ABOTA). He has a diverse litigation practice, including work for public entities with an emphasis in police liability and public transit, as well as private sector litigation in wrongful death and catastrophic injury. Representative clients include the City of Antioch Police Department; Bay Area Rapid Transit District Police Department; Clearlake City Police Department; City of Emeryville Police Department; City of Livermore Police Department; City of Martinez Police Department; City of Merced Police Department; City of Piedmont Police Department; City of Tracy Police Department; Union City Police Department; Golden Gate Bridge Highway and Transit; Peninsula Corridor Joint Powers; San Mateo County Transit; Pepsi Bottling Group; Coach America; Sedgwick Claims Management Services; Frito-Lay; Gallagher Bassett Claims Management Services; Bickmore Risk Services; George Hills Claims and JPA Management Services; York

Claims Services; Municipal Powers Authority; PARSAC; and Tower Insurance Company.

Mr. Allen is a 4th generation San Franciscan. He was a San Francisco Police Officer from 1977 to 1989, working in patrol, as a training officer, and in the K-9 unit. In 1985 he started law school while working in a special plainclothes unit targeting high profile street crimes and narcotics, and obtained his J.D. degree at Golden Gate University in San Francisco in 1989. He began working as an associate at Low, Ball & Lynch in 1989 and became a full partner in 1996 where he worked through 2013, when AGHW was formed. He is admitted to practice in the State of California, before the 9th Circuit Court of Appeals, and in the Northern and Eastern Districts of the United States Federal Courts. He has argued cases before the 9th Circuit Court of Appeals and the California Court of Appeal. He has become a frequent speaker on 4th Amendment issues relating to police use of force and arrests, most recently at the California State University Risk Managers Association on the topic of use of force and the mentally ill, as well as at the PARMA and CAJPA annual conventions and numerous joint powers pools. Mr. Allen was elected to ABOTA in 2004 with the rank of “Associate.” He is a member of the Association of Defense Counsel of Northern California and the Defense Research Institute. Mr. Allen has earned an “AV” rating by Martindale-Hubbell, and has served on the settlement panel for the San Francisco County Superior Court. He has been lead or co-counsel in 38 jury trials.

## Peter Glaessner



Peter Glaessner is a founding partner of the firm. He has over 30 years of experience as a civil trial attorney. He specializes in advising and litigating all types of employment matters, professional liability and commercial disputes, both for national and regional businesses and government entities. In addition to trying lawsuits in California federal and state court, he has represented employers in investigations and administrative trials before the Equal Employment Opportunity Commission, and the California Department of Fair Employment & Housing. He has also successfully argued writs and appeals before federal and state appellate courts. He also conducts independent, fact finding investigations for employers.

During the course of his legal career, Peter has been recognized for his service in various leadership positions, including President of the Association of Defense Counsel of Northern California and Nevada (2006), and of the California Defense Counsel (2011). He is presently serving his second term by

appointment on the Civil and Small Claims Advisory Committee of the Judicial Council. With a reputation for objectivity and fairness, Peter has also been selected by litigants to mediate or arbitrate their personnel and employment disputes. He has also served as an expert witness concerning the standard of care for defense counsel in the handling of employment matters.

## Mark F. Hazelwood



Mark Hazelwood, a partner with the firm, specializes in public entity, premises liability, trucking, Americans with Disabilities Act (ADA), and catastrophic injury/wrongful death litigation. Representative clients include the City of Emeryville; City of Martinez; City of Manteca; City of Antioch; City of Novato; Bay Area Rapid Transit District; Landscape Structures, Inc; Cintas Corporation; Bickmore Risk Services; George Hills Co.; York Claims Services; California Association For Parks & Recreation Indemnity (CAPRI); Special District Risk Management Authority (SDRMA); Beta Healthcare Group; and Association of Bay Area Governments (ABAG).

Mr. Hazelwood was born in San Francisco in 1962 and graduated from University of California, Los Angeles with a B.S. degree in Political Science in 1984. He received his J.D. degree from Loyola Law School-Los Angeles in 1988. Mr. Hazelwood began working with Low, Ball & Lynch as an

associate in 1988. He became a partner in 1996. He served as the managing shareholder for Low, Ball & Lynch from 2011-2013.

Mr. Hazelwood is admitted to practice in the State of California, and in the U.S. District Court – Northern and Eastern Districts. He is a member of the Association of Defense Counsel of Northern California; the Defense Research Institute; and the Trucking Industry Defense Association (T.I.D.A.). He has also been active in several public entity defense organizations, including PARMA. Mr. Hazelwood serves as an arbitrator in Santa Clara County. He also volunteers as a settlement conference panelist in San Francisco Superior Court. He was named a Northern California Super Lawyer in 2013.

## Steven D. Werth



Steven Werth, a native San Franciscan, is an experienced trial attorney who has represented, and currently represents, a variety of business entities and individuals in state and federal court, and before various administrative agencies.

Mr. Werth's practice focuses on employment and labor law, and sexual abuse/molestation claims. He has successfully tried to verdict, in both state and federal court, employment and sexual abuse cases. Mr. Werth's practice also includes representing employers in union grievances and arbitration, and in administrative actions before the California Department of Fair Employment and Housing, the United States Equal Employment Opportunity Commission, the Department of Labor, and the Department of Industrial Relations. Mr. Werth has successfully argued writs and appeals before federal and state appellate courts. Mr. Werth serves as a mediator and arbitrator, and is a frequent speaker on Continuing Education topics involving matters of employment and labor law.

Mr. Werth, who is AV rated, has been named as a Northern California Super Lawyer in the area of employment law since 2007. He was also recently selected as a '2013 Top Rated Lawyer in Labor & Employment' by American Lawyer Media and Martindale-Hubbell.

Mr. Werth is admitted to the California bar. Education: University of California at Santa Barbara (B.A., 1980); Santa Clara University (J.D./M.B.A., 1984). Mr. Werth served as a Board Member for the Northern California Association of Defense Counsel and served as the managing partner for Low, Ball & Lynch from 2004 – 2010.

Member: The State Bar of California; Alameda County and American Bar Associations. (San Francisco Office)



## Associates

### Kevin P. Allen

Kevin Allen is a 5th-generation San Franciscan. His practice includes public entity litigation and environmental litigation. Mr. Allen second-chaired a trial resulting in a defense verdict in the matter of *James Robert Prough v. Allis Chalmers, et. al.* In 2010, he and associate James Regan presented on Mandatory Settlement Conferences at the firm's annual client seminar.

Mr. Allen is admitted to practice in the State of California as well as before the United States District Court for the Northern District of California and the United States District Court for the Central District of California.

Mr. Allen attended St. Ignatius College Preparatory (2000) before matriculating to the College of the Holy Cross in Worcester, MA. A member of Pi Sigma Alpha, the National Political Honors Society, he graduated from the College cum laude in 2004, with a B.A. in political science.

Mr. Allen subsequently attended the University Of San Francisco School Of Law, where he graduated with a J.D. in 2007. While at USF, Mr. Allen externed at the San Francisco Superior Court for the Hon. Robert Dondero, interned at the Marin County District Attorney's Office for senior Deputy District Attorney Christopher J. Shea and interned at Bay Area Legal Aid, Oakland office. He also served as a Fair Housing tester for two years, an election monitor in Reno, NV during the 2004 presidential elections and taught a "street law" course to a public high school class in the Fall of 2005. For his non-profit work in the summer of 2006, Mr. Allen received a USF Public Interest Law Grant.

### Kimberly Y. Chin

Kimberly Y. Chin's practice focuses on public entities defense. She is admitted to practice in California as well as in the United States District Court for the Central District of California. Ms. Chin is a graduate of Boston College Law School and Wellesley College.

Previously with Low, Ball & Lynch, Ms. Chin was also a litigation associate at Boornazian, Jensen & Garthe in Oakland, California. While in law school, Ms. Chin served as a legal intern in the Middlesex District Attorney's Office in Woburn, Massachusetts, where she authored several successful criminal appellate briefs before the Massachusetts Appeals Court and the Massachusetts Supreme Judicial Court. She was also a summer associate in the San Francisco office of Pillsbury Winthrop Shaw Pittman LLP and a judicial extern to then-federal magistrate judge Edward M. Chen of the United States District Court for the Northern District of California.

Ms. Chin is the author of "Minute and Separate": Considering the Admissibility and Videotaped Forensic Interviews in Child Sexual Abuse Cases after Crawford and Davis, which was published in the Boston College Third World Law Journal in 2010. Her most recent article, Continuing the White Collar Unionization Movement: Imagining a Private Attorneys Union, was published in 2012 in Pace Law Review.

Ms. Chin is an active member of Asian American Bar Association of the Greater Bay Area and volunteers with the Asian Law Caucus. She also serves as a co-chair of the Northern California Chapter of the Boston College Law School Alumni Association and is a co-representative for the San Francisco Chapter of the Wellesley Lawyers Network.

## **Gemma L. Mondala**

Gemma Mondala is the newest addition to Allen Glaessner Hazelwood & Werth, LLP. Her practice includes the defense of for-profit and non-profit clients in employment, business tort, and general liability related matters. Prior to joining the firm, Ms. Mondala was a litigation associate at two large national firms and represented clients in prosecuting and defending business tort, premises and products liability, subrogation, insurance, real estate, employment and workers compensation matters.

Gemma is a native San Franciscan and graduated from the University of Hawaii at Manoa with high honors and a Bachelor's degree in Political Science. She received her Juris Doctrine from Syracuse University College of Law. She also received her Masters in Media Management from Syracuse University's Whitman School of Business and S.I. Newhouse School of Public Communications.

Gemma has been practicing law since 2007 and is admitted to practice in the state courts of California and Nevada, the United States District Courts in California and Nevada as well as the Ninth Circuit United States Court of Appeals.

Gemma is a member of the Association of Defense Counsel of Northern California and Nevada. She is a board member of the Filipino Bar Association of Northern California and founding member of the National Filipino American Lawyer's Association. She is also on the board for Bindlestiff Studios, a community-based performing arts venue dedicated to showcasing emerging Filipino American and Pilipino artists. In 2013, Gemma was selected by the Western Region of the Lawyers of Color to its inaugural "Hot List."

## **Hannibal P. Odisho**

Hannibal Odisho represents employers in a range of employment law matters. He has worked with clients in a variety of industries, including hospitality, restaurant, health care, nonprofit, and the public sector. He regularly appears before state and federal courts, and before administrative agencies to handle single plaintiff and class action lawsuits involving cases related to claims of discrimination, harassment, retaliation, wrongful termination, and wage and hour litigation matters. He also provides advice counseling in all aspects of employment law.

Prior to joining Allen, Glaessner, Hazelwood & Werth, Hannibal practiced labor and employment, litigation, and intellectual property at law firms in the Bay Area, and for the City Attorney of San Jose.

Prior to entering the legal profession, Hannibal led a career in production management at DreamWorks Animation on such films as *Shrek* and *Madagascar*. He also cofounded Arbor Ave Films, a production company that produces low-budget, independent feature films.

### **Representative Matters**

- Obtained favorable ruling on behalf of the County of San Bernardino against a claim by a former county employee who sought disability retirement benefits from the county.
- Represented the City of San Jose in a high-profile lawsuit instituted by city employee labor unions seeking to maintain current levels of public employee pension benefits in the wake of a ballot initiative, which reduced their benefits.
- Advised the City of San Bruno in a copyright matter involving a documentary film about the PG&E pipe blast.
- Represented the City of San Jose on *Pitchess* motion matters to protect the disclosure of confidential police officer personnel files.
- Co-authored an appellate brief in the published case *International Assn. of Firefighters, Local 230 v. City of San Jose* (2011) 195 Cal. App. 4<sup>th</sup> 1179.

### **Education**

- The Ohio State University Moritz College of Law, J.D. 2008
- University of California at Berkeley, B.A. with Honors, Political Science 1997

### **Publications**

- Revised/Edited, Chapter 14, Part E: Liability and Immunity: Exhaustion of Administrative Remedies. *California Public Sector Employment Law*. LexisNexis, 2000. 14-32.
- Co-Author, Use of Criminal Records in Hiring, *The Recorder*, May 25, 2012.

## **Lori A. Sebransky**

Lori Sebransky is Of Counsel to the firm. She has more than 25 years of experience in state and federal courts, representing employers in all types of employment matters, and representing both insurers and policyholders in insurance coverage and bad faith disputes. In addition, Lori is recognized for her extensive and successful record as one of the Bay Area's most respected appellate counsel, frequently appearing before both the federal and state appellate courts.

Lori grew up in the Bay Area, and graduated from the University of California, Berkeley in 1983, and from the University of California, Hastings College of the Law in 1986. In addition to all California courts, she is admitted to practice in the federal District Courts, the Ninth Circuit, and the United States Supreme Court. Over the years, Lori has spoken at various conferences about litigation procedures and strategy, and has presented seminars to insurer and broker clients to help them avoid liability and better manage claims when they arise. She also has authored articles on an insurer's duty to defend and the contractual transfer of risk.

# Representative Clients

## **Public Entities**

Bay Area Rapid Transit District; Golden Gate Bridge Highway and Transportation District; San Mateo County Transit District; Cities of Antioch, Brisbane, Ceres, Clearlake, Clovis, Emeryville, Lindsay, Los Banos, Manteca, Martinez, Merced, Mill Valley, Novato, Piedmont, Pittsburg, Pleasant Hill, Pleasanton, Porterville, Richmond, South San Francisco, Tracy, Union City; Greater Vallejo Recreation District; County of Napa; Hayward Area Recreation and Park District; Alameda County Water District; Special District Risk Management Authority (SDRMA); Bickmore Risk Services; California Association for Park & Recreation Indemnity (CAPRI); Association of Bay Area Governments (ABAG); Public Agency Risk Sharing Authority of California (PARSAC); Beta Healthcare Group; Municipal Pooling Authority (MPA).

## **Religious, Nonprofits & Education**

The Salvation Army; The YMCA; Goodwill Industries; The Diocese of Oakland; Nonprofits Insurance Alliance of California; Western Catholic Insurance Company; De La Salle High School of Concord, Inc.; The Diocese of Fresno.

## **General Litigation and Transportation**

Pepsi; ABM; Guardsmark; RSUI Group; Tower Insurance; Northland Insurance; Lancer Insurance; Transguard Insurance; The Redwood Group; Specialty Risk Services; Gallagher Bassett; Sedgwick CMS; Philadelphia Insurance; Landscape Structures, Inc.; Cintas Corporation; Essential Services & Programs; Glatfelter Claims Management; George Hills Co.; York Claim Services; Heffernan Insurance Brokers.

## Successful Outcomes

- Obtained favorable verdict in 2014 for national hotel chain in civil lawsuit for premises liability.
- Successfully negotiated settlement of putative wage and hour class action (1/3 of initial demand for wages, penalties, and attorneys' fees) for national non-profit organization.
- Obtained defense verdict this year for a police officer in U.S. District Court, Northern District of California. The case determined the plaintiff's arrest was motivated by a retaliatory animus for his protected speech. We were successful in obtaining dismissals by summary adjudication of Fourth Amendment unlawful arrest and state-law false imprisonment claims. We then obtained a defense verdict on the claim the arrest violated plaintiff's first amendment rights to free speech at a protest.
- Obtained a defense verdict in the Eastern District of California. The wrongful-death case concerned use of a Taser and physical restraint. The jury's unanimous defense verdict resoundingly stated that the officers' use of force was appropriate and that they were in no way responsible for the plaintiff's unfortunate passing.
- Business litigation: On behalf of Nonprofits Insurance Alliance of California, a risk pool organization insuring California non-profits that had its tax exempt status revoked by the Board of Equalization, obtained verdict restoring tax exempt status, plus recovery of seven years of taxes paid.
- Business litigation: On behalf of the National Credit Union Administration, defended a real estate fraud lawsuit involving sale and lease entered into by liquidated credit union, with verdict at 10% of final pre-trial demand.

**ARTHOFER & TONKIN  
LAW OFFICES**

**1314 Oregon Street, Redding, CA 96001  
Telephone: (530) 722-9002 Facsimile: (530) 722-9003  
[www.atlawoffices.com](http://www.atlawoffices.com)**

## FIRM BACKGROUND

**Arthofer & Tonkin** is a law partnership specializing in civil litigation with an emphasis on insurance defense, construction defect, product liability, real estate, personal injury and professional errors and omissions. The firm has a client base ranging from the largest insurance companies to private businesses and individuals. It is dedicated to providing the efficient and aggressive legal representation necessary to obtain a good result in each case.

**Kenneth B. Arthofer** - Mr. Arthofer graduated from the Pepperdine University School of Law in 1989, where he was named to the Dean's Honor List and a recipient of the Dean's Merit Scholarship Award. Mr. Arthofer began practicing law in Fresno, California in 1989. He then joined the Redding office of Borton, Petrini & Conron in 1991, where he was a litigation partner for several years until co-founding Harr, Arthofer & Ayres in 2001. He formed the Arthofer & Tonkin Law Offices in 2009.

Mr. Arthofer's areas of specialty include personal injury, insurance defense, construction contract disputes, construction defects, professional liability, real estate disputes and realtor errors and omissions. Mr. Arthofer has been the lead trial attorney for cases venued in Shasta, Siskiyou, Tehama, Butte, Humboldt, Trinity and Mendocino counties, and has an impressive track record of obtaining favorable verdicts for clients.

Mr. Arthofer is a long-standing member of the California Bar Association, past President of the Shasta-Trinity Counties Bar Association, past President of the Shasta Claims Association, admitted to practice before all of the courts of the State of California, as well as the U.S. District Court for the Eastern District of California, Ninth Circuit Court of Appeals and the United States Supreme Court.

**Griffith J. Tonkin** - Mr. Tonkin was born and raised in northern California. He graduated from the University of California Davis in 2000. Mr. Tonkin attended law school at the University of the Pacific - McGeorge School of Law. Mr. Tonkin focused on trial advocacy while at McGeorge. He was regularly on the Dean's List and graduated near the top of his class. Mr. Tonkin was both a writer and editor for the McGeorge Law Review. While in law school, Mr. Tonkin competed on the mock trial team for McGeorge which was voted the best in the United States west of the Mississippi his graduation year. He was also awarded top advocate honors in the nation's premier mock trial competition, was inducted in the National Order of Barristers and received the Lewis F. Powell Medal for Excellence in Advocacy.

Mr. Tonkin's practice focuses on trial advocacy. He represents a range of clients, including individuals and government entities, as well as some of the nation's largest insurance companies. He has defended multimillion dollar wrongful death, premises liability, products liability and government tort claim actions. Mr. Tonkin has handled

complicated property loss cases including wild land fires and major flood loss actions with damages in the tens of millions of dollars.

Mr. Tonkin also handles a wide variety of real estate cases with particular emphasis on the law of easements.

Mr. Tonkin has obtained very favorable results for his clients through the use of vigorous advocacy in the litigation process. Mr. Tonkin is admitted to practice before all of the courts of the State of California as well as the Eastern and Northern Federal District Courts in California.

**Karie D. Williams** – Ms. Williams was born and raised in Redding, California. She graduated with Dean's List honors from Cal State University of Chico with a Bachelor of Arts degree in History in 1993. Ms. Williams received her Juris Doctorate from the University of La Verne College of Law graduating with distinction in 1997. She is a recipient of the American Jurisprudence Bancroft-Whitney Award in Remedies and Family Law. She was a Writer and Editor of the University of La Verne Law Review *Journal of Juvenile Law*.

Ms. Williams is a member of the California Bar Association, Shasta-Trinity Counties Bar Association and the California Public Defenders Association. She participated for several years in the Shasta Claims Association. She is admitted to practice before all of the courts of the State of California, as well as the U. S. District Court for the Eastern District of California.

Ms. Williams is an associate in our firm with a practice emphasis which includes insurance defense matters involving automobile accident, premises liability, professional errors and omissions and construction litigation. Other areas of legal concentration include juvenile criminal defense and driving under the influence cases.



## KENNETH B. ARTHOFER: ATTORNEY RESUME

**Law License:** State of California - December 12, 1989.

**Jurisdiction Admissions:** The State Courts of California - December 11, 1989; United States Supreme Court - May 27, 1997; United States District Court for the Eastern District of California - December 15, 1989; United States District Court of Appeals for the Ninth Circuit - February 23, 1990.

**Professional Memberships:** State Bar of California - 1989 to present; Shasta-Trinity Counties Bar Association - 1990 to the present, served as President in 2006; Shasta Claims Association - 1991 to present, served as President in 1998.

**Legal Education:** Pepperdine University School of Law;  
Juris Doctorate, May 20, 1989;  
Dean's Honor List, 1987 - 1988;  
Recipient: Dean's Merit Scholarship Award.

**Pre-Law Education:** California State University at Long Beach;  
Bachelor of Science Degree in Political Science, May 13, 1986.

**Description of Legal Experience:** Wide-ranging legal experience including service as Judge Pro Tem for Shasta County Superior Court and as a court-appointed arbitrator. Assistant Research Editor, Dunaway, "The Law of Distressed Real Estate," Clark Boardman Co., Ltd., New York, 1987 - 1988. Significant experience in the areas of Appellate Law and is admitted to practice before the United States Supreme Court. Reported decision of *Smith v. SHN Consulting Engineers & Geologists, Inc.* (2001) 89 Cal.App.4th 638. Areas of specialty include construction litigation, professional negligence, insurance defense, real estate brokers and agents' liability, and personal injury. Lead trial attorney for cases in Shasta, Siskiyou, Tehama, Butte, Humboldt, Trinity and Mendocino counties, obtaining favorable verdicts for clients. Active involvement in the local Claims Association where he received the President's Award and has also served as President for the Association in 1998. Also active in Shasta-Trinity Counties Bar Association, where he served as President in 2005.

**Legal Workshops and Seminars:** Guest speaker – Design Professional and Mechanic's Lien Law for the Shasta County Structural Engineers Association; Sexual Harassment Seminar for Shasta Claims Association.

**Personal Information:** Born August 9, 1963, Newport Beach, California. Wife – Wendy; children - Lauren, Ashley, John, Sidney and Grayson. Actively involved in church and numerous sports programs. He also enjoys woodworking and snow skiing.

## GRIFFITH J. TONKIN: ATTORNEY RESUME

**Law License:** State of California - May 17, 2003.

**Jurisdiction Admissions:** The State Courts of California - December 3, 2003; United States District Court for the Eastern District of California - February 12, 2004; United States District Court for the Northern District of California - June 2007; California Supreme Court - December 3, 2003.

**Professional Memberships:** State Bar of California - 2003 to present; Shasta-Trinity Counties Bar Association - 2003 to present, Secretary/Treasurer May 2005 - 2006, President 2006 - 2008; National Order of Barristers - 2003 to present.

**Legal Education:** McGeorge School of Law;  
Juris Doctorate, May 17, 2003;  
Class standing - top twenty percent;  
National Trial Advocacy Team; writer and primary editor for Pacific Law Review.

**Pre-Law Education:** University of California at Davis - B.A.  
Bachelor of Arts in Political Science.  
Dean's Honor List.

**Description of Legal Experience:** Broad civil litigation experience, including all aspects of insurance defense litigation, business litigation, real estate litigation, contract disputes and personal injury litigation. Representation has included all aspects of litigation through verdict at jury trials. Appellate practice has included multiple oral arguments before the California Court of Appeal. Mr. Tonkin has litigated cases ranging from automobile accidents, slip and falls, construction defect, professional errors and omissions, catastrophic injury accidents and wrongful death actions.

**Legal Workshops and Seminars:** California Chiropractors' Association North District Meeting, January 2005.

## KARIE D. WILLIAMS: ATTORNEY RESUME

**Law License:** State of California - 1997

**Jurisdiction Admissions:** The State Courts of California - 1997; United States District Court for the Eastern District - 2010.

**Professional Memberships:** State Bar of California - 1997 to present; Shasta-Trinity Counties Bar Association - 1997 to present; Public Defenders Association - 1997 - 2010.

**Legal Education:** La Verne College of Law;  
Juris Doctorate, 1997;  
Class Standing – Graduate with Distinction;  
American Jurisprudence Bancroft-Whitney Award;  
Writer and Editor of the University of La Verne Law Review – Journal of Juvenile Law

**Pre-Law Education:** Cal State University of Chico – B.A.  
Bachelor of Arts in History, 1993  
Dean’s Honor List, 1993

**Description of Legal Experience:** Broad civil and criminal litigation experience, including all aspects of insurance defense litigation, business litigation, contract disputes and personal injury litigation, driving under the influence litigation and juvenile criminal defense litigation. Representation has included all aspects of litigation through verdict at jury trials and court trials.

# ARTHOFFER & TONKIN

Law Offices  
1314 Oregon Street  
Redding, CA 96001

Tel: 530-722-9002  
Fax: 530-722-9003

Griffith J. Tonkin  
[git@atlawoffices.com](mailto:git@atlawoffices.com)

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## Schedule of Fees

Effective January 1, 2013

Attorney .....	\$165.00/hour
Associate .....	\$150.00/hour
Paralegal .....	\$ 95.00/hour
Photocopies .....	\$.22/page
Facsimiles .....	\$.88/page
Automobile Mileage .....	\$0.56/mile

### NOTE:

Tax Identification Number: 26-4761135.

All invoices shall be due and owing within 30 days of the invoice date.

All time is billed in one-tenth (1/10) hour increments.

Law firm will advance costs up to \$500.00. For costs invoiced over \$500.00, they are direct billed to the client.



LAWYERS PROFESSIONAL LIABILITY POLICY
DECLARATIONS

Agency: 701031 Branch: 912 Policy Number: 287383651 Insurance is provided by Continental Casualty Company, 333 S. Wabash Ave. Chicago IL 60604 A Stock Insurance Company.

1. NAMED INSURED AND ADDRESS: Arthofer & Tonkin Law Offices 1314 Oregon Street Redding, CA 96001

NOTICE TO POLICYHOLDERS: This is a Claims Made and Reported policy. It applies only to those claims that are both first made against the insured and reported in writing to the Company during the policy period. Please review the policy carefully and discuss this coverage with your insurance agent or broker.

2. POLICY PERIOD: Inception: 05/15/2014 at 12:01 A.M. Standard Time at the address shown above

Expiration: 05/15/2015

3. LIMITS OF LIABILITY: Inclusive of Claims Expenses

Each Claim: \$1,000,000 Aggregate: \$2,000,000

Death or Disability and Non-Practicing Extended Reporting Period Limit of Liability:

Each Claim: \$1,000,000 Aggregate: \$2,000,000

4. DEDUCTIBLES: Inclusive of Claims Expenses

Aggregate: \$10,000

5. POLICY PREMIUM:

Annual Premium: \$12,180.00
Total Amount: \$12,180.00
Includes CNA Risk Control Credit of \$- 988.00
Includes Net Protect Premium, see coverage endorsement if applicable

6. FORMS AND ENDORSEMENTS ATTACHED AT INCEPTION: G-118011-A (Ed. 12/2011), G-118012-A (Ed. 03/1999), G-118016-A (Ed. 12/2011), G-118024-A (Ed. 04/2008), G-118029-A (Ed. 04/2008), G-118031-A (Ed. 04/2008), G-118039-A04 (Ed. 05/2008), G-145184-A (Ed. 06/2003)

7. WHO TO CONTACT:

To report a claim: CNA Specialty Claim P.O. Box 8317 Chicago, IL 60680-8317 Email: LPLNewClaims@cna.com Fax: 866-419-6308 / Online: www.cna.com/claims Lawyers Claim Reporting Questions: 800-540-0762

Handwritten signature of authorized representative

Authorized Representative

04/17/2014 Date



## CLAIMS COMMITTEE MEMBERS

### ACTION ITEM

**ISSUE:** The Board is asked to approve members of the Claims Committee, from volunteers from the Executive Committee.

Executive Committee Members:

**President:** Russell Hildebrand

**Vice President:** Bruce Cline

**Secretary:** Michelle Pellegrino

**At Large Members:** Paula Islas, Brad Koehn, Dave Andres, Michael Daly, Dave Warren, Tim Chapa

**RECOMMENDATION:** Request volunteers for the Claims Committee and approve membership.

**FISCAL IMPACT:** None.

**BACKGROUND:** The Claims Committee is traditionally made up of at least five members of the Executive Committee and holds regular meetings right after the Executive Committee's regular meetings. Most of their activities concern settlement of claims though they also review and recommend changes to the approved counsel list and policies and procedures dealing with claims and litigation management. Special meetings are held by teleconference as needed to grant authority on pressing claims. The Vice President traditionally chairs the Claims Committee meetings.

**ATTACHMENT(S):** None.



BACK TO AGENDA

**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
April 16, 2015**

**Agenda Item H.9.**

**ROUND TABLE DISCUSSION**

**INFORMATION ITEM**

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

**RECOMMENDATION:** None.

**FISCAL IMPACT:** None.

**BACKGROUND:** The item is for the Board members for any topics or ideas that members would like to address.

**ATTACHMENT(S):** None.



BACK TO AGENDA

Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
April 16, 2015

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):** NCCSIF Organization Chart  
NCCSIF Travel Reimbursement  
NCCSIF Resource Contact Guide



## NCCSIF Organizational Chart

BOARD OF DIRECTORS			
Jeff	Kiser		City of Anderson
Dylan	Feik		City of Auburn
Toni	Benson		City of Colusa
John	Brewer		City of Corning
Michelle	Pellegrino	S/EC	City of Dixon
Brad	Koehn	EC	City of Elk Grove
Bruce	Cline	VP/EC	City of Folsom
Paula	Islas	EC	City of Galt
Matt	Michaelis		City of Gridley
Dave	Andres	EC	City of Ione
Michael	Daly	EC	City of Jackson
John	Lee		City of Lincoln
Satwant	Takhar		City of Marysville
Corey	Shaver		City of Nevada City
Liz	Ehrenstrom		City of Oroville
Gina	Will		Town of Paradise
Dave	Warren	EC	City of Placerville
Sandy	Ryan		City of Red Bluff
Tim	Chapa	EC	City of Rio Vista
Russell	Hildebrand	P/EC	City of Rocklin
Tim	Sailsbery	T/ EC	City of Willows
Natalie	Walter		City of Yuba City

ALTERNATES		
TBD		City of Anderson
Tim	Rundel	City of Auburn
TBD		City of Colusa
Tom	Watson	City of Corning
George	Silva	City of Dixon
Jonathan	Hobbs	City of Elk Grove
Kristine	Wilfong	City of Folsom
Jason	Behrmann	City of Galt
Elisa	Arteaga	City of Gridley
Jane	Wright	City of Ione
TBD		City of Jackson
Sheila	Vanzandt	City of Lincoln
Walter	Munchheimer	City of Marysville
Catrina	Olson	City of Nevada City
TBD		City of Oroville
Crystal	Peters	Town of Paradise
John	Driscoll	City of Placerville
Cheryl	Smith	City of Red Bluff
Marni	Rittburg	City of Rio Vista
Michael	Green	City of Rocklin
Steve	Holsinger	City of Willows
Robin	Bertagna	City of Yuba City

EXECUTIVE COMMITTEE			
Russell	Hildebrand	P	City of Rocklin
Michelle	Pellegrino	EC/Sec	City of Dixon
Brad	Koehn	EC	City of Elk Grove
Bruce	Cline	EC	City of Folsom
Paula	Islas	EC	City of Galt
Dave	Andres	EC	City of Ione
Michael	Daly	EC	City of Jackson
Dave	Warren	EC	City of Placerville
Tim	Chapa	EC	City of Rio Vista

PROGRAM ADMINISTRATORS		
Marcus	Beverly	Alliant Insurance Services
Michael	Simmons	Alliant Insurance Services
Michelle	Minnick	Alliant Insurance Services
Joan	Crossley	Alliant Insurance Services

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

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

P = President	VP = Vice President
S = Secretary	T = Treasurer
EC = Executive Committee	

# Northern California Cities State Self Insurance Fund

## Travel Reimbursement Expense Form

Member Representative: \_\_\_\_\_

Entity: \_\_\_\_\_

Payee Address: \_\_\_\_\_

Meeting or Committee: \_\_\_\_\_

Date of Meeting: \_\_\_\_\_

Location of Meeting: \_\_\_\_\_

Total Mileage: \_\_\_\_\_

Payment Made to: 


 \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

**PROGRAM ADMINISTRATION**  
**Alliant Insurance Services, Inc.**  
www.alliantinsurance.com  
Main: (916) 643-2700 Fax: (916) 643-2750

<b>SUBJECT</b>	<b>MAIN CONTACT</b>
<b>COVERAGE / RISK MANAGEMENT ISSUES –</b> <ul style="list-style-type: none"> <li>➤ Certificates of coverage, additions/deletions of coverages, special events liability coverage, automobile identification cards, auto/mobile equipment physical damage programs</li> <li>➤ Coverage questions, quotations, new members, development of shared risk program coverage agreements, RFPs for actuarial services, actuary liaison, excess insurance/additional coverage marketing (Crime coverage, etc.), program development</li> <li>➤ Insurance Requirements in Contracts (IRIC), hold harmless agreements, indemnification clauses, safety program planning, RFPs for JPA services &amp; audits, third party contract review</li> </ul>	<b>Marcus Beverly</b> Michael Simmons Michelle Minnick Joan Crossley
<b>JPA MANAGEMENT ISSUES –</b> program budget/funding, financial analysis, coordination w/financial auditor/JPA accountant	<b>Marcus Beverly</b> Marylin Kelley Michelle Minnick Joan Crossley
<b>JPA ADMINISTRATIVE ISSUES –</b> meeting agendas; minutes; development/maintenance of governing documents, development/interpretation of policies & procedures, JPA state compliance, Form 700, changes in Board members.	<b>Michelle Minnick</b> Marcus Beverly Joan Crossley
<b>COVERAGE ISSUES -</b> coverage questions, quotations, new members, development of shared risk program coverage agreements, RFPs for actuarial services, actuary liaison, excess insurance/additional coverage marketing (Crime coverage, etc.), program development	<b>Marcus Beverly</b> Michael Simmons Joan Crossley
Mike Simmons (415) 403-1425 / (925) 708-3374 (cell) Marcus Beverly (916) 643-2704 Michelle Minnick (916) 643-2715 Joan Crossley (916) 643-2708 Marylin Kelley (415) 403-1448	msimmons@alliant.com marcus.beverly@alliant.com Michelle.Minnick@alliant.com jcrossley@alliant.com mkelley@alliant.com

<p align="center"><b><u>ACCOUNTING SERVICES</u></b>  <b>James Marta &amp; Company CPAs</b>  701 Howe Avenue, Suite E3  Sacramento, California 95825  Main: (916) 993-9494 · Fax: (916) 993-9489  www.jpmcpa.com  Jim Marta - jmarta@jpmcpa.com</p>	<p align="center"><b><u>EMPLOYEE ASSISTANCE PROGRAM</u></b>  ACI Specialty Benefits Corporation  5414 Oberlin Drive, Suite 240  San Diego, California 92121  Main: (858) 452-1254 · Fax: (858) 452-7819  www.acieap.com  Tori Barr - tbarr@acieap.com</p>
<p align="center"><b><u>CLAIMS ADMINISTRATION</u></b>  York Risk Services Group, Inc.  <a href="http://www.yorkrsg.com">www.yorkrsg.com</a>   P.O. Box 619058  Roseville, CA 95661-9058  (800) 922-5020 · Fax (800) 921-7683</p>	<p align="center"><b><u>LOSS CONTROL</u></b>  Bickmore Risk Control Services  <a href="http://www.bickmore.net">www.bickmore.net</a>   Tom Kline  <a href="mailto:tkline@bickmore.net">tkline@bickmore.net</a>  Phone: (916) 244-1121</p>
<b>LIABILITY CONTACTS</b>	
<p>Jennifer Nogosek  Unit Manager  (916) 960-0997  <a href="mailto:jennifer.nogosek@yorkrsg.com">jennifer.nogosek@yorkrsg.com</a></p> <p>Cameron Dewey  Senior Adjuster - Redding  (530) 243-3249  <a href="mailto:cameron.dewey@yorkrsg.com">cameron.dewey@yorkrsg.com</a></p> <p>Shawn Millar  Senior Adjuster - Chico  (530) 345-5998  <a href="mailto:shawn.millar@yorkrsg.com">shawn.millar@yorkrsg.com</a></p> <p>Dan Lamb  Senior Adjuster - Foothills  (209) 795-0742  <a href="mailto:dan.lamb@yorkrsg.com">dan.lamb@yorkrsg.com</a></p>	<p>Kelley Winters  Adjuster - Roseville  (916) 960-1024  <a href="mailto:Kelley.winters@yorkrsg.com">Kelley.winters@yorkrsg.com</a></p> <p>Erica Nichols  Adjuster - Roseville  (916) 960-1026  <a href="mailto:erica.nichols@yorkrsg.com">erica.nichols@yorkrsg.com</a></p> <p>Erik Baldwin  Adjuster - Roseville  (916) 746-8856  <a href="mailto:erik.baldwin@yorkrsg.com">erik.baldwin@yorkrsg.com</a></p> <p>John Tucker  Senior Adjuster - Stockton  (209) 320-0804  <a href="mailto:john.tucker@yorkrsg.com">john.tucker@yorkrsg.com</a></p>
<b><u>RESOURCES</u></b>	
<p>Tom Baber  Vice President  Liability  (916) 746-8834  <a href="mailto:tom.baber@yorkrsg.com">tom.baber@yorkrsg.com</a></p>	<p>Mike Berndt  Assistant Vice President  Liability - Roseville  (925) 349-3891  <a href="mailto:mike.berndt@yorkrsg.com">mike.berndt@yorkrsg.com</a></p>
<b>WORKERS' COMPENSATION</b>	
	<p>Deborah DeMuynck  Senior Claims Examiner  (916) 960-0983  <a href="mailto:deborah.demuynck@yorkrsg.com">deborah.demuynck@yorkrsg.com</a>  Anderson, Auburn, Dixon, Galt,  Marysville, Placerville, Red Bluff,  Rio Vista</p> <p>Carol Arbaugh  Senior Claims Examiner  (916) 960-0963  <a href="mailto:carol.arbaugh@yorkrsg.com">carol.arbaugh@yorkrsg.com</a>  Colusa, Corning, Elk Grove, Gridley,  Ione, Jackson, Lincoln, Nevada City,  Town of Paradise, Willows, Yuba City</p> <p>Christine Stillwell  Future Medical Examiner  (916) 960-0950  <a href="mailto:christine.stillwell@yorkrsg.com">christine.stillwell@yorkrsg.com</a></p>
	<p>Teresa Utterback  Senior Claims Examiner  (916) 960-0975  <a href="mailto:teresa.utterback@yorkrsg.com">teresa.utterback@yorkrsg.com</a>  Oroville, Rocklin</p> <p>Sara Marshall (Teng Her)  Senior Claims Examiner  (916) 960-0982  <a href="mailto:sara.marshall@yorkrsg.com">sara.marshall@yorkrsg.com</a>  Folsom</p> <p>Elaina Cordova  Medical Only Examiner  (916) 960-0919  <a href="mailto:elaina.cordova@yorkrsg.com">elaina.cordova@yorkrsg.com</a></p>
	<p align="center"><b>Ben Burg</b>  Unit Manager  (916) 960-0946  <a href="mailto:Ben.burg@yorkrsg.com">Ben.burg@yorkrsg.com</a></p>
	<p align="center"><b><u>RESOURCES</u></b></p>
	<p>Sara Ramirez  Assistant Vice President  Workers' Compensation  (916) 960-0905  <a href="mailto:sara.ramirez@yorkrsg.com">sara.ramirez@yorkrsg.com</a></p>
	<p>Dori Zumwalt  Senior Account Manager  Client Services  (916) 960-1017  <a href="mailto:dorienne.zumwalt@yorkrsg.com">dorienne.zumwalt@yorkrsg.com</a></p>