



President
Mr. Dave Warren
City of Placerville

Vice President
Ms. Liz Ehrenstrom
City of Oroville

Treasurer
Mr. Tim Sailsbery
City of Willows

Secretary
Ms. Astrida Trupovnieks
City of Lincoln

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND BOARD OF DIRECTORS MEETING AGENDA

Date: Thursday, April 26, 2018
Time: 12:00 noon
Lunch available at 11:30 a.m.
Location: Rocklin Event Center - Garden Room
 2650 Sunset Boulevard
 Rocklin, CA 95677

A - Action
I - Information
 1 - Attached
 2 - Hand Out
 3 - Separate Cover
 4 - Verbal

MISSION STATEMENT

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

- | | | |
|-------------------------------------|--|-------------------|
| <i>11:40 a.m.</i> | <p>LUNCHTIME PRESENTATION - CSAC EIA/GSRMA Employee Benefits
 <i>Sidney DiDomenico with CSAC EIA and Naomi Whatley with Golden State Risk Management Authority will present the Board with information about CSAC EIA/GSRMA Group Benefits Program.</i></p> | <p>I 2</p> |
| | <p>A. CALL TO ORDER</p> | |
| | <p>B. INTRODUCTIONS</p> | |
| | <p>C. APPROVAL OF AGENDA AS POSTED</p> | <p>A 1</p> |
| | <p>D. PUBLIC COMMENTS
 <i>This time is reserved for members of the public to address the Board of Directors on matters pertaining to NCCSIF that are of interest to them.</i></p> | |
| <p>pg. 5</p> | <p>E. CONSENT CALENDAR
 <i>All matters listed under the consent calendar are considered routine with no separate discussion necessary. Any member of the public or the Board of Directors may request any item to be considered separately.</i></p> | <p>A 1</p> |
| <p>pg. 6
pg. 16</p> | <p>1. Board of Directors Meeting Minutes - December 14, 2017
 2. Check Register from December 1, 2017 to February 28, 2018
 3. Investment Reports</p> | |
| <p>pg. 19
pg. 43
pg. 44</p> | <p>a. Chandler Asset Management Short/Long Term - December 2017 to February 2018
 b. Local Agency Investment Fund (LAIF) Report as of December 31, 2017
 c. Treasurer’s Report as of December 31, 2017</p> | |



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- pg. 45 4. FY 17/18 CSAC EIA Member Annual Report
- pg. 56 5. Policy and Procedure A-9: Attachment A Defense Attorney List for Liability Revised as of March 22, 2018
- pg. 59 6. 17-18 APIP Alliant-Commission Opt-Out Letter dated April 3, 2018

F. ADMINISTRATION REPORTS I

- 1. **President’s Report** 4
Dave Warren will address the Board on items pertaining to NCCSIF.
- 2. **Program Administrator’s Report** 4
Alliant will address the Board on items pertaining to NCCSIF.
- pg. 60 3. **Summary of the March 22, 2018 Executive Committee Meeting** 1
The Board will receive an update of the actions taken at the Executive Committee meeting.

G. FINANCIAL REPORTS

- pg. 61 1. **Quarterly Financial Report for Period Ending December 31, 2017** A 1
James Marta & Company will present the quarterly financial report ending December 31, 2017 for the Board to Accept and File.
- pg. 98 2. **Budget to Actual as of December 31, 2017** I 1
The Board will receive an update on the Budget to Actual as of December 31, 2017.

H. JPA BUSINESS

- pg. 100 1. **FY 18/19 NCCSIF Administration Budget** I 1
The Board will review and may provide direction to the Preliminary Admin Budget.
- 2. **Actuarial Studies of the Self Insured Programs - Mike Harrington, Bickmore** A 1
- pg. 102 a. **Workers’ Compensation Program**
The Board will review and may approve the Actuarial Study for the Workers’ Compensation Program.
- pg. 141 b. **Liability Program**
The Board will review and may approve the Actuarial Study for the Liability Program.



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	3. Workers' Compensation Program	A	1
pg. 180	a. Annual Banking Plan Adjustments - James Marta & Company <i>The Board will review and may approve adjustments to the Banking Layer for the Workers' Compensation program.</i>		
pg. 182	b. Annual Shared Risk Plan Adjustments - Alliant Insurance Services <i>The Board will review and may approve adjustments to the Shared Risk Layer for the Workers' Compensation program.</i>		
pg. 184	c. FY 18/19 Deposit Premium Calculations <i>The Board will review and may approve the Preliminary Deposit Premium Calculations for the Workers' Compensation Program.</i>		
	4. Liability Program	A	1
pg. 190	a. Annual Banking Plan Adjustments - James Marta & Company <i>The Board will review and may approve adjustments to the Banking Layer for the Liability program.</i>		
pg. 192	b. Annual Shared Risk Plan Adjustments - Alliant Insurance Services <i>The Board will review and may approve adjustments to the Shared Risk Layer for the Liability program.</i>		
pg. 194	c. FY 18/19 Deposit Premium Calculations <i>The Board will review and may approve the Preliminary Deposit Premium Calculations for the Liability Program.</i>		
pg. 199	5. Violent Event Liability Program Sublimit Option <i>The Board will review and may approve an option for coverage for violent event incidents.</i>	A	1
pg. 202	6. Fire Department Guidelines and Training Options <i>The Board will receive options for Fire training subscription services as recommended by the Executive Committee.</i>	I	1
pg. 219	7. Property Program Member Appraisals <i>Members will review property appraisal options and may approve an RFP for appraisal services.</i>	A	1
pg. 223	8. Review of Strategic Goals <i>Review of the goals from the Long-Range Planning meeting.</i>	I	1



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pg. 225	9. York Risk Services Quarterly Report <i>Dori Zumwalt from York Risk Services will provide an update on overall claims management and benchmarks.</i>	I	1
pg. 232	I. ROUND TABLE DISCUSSION <i>The floor will be open to Board members for any topics or ideas that members would like to address.</i>	I	4
	J. INFORMATION ITEMS	I	1
pg. 234	1. Glossary of Terms		
pg. 243	2. NCCSIF Organizational Chart		
pg. 244	3. NCCSIF 2018 Meeting Calendar		
pg. 245	4. NCCSIF Vendor Services Matrix		
pg. 249	5. NCCSIF Resource Contact Guide		
pg. 251	6. NCCSIF Travel Reimbursement Form		
	K. ADJOURNMENT		
pg. 252	BONUS 20-MINUTE IMPORTANT COVERAGES - Overview of Alliant Property Insurance Program (APIP) <i>Marcus Beverly will present a summary of the coverage provided to the members of APIP.</i>	I	2
	UPCOMING MEETINGS Police Risk Management Committee Meeting - May 2, 2018 Claims Committee Meeting - May 17, 2018 Executive Committee Meeting - May 17, 2018 Risk Management Committee Meeting - June 14, 2018 Board of Directors Meeting - June 14, 2018		

Per Government Code 54954.2, persons requesting disability related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact Raychelle Maranan at Alliant Insurance Services at (916) 643-2712.

The Agenda packet will be posted on the NCCSIF website at www.nccsif.org. Documents and material relating to an open session agenda item that are provided to the NCCSIF Board of Directors less than 72 hours prior to a regular meeting will be available for public inspection and copying at 2180 Harvard Street, Suite 460, Sacramento, CA 95815.

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



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 back on the agenda in an order determined 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. Long Range Planning and Board of Directors Meeting Minutes December 14, 2017
2. Check Register from December 1, 2017 to February 28, 2018
3. Investment Reports
 - a. Chandler Asset Management Short/Long Term - December 2017 to February 2018
 - b. Local Agency Investment Fund (LAIF) Report as of December 31, 2017
 - c. Treasurer's Report as of December 31, 2017
4. FY 17/18 CSAC EIA Member Annual Report
5. Policy and Procedure A-9: Attachment A Defense Attorney List for Liability Revised as of March 22, 2018
6. 17-18 APIP Alliant-Commission Opt-Out Letter dated April 3, 2018



**MINUTES OF THE
NCCSIF LONG RANGE PLANNING AND BOARD OF DIRECTORS MEETING
ROCKLIN EVENT CENTER, ROCKLIN, CA
DECEMBER 14, 2017**

BOARD OF DIRECTORS PRESENT

Liz Cottrell, City of Anderson
Kristina Miller, City of Corning
Rachel Ancheta, City of Dixon
Kara Reddig, City of Elk Grove (Alternate)
Kristine Haile, City of Folsom (Alternate)
Cora Hall, City of Galt
Elisa Arteaga, City of Gridley (Alternate)
Jon Hanken, City of Ione

Yvonne Kimball, City of Jackson
Loree McCay, City of Nevada City
Liz Ehrenstrom, City of Oroville
Gina Will, Town of Paradise
Dave Warren, City of Placerville (**Chair**)
Steven Rudolph, City of Rocklin
Tim Sailsbery, City of Willows

OTHER MEMBERS PRESENT

Julie Rucker, City of Elk Grove

BOARD OF DIRECTORS ABSENT

City of Auburn (primary Board vacant)
Toni Benson, City of Colusa
Brad Koehn, City of Elk Grove
Jim Francis, City of Folsom
City of Gridley (primary Board vacant)

Astrida Trupovnieks, City of Lincoln
City of Marysville (primary Board vacant)
Sandy Ryan, City of Red Bluff
City of Rio Vista (primary Board vacant)
Natalie Springer, City of Yuba City

CONSULTANTS & GUESTS

Marcus Beverly, Alliant Insurance Services
Michael Simmons, Alliant Insurance Services
Raychelle Maranan, Alliant Insurance Services

James Marta, James Marta & Company
Dori Zumwalt, York Risk Services
Tom Klein, Bickmore

Pre-meeting: NCCSIF Orientation and Refresher Training at 9:00 a.m.

Mr. Marcus Beverly provided an orientation training to the Board covering all aspects of the NCCSIF JPA as an introduction to new members and a refresher course for returning Board members. The presentation included: history of NCCSIF, composition of its members, governance of the pool, funding mechanism, layers of coverages available, various service providers and vendor services that are available to members through their participation in NCCSIF.

A. CALL TO ORDER

Chair Dave Warren called the meeting to order at 9:35 a.m.



B. INTRODUCTIONS

The above-mentioned members were present constituting a quorum.

C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

Motion: Liz Ehrenstrom **Second:** Gina Will **Motion Carried**
Ayes: Cottrell, Miler, Ancheta, Reddig, Haile, Hall, Arteaga, Hanken, Kimball, McCay, Ehrenstrom, Will, Warren, Rudolph, Sailsbery
Nays: None

D. PUBLIC COMMENTS

There were no public comments.

E. 2017 LONG RANGE PLANNING - Moderated by Michael Simmons

1. Review of NCCSIF Financial Strength

Mr. Marcus Beverly provided a presentation of the Target Funding Benchmarks of the pool and noted overall NCCSIF is in good financial health. It is well funded to meet its future claims liabilities and Program Administrator will closely monitor to mitigate any negative trends.

The Board discussed the financial strength of the pool and weighed in on unexpected financial issues that may require greater funding to adequately provide coverage and services such as: possibility of raising self-insured retention (SIR) due to pressure from excess coverage providers, possibility of increasing confidence level (CL), possibility of increasing the ratio benchmarks and use dividends to expand services.

2. Emerging Risks

Mr. Michael Simmons provided a presentation of Emerging Risks from the ever-changing technology advancement and current global community such as: drones, driverless cars, cyber risks, artificial intelligence, climate change, financial market, government regulations and social change. It often starts as a trend that ultimately has impact years down the road. Discussion around these risks is an opportunity for members to develop strategies and be proactive in risk management functions to find solutions for insurable risks.

3. What do we want to be when we grow up

The Board discussed the future of NCCSIF programs and services offered and how the pool can continue to fulfill its mission. Factors considered in the discussion were: current size of the pool,

how to retain and/or attract membership, and services desired/expand coverage provided to members. The current makeup of the members varies in size and each have various capabilities and needs, but keeping the same culture and balance is of importance. The Board discussed the possibility of offering self-insured group health benefits; due to the rising cost of health care the cost of benefits plans have become increasing difficult to sustain.

Mr. Simmons indicated that the JPA formed a health coverage pool in 1981 which ended the following year due to lack of members in the program to spread the risk. The law of large numbers is key to cope with risk. Mr. Simmons noted that there are self-insured pools that provide Group Health Benefits for small/medium size cities: GSRMA (Golden State Risk Management Authority) and SDRMA (Special District Risk Management Authority); and CSAC EIA (California State Association of Counties Excess Insurance Authority).

After discussion, the Board set the following goals:

- Open to grow membership, but not actively market with caveat to maintain geographic centric/similar exposures as current members. Will underwrite on an as-needed basis only when a prospective city approaches the pool to join.
- Group Benefits Presentation by CSAC EIA to present employee benefits program at the April 2018 Board meeting.

4. What more can NCCSIF do for Members

The Board discussed meeting members' needs in response to the changes in member risk exposures. Significant discussion centered on Active Shooter incidents that plague the nation and the challenges it brings to a municipality when responding to such event. It is unfortunate that one of NCCSIF members, City of Corning, was recently involved in such a horrific event with the Tehama County incident. Members shared how each of their city responds to Active Shooter situation and the best course of action in coordinating lockdown situation with the school district.

Discussion ensued as to type of coverage available to cover cost for member city associated with responding to Active Shooter incidents. Mr. Simmons brought up for discussion a parametric coverage insurance available in the traditional market that does not indemnify the pure loss, but agrees to make a payment upon the occurrence of a triggering event such as civil disorder or any catastrophic type event. The coverage protects with a simple trigger event and payout mechanism to speed up the claims payment process.

The Board discussed the current Litigation Management process and concurred the process in place is effective, but the need for training is crucial to keep members abreast in managing expectations in post-loss activity.

After discussion, the Board set the following goals:

- Coordinate with the Police Risk Management Committee as to best practices and guidance for developing and implementing procedures in response to an Active Shooter incident.

- Option to consider some type of coverage for the cost of responding to Active Shooter incidents.
- Case Management Workshop: 2-hour Litigation Claims Management presentation on best practices at future Board meeting.

5. How do we achieve greatness

The Board discussed what level of service it needs to provide for members to fulfill its mission and provide more services for its members.

After discussion, the Board set the following goals:

- Incrementally increase Confidence Level to 80% in the next few years to ensure the funding integrity of the pool.
- Marta and Alliant to present benchmarks of what the SIR could be after June 30, 2018 Financials stemming from excess carrier, CJPRMA, potentially requiring members with high loss exposures to higher SIR.

It was noted the pool current offering of Grants is adequate and does not need additional funding at this time.

Long Range Planning Session ended 12:05 p.m. and the Board recessed for lunch.

Lunch Presentation - State of the Insurance Market

Mr. Beverly provided a presentation of the State of the Insurance Market at 12:30 p.m. Mr. Beverly mentioned that he does not anticipate any change to NCCSIF program coverage. The marketing plan for FY 18/19 coverage placement is as follows:

- Renew coverage with CSAC EIA as the traditional Excess Workers' Compensation insurance carriers are still not competitive with EIA program. The expected trend is about 5% to 10% increase.
- Continue participation in CJPRMA as this pool has been a strong partner and valuable alternative to traditional excess insurance. The expected trend is about 8% to 15% increase, and no dividend for the first time in years.
- The Alliant Property Insurance Program (APIP) still provides members the broadest coverage and the lowest cost in today's market. With the hardening Property market due to recent weather events and bad loss history, it is anticipated between 10% to 15% rate increase.
- The ACIP (Alliant Crime Insurance Program) does not anticipate any change as the current coverage is a two-year policy for 2017-2019.

The meeting resumed at 1:00 p.m.

F. CONSENT CALENDAR

1. Board of Directors Meeting Minutes - October 19, 2017
2. Check Register from September 1, 2017 to November 30, 2017
3. Investment Reports
 - a. Chandler Asset Management Short/Long Term - September 2017 to November 2017
 - b. Local Agency Investment Fund (LAIF) Report as of September 30, 2017
 - c. Treasurer's Report as of September 30, 2017
4. Policy and Procedure A-9: Attachment A Defense Attorney List for Liability Revised as of September 28, 2017
5. Agreement for Financial Accounting and Consulting Services with James Marta & Company

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

Motion: Jon Hanken

Second: Liz Ehrenstrom

Motion Carried

Ayes: Cottrell, Miler, Ancheta, Reddig, Haile, Hall, Arteaga, Hanken, Kimball, McCay, Ehrenstrom, Will, Warren, Rudolph, Sailsbery

Nays: None

G. ADMINISTRATION REPORTS

G.1. President's Report

Chair Warren paid tribute to Mike Daly, former City Manager of City of Jackson and a former NCCSIF Board member for over 20 years, who passed away in October 2017. Chair Warren thanked Ms. Liz Ehrenstrom for her support through the course of the year as he transitioned to the President role.

G.2. CJPRMA Update

Mr. Beverly noted that CJPRMA did not institute the experience modification factor in deposit premium calculation as previously reported. The CJPRMA Annual Law Enforcement Conference was well attended. Mr. Beverly reminded members about CJPRMA Fire Services Operation Training in February 2018.

G.3. Program Administrator's Report - NCCSIF Annual Report

Mr. Beverly provided the Board with a copy of the FY 17/18 Annual Report and noted the format has been revamped this year. Members were encouraged to grab more printed copies of the report to share with their City Councils. A PDF version of the report will be uploaded to the NCCSIF website.

J.2. Risk Management Policy and Procedure Revisions

Revision of Current Policy

J.2.a. RM-10 Risk Management Committee Composition and Duties

Mr. Beverly indicated the RM-10 policy must be updated to include the option to appoint an alternate representative on the NCCSIF Risk Management Committee (RMC). Each member city has one vote irrespective of the number of representatives.

A motion was made to approve the change to the RM-10 Risk Management Committee Composition and Duties to allow the option to appoint an alternate representative and correction to quorum as majority of the members.

Motion: Liz Ehrenstrom

Second: Kara Reddig

Motion Carried

Ayes: Cottrell, Miler, Ancheta, Reddig, Haile, Hall, Arteaga, Hanken, Kimball, McCay, Ehrenstrom, Will, Warren, Rudolph, Sailsbery

Nays: None

New Policies

J.2.b. RM-16 Special Event Risk Management

Mr. Beverly indicated that the Risk Management Committee recommended the RM-16 policy. Special events represent common exposures to loss that can be prevented and mitigated by appropriate risk management controls; specifically events requiring road closures must have a traffic management plan that is approved by a qualified engineer. It was noted that some cities do not have an engineer and it was proposed to include Public Works and the Police Chief as exercising discretionary authority to give such approval. The Board is not in favor of including volunteers to sign a waiver before participation in any events and suggested to change only to city-sponsored events.

The general consensus of the Board is to refer the proposed policy to the Risk Management Committee for further refinement and to make the policy less restrictive.

J.2.c. RM-17 Volunteer Risk Management

Mr. Beverly indicated that the Risk Management Committee recommended the RM-17 policy. Volunteers present loss exposures to NCCSIF members for practically every risk they face. The policy covers Workers' Compensation, application and screening procedures, release and waiver forms, orientation and training procedures, vehicle operation screening and mandatory reporting of suspected abuse or neglect.

A motion was made to approve the RM-17 Volunteer Risk Management as presented.



Motion: Liz Ehrenstrom **Second:** Gina Will **Motion Carried**
Ayes: Cottrell, Miler, Ancheta, Reddig, Haile, Hall, Arteaga, Hanken, Kimball, McCay,
Ehrenstrom, Will, Warren, Rudolph
Nays: Tim Sailsbery

J.3. Member City Safety Day Agenda Development

Mr. Beverly indicated the development of a Safety Day training has evolved from the initial idea of one central location Safety Ambassador training to city-specific Supervisor training. The Risk Management Committee (RMC) recommended a half-day training session and to pilot test with two to four members. Mr. Beverly reviewed the draft agenda for the now Half-day Safety Training for Supervisors and Managers. The cities of Folsom, Oroville, Galt and a pool of smaller cities: Ione and Jackson, will test pilot the training.

A motion was made to approve a test pilot of Half-day Safety Training for Supervisors and Managers to cities of Folsom, Oroville, Galt and a pool of smaller cities.

Motion: Tim Sailsbery **Second:** Liz Ehrenstrom **Motion Carried**
Ayes: Cottrell, Miler, Ancheta, Reddig, Haile, Hall, Arteaga, Hanken, Kimball, McCay,
Ehrenstrom, Will, Warren, Rudolph
Nays: Tim Sailsbery

J.4. Round Table Discussion

Mr. Beverly noted that Alliant surveyed the members regarding interest in using the Lexipol Fire Department Training Services. Thus far, there is interest and since majority of the members did not respond to the poll, Alliant will send a follow up email to those who have not responded.

K. INFORMATION ITEMS

1. PARMA 2018 Conference (February 14-16, 2018) in Monterey, CA
2. Glossary of Terms
3. NCCSIF Organizational Chart
4. NCCSIF 2018 Meeting Calendar
5. NCCSIF Vendor Services Matrix
6. NCCSIF Resource Contact Guide
7. NCCSIF Travel Reimbursement Form

Mr. Beverly encouraged members to consider attending the PARMA Conference in February 2018 as it is a great risk management training.

These items were provided as information only.



L. ADJOURNMENT

The meeting was adjourned at 2:07 p.m.

Next Meeting Date: April 26, 2018

Respectfully Submitted,

Astrida Trupovnieks, Secretary

Date

DRAFT

Company Name: NCCSIF
Report Name: Check Register
Created On: 3/12/2018

Check	Date	Vendor	Account Title	Acct	Amount	Memo
11280	12/13/2017	Department of Industrial Relations	State Funding/Fraud Ass	52304	208,070.75	Assessment for FY 17-18
11279	12/13/2017	Gibbons and Conley	Legal Services	52103	600.95	November 2017 General Matters
11278	12/13/2017	Chandler Asset Management, Inc.	Investment Income	44040	4,410.70	Nov-17
11277	12/13/2017	Bickmore Risk Services Inc.	On Site Safety Grant Funds	52204 54200	14,726.67 4,500.00	Safety and Risk Control Services Risk Management for City of Folsom
11276	12/13/2017	James Marta and Company LLP	Accounting Services	52403	8,215.00	Monthly Accounting Services
11275	12/13/2017	Alliant Insurance Services	Program Admin Fee	52401	25,292.08	Monthly Consulting Services
11274	12/13/2017	Aubergine Catering	Police Risk Mgmt Comm S	52203	350.00	11.02.17 PRMC Meeting
11273	12/13/2017	Natalie Springer	Member Travel Board Meetings	52502 52503	77.90	09.28.17 Springer Travel 10.19.17 Springer Travel
11281	12/14/2017	York	Claims Admin - Monthly	52300	47,278.75 47,278.75 47,278.71	10.17Monthly Claims Administration Fee 11.17Monthly Claims Administration Fee 12.17Monthly Claims Administration Fee
11292	12/20/2017	Astrida Trupovnieks	Seminars and PARMA	52207	573.32	2017 CalPELRA
11291	12/20/2017	City of Rocklin	Safety Grant Funds	54200	8,020.80	Rocklin RM Reimbursement
11290	12/20/2017	Marcus Beverly	Board Expense	52500	564.57	12.14.17 LRP Meeting Printing Reimbursement
11289	12/20/2017	Catering By Design	Board Expense	52500	950.24	12.14.17 Long Range Planning Meeting Catering
11288	12/20/2017	Loree McCay	Board Meetings	52503	36.38	12.14.17 LRP-BOD Meeting
11287	12/20/2017	Liz Cottrell	Board Meetings	52503	179.76	12.14.17 LRP-BOD Meeting
11286	12/20/2017	Kristine Haile	Board Meetings	52503	14.98	12.14.17 LRP-BOD Meeting
11285	12/20/2017	Gina Will	Board Meetings	52503	85.60	12.14.17 LRP-BOD Meeting
11284	12/20/2017	City of Placerville	Board Meetings	52503	40.98	12.14.17 LRP-BOD Meeting
11283	12/20/2017	Champion Awards Enterprises	Board Meetings	52503	42.64	Plastic Plates
11282	12/20/2017	York Risk Services Group, Inc.	Claims Refunds	51110	3,219.98	Refund NPWA-559043 Debbie Patterson
11301	1/8/2018	York Risk Services Group, Inc.	Claims Admin - Liabilit	51135	31,307.89	Dec 2017 Liab Service Fees
11300	1/8/2018	Chandler Asset Management, Inc.	Investment Income	44040	4,405.53	Dec-17
11299	1/8/2018	Alliant Insurance Services	Program Admin Fee	52401	25,292.08	Monthly Consulting Services

Company Name: NCCSIF
Report Name: Check Register
Created On: 3/12/2018

Check	Date	Vendor	Account Title	Acct	Amount	Memo
11298	1/8/2018	AGRIP	Associations Membership	52504	2,026.15	02/18-01/19 AGRIP Membership Renewal - CAJPA
11297	1/8/2018	James Marta and Company LLP	Accounting Services	52403	8,215.00	Monthly Accounting Services
11296	1/8/2018	Bickmore Risk Services Inc.	On Site	52204	14,726.67	Safety and Risk Control Services
			Safety Grant Funds	54200	19,226.67	Risk Management for City of Folsom
11295	1/8/2018	City of Jackson	Seminars and PARMA	52207	1,660.00	2017 CalPELRA - Kimball
11294	1/8/2018	Federal Eastern International, LLC	Safety Contingency	52209	3,970.32	122017 Placerville Safety Gear
11293	1/8/2018	Liz Ehrenstrom	Board Meetings	52503	64.20	12.14.17 LRP-BOD Meeting
11305	1/23/2018	City of Yuba City	Risk Mgmt Comm Services	52201	219.99	CPO Course
11304	1/23/2018	Elk Grove Police Department	Safety Contingency	52209	9,090.00	1.11.18 Body Cam
11303	1/23/2018	Gibbons and Conley	Legal Services	52103	861.00	December 2017 General Matters
11302	1/23/2018	York	Claims Admin - Monthly	52300	47,278.75	Monthly Claims Administration Fee
8866	1/25/2018	LA BOU	Risk Mgmt Comm Mta Exp	52202	324.36	2.1.18 La Bou Catering
11306	1/25/2018	York Risk Services Group, Inc.	Claims Admin - Liabilit	51135	34,352.81	Nov 2017 Liab Service Fees
11311	2/5/2018	Chandler Asset Management, Inc.	Investment Income	44040	4,393.85	Jan-18
11310	2/5/2018	James Marta and Company LLP	Accounting Services	52403	8,215.00	Monthly Accounting Services
11309	2/5/2018	Alliant Insurance Services	Program Admin Fee	52401	25,292.08	Monthly Consulting Services
11308	2/5/2018	York Risk Services Group, Inc.	Claims Refunds	51110	156.00	Refund NPWA-560684 Elias Monterroso
11307	2/5/2018	Kristina Miller	Board Meetings	52503	90.84	12.14.18 Miller LRP Meeting
11312	2/12/2018	CAJPA	JPA Accredittation	52106	5,850.00	18-19 CAJPA Accreditation Application
11316	2/20/2018	City of Yuba City	Risk Mgmt Comm Services	52201	219.99	CPO Course
11316		City of Yuba City	Seminars and PARMA	52207	3,292.45	CALPELRA Yuba City
11315	2/20/2018	City of Nevada City	Safety Contingency	52209	4,545.00	2017-18 Nevada City Reimbursement
11314	2/20/2018	York Risk Services Group, Inc.	Claims Admin - Liabilit	51135	45,423.12	Jan 2018 Liab Service Fees
11313	2/20/2018	Bickmore Risk Services Inc.	On Site	52204	14,726.67	Safety and Risk Control Services
11313		Bickmore Risk Services Inc.	Safety Grant Funds	54200	4,500.00	Risk Management for City of Folsom

Company Name: NCCSIF
Report Name: Check Register
Created On: 3/12/2018

Check	Date	Vendor	Account Title	Acct	Amount	Memo
11317	2/21/2018	Below 100	Police Risk Mgmt Comm S	52203	750.00	RMC Meeting Speaker 02.01.18

Monthly Account Statement

Northern CA Cities Self Ins. Fund Short Term

December 1, 2017 through December 31, 2017

Chandler Team

For questions about your account,
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Custodian

Bank of New York Mellon
Lauren Dehner
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PORTFOLIO CHARACTERISTICS

Average Duration	2.46
Average Coupon	1.66 %
Average Purchase YTM	1.70 %
Average Market YTM	2.06 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.67 yrs
Average Life	2.54 yrs

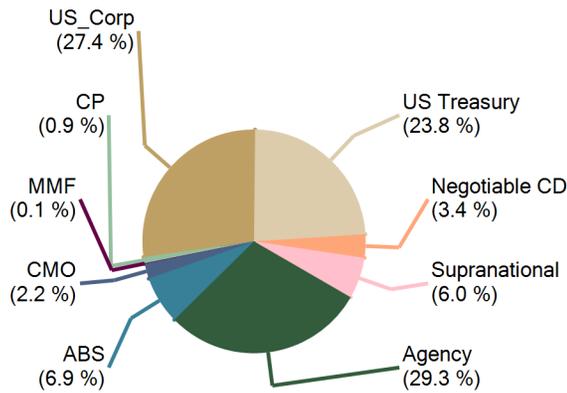
ACCOUNT SUMMARY

	Beg. Values as of 11/30/17	End Values as of 12/31/17
Market Value	25,473,711	25,462,597
Accrued Interest	92,445	110,839
Total Market Value	25,566,157	25,573,436
Income Earned	35,264	36,032
Cont/WD		0
Par	25,699,064	25,722,596
Book Value	25,682,980	25,700,605
Cost Value	25,656,852	25,675,286

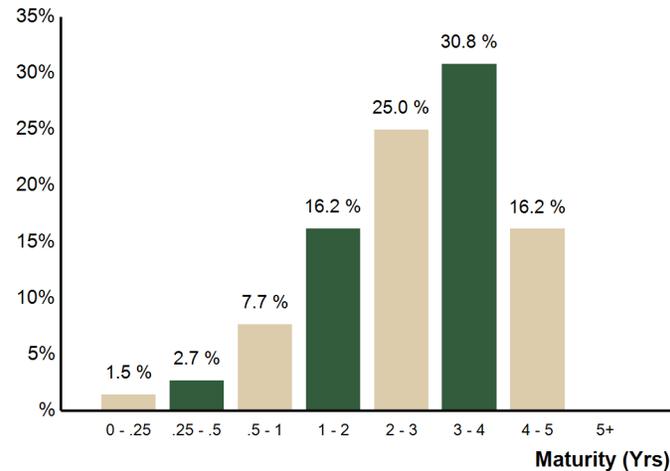
TOP ISSUERS

Issuer	% Portfolio
Government of United States	23.8 %
Federal National Mortgage Assoc	15.3 %
Federal Home Loan Mortgage Corp	11.0 %
Federal Home Loan Bank	5.2 %
Inter-American Dev Bank	3.8 %
Toyota ABS	2.1 %
Intl Bank Recon and Development	2.1 %
US Bancorp	2.0 %
Total	65.5 %

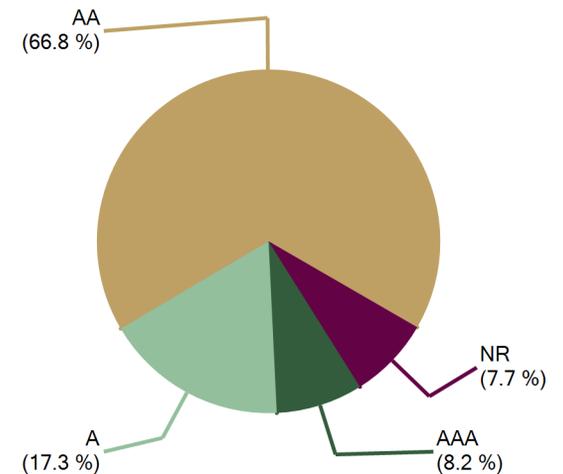
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 12/31/2017	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			Since 12/31/1997	Since 12/31/1997
					3 Yrs	5 Yrs	10 Yrs		
Northern CA Cities Self Ins. Fund Short Term	0.03 %	-0.29 %	1.08 %	1.08 %	1.18 %	1.02 %	2.42 %	3.91 %	115.43 %
BAML 1-5 Yr US Treasury/Agency Index	0.00 %	-0.38 %	0.66 %	0.66 %	0.91 %	0.76 %	2.05 %	3.58 %	102.10 %
BAML 1-5 Yr US Issuers Corp/Govt Rated AAA-A Index	0.01 %	-0.34 %	0.86 %	0.86 %	1.05 %	0.90 %	2.15 %	3.69 %	106.57 %



Northern California Cities Self-Insurance Fund - Short Term

December 31, 2017

COMPLIANCE WITH INVESTMENT POLICY

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

Category	Standard	Comment
Treasury Issues	No limitation	Complies
US Agencies	No limitation	Complies
Supranationals	Issued by IBRD, IFC or IADB only; "AA" rated or better by S&P or Moody's; 30% maximum; 5 years max maturity	Complies
Municipal Securities	5 years max maturity	Complies
Asset-backed/MBS/CMOs	20% maximum; AA by S&P or Moody; 5 years max maturity	Complies
Banker's Acceptances	40% maximum; 180 days max maturity	Complies
Commercial Paper	A1/P1 by S&P or Moody's ; 25% maximum; 270 days max maturity	Complies
Medium Term Notes	30% maximum; A rated by S&P or Moody's; 5 years max maturity	Complies
Money Market Acct	20% maximum; AAA by S&P and Moody's	Complies
Mutual Funds	20% maximum; AAA	Complies
Negotiable CDs	30% maximum; 5 years max maturity	Complies
Time Certificates of Deposit	5 years max maturity	Complies
LAIF	\$50 million	Complies
Repurchase Agreements	1 year max maturity; Not used by Investment Adviser	Complies
CMOs with collateral not specifically GNMA, FHLMC, FNMA	Prohibited	Complies
Reverse Repos	Prohibited	Complies
Futures and Options	Prohibited	Complies
Inverse floaters	Prohibited	Complies
Range notes	Prohibited	Complies
Max Per Issuer	5% per issuer (except US Treasury and US Agency issuers)	Complies
Maximum Maturity	10 years	Complies



Reconciliation Summary

As of 12/31/2017

BOOK VALUE RECONCILIATION	
Beginning Book Value	\$25,682,979.65
Acquisition	
+ Security Purchases	\$1,028,451.39
+ Money Market Fund Purchases	\$709,113.51
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
Total Acquisitions	\$1,737,564.90
Dispositions	
- Security Sales	\$149,989.50
- Money Market Fund Sales	\$883,066.44
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$545,000.00
- Calls	\$0.00
- Principal Paydowns	\$142,514.30
Total Dispositions	\$1,720,570.24
Amortization/Accretion	
+/- Net Accretion	\$644.29
	\$644.29
Gain/Loss on Dispositions	
+/- Realized Gain/Loss	(\$13.94)
	(\$13.94)
Ending Book Value	\$25,700,604.66

CASH TRANSACTION SUMMARY	
BEGINNING BALANCE	\$190,788.90
Acquisition	
Contributions	\$0.00
Security Sale Proceeds	\$149,989.50
Accrued Interest Received	\$933.75
Interest Received	\$21,547.59
Dividend Received	\$51.62
Principal on Maturities	\$545,000.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$142,514.30
Total Acquisitions	\$860,036.76
Disposition	
Withdrawals	\$0.00
Security Purchase	\$1,028,451.39
Accrued Interest Paid	\$5,538.30
Total Dispositions	\$1,033,989.69
Ending Book Value	\$16,835.97

Monthly Account Statement

Northern Cal. Cities Self Ins. Fund Long Term

December 1, 2017 through December 31, 2017

Chandler Team

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Custodian

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PORTFOLIO CHARACTERISTICS

Average Duration	3.49
Average Coupon	2.00 %
Average Purchase YTM	2.00 %
Average Market YTM	2.20 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	3.83 yrs
Average Life	3.74 yrs

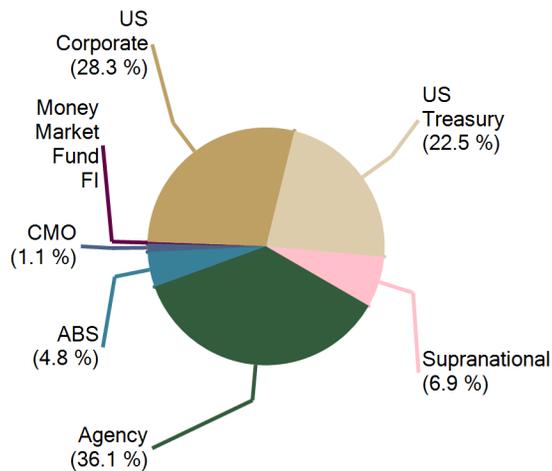
ACCOUNT SUMMARY

	Beg. Values as of 11/30/17	End Values as of 12/31/17
Market Value	26,386,713	26,370,126
Accrued Interest	112,303	138,642
Total Market Value	26,499,016	26,508,767
Income Earned	43,234	43,879
Cont/WD		0
Par	26,536,586	26,562,434
Book Value	26,507,238	26,524,623
Cost Value	26,528,102	26,546,570

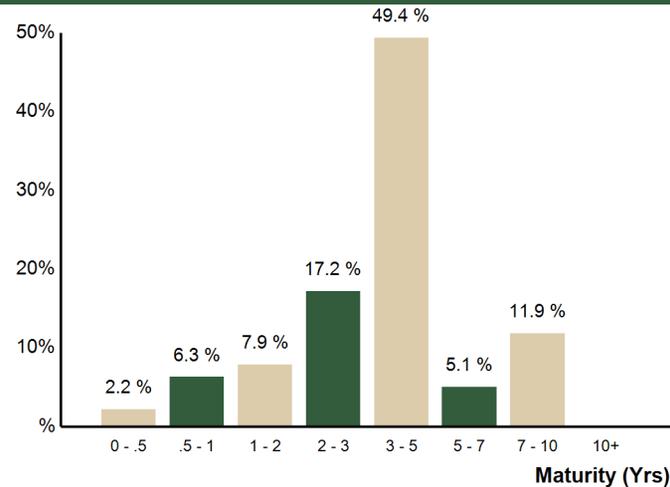
TOP ISSUERS

Issuer	% Portfolio
Government of United States	22.5 %
Federal National Mortgage Assoc	13.8 %
Federal Home Loan Bank	13.3 %
Federal Home Loan Mortgage Corp	6.7 %
Inter-American Dev Bank	4.8 %
Tennessee Valley Authority	3.5 %
Intl Bank Recon and Development	2.1 %
US Bancorp	1.8 %
Total	68.6 %

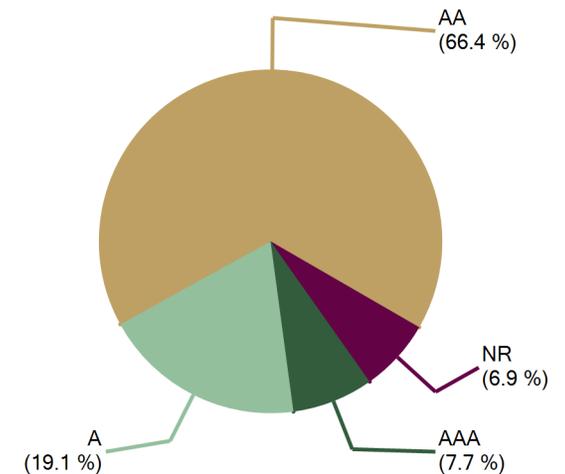
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 12/31/2017	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			5/31/2006	Since 5/31/2006
					3 Yrs	5 Yrs	10 Yrs		
Northern Cal. Cities Self Ins. Fund Long Term	0.04 %	-0.33 %	1.56 %	1.56 %	1.60 %	1.30 %	3.16 %	3.83 %	54.47 %
BAML 1-10 Yr US Treasury/Agency Index	0.03 %	-0.39 %	1.08 %	1.08 %	1.15 %	0.92 %	2.73 %	3.43 %	47.75 %
BAML 1-10 Yr US Corporate/Govt Rated AAA-A Index	0.07 %	-0.27 %	1.60 %	1.60 %	1.49 %	1.25 %	2.96 %	3.59 %	50.44 %



Northern California Cities Self-Insurance Fund - Long Term
December 31, 2017

COMPLIANCE WITH INVESTMENT POLICY

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

Category	Standard	Comment
Treasury Issues	No limitation	Complies
US Agencies	No limitation	Complies
Supranationals	Issued by IBRD, IFC or IADB only; "AA" rated or better by S&P or Moody; 30% maximum; 5 years max maturity	Complies
Municipal Securities	5 years max maturity	Complies
Asset-backed/MBS/CMOs	20% maximum; AA by S&P or Moody; 5 years max maturity	Complies
Banker's Acceptances	40% maximum; 180 days max maturity	Complies
Commercial Paper	A1/P1 by S&P or Moody ; 25% maximum; 270 days max maturity	Complies
Medium Term Notes	30% maximum; A rated by S&P or Moody's; 5 years max maturity	Complies
Money Market Acct	20% maximum; AAA by S&P and Moody	Complies
Mutual Funds	20% maximum; AAA	Complies
Negotiable CDs	30% maximum; 5 years max maturity	Complies
Time Certificates of Deposit	5 years max maturity	Complies
LAIF	\$50 million	Complies
Repurchase Agreements	1 year max maturity; Not used by Investment Adviser	Complies
CMOs with collateral not specifically GNMA, FHLMC, FNMA	Prohibited	Complies
Reverse Repos	Prohibited	Complies
Futures and Options	Prohibited	Complies
Inverse floaters	Prohibited	Complies
Range notes	Prohibited	Complies
Max Per Issuer	5% (except US Treasury and US Agency issuers)	Complies
Maximum Maturity	10 years	Complies



Reconciliation Summary

As of 12/31/2017

BOOK VALUE RECONCILIATION	
Beginning Book Value	\$26,507,238.49
Acquisition	
+ Security Purchases	\$756,857.70
+ Money Market Fund Purchases	\$461,948.81
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
Total Acquisitions	\$1,218,806.51
Dispositions	
- Security Sales	\$334,882.75
- Money Market Fund Sales	\$449,495.58
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$345,000.00
- Calls	\$0.00
- Principal Paydowns	\$71,604.76
Total Dispositions	\$1,200,983.09
Amortization/Accretion	
+/- Net Accretion	(\$283.93)
	(\$283.93)
Gain/Loss on Dispositions	
+/- Realized Gain/Loss	(\$154.60)
	(\$154.60)
Ending Book Value	\$26,524,623.38

CASH TRANSACTION SUMMARY	
BEGINNING BALANCE	\$38,553.58
Acquisition	
Contributions	\$0.00
Security Sale Proceeds	\$334,882.75
Accrued Interest Received	\$1,106.43
Interest Received	\$20,524.26
Dividend Received	\$98.56
Principal on Maturities	\$345,000.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$71,604.76
Total Acquisitions	\$773,216.76
Disposition	
Withdrawals	\$0.00
Security Purchase	\$756,857.70
Accrued Interest Paid	\$3,905.83
Total Dispositions	\$760,763.53
Ending Book Value	\$51,006.81

Monthly Account Statement

Northern CA Cities Self Ins. Fund Short Term

January 1, 2018 through January 31, 2018

Chandler Team

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PORTFOLIO CHARACTERISTICS

Average Duration	2.46
Average Coupon	1.69 %
Average Purchase YTM	1.73 %
Average Market YTM	2.31 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.69 yrs
Average Life	2.54 yrs

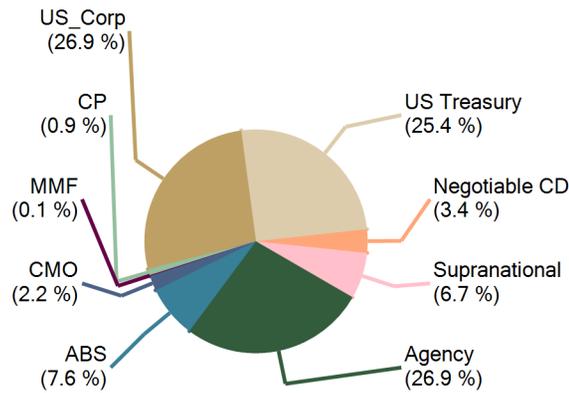
ACCOUNT SUMMARY

	Beg. Values as of 12/31/17	End Values as of 1/31/18
Market Value	25,462,597	25,352,979
Accrued Interest	110,839	98,302
Total Market Value	25,573,436	25,451,281
Income Earned	36,032	36,720
Cont/WD		-763
Par	25,722,596	25,773,821
Book Value	25,700,605	25,745,136
Cost Value	25,675,286	25,721,458

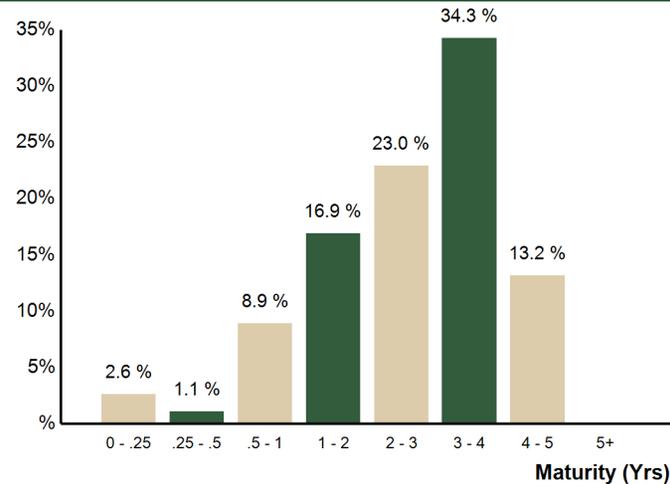
TOP ISSUERS

Issuer	% Portfolio
Government of United States	25.4 %
Federal National Mortgage Assoc	15.3 %
Federal Home Loan Mortgage Corp	8.6 %
Federal Home Loan Bank	5.2 %
Inter-American Dev Bank	3.8 %
Toyota ABS	3.3 %
Intl Bank Recon and Development	2.1 %
US Bancorp	2.0 %
Total	65.6 %

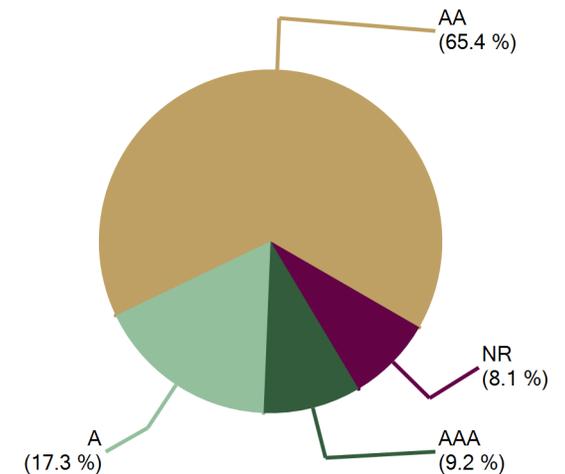
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 1/31/2018	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			Since 12/31/1997	
					3 Yrs	5 Yrs	10 Yrs		
Northern CA Cities Self Ins. Fund Short Term	-0.47 %	-0.73 %	-0.47 %	0.42 %	0.70 %	0.94 %	2.16 %	3.87 %	114.40 %
ICE BAML 1-5 Yr US Treasury/Agency Index	-0.56 %	-0.84 %	-0.56 %	-0.07 %	0.39 %	0.67 %	1.78 %	3.54 %	100.96 %
ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx	-0.55 %	-0.82 %	-0.55 %	0.12 %	0.53 %	0.81 %	1.90 %	3.65 %	105.44 %



Northern California Cities Self-Insurance Fund - Short Term
January 31, 2018

COMPLIANCE WITH INVESTMENT POLICY

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

Category	Standard	Comment
Treasury Issues	No limitation	Complies
US Agencies	No limitation	Complies
Supranationals	Issued by IBRD, IFC or IADB only; "AA" rated or better by S&P or Moody's; 30% maximum; 5 years max maturity	Complies
Municipal Securities	5 years max maturity	Complies
Asset-backed/MBS/CMOs	20% maximum; AA by S&P or Moody; 5 years max maturity	Complies
Banker's Acceptances	40% maximum; 180 days max maturity	Complies
Commercial Paper	A1/P1 by S&P or Moody's ; 25% maximum; 270 days max maturity	Complies
Medium Term Notes	30% maximum; A rated by S&P or Moody's; 5 years max maturity	Complies
Money Market Acct	20% maximum; AAA by S&P and Moody's	Complies
Mutual Funds	20% maximum; AAA	Complies
Negotiable CDs	30% maximum; 5 years max maturity	Complies
Time Certificates of Deposit	5 years max maturity	Complies
LAIF	\$50 million	Complies
Repurchase Agreements	1 year max maturity; Not used by Investment Adviser	Complies
CMOs with collateral not specifically GNMA, FHLMC, FNMA	Prohibited	Complies
Reverse Repos	Prohibited	Complies
Futures and Options	Prohibited	Complies
Inverse floaters	Prohibited	Complies
Range notes	Prohibited	Complies
Max Per Issuer	5% per issuer (except US Treasury and US Agency issuers)	Complies
Maximum Maturity	10 years	Complies



Reconciliation Summary

As of 1/31/2018

BOOK VALUE RECONCILIATION	
Beginning Book Value	\$25,700,604.66
Acquisition	
+ Security Purchases	\$1,021,261.29
+ Money Market Fund Purchases	\$537,426.08
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
Total Acquisitions	\$1,558,687.37
Dispositions	
- Security Sales	\$704,717.56
- Money Market Fund Sales	\$523,977.21
- MMF Withdrawals	\$762.50
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$125,000.00
- Calls	\$0.00
- Principal Paydowns	\$156,461.54
Total Dispositions	\$1,510,918.81
Amortization/Accretion	
+/- Net Accretion	\$725.08
	\$725.08
Gain/Loss on Dispositions	
+/- Realized Gain/Loss	(\$3,962.70)
	(\$3,962.70)
Ending Book Value	\$25,745,135.60

CASH TRANSACTION SUMMARY	
BEGINNING BALANCE	\$16,835.97
Acquisition	
Contributions	\$0.00
Security Sale Proceeds	\$704,717.56
Accrued Interest Received	\$3,266.08
Interest Received	\$45,903.46
Dividend Received	\$162.80
Principal on Maturities	\$125,000.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$156,461.54
Total Acquisitions	\$1,035,511.44
Disposition	
Withdrawals	\$762.50
Security Purchase	\$1,021,261.29
Accrued Interest Paid	\$801.28
Total Dispositions	\$1,022,825.07
Ending Book Value	\$29,522.34

Monthly Account Statement

Northern Cal. Cities Self Ins. Fund Long Term

January 1, 2018 through January 31, 2018

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PORTFOLIO CHARACTERISTICS

Average Duration	3.42
Average Coupon	2.01 %
Average Purchase YTM	2.00 %
Average Market YTM	2.49 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	3.77 yrs
Average Life	3.67 yrs

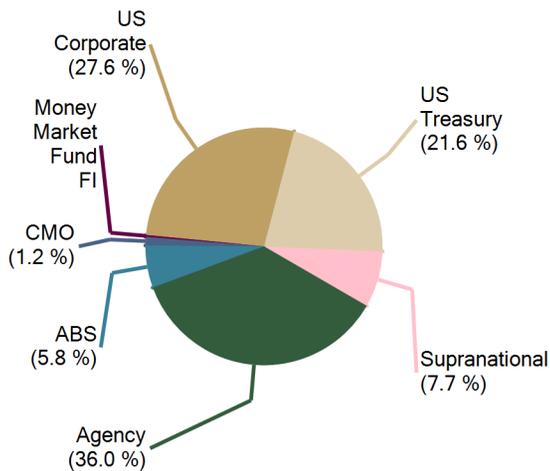
ACCOUNT SUMMARY

	Beg. Values as of 12/31/17	End Values as of 1/31/18
Market Value	26,370,126	26,155,452
Accrued Interest	138,642	147,098
Total Market Value	26,508,767	26,302,550
Income Earned	43,879	44,425
Cont/WD		0
Par	26,562,434	26,597,657
Book Value	26,524,623	26,560,444
Cost Value	26,546,570	26,583,170

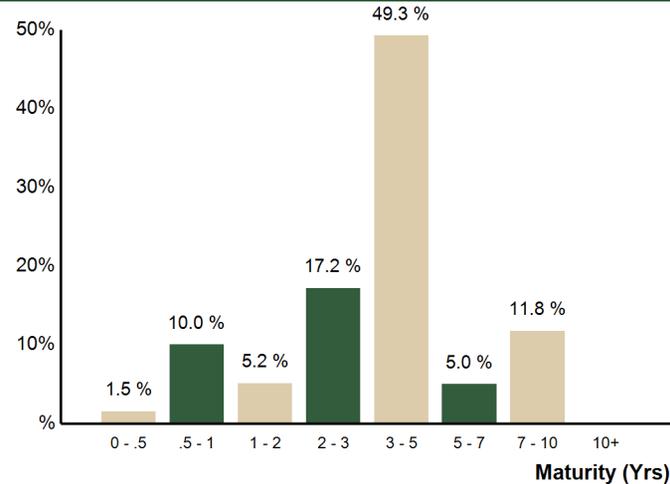
TOP ISSUERS

Issuer	% Portfolio
Government of United States	21.6 %
Federal National Mortgage Assoc	13.7 %
Federal Home Loan Bank	13.3 %
Federal Home Loan Mortgage Corp	6.7 %
Inter-American Dev Bank	4.8 %
Tennessee Valley Authority	3.5 %
Intl Bank Recon and Development	2.1 %
Toyota ABS	2.1 %
Total	67.8 %

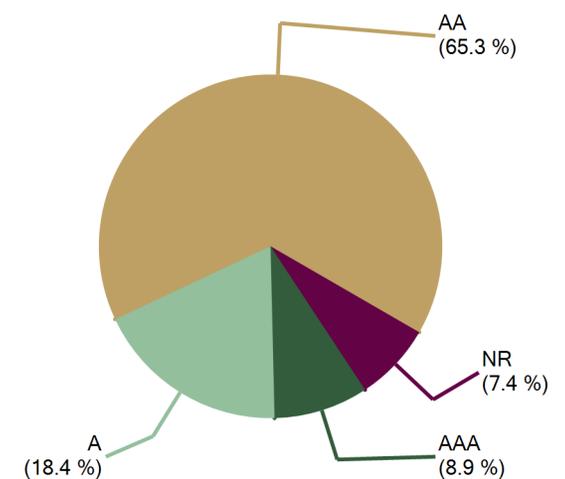
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 1/31/2018	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			5/31/2006	Since 5/31/2006
					3 Yrs	5 Yrs	10 Yrs		
Northern Cal. Cities Self Ins. Fund Long Term	-0.78 %	-1.05 %	-0.78 %	0.54 %	0.79 %	1.22 %	2.84 %	3.73 %	53.26 %
ICE BAML 1-10 Yr US Treasury/Agency Index	-0.91 %	-1.18 %	-0.91 %	-0.03 %	0.29 %	0.83 %	2.40 %	3.32 %	46.40 %
ICE BAML 1-10 Yr US Corporate/Govt Rated AAA-A Idx	-0.88 %	-1.10 %	-0.88 %	0.50 %	0.63 %	1.16 %	2.65 %	3.48 %	49.12 %



Northern California Cities Self-Insurance Fund - Long Term
January 31, 2018

COMPLIANCE WITH INVESTMENT POLICY

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

Category	Standard	Comment
Treasury Issues	No limitation	Complies
US Agencies	No limitation	Complies
Supranationals	Issued by IBRD, IFC or IADB only; "AA" rated or better by S&P or Moody; 30% maximum; 5 years max maturity	Complies
Municipal Securities	5 years max maturity	Complies
Asset-backed/MBS/CMOs	20% maximum; AA by S&P or Moody; 5 years max maturity	Complies
Banker's Acceptances	40% maximum; 180 days max maturity	Complies
Commercial Paper	A1/P1 by S&P or Moody ; 25% maximum; 270 days max maturity	Complies
Medium Term Notes	30% maximum; A rated by S&P or Moody's; 5 years max maturity	Complies
Money Market Acct	20% maximum; AAA by S&P and Moody	Complies
Mutual Funds	20% maximum; AAA	Complies
Negotiable CDs	30% maximum; 5 years max maturity	Complies
Time Certificates of Deposit	5 years max maturity	Complies
LAIF	\$50 million	Complies
Repurchase Agreements	1 year max maturity; Not used by Investment Adviser	Complies
CMOs with collateral not specifically GNMA, FHLMC, FNMA	Prohibited	Complies
Reverse Repos	Prohibited	Complies
Futures and Options	Prohibited	Complies
Inverse floaters	Prohibited	Complies
Range notes	Prohibited	Complies
Max Per Issuer	5% (except US Treasury and US Agency issuers)	Complies
Maximum Maturity	10 years	Complies



Reconciliation Summary

As of 1/31/2018

BOOK VALUE RECONCILIATION	
Beginning Book Value	\$26,524,623.38
Acquisition	
+ Security Purchases	\$519,407.67
+ Money Market Fund Purchases	\$533,593.27
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
Total Acquisitions	\$1,053,000.94
Dispositions	
- Security Sales	\$223,541.02
- Money Market Fund Sales	\$519,407.67
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$195,000.00
- Calls	\$0.00
- Principal Paydowns	\$78,962.87
Total Dispositions	\$1,016,911.56
Amortization/Accretion	
+/- Net Accretion	(\$120.35)
	(\$120.35)
Gain/Loss on Dispositions	
+/- Realized Gain/Loss	(\$148.13)
	(\$148.13)
Ending Book Value	\$26,560,444.28

CASH TRANSACTION SUMMARY	
BEGINNING BALANCE	\$51,006.81
Acquisition	
Contributions	\$0.00
Security Sale Proceeds	\$223,541.02
Accrued Interest Received	\$1,360.39
Interest Received	\$34,457.95
Dividend Received	\$271.04
Principal on Maturities	\$195,000.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$78,962.87
Total Acquisitions	\$533,593.27
Disposition	
Withdrawals	\$0.00
Security Purchase	\$519,407.67
Accrued Interest Paid	\$0.00
Total Dispositions	\$519,407.67
Ending Book Value	\$65,192.41

Monthly Account Statement

Northern CA Cities Self Ins. Fund Short Term

February 1, 2018 through February 28, 2018

Chandler Team

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

Custodian

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

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. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.



PORTFOLIO CHARACTERISTICS

Average Duration	2.42
Average Coupon	1.71 %
Average Purchase YTM	1.75 %
Average Market YTM	2.48 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.65 yrs
Average Life	2.50 yrs

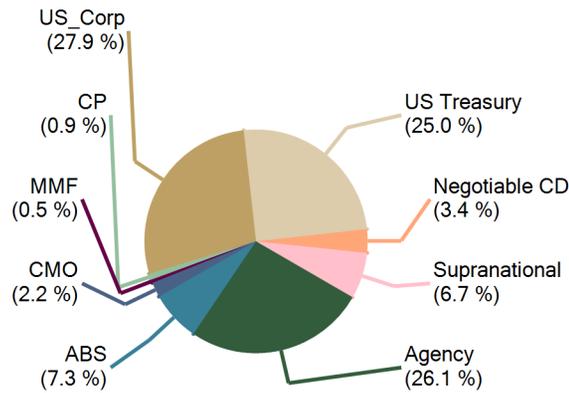
ACCOUNT SUMMARY

	Beg. Values as of 1/31/18	End Values as of 2/28/18
Market Value	25,352,979	25,308,193
Accrued Interest	98,302	98,119
Total Market Value	25,451,281	25,406,312
Income Earned	36,720	36,539
Cont/WD		0
Par	25,773,821	25,809,293
Book Value	25,745,136	25,780,030
Cost Value	25,721,458	25,758,802

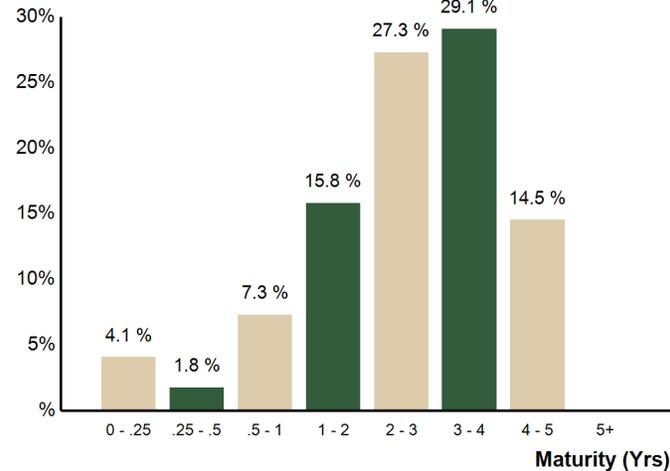
TOP ISSUERS

Issuer	% Portfolio
Government of United States	25.0 %
Federal National Mortgage Assoc	15.3 %
Federal Home Loan Mortgage Corp	7.9 %
Federal Home Loan Bank	5.2 %
Inter-American Dev Bank	3.8 %
Toyota ABS	3.1 %
Intl Bank Recon and Development	2.1 %
US Bancorp	2.0 %
Total	64.4 %

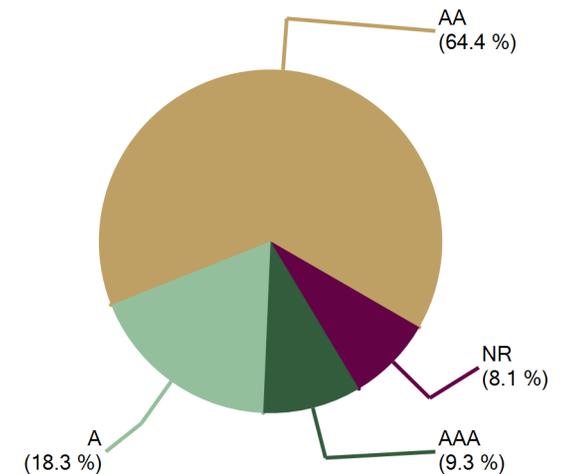
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 2/28/2018	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	-0.18 %	-0.62 %	-0.65 %	0.04 %	0.77 %	0.86 %	2.05 %	3.85 %	114.03 %
ICE BAML 1-5 Yr US Treasury/Agency Index	-0.12 %	-0.69 %	-0.68 %	-0.34 %	0.51 %	0.60 %	1.66 %	3.52 %	100.72 %
ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx	-0.16 %	-0.69 %	-0.70 %	-0.23 %	0.63 %	0.73 %	1.78 %	3.63 %	105.11 %



Northern California Cities Self-Insurance Fund - Short Term

February 28, 2018

COMPLIANCE WITH INVESTMENT POLICY

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

Category	Standard	Comment
Treasury Issues	No limitation	Complies
US Agencies	No limitation	Complies
Supranationals	Issued by IBRD, IFC or IADB only; "AA" rated or better by S&P or Moody's; 30% maximum; 5 years max maturity	Complies
Municipal Securities	5 years max maturity	Complies
Asset-backed/MBS/CMOs	20% maximum; AA by S&P or Moody; 5 years max maturity	Complies
Banker's Acceptances	40% maximum; 180 days max maturity	Complies
Commercial Paper	A1/P1 by S&P or Moody's ; 25% maximum; 270 days max maturity	Complies
Medium Term Notes	30% maximum; A rated by S&P or Moody's; 5 years max maturity	Complies
Money Market Acct	20% maximum; AAA by S&P and Moody's	Complies
Mutual Funds	20% maximum; AAA	Complies
Negotiable CDs	30% maximum; 5 years max maturity	Complies
Time Certificates of Deposit	5 years max maturity	Complies
LAIF	\$50 million	Complies
Repurchase Agreements	1 year max maturity; Not used by Investment Adviser	Complies
CMOs with collateral not specifically GNMA, FHLMC, FNMA	Prohibited	Complies
Reverse Repos	Prohibited	Complies
Futures and Options	Prohibited	Complies
Inverse floaters	Prohibited	Complies
Range notes	Prohibited	Complies
Max Per Issuer	5% per issuer (except US Treasury and US Agency issuers)	Complies
Maximum Maturity	10 years	Complies



Reconciliation Summary

As of 2/28/2018

BOOK VALUE RECONCILIATION		
Beginning Book Value		\$25,745,135.60
Acquisition		
+ Security Purchases	\$357,340.14	
+ Money Market Fund Purchases	\$448,920.33	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$806,260.47
Dispositions		
- Security Sales	\$246,781.25	
- Money Market Fund Sales	\$357,975.82	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$165,472.85	
Total Dispositions		\$770,229.92
Amortization/Accretion		
+/- Net Accretion	\$692.05	
		\$692.05
Gain/Loss on Dispositions		
+/- Realized Gain/Loss	(\$1,828.02)	
		(\$1,828.02)
Ending Book Value		\$25,780,030.18

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$29,522.34
Acquisition		
Contributions	\$0.00	
Security Sale Proceeds	\$246,781.25	
Accrued Interest Received	\$98.08	
Interest Received	\$36,475.64	
Dividend Received	\$92.51	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$165,472.85	
Total Acquisitions	\$448,920.33	
Disposition		
Withdrawals	\$0.00	
Security Purchase	\$357,340.14	
Accrued Interest Paid	\$635.68	
Total Dispositions	\$357,975.82	
Ending Book Value		\$120,466.85

Monthly Account Statement

Northern Cal. Cities Self Ins. Fund Long Term

February 1, 2018 through February 28, 2018

Chandler Team

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

Custodian

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

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PORTFOLIO CHARACTERISTICS

Average Duration	3.34
Average Coupon	2.01 %
Average Purchase YTM	2.00 %
Average Market YTM	2.60 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	3.68 yrs
Average Life	3.57 yrs

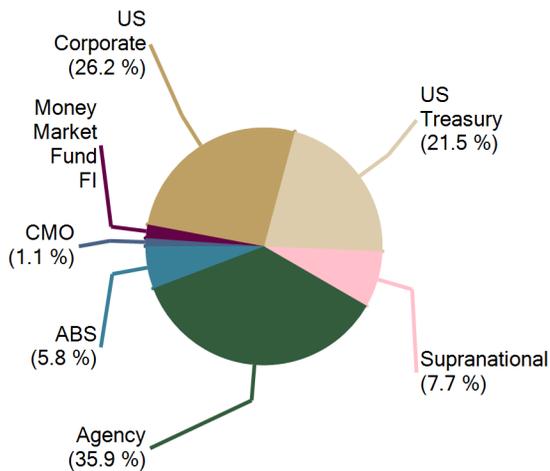
ACCOUNT SUMMARY

	Beg. Values as of 1/31/18	End Values as of 2/28/18
Market Value	26,155,452	26,089,430
Accrued Interest	147,098	127,952
Total Market Value	26,302,550	26,217,382
Income Earned	44,425	43,393
Cont/WD		0
Par	26,597,657	26,660,451
Book Value	26,560,444	26,622,983
Cost Value	26,583,170	26,644,924

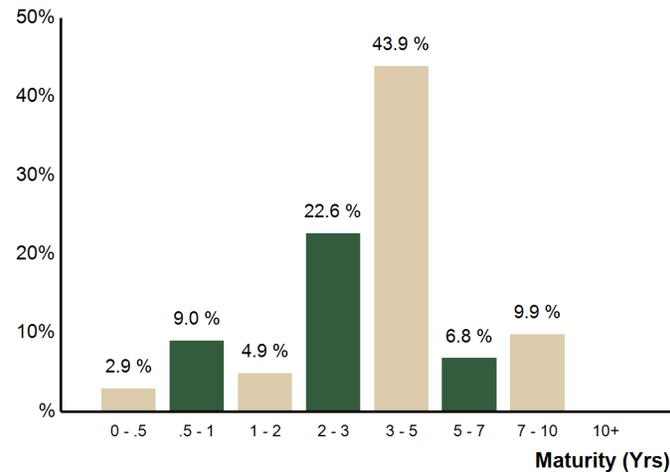
TOP ISSUERS

Issuer	% Portfolio
Government of United States	21.5 %
Federal National Mortgage Assoc	13.7 %
Federal Home Loan Bank	13.3 %
Federal Home Loan Mortgage Corp	6.6 %
Inter-American Dev Bank	4.8 %
Tennessee Valley Authority	3.4 %
Intl Bank Recon and Development	2.2 %
Toyota ABS	2.0 %
Total	67.5 %

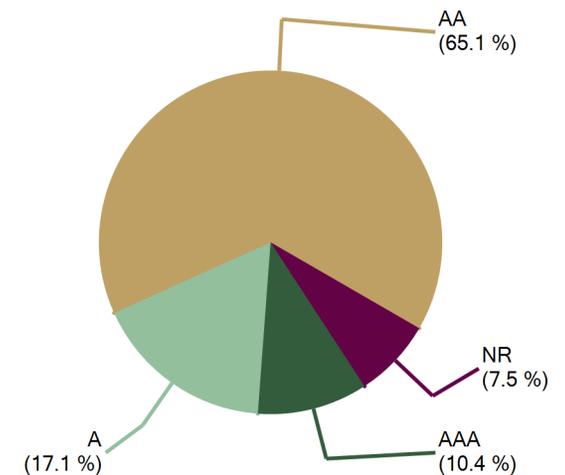
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 2/28/2018	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			5/31/2006	Since 5/31/2006
					3 Yrs	5 Yrs	10 Yrs		
Northern Cal. Cities Self Ins. Fund Long Term	-0.32 %	-1.06 %	-1.10 %	-0.11 %	0.94 %	1.07 %	2.72 %	3.67 %	52.77 %
ICE BAML 1-10 Yr US Treasury/Agency Index	-0.28 %	-1.16 %	-1.19 %	-0.59 %	0.50 %	0.68 %	2.26 %	3.27 %	45.99 %
ICE BAML 1-10 Yr US Corporate/Govt Rated AAA-A Idx	-0.37 %	-1.18 %	-1.24 %	-0.24 %	0.77 %	0.98 %	2.51 %	3.43 %	48.57 %



Northern California Cities Self-Insurance Fund - Long Term
February 28, 2018

COMPLIANCE WITH INVESTMENT POLICY

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

Category	Standard	Comment
Treasury Issues	No limitation	Complies
US Agencies	No limitation	Complies
Supranationals	Issued by IBRD, IFC or IADB only; "AA" rated or better by S&P or Moody; 30% maximum; 5 years max maturity	Complies
Municipal Securities	5 years max maturity	Complies
Asset-backed/MBS/CMOs	20% maximum; AA by S&P or Moody; 5 years max maturity	Complies
Banker's Acceptances	40% maximum; 180 days max maturity	Complies
Commercial Paper	A1/P1 by S&P or Moody ; 25% maximum; 270 days max maturity	Complies
Medium Term Notes	30% maximum; A rated by S&P or Moody's; 5 years max maturity	Complies
Money Market Acct	20% maximum; AAA by S&P and Moody	Complies
Mutual Funds	20% maximum; AAA	Complies
Negotiable CDs	30% maximum; 5 years max maturity	Complies
Time Certificates of Deposit	5 years max maturity	Complies
LAIF	\$50 million	Complies
Repurchase Agreements	1 year max maturity; Not used by Investment Adviser	Complies
CMOs with collateral not specifically GNMA, FHLMC, FNMA	Prohibited	Complies
Reverse Repos	Prohibited	Complies
Futures and Options	Prohibited	Complies
Inverse floaters	Prohibited	Complies
Range notes	Prohibited	Complies
Max Per Issuer	5% (except US Treasury and US Agency issuers)	Complies
Maximum Maturity	10 years	Complies



Reconciliation Summary

As of 2/28/2018

BOOK VALUE RECONCILIATION	
Beginning Book Value	\$26,560,444.28
Acquisition	
+ Security Purchases	\$84,993.89
+ Money Market Fund Purchases	\$504,510.66
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
Total Acquisitions	\$589,504.55
Dispositions	
- Security Sales	\$0.00
- Money Market Fund Sales	\$84,993.89
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$0.00
- Calls	\$340,000.00
- Principal Paydowns	\$101,723.06
Total Dispositions	\$526,716.95
Amortization/Accretion	
+/- Net Accretion	(\$248.80)
	(\$248.80)
Gain/Loss on Dispositions	
+/- Realized Gain/Loss	\$0.00
	\$0.00
Ending Book Value	\$26,622,983.08

CASH TRANSACTION SUMMARY	
BEGINNING BALANCE	\$65,192.41
Acquisition	
Contributions	\$0.00
Security Sale Proceeds	\$0.00
Accrued Interest Received	\$0.00
Interest Received	\$60,493.74
Dividend Received	\$197.19
Principal on Maturities	\$0.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$340,000.00
Interest from Calls/Redemption	\$2,096.67
Principal Paydown	\$101,723.06
Total Acquisitions	\$504,510.66
Disposition	
Withdrawals	\$0.00
Security Purchase	\$84,993.89
Accrued Interest Paid	\$0.00
Total Dispositions	\$84,993.89
Ending Book Value	\$484,709.18



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 01/12/2018, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 12/31/2017.

Earnings Ratio		.00003301121703481
Interest Rate		1.20%
Dollar Day Total	\$	556,306,117.52
Quarter End Principal Balance	\$	5,553,474.68
Quarterly Interest Earned	\$	18,364.34

NCCSIF

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

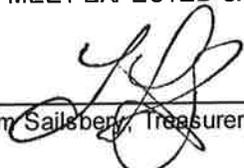
Main Location: 2180 Harvard Street, Suite 460, Sacramento, CA 95815 * (916) 643-2700 * Facsimile: (916) 643-2750
Accounting Location: Mr. James Marta, James Marta & Company, 701 Howe Avenue, Suite E3, Sacramento, CA 95825 * (916) 993-9494

NCCSIF INVESTMENT REPORT FOR THE QUARTER ENDING DECEMBER 31, 2017

	<u>MARKET VALUE</u>
CASH:	
(1) Tri Counties Checking	\$ 272,491.76
(2) Local Agency Inv Fund (LAIF)	<u>5,553,474.68</u>
Total Cash	<u>5,825,966.44</u>
INVESTMENTS (Unrestricted):	
(3) Chandler Investments	
Account no. 170	25,462,597.00
Account no. 171	<u>26,370,126.00</u>
Total Unrestricted Investments	<u>51,832,723.00</u>
TOTAL CASH AND INVESTMENTS	<u><u>\$ 57,658,689.44</u></u>

- (1) This consists of one checking account and two pass-thru accounts (liability and workers comp claims).
- (2) The LAIF rate of return as of quarter ended December 31, 2017. 1.20%
- (3) See attached Investment Activity Reports.

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



Tim Sallsbery, Treasurer

2/1/18

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 CA Cities Self Insurance Fund (NCCCSIF)

2017/18
ANNUAL REPORT



Greetings,

This year marks the EIA's 38th year of providing exceptional risk coverage programs and risk management services to California's public agencies. This report quantifies the value of participation and highlights the benefits realized as a direct result of your membership in the EIA.

Benefits of Membership

- Flexible & Responsive to Your Needs
- Shield You from Insurance Market Swings
- Minimize Risk & Uncertainty
- Legislative Advocacy

Savings

- We're proud of the \$468 million saved by our membership in the last 5 years!
- Monies Saved Through Volume Discounts and Pre-negotiated Service Partner Contracts
- Savings from Claims, Loss Prevention, and Risk Management Services

Success Attributable to Stability & Longevity

- 80% of county members have been participants for more than 30 years
- Additional membership volume has reduced costs and increased stability for all
- Economies of scale enabled successful implementation of the Excess Insurance Organization, an EIA owned pure captive insurance company

Organization Strength

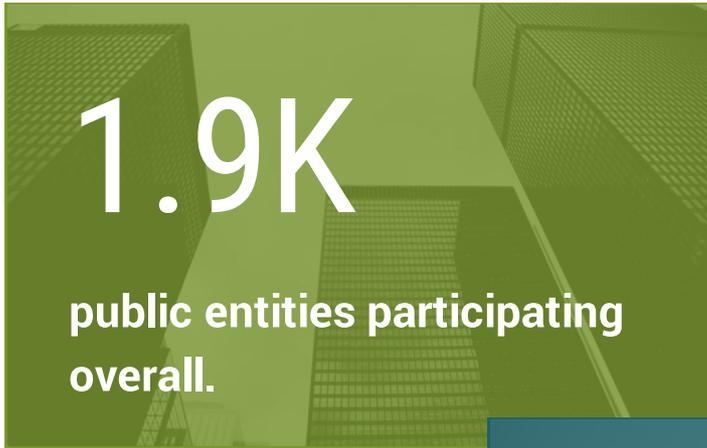
- The EIA is truly member driven
- Stability is achieved through long-term member involvement
- Over 1,900 public entities are covered members
- One of the largest insurance pools in the U.S.

We encourage you to share this information with your governing bodies or others interested in your participation in the EIA.

Regards,
EIA



You're partnered with the leader in member-directed risk management.



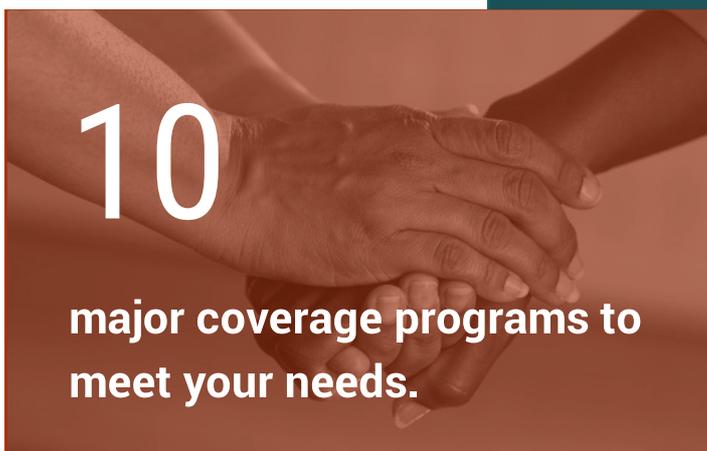
1.9K
public entities participating overall.



55
of California's counties enjoy EIA membership.



38
years of working with you and other organizations.



10
major coverage programs to meet your needs.



21
miscellaneous / ancillary group-purchase options.



We are one of the largest pools in the nation. Our major programs represent:

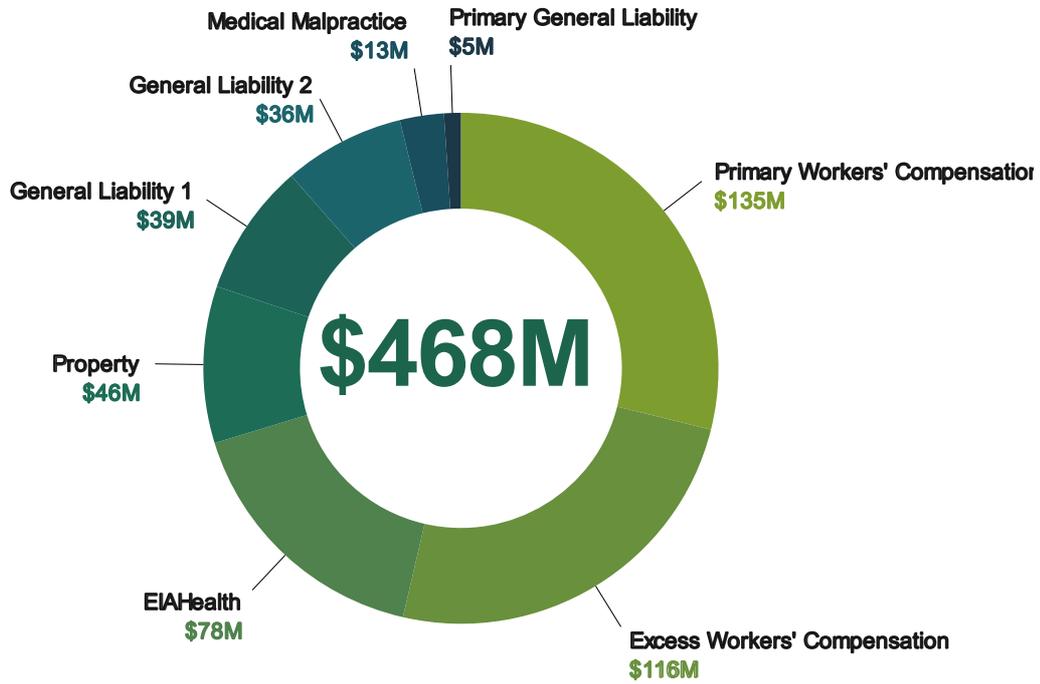


Our innovative and successful approach has been noticed across the state.

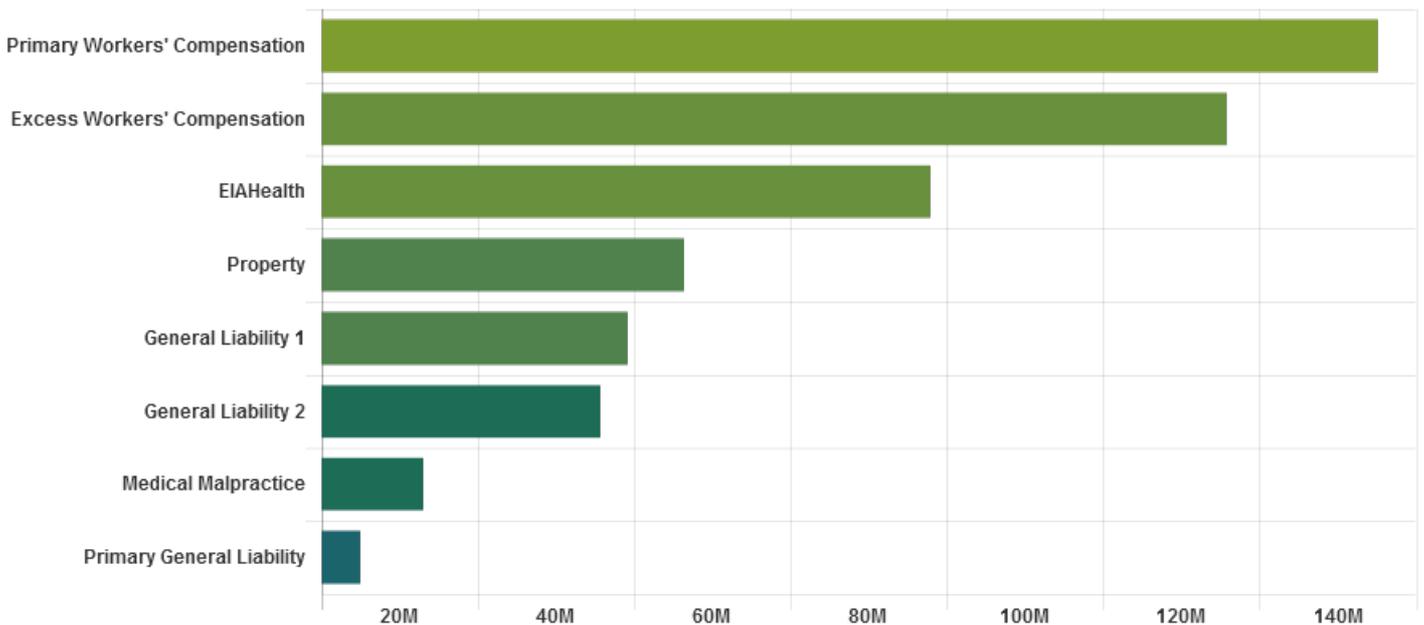
 <p>Financial Reporting & Budgeting Awards; CAFR 2004-2016, PAFR 1994-2016, Budget 2011-2017</p>	 <p>Compliance with AGRIP Advisory Standards 2013-2019</p>	 <p>Accredited with Excellence 1989-2019</p>
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Over the past five years, members have saved



Let's break that down by coverage



How are the premium comparisons computed?

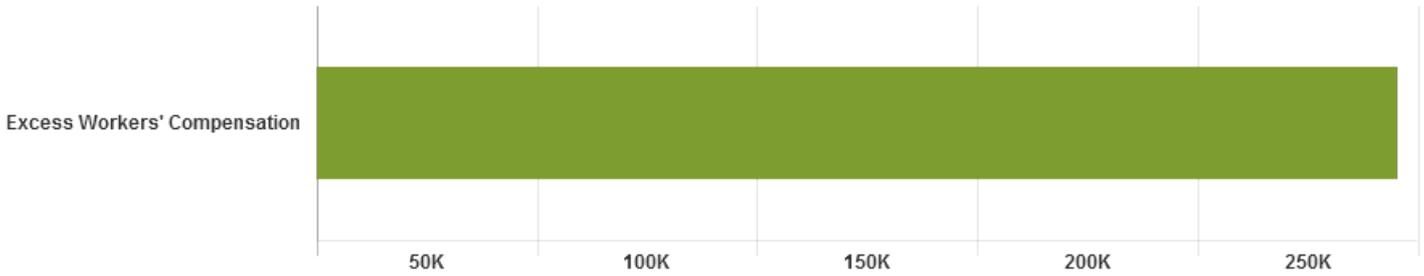
In the report, we compare the premiums your agency paid to the EIA to what it would likely cost to purchase similar coverage and services on your own, or what is referred to as the "stand-alone" premium. Except for the Primary Workers' Compensation and Primary General Liability Programs, the stand alone premium estimates are market based projections. Factors such as the entity's size, retention, type of exposures, location, and/or the coverage being purchased has an impact on the estimated stand-alone projection. Below is a summary of the analysis that was done to derive the stand alone projections as well as the various factors that influence the estimated projections.

PWC	Actuarial projection to fund a self-insured layer at the 90% confidence level.
EWC	Insurance market projection based on actual quotes received by Alliant for similar public entity risks, ranging from 10 - 30% below market pricing depending on the type of exposure (county, city, school or other) and SIR levels.
PGL	Actuarial projection to fund a self-insured layer at the 80% confidence level, discounted at 1%.
GL1	Insurance market projection based on actual quotes received by Alliant for similar public entity risks, ranging from 10 - 15% below market pricing depending on the type of exposure (county, school or other).
GL2	Insurance market projection based on actual quotes received by Alliant for similar public entity risks, at approximately 15% below market pricing depending on the entity's size and type of exposure (county or city).
Medical Malpractice	Insurance market projection based on actual quotes received by Alliant for similar public entity risks, ranging from 15 - 25% below market pricing depending on the size of the county and whether the member has a low deductible or higher SIR.
Property	Insurance market projection based on actual All Risk and Earthquake quotes received by Alliant for similar public entity risks, ranging from 2 - 25% on an individual member basis below market pricing depending on size of the entity. Size of the entity is measured by total insured values, type of exposure (county, city, school or other), and if earthquake coverage is purchased, and the earthquake zone of the covered location.
EIAHealth	Insurance market projection based on actual member experience including insurance company margins for contingencies and profit.



Your savings with EIA in 2017/18

\$245,274

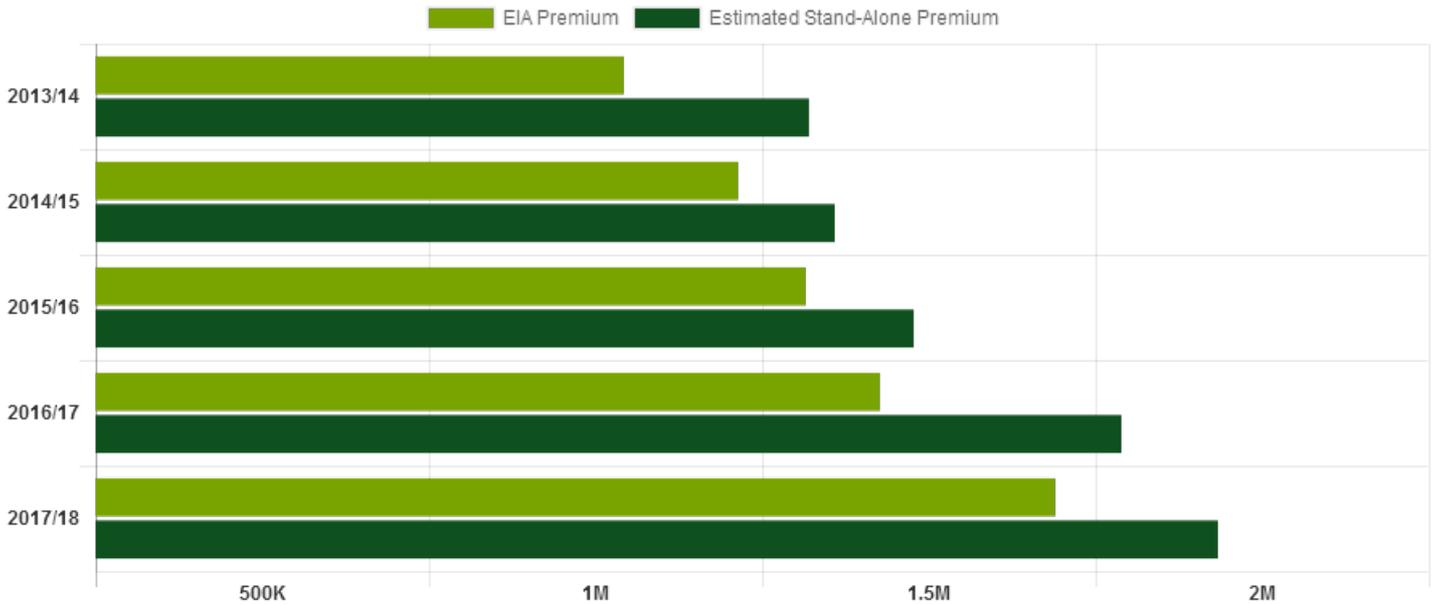


COVERAGE	EIA PREMIUM	EST. STAND-ALONE PREMIUM	SAVINGS
Excess Workers' Compensation	\$1,440,433	\$1,685,707	\$245,274
Total Savings	\$1,440,433	\$1,685,707	\$245,274



5 Year Savings Breakdown 2013/14 - 2017/18

Excess Workers' Compensation



YEAR	EIA PREMIUM	EST. STAND-ALONE PREMIUM	SAVINGS
2013/14	\$792,213	\$1,069,488	\$277,275
2014/15	\$964,512	\$1,109,189	\$144,677
2015/16	\$1,066,955	\$1,226,998	\$160,043
2016/17	\$1,177,155	\$1,540,052	\$362,897
2017/18	\$1,440,433	\$1,685,707	\$245,274
Total Savings	\$5,441,268	\$6,631,434	\$1,190,166



Want to save more? We can help with that

You could benefit from these additional coverages.

EIAHealth

Consistently outperforms the marketplace, with lower average annual rate increases than standalone plans and CalPERS since 2003. Largest PPO Networks in CA, Anthem, Blue Shield and now Kaiser Permanents are available.

General Liability 1

Our General Liability 1 Program provides excess insurance with low net cost and a broad manuscript form, and is tailored to meet your own self-insured retention, which you can set from \$100k to \$1M. Members also benefit from a host of loss prevention, claims and risk management services.

Property

Benefit from the economies of scale with one of the largest group purchased property placements in the world, the EIA Property Program provides the protection you need from physical damage to property. The coverages range from "All Risk" perils to Boiler & Machinery, and from Flood (included automatically) to Earthquake and Auto Physical Damage for vehicles (which are both optional).



We also offer additional services for members

Our Member Services are constantly evolving to respond to and meet your needs. Don't see what you need? Give us a call and we'll see what we can do. We're here to find solutions!

Risk Management

- ▲ Actuarial Analysis
- ▲ Subsidies for Loss Prevention & Risk Management needs
- ▲ Real & Personal Property Appraisals
- ▲ Certificate of Insurance Management
- ▲ Pre-Employment Background Checks
- ▲ Legal Advice
- ▲ Crisis Incident Management
- ▲ Risk Management 101 Courses
- ▲ Crisis Incident Counseling
- ▲ Body-Worn Camera
- ▲ Enterprise Risk Consultants

Loss Prevention

- ▲ Cyber Security
- ▲ Safety Data Sheet Management
- ▲ Risk Assessment Tool
- ▲ Employer Pull Notice Program
- ▲ Drug & Alcohol Monitoring Consortium
- ▲ Safety Toolbox
- ▲ EIA TV
- ▲ Soft Tissue Injury Prevention
- ▲ Timekeeping Checkpoint System
- ▲ Protective Footwear

Claims

- ▲ 24/7 Nurse Triage Services
- ▲ Return to Work Program
- ▲ Claim Audits
- ▲ Claim System Utilization
- ▲ ISO Claims Search
- ▲ Medicare Reporting Services
- ▲ Medical Provider Network
- ▲ Express Scripts Pharmacy Benefits Management



Have your voice heard. Your participation is key.

Member involvement is critical to the EIA's success. Be a part of the decision-making process and have your voice heard.

Getting Started

Committees go through an election process once a year in the fall to nominate potential candidates. Appointments are then made by the Executive Committee in January. If you're interested in becoming a committee member, look for and submit the nomination form this fall. Contact a staff member to learn more about joining a committee.

Member Counties & Public Entities



The organizational chart depicts the governance structure of the EIA and the relationship between the members, the Board of Directors and the committees.



NCCSIF ADMINISTRATIVE POLICY & PROCEDURE #A-9

**ATTACHMENT A - LIABILITY
Approved List of Counsel**

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 Serena Sanders Carrie McFadden Kevin Dehoff Amie McTavish	Police Liability, General Liability, Auto, Personnel, Heavy Trial Experience
Ayres & Associates 930 Executive Way, Suite 200 Redding, CA 96002 (530) 229-1340	William Ayres	Dangerous Condition, Auto, General Liability, Environmental Liability
Bertrand, Fox, Elliott et al 2749 Hyde Street San Francisco, CA 94109 (415) 353-0999	Eugene Elliott	
Caulfield Law Firm 1101 Investment Blvd., Suite 120 El Dorado Hills, CA 95762 (916) 933-3200	Rich Caulfield Andrew Caulfield	Same as above, with Construction Defect, Heavy to Medium Trial Experience
Donahue Davies LLP 1 Natoma Street Folsom, CA 95630 (916) 817-2900	Robert E Davies Brian Haydon	
Gregory P. Einhorn 48 Hanover Lane, Suite 2 Chico, CA 95973 (530) 898-0228	Gregory P. Einhorn <i>Use for Willows as needed</i>	Employment Law, General Liability, Municipal
Kronick, Moskovitz Tiedemann & Girard 400 Capitol Mall, 27 th Floor Sacramento, CA 95814	Christopher Onstott Bruce A. Scheidt * Maggie Stern David W. Tyra	Civil Rights, California Fair Employment and Housing, Tort Claims, California Public Records Employment Practices

NCCSIF ADMINISTRATIVE POLICY & PROCEDURE #A-9

**ATTACHMENT A - LIABILITY
Approved List of Counsel**

Name of Law Firm	Attorneys	Areas of Expertise
Peters, Habib, McKenna Juhl-Rhodes & Cardoza, LLP P.O. Box 3509 Chico, CA 95927 (530) 342-3593	Dave Rush Mark Habib Jim McKenna Lia Juhl	Dangerous Condition, Police Liability, General Liability, Auto, Good Trial Experience
Porter Scott P.O. Box 255428 Sacramento, CA 95865 (916) 929-1481 Fax: (916) 927-3706	Nancy Sheehan John Whitefleet Kevin Kreutz Terry Cassidy Carl L. Fessenden Steve Horan Russell Porter	Police, Civil Rights, Dangerous Condition, Inverse Condemnation, Auto, General Liability, Heavy to Light Trial Experience
Matheny Sears Linkert & Jaime, LLP 3638 American River Drive Sacramento, CA 95864 (916) 978-3434 Fax: (916) 978-3430	Matthew Jaime Douglas Sears Richard Linkert Michael Bishop	
The Law Office of Justin N. Tierney 2000 U Street Sacramento, CA 95814 (916) 451-3426	Justin N. Tierney	Dangerous Condition, Auto, Medium Trial Experience
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

NCCSIF ADMINISTRATIVE POLICY & PROCEDURE #A-9

**ATTACHMENT A - LIABILITY
Approved List of Counsel**

Name of Law Firm	Attorneys	Areas of Expertise
Cota Cole LLP 2261 Lava Ridge Court Roseville, CA 95661 (916) 780-9009	Dennis Cota Derek Cole Daniel King	Land Use, civil rights, environmental issues.
Allen, Glaessner, Hazelwood, Werth 180 Montgomery Street, Ste. 1200 San Francisco, CA 94104 (415) 697-2000	Dale Allen Mark Hazelwood Steve Werth	Police liability, ADA, sidewalk, employment practices, general municipal liability
Arthofer and Tonkin, Attorneys At Law 1267 Willis Street Redding, CA 96001 (530) 722-9002	Kenneth Arthofer Griffith Tonkin	Public entity, injury, real estate
Randall Harr 44282 Highway 299 East McArthur, CA 96056 (530) 336-5656 rlh@randallharrlaw.com	Randall Harr	

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

Revision Date: March 22, 2018



ADDITIONAL COMMISSION “OPT OUT”

Attn: General Counsel
Alliant Insurance Services, Inc.
701 B Street, 6th Floor
San Diego, CA 92101

RE: Additional Commission “Opt Out”

Please be advised that **Northern California Cities Self Insurance Fund (NCCSIF)** has elected to have the premium associated with the following policy(s) specified below for the indicated policy period(s) excluded from consideration in any and all:

- X Contingent income agreements
- X Supplemental income agreements

<u>Policy #</u>	<u>Policy Period</u>
<u>017471589/04 (Dec 04) (APIP)</u>	<u>July 1, 2017 to July 1, 2018</u>
<u>01-606-08-20 (ACIP)</u>	<u>July 1, 2017 to July 1, 2018</u>

Sincerely,

Northern California Cities Self Insurance Fund

Company Name

By: David Warren

Title: President

Dated: 04/03/18



Agenda Item F.3.

SUMMARY OF THE MARCH 22, 2018 EXECUTIVE COMMITTEE MEETING

ACTIONS TAKEN:

➤ **Actuarial Studies**

1. FY 18/19 Workers' Compensation Program - reviewed and approved the Draft study to be finalized.
2. FY 18/19 Liability Program - reviewed and approved the Draft study to be finalized.

➤ **Workers' Compensation Program**

1. Annual Banking Plan Adjustments - recommended a 35% return of available equity or 20% assessment for members above or below the target benchmark (90% CL and 10 x SIR or \$100k), respectively.
2. Shared Risk Plan Adjustment - recommended a 50% return of equity for members above the target benchmark (90% CL and 5 x SIR or \$400k).
3. FY 18/19 Deposit Premium - recommended increasing funding from the 75% Confidence Level (CL) to the 80% CL.

➤ **Liability Program**

1. Annual Banking Plan Adjustments - recommended a 35% return of available equity or 20% assessment for members above or below the target benchmark (90% CL and 10 x SIR or \$100k), respectively.
2. Annual Shared Risk Plan Adjustments - took no action.
3. FY18/19 Deposit Premium - recommended increasing funding from the 75% CL to the 80% CL.

➤ **Lexipol Fire Department Training Subscription Services** - the Committee authorize to move forward to a master contract with Lexipol for interested members due to substantial savings.

➤ **Claims Committee Membership Appointment** - Appointed the following Executive Committee members to serve as the Claims Committee:

1. Liz Cottrell, City of Anderson
2. Liz Ehrenstrom, City of Oroville
3. Gina Will, Town of Paradise
4. Dave Warren, City of Placerville
5. Tim Sailsbery, City of Willows



BACK TO AGENDA

Northern California Cities Self Insurance Fund
Board of Directors Meeting
April 26, 2018

Agenda Item G.1.

**QUARTERLY FINANCIAL REPORT
FOR PERIOD ENDING DECEMBER 31, 2017**

ACTION ITEM

ISSUE: The Board receives a quarterly report on the financial status of NCCSIF. James Marta & Company will present NCCSIF's Financials for the Quarter ending December 31, 2017 to the Board.

The report also provides individual member Banking Layer financial reports, including a Combining Statement of Net Position and a Combined Statement of Revenues, Expenses, and Changes in Net Position for both the Workers' Compensation and Liability Programs.

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, 2017

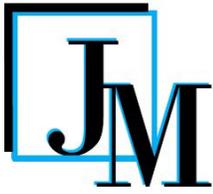
FINANCIAL REPORT

**DECEMBER 31, 2017
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, 2017

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James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Tax, and Consulting

ACCOUNTANT'S COMPILATION REPORT

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

Management is responsible for the accompanying statement of financial position of Northern California Cities Self Insurance Fund as of December 31, 2017, and the related statement of revenues, expenses and changes in net position and statement of cash flows for the six months then ended and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has omitted substantially all of the disclosures that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. 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, comprehensive income and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The supplementary information on pages 5 through 32 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. The information was subject to our compilation engagement; however, we have not audited or reviewed the information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

Management has elected to present designations of net position on the Statement of Net Position as of December 31, 2017, 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.

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
January 31, 2017

**Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Statement of Net Position
December 31, 2017**

Assets

Current Assets	
Cash and Cash Equivalents	\$ 5,825,966
Interest Receivable	267,847
Excess Accounts Receivable	931,316
Prepaid Expense	1,832,430
Total Current Assets	8,857,559
Non-Current Assets	
Investments*	51,832,723
Total Assets	\$ 60,690,282

Liabilities & Net Position

Current Liabilities	
Accounts Payable	\$ 88,479
Unearned Revenue	3,656,172
Total Current Liabilities	3,744,651
Non-Current Liabilities	
Outstanding Liabilities*	38,316,183
ULAE*	1,734,901
Total Non-Current Liabilities	40,051,084
Total Liabilities	\$ 43,795,735
Net Position	
Designated for Contingency	200,000
Designated for Risk Management	378,552
Undesignated	16,315,995
Total Net Position	16,894,547
Liability & Net Position	\$ 60,690,282

*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, 2017**

Operating Income	
Administration Deposit	\$ 636,340
Banking Layer Deposit	4,079,375
Shared Risk Layer	2,593,500
Excess Deposit/Premium	1,316,185
Property/Crime Insurance Income	456,463
Risk Management Grants	200,382
Total Operating Income	9,282,245
Operating Expenses	
Claims Paid	3,606,037
O/S Liability adj.	1,993,571
ULAE	48,269
Consultants	32,730
Safety Service	227,363
Claims Administration	542,345
Program Administration	201,792
Board Expenses	3,862
Excess Insurance	1,314,183
Property/Crime Insurance Expense	456,465
Member Identity Theft Protection	11,793
Total Operating Expenses	8,438,410
Operating Income (Loss)	843,835
Non-Operating Income	
Change in Fair Market Value	(391,689)
Investment Income	446,317
Total Non-Operating Income	54,628
Change in Net Position	898,463
Beginning Net Position	15,996,084
Ending Net Position	\$ 16,894,547

**Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Statement of Cash Flows
For the Six Months Ended December 31, 2017**

Cash flows from operating activities:	
Cash received from members	\$ 12,113,868
Cash paid for claims	(4,051,087)
Cash paid for insurance	(3,489,847)
Cash paid to vendors	<u>(1,050,011)</u>
Net cash provided by (used in) operating activities	<u>3,522,923</u>
 Cash flows from investing activities:	
Investment income received	415,124
Net investment (purchases) sales	<u>(427,112)</u>
Net cash provided by (used in) investing activities	<u>(11,988)</u>
Net increase (decrease) in cash and cash equivalents	3,510,935
Cash and cash equivalents, beginning of year	<u>2,315,031</u>
Cash and cash equivalents, end of year	<u>\$ 5,825,966</u>
 Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	\$ 843,835
 Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
(Increase) decrease in:	
Member receivable	151,663
Excess receivable	(445,051)
Prepaid expense	(1,780,981)
(Decrease) increase in:	
Accounts payable	31,648
Unearned revenue	2,679,969
Unpaid claims and claim adjustment expenses	<u>2,041,840</u>
Net cash provided by (used in) operating activities	<u>\$ 3,522,923</u>
 Supplemental information:	
Noncash non-operating and investing activities	
Net change in fair value of investments	<u>\$ (391,689)</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, 2017**

	Total All Layers	Admin Layer	Shared Layer	Total Banking Layer
Current Assets				
Cash and Cash Equivalents	\$ 3,517,079	\$ 262,608	\$ 2,001,738	\$ 1,252,733
Interest Receivable	69,133	2,109	37,894	29,130
Excess Accounts Receivable	581,829	-	581,829	-
Prepaid Expense	1,094,455	54,545	1,039,910	-
Total Current Assets	5,262,496	319,262	3,661,371	1,281,863
Non-Current Assets				
Investments*	11,112,150	138,335	6,086,998	4,886,817
Total Assets	\$ 16,374,646	\$ 457,597	\$ 9,748,369	\$ 6,168,680
Current Liabilities				
Accounts Payable	\$ 73,543	\$ 6,864	\$ 137	\$ 66,542
Unearned Revenue	3,258,180	282,549	2,014,126	961,505
Total Current Liabilities	3,331,723	289,413	2,014,263	1,028,047
Non-Current Liabilities				
Outstanding Liabilities*	8,548,672	-	6,052,896	2,495,776
Total Non-Current Liabilities	8,548,672	-	6,052,896	2,495,776
Total Liabilities	\$ 11,880,395	\$ 289,413	\$ 8,067,159	\$ 3,523,823
Net Position				
Designated for Contingency	100,000	100,000	-	-
Undesignated	4,394,251	68,184	1,681,210	2,644,857
Total Net Position	4,494,251	168,184	1,681,210	2,644,857
Liability & Net Position	\$ 16,374,646	\$ 457,597	\$ 9,748,369	\$ 6,168,680

*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, 2017**

	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
Current Assets									
Cash and Cash Equivalents	\$ 24,028	\$ 53,469	\$ 20,555	\$ 18,538	\$ 42,444	\$ 399,462	\$ 20,076	\$ 32,742	\$ 5,602
Interest Receivable	562	688	143	317	852	9,127	1,702	804	109
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-
Prepaid Expense	-	-	-	-	-	-	-	-	-
Total Current Assets	24,590	54,157	20,698	18,855	43,296	408,589	21,778	33,546	5,711
Non-Current Assets									
Investments*	95,193	91,326	6,831	50,748	140,756	1,523,483	344,063	139,125	14,249
Total Assets	\$ 119,783	\$ 145,483	\$ 27,529	\$ 69,603	\$ 184,052	\$ 1,932,072	\$ 365,841	\$ 172,671	\$ 19,960
Current Liabilities									
Accounts Payable	\$ 1,296	\$ 4,132	\$ 2,883	\$ 3,128	\$ 1,527	\$ 11,394	\$ 3,646	\$ 675	\$ 1,146
Unearned Revenue	14,787	56,005	16,208	15,776	19,250	294,438	47,716	23,577	8,699
Total Current Liabilities	16,083	60,137	19,091	18,904	20,777	305,832	51,362	24,252	9,845
Non-Current Liabilities									
Outstanding Liabilities*	43,913	130,695	59,388	32,633	49,733	791,905	64,442	67,724	12,195
Total Non-Current Liabilities	43,913	130,695	59,388	32,633	49,733	791,905	64,442	67,724	12,195
Total Liabilities	\$ 59,996	\$ 190,832	\$ 78,479	\$ 51,537	\$ 70,510	\$ 1,097,737	\$ 115,804	\$ 91,976	\$ 22,040
Net Position									
Designated for Contingency	-	-	-	-	-	-	-	-	-
Undesignated	59,787	(45,349)	(50,950)	18,066	113,542	834,335	250,037	80,695	(2,080)
Total Net Position	59,787	(45,349)	(50,950)	18,066	113,542	834,335	250,037	80,695	(2,080)
Liability & Net Position	\$ 119,783	\$ 145,483	\$ 27,529	\$ 69,603	\$ 184,052	\$ 1,932,072	\$ 365,841	\$ 172,671	\$ 19,960

*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, 2017**

	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
Current Assets										
Cash and Cash Equivalents	\$ 68,320	\$ 58,659	\$ 70,312	\$ 67,085	\$ 54,499	\$ 71,083	\$ 16,255	\$ 100,853	\$ 7,133	\$ 121,618
Interest Receivable	466	2,178	1,761	1,005	1,562	1,641	316	2,330	363	3,204
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Prepaid Expense	-	-	-	-	-	-	-	-	-	-
Total Current Assets	68,786	60,837	72,073	68,090	56,061	72,724	16,571	103,183	7,496	124,822
Non-Current Assets										
Investments*	29,380	408,841	303,163	148,698	275,349	281,245	49,385	366,997	65,345	552,640
Total Assets	\$ 98,166	\$ 469,678	\$ 375,236	\$ 216,788	\$ 331,410	\$ 353,969	\$ 65,956	\$ 470,180	\$ 72,841	\$ 677,462
Current Liabilities										
Accounts Payable	\$ 1,180	\$ 2,505	\$ 4,681	\$ 528	\$ 2,170	\$ 1,370	\$ 6,412	\$ 9,852	\$ 3,880	\$ 4,137
Unearned Revenue	36,833	55,438	56,740	31,377	34,403	32,633	14,677	101,877	9,748	91,323
Total Current Liabilities	38,013	57,943	61,421	31,905	36,573	34,003	21,089	111,729	13,628	95,460
Non-Current Liabilities										
Outstanding Liabilities*	59,762	185,114	127,300	71,599	177,087	66,179	37,100	222,688	48,608	247,711
Total Non-Current Liabilities	59,762	185,114	127,300	71,599	177,087	66,179	37,100	222,688	48,608	247,711
Total Liabilities	\$ 97,775	\$ 243,057	\$ 188,721	\$ 103,504	\$ 213,660	\$ 100,182	\$ 58,189	\$ 334,417	\$ 62,236	\$ 343,171
Net Position										
Designated for Contingency	-	-	-	-	-	-	-	-	-	-
Undesignated	391	226,621	186,515	113,284	117,750	253,787	7,767	135,763	10,605	334,291
Total Net Position	391	226,621	186,515	113,284	117,750	253,787	7,767	135,763	10,605	334,291
Liability & Net Position	\$ 98,166	\$ 469,678	\$ 375,236	\$ 216,788	\$ 331,410	\$ 353,969	\$ 65,956	\$ 470,180	\$ 72,841	\$ 677,462

*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, 2017

	Total			Total Banking
	All Layers	Admin Layer	Shared Layer	Layer
Operating Income				
Administration Deposit	\$ 282,549	\$ 282,549	\$ -	\$ -
Banking Layer Deposit	961,505	-	-	961,505
Shared Risk Layer	977,000	-	977,000	-
Excess Deposit/Premium	580,664	-	580,664	-
Property/Crime Insurance Income	456,463	-	456,463	-
Total Operating Income	3,258,181	282,549	2,014,127	961,505
Operating Expenses				
Claims Paid	522,010	-	(137,214)	659,224
O/S Liability adj.	1,165,370	-	828,144	337,226
Consultants	18,700	18,700	-	-
Safety Service	108,259	108,259	-	-
Claims Administration	20,900	20,900	-	-
Program Administration	107,794	107,794	-	-
Board Expenses	1,931	1,931	-	-
Excess Insurance	583,445	-	583,445	-
Property/Crime Insurance Expense	456,465	-	456,465	-
Total Operating Expense	2,984,874	257,584	1,730,840	996,450
Operating Income (Loss)	273,307	24,965	283,287	(34,945)
Non-Operating Income				
Change in Fair Market Value	(101,153)	(3,091)	(55,449)	(42,613)
Investment Income	118,675	3,865	65,426	49,384
Total Non-Operating Income	17,522	774	9,977	6,771
Change in Net Position	290,829	25,739	293,264	(28,174)
Beginning Net Position	4,203,422	142,445	1,387,946	2,673,031
Ending Net Position	\$ 4,494,251	\$ 168,184	\$ 1,681,210	\$ 2,644,857

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, 2017**

	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	14,787	56,005	16,208	15,776	19,250	294,438	47,716	23,577	8,699
Shared Risk Layer	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-
Property/Crime Insurance Income	-	-	-	-	-	-	-	-	-
Total Operating Income	14,787	56,005	16,208	15,776	19,250	294,438	47,716	23,577	8,699
Operating Expenses									
Claims Paid	10,832	61,905	13,871	16,894	3,038	206,080	30,025	8,174	13,321
O/S Liability adj.	33,024	36,616	18,834	(6,610)	8,145	106,627	(21,629)	(3,794)	(17,531)
Consultants	-	-	-	-	-	-	-	-	-
Safety Service	-	-	-	-	-	-	-	-	-
Claims Administration	-	-	-	-	-	-	-	-	-
Program Administration	-	-	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-	-	-
Excess Insurance	-	-	-	-	-	-	-	-	-
Property/Crime Insurance Expense	-	-	-	-	-	-	-	-	-
Total Operating Expense	43,856	98,521	32,705	10,284	11,183	312,707	8,396	4,380	(4,210)
Operating Income (Loss)	(29,069)	(42,516)	(16,497)	5,492	8,067	(18,269)	39,320	19,197	12,909
Non-Operating Income									
Change in Fair Market Value	(823)	(1,007)	(209)	(464)	(1,246)	(13,354)	(2,487)	(1,176)	(160)
Investment Income	876	1,209	300	463	1,403	15,475	2,838	1,389	204
Total Non-Operating Income	53	202	91	(1)	157	2,121	351	213	44
Change in Net Position	(29,016)	(42,314)	(16,406)	5,491	8,224	(16,148)	39,671	19,410	12,953
Beginning Net Position	88,803	(3,035)	(34,544)	12,575	105,318	850,483	210,366	61,285	(15,033)
Ending Net Position	\$ 59,787	\$ (45,349)	\$ (50,950)	\$ 18,066	\$ 113,542	\$ 834,335	\$ 250,037	\$ 80,695	\$ (2,080)

**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, 2017**

	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	36,833	55,438	56,740	31,377	34,403	32,633	14,677	101,877	9,748	91,323
Shared Risk Layer	-	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-	-
Property/Crime Insurance Income	-	-	-	-	-	-	-	-	-	-
Total Operating Income	36,833	55,438	56,740	31,377	34,403	32,633	14,677	101,877	9,748	91,323
Operating Expenses										
Claims Paid	7,182	25,736	27,409	1,819	28,204	7,299	14,885	118,794	15,214	48,542
O/S Liability adj.	18,611	97,606	(26,859)	10,515	(20,798)	1,606	21,244	15,256	30,882	35,481
Consultants	-	-	-	-	-	-	-	-	-	-
Safety Service	-	-	-	-	-	-	-	-	-	-
Claims Administration	-	-	-	-	-	-	-	-	-	-
Program Administration	-	-	-	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-	-	-	-
Excess Insurance	-	-	-	-	-	-	-	-	-	-
Property/Crime Insurance Expense	-	-	-	-	-	-	-	-	-	-
Total Operating Expense	25,793	123,342	550	12,334	7,406	8,905	36,129	134,050	46,096	84,023
Operating Income (Loss)	11,040	(67,904)	56,190	19,043	26,997	23,728	(21,452)	(32,173)	(36,348)	7,300
Non-Operating Income										
Change in Fair Market Value	(683)	(3,185)	(2,576)	(1,471)	(2,284)	(2,401)	(462)	(3,409)	(530)	(4,686)
Investment Income	936	3,606	3,054	1,681	2,661	2,628	541	4,102	616	5,402
Total Non-Operating Income	253	421	478	210	377	227	79	693	86	716
Change in Net Position	11,293	(67,483)	56,668	19,253	27,374	23,955	(21,373)	(31,480)	(36,262)	8,016
Beginning Net Position	(10,902)	294,104	129,847	94,031	90,376	229,832	29,140	167,243	46,867	326,275
Ending Net Position	\$ 391	\$ 226,621	\$ 186,515	\$ 113,284	\$ 117,750	\$ 253,787	\$ 7,767	\$ 135,763	\$ 10,605	\$ 334,291

**Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Cash Flows - Liability
For the Six Months Ended December 31, 2017**

	Total All Layers	Admin Layer	Shared Layer	Total Banking Layer
Cash flows from operating activities:				
Cash received from members	\$ 6,280,996	\$ 565,098	\$ 4,045,059	\$ 1,670,839
Cash paid for claims	(944,346)	-	(285,122)	(659,224)
Cash paid for insurance	(2,028,372)	-	(2,028,372)	-
Cash paid to vendors	(284,337)	(308,409)	(15)	24,087
Net cash provided by (used in) operating activities	<u>3,023,941</u>	<u>256,689</u>	<u>1,731,550</u>	<u>1,035,702</u>
Cash flows from investing activities:				
Investment income received	102,219	2,580	55,920	43,719
Net investment (purchases) sales	(105,531)	(2,854)	(57,685)	(44,992)
Net cash provided by (used in) investing activities	<u>(3,312)</u>	<u>(274)</u>	<u>(1,765)</u>	<u>(1,273)</u>
Net increase (decrease) in cash and cash equivalents	3,020,629	256,415	1,729,785	1,034,429
Cash and cash equivalents, beginning of year	496,450	6,193	271,953	218,304
Cash and cash equivalents, end of year	<u>\$ 3,517,079</u>	<u>\$ 262,608</u>	<u>\$ 2,001,738</u>	<u>\$ 1,252,733</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 273,307	\$ 24,965	\$ 283,287	\$ (34,945)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
(Increase) decrease in:				
Member receivable	39,020	-	39,020	-
Excess receivable	(422,336)	-	(422,336)	-
Prepaid expense	(1,043,006)	(54,545)	(988,461)	-
(Decrease) increase in:				
Accounts payable	27,780	3,720	(17)	24,077
Unearned revenue	2,983,806	282,549	1,991,913	709,344
Unpaid claims and claim adjustment expenses	1,165,370	-	828,144	337,226
Net cash provided by (used in) operating activities	<u>\$ 3,023,941</u>	<u>\$ 256,689</u>	<u>\$ 1,731,550</u>	<u>\$ 1,035,702</u>
Supplemental information:				
Noncash non-operating and investing activities				
Net change in fair value of investments	<u>\$ (101,153)</u>	<u>\$ (3,091)</u>	<u>\$ (55,449)</u>	<u>\$ (42,613)</u>

See Accompanying Accountant's Report

**Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Cash Flows - Liability
For the Six Months Ended December 31, 2017**

	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
Cash flows from operating activities:									
Cash received from members	\$ 29,573	\$ 112,009	\$ 32,415	\$ 31,551	\$ 38,499	\$ 588,876	\$ (19,608)	\$ 35,483	\$ 17,398
Cash paid for claims	(10,832)	(61,905)	(13,871)	(16,894)	(3,038)	(206,080)	(30,025)	(8,174)	(13,321)
Cash paid for insurance	-	-	-	-	-	-	-	-	-
Cash paid to vendors	1,058	(686)	1,712	1,626	732	1,237	2,184	(746)	893
Net cash provided by (used in) operating activities	19,799	49,418	20,256	16,283	36,193	384,033	(47,449)	26,563	4,970
Cash flows from investing activities:									
Investment income received	846	975	179	465	1,265	13,565	2,799	1,211	161
Net investment (purchases) sales	(869)	(1,007)	(186)	(478)	(1,302)	(63,966)	47,131	(1,246)	(166)
Net cash provided by (used in) investing activities	(23)	(32)	(7)	(13)	(37)	(50,401)	49,930	(35)	(5)
Net increase (decrease) in cash and cash equivalents	19,776	49,386	20,249	16,270	36,156	333,632	2,481	26,528	4,965
Cash and cash equivalents, beginning of year	4,252	4,083	306	2,268	6,288	65,830	17,595	6,214	637
Cash and cash equivalents, end of year	\$ 24,028	\$ 53,469	\$ 20,555	\$ 18,538	\$ 42,444	\$ 399,462	\$ 20,076	\$ 32,742	\$ 5,602
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:									
Operating income (loss)	\$ (29,069)	\$ (42,516)	\$ (16,497)	\$ 5,492	\$ 8,067	\$ (18,269)	\$ 39,320	\$ 19,197	\$ 12,909
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:									
(Increase) decrease in:									
Member receivable	-	-	-	-	-	-	-	-	-
Excess receivable	-	-	-	-	-	-	-	-	-
Prepaid expense	-	-	-	-	-	-	-	-	-
(Decrease) increase in:									
Accounts payable	1,057	(687)	1,711	1,625	731	1,237	2,184	(746)	893
Unearned revenue	14,787	56,005	16,208	15,776	19,250	294,438	(67,324)	11,906	8,699
Unpaid claims and claim adjustment expenses	33,024	36,616	18,834	(6,610)	8,145	106,627	(21,629)	(3,794)	(17,531)
Net cash provided by (used in) operating activities	\$ 19,799	\$ 49,418	\$ 20,256	\$ 16,283	\$ 36,193	\$ 384,033	\$ (47,449)	\$ 26,563	\$ 4,970
Supplemental information:									
Noncash non-operating and investing activities									
Net change in fair value of investments	\$ (823)	\$ (1,007)	\$ (209)	\$ (464)	\$ (1,246)	\$ (13,354)	\$ (2,487)	\$ (1,176)	\$ (160)

**Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Cash Flows - Liability
For the Six Months Ended December 31, 2017**

	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
Cash flows from operating activities:										
Cash received from members	\$ 73,666	\$ 65,924	\$ 83,072	\$ 62,753	\$ 68,806	\$ 65,266	\$ 23,042	\$ 202,053	\$ 15,582	\$ 144,479
Cash paid for claims	(7,182)	(25,736)	(27,409)	(1,819)	(28,204)	(7,299)	(14,885)	(118,794)	(15,214)	(48,542)
Cash paid for insurance	-	-	-	-	-	-	-	-	-	-
Cash paid to vendors	543	304	1,184	(449)	1,666	621	5,906	1,303	3,862	1,137
Net cash provided by (used in) operating activities	67,027	40,492	56,847	60,485	42,268	58,588	14,063	84,562	4,230	97,074
Cash flows from investing activities:										
Investment income received	583	3,353	2,655	1,452	2,374	2,465	468	3,493	564	4,846
Net investment (purchases) sales	(607)	(3,447)	(2,733)	(1,497)	(2,442)	(2,534)	(482)	(3,596)	(579)	(4,986)
Net cash provided by (used in) investing activities	(24)	(94)	(78)	(45)	(68)	(69)	(14)	(103)	(15)	(140)
Net increase (decrease) in cash and cash equivalents	67,003	40,398	56,769	60,440	42,200	58,519	14,049	84,459	4,215	96,934
Cash and cash equivalents, beginning of year	1,317	18,261	13,543	6,645	12,299	12,564	2,206	16,394	2,918	24,684
Cash and cash equivalents, end of year	\$ 68,320	\$ 58,659	\$ 70,312	\$ 67,085	\$ 54,499	\$ 71,083	\$ 16,255	\$ 100,853	\$ 7,133	\$ 121,618
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:										
Operating income (loss)	\$ 11,040	\$ (67,904)	\$ 56,190	\$ 19,043	\$ 26,997	\$ 23,728	\$ (21,452)	\$ (32,173)	\$ (36,348)	\$ 7,300
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:										
(Increase) decrease in:										
Member receivable	-	-	-	-	-	-	-	-	-	-
Excess receivable	-	-	-	-	-	-	-	-	-	-
Prepaid expense	-	-	-	-	-	-	-	-	-	-
(Decrease) increase in:										
Accounts payable	543	303	1,184	(450)	1,666	621	5,905	1,302	3,862	1,136
Unearned revenue	36,833	10,487	26,332	31,377	34,403	32,633	8,366	100,177	5,834	53,157
Unpaid claims and claim adjustment expenses	18,611	97,606	(26,859)	10,515	(20,798)	1,606	21,244	15,256	30,882	35,481
Net cash provided by (used in) operating activities	\$ 67,027	\$ 40,492	\$ 56,847	\$ 60,485	\$ 42,268	\$ 58,588	\$ 14,063	\$ 84,562	\$ 4,230	\$ 97,074
Supplemental information:										
Noncash non-operating and investing activities										
Net change in fair value of investments	\$ (683)	\$ (3,185)	\$ (2,576)	\$ (1,471)	\$ (2,284)	\$ (2,401)	\$ (462)	\$ (3,409)	\$ (530)	\$ (4,686)

Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Net Position – Workers’ Compensation
December 31, 2017

	Total All Layers	Admin Layer	Shared Layer	Total Banking Layer
Current Assets				
Cash and Cash Equivalents	\$ 2,308,887	\$ 105,425	\$ 628,806	\$ 1,574,656
Interest Receivable	198,714	2,613	95,331	100,770
Excess Accounts Receivable	349,487	-	349,487	-
Prepaid Expense	737,975	7,237	730,738	-
Total Current Assets	3,595,063	115,275	1,804,362	1,675,426
Non-Current Assets				
Investments*	40,720,573	366,960	20,245,570	20,108,043
Total Assets	\$ 44,315,636	\$ 482,235	\$ 22,049,932	\$ 21,783,469
Current Liabilities				
Accounts Payable	\$ 14,936	\$ 11,615	\$ 1,670	\$ 1,651
Unearned Revenue	397,992	17,069	146,807	234,116
Total Current Liabilities	412,928	28,684	148,477	235,767
Non-Current Liabilities				
Outstanding Liabilities*	29,767,511	-	16,697,417	13,070,094
ULAE*	1,734,901	-	973,154	761,747
Total Non-Current Liabilities	31,502,412	-	17,670,571	13,831,841
Total Liabilities	\$ 31,915,340	\$ 28,684	\$ 17,819,048	\$ 14,067,608
Net Position				
Designated for Contingency	100,000	100,000	-	-
Designated for Risk	378,552	378,552	-	-
Undesignated	11,921,744	(25,001)	4,230,884	7,715,861
Total Net Position	12,400,296	453,551	4,230,884	7,715,861
Liability & Net Position	\$ 44,315,636	\$ 482,235	\$ 22,049,932	\$ 21,783,469

*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, 2017**

	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
Current Assets											
Cash and Cash Equivalents	\$ 32,288	\$ 82,171	\$ 51,633	\$ 34,803	\$ 111,513	\$ 176,481	\$ 307,604	\$ 30,061	\$ 30,639	\$ 12,735	\$ 14,800
Interest Receivable	2,021	4,039	975	1,428	4,757	8,507	26,555	4,260	2,387	349	925
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-
Prepaid Expense	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	34,309	86,210	52,608	36,231	116,270	184,988	334,159	34,321	33,026	13,084	15,725
Non-Current Assets											
Investments*	411,911	802,757	152,688	278,600	946,101	1,695,299	5,408,828	892,240	486,348	59,903	162,383
Total Assets	\$ 446,220	\$ 888,967	\$ 205,296	\$ 314,831	\$ 1,062,371	\$ 1,880,287	\$ 5,742,987	\$ 926,561	\$ 519,374	\$ 72,987	\$ 178,108
Current Liabilities											
Accounts Payable	\$ 29	\$ 56	\$ 12	\$ 22	\$ 79	\$ 40	\$ 474	\$ 91	\$ 40	\$ 8	\$ 22
Unearned Revenue	-	7,245	32,545	-	-	-	-	-	-	8,906	3,566
Total Current Liabilities	29	7,301	32,557	22	79	40	474	91	40	8,914	3,588
Non-Current Liabilities											
Outstanding Liabilities*	362,886	587,421	76,614	101,022	365,171	1,147,497	2,742,755	688,851	113,174	16,453	71,379
ULAE*	21,150	34,236	4,465	5,888	21,283	66,878	159,852	40,147	6,596	959	4,160
Total Non-Current Liabilities	384,036	621,657	81,079	106,910	386,454	1,214,375	2,902,607	728,998	119,770	17,412	75,539
Total Liabilities	\$ 384,065	\$ 628,958	\$ 113,636	\$ 106,932	\$ 386,533	\$ 1,214,415	\$ 2,903,081	\$ 729,089	\$ 119,810	\$ 26,326	\$ 79,127
Net Position											
Designated for Contingency	-	-	-	-	-	-	-	-	-	-	-
Designated for Safety Grants	-	-	-	-	-	-	-	-	-	-	-
Undesignated	62,155	260,009	91,660	207,899	675,838	665,872	2,839,906	197,472	399,564	46,661	98,981
Total Net Position	62,155	260,009	91,660	207,899	675,838	665,872	2,839,906	197,472	399,564	46,661	98,981
Liability & Net Position	\$ 446,220	\$ 888,967	\$ 205,296	\$ 314,831	\$ 1,062,371	\$ 1,880,287	\$ 5,742,987	\$ 926,561	\$ 519,374	\$ 72,987	\$ 178,108

*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, 2017**

	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
Current Assets											
Cash and Cash Equivalents	\$ 80,660	\$ 19,294	\$ 13,720	\$ 22,911	\$ 42,476	\$ 58,323	\$ 93,584	\$ 20,370	\$ 91,536	\$ 21,355	\$ 225,699
Interest Receivable	5,684	2,992	1,137	1,930	2,827	3,471	5,088	1,182	8,745	1,463	10,048
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-
Prepaid Expense	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	86,344	22,286	14,857	24,841	45,303	61,794	98,672	21,552	100,281	22,818	235,747
Non-Current Assets											
Investments*	1,161,613	578,225	218,852	373,362	563,614	695,911	1,029,875	227,726	1,807,750	289,003	1,865,054
Total Assets	\$ 1,247,957	\$ 600,511	\$ 233,709	\$ 398,203	\$ 608,917	\$ 757,705	\$ 1,128,547	\$ 249,278	\$ 1,908,031	\$ 311,821	\$ 2,100,801
Current Liabilities											
Accounts Payable	\$ (108)	\$ 73	\$ 19	\$ 53	\$ 73	\$ 41	\$ 72	\$ 17	\$ 163	\$ 29	\$ 346
Unearned Revenue	118,209	-	-	-	-	-	-	11,969	300	30,723	20,653
Total Current Liabilities	118,101	73	19	53	73	41	72	11,986	463	30,752	20,999
Non-Current Liabilities											
Outstanding Liabilities*	387,038	422,839	167,033	679,716	621,745	391,986	1,006,018	153,857	1,287,613	67,921	1,611,105
ULAE*	22,557	24,644	9,735	39,615	36,236	22,846	58,632	8,967	75,044	3,959	93,898
Total Non-Current Liabilities	409,595	447,483	176,768	719,331	657,981	414,832	1,064,650	162,824	1,362,657	71,880	1,705,003
Total Liabilities	\$ 527,696	\$ 447,556	\$ 176,787	\$ 719,384	\$ 658,054	\$ 414,873	\$ 1,064,722	\$ 174,810	\$ 1,363,120	\$ 102,632	\$ 1,726,002
Net Position											
Designated for Contingency	-	-	-	-	-	-	-	-	-	-	-
Designated for Safety Grants	-	-	-	-	-	-	-	-	-	-	-
Undesignated	720,261	152,955	56,922	(321,181)	(49,137)	342,832	63,825	74,468	544,911	209,189	374,799
Total Net Position	720,261	152,955	56,922	(321,181)	(49,137)	342,832	63,825	74,468	544,911	209,189	374,799
Liability & Net Position	\$ 1,247,957	\$ 600,511	\$ 233,709	\$ 398,203	\$ 608,917	\$ 757,705	\$ 1,128,547	\$ 249,278	\$ 1,908,031	\$ 311,821	\$ 2,100,801

*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, 2017**

	Total All Layers	Admin Layer	Shared Layer	Total Banking Layer
Operating Income				
Administration Deposit	\$ 353,791	\$ 353,791	\$ -	\$ -
Banking Layer Deposit	3,117,870	-	-	3,117,870
Shared Risk Layer	1,616,500	-	1,616,500	-
Excess Deposit/Premium	735,521	-	735,521	-
Risk Management Grants	200,382	200,382	-	-
Total Operating Income	6,024,064	554,173	2,352,021	3,117,870
Operating Expenses				
Claims Paid	3,084,027	-	737,932	2,346,095
O/S Liability adj.	828,201	-	634,089	194,112
ULAE	48,269	-	36,956	11,313
Consultants	14,030	14,030	-	-
Safety Service	119,104	119,104	-	-
Claims Administration	521,445	237,771	-	283,674
Program Administration	93,998	93,998	-	-
Board Expenses	1,931	1,931	-	-
Excess Insurance	730,738	-	730,738	-
Contingency Reserves	11,793	11,793	-	-
Total Operating Expenses	5,453,536	478,627	2,139,715	2,835,194
Operating Income (Loss)	570,528	75,546	212,306	282,676
Non-Operating Income				
Change in Fair Market Value	(290,536)	(3,823)	(139,373)	(147,340)
Investment Income	327,642	4,725	157,195	165,722
Total Non-Operating Income	37,106	902	17,822	18,382
Change in Net Position	607,634	76,448	230,128	301,058
Beginning Net Position	11,792,662	377,103	4,000,756	7,414,803
Ending Net Position	\$ 12,400,296	\$ 453,551	\$ 4,230,884	\$ 7,715,861

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, 2017**

	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	91,419	110,518	32,545	25,836	156,494	335,816	520,518	148,692	34,618	4,768	35,972
Shared Risk Layer	-	-	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-	-	-
Risk Management Grants	-	-	-	-	-	-	-	-	-	-	-
Total Operating Income	91,419	110,518	32,545	25,836	156,494	335,816	520,518	148,692	34,618	4,768	35,972
Operating Expenses											
Claims Paid	89,415	47,496	14,434	173	13,694	213,164	396,146	143,605	22,534	5,962	84,253
O/S Liability adj.	(50,604)	174,853	(5,351)	3,180	29,233	(99,884)	(58,905)	11,195	33,346	(4,344)	(27,429)
ULAE	(2,949)	10,191	(312)	185	1,704	(5,821)	(3,433)	652	1,943	(253)	(1,599)
Consultants	-	-	-	-	-	-	-	-	-	-	-
Safety Service	-	-	-	-	-	-	-	-	-	-	-
Claims Administration	8,917	9,283	3,515	3,244	10,661	21,529	57,201	14,692	3,062	719	3,244
Program Administration	-	-	-	-	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-	-	-	-	-
Excess Insurance	-	-	-	-	-	-	-	-	-	-	-
Contingency Reserves	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	44,779	241,823	12,286	6,782	55,292	128,988	391,009	170,144	60,885	2,084	58,469
Operating Income (Loss)	46,640	(131,305)	20,259	19,054	101,202	206,828	129,509	(21,452)	(26,267)	2,684	(22,497)
Non-Operating Income											
Change in Fair Market Value	(2,954)	(5,907)	(1,427)	(2,088)	(6,958)	(12,441)	(38,825)	(6,228)	(3,490)	(510)	(1,351)
Investment Income	3,440	6,919	1,656	2,317	8,046	13,509	42,699	6,906	3,960	528	1,461
Total Non-Operating Income	486	1,012	229	229	1,088	1,068	3,874	678	470	18	110
Change in Net Position	47,126	(130,293)	20,488	19,283	102,290	207,896	133,383	(20,774)	(25,797)	2,702	(22,387)
Beginning Net Position	15,029	390,302	71,172	188,616	573,548	457,976	2,706,523	218,246	425,361	43,959	121,368
Ending Net Position	\$ 62,155	\$ 260,009	\$ 91,660	\$ 207,899	\$ 675,838	\$ 665,872	\$ 2,839,906	\$ 197,472	\$ 399,564	\$ 46,661	\$ 98,981

**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, 2017**

	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	155,427	75,320	42,618	94,734	120,976	69,332	239,265	40,226	264,623	59,294	458,859
Shared Risk Layer	-	-	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-	-	-
Risk Management Grants	-	-	-	-	-	-	-	-	-	-	-
Total Operating Income	155,427	75,320	42,618	94,734	120,976	69,332	239,265	40,226	264,623	59,294	458,859
Operating Expenses											
Claims Paid	71,729	172,602	65,820	202,918	95,667	32,122	109,498	33,586	228,569	38,245	264,463
O/S Liability adj.	(7,740)	(45,278)	(68,343)	(222,822)	4,464	25,506	66,342	75,431	153,002	(17,651)	225,911
ULAE	(451)	(2,639)	(3,983)	(12,986)	260	1,487	3,867	4,396	8,917	(1,029)	13,166
Consultants	-	-	-	-	-	-	-	-	-	-	-
Safety Service	-	-	-	-	-	-	-	-	-	-	-
Claims Administration	10,897	13,579	4,142	12,698	13,692	9,819	19,281	5,313	24,578	2,706	30,902
Program Administration	-	-	-	-	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-	-	-	-	-
Excess Insurance	-	-	-	-	-	-	-	-	-	-	-
Contingency Reserves	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	74,435	138,264	(2,364)	(20,192)	114,083	68,934	198,988	118,726	415,066	22,271	534,442
Operating Income (Loss)	80,992	(62,944)	44,982	114,926	6,893	398	40,277	(78,500)	(150,443)	37,023	(75,583)
Non-Operating Income											
Change in Fair Market Value	(8,311)	(4,372)	(1,661)	(2,821)	(4,134)	(5,076)	(7,441)	(1,728)	(12,785)	(2,138)	(14,694)
Investment Income	9,514	4,794	1,795	3,037	4,697	5,616	8,785	1,953	14,431	2,411	17,248
Total Non-Operating Income	1,203	422	134	216	563	540	1,344	225	1,646	273	2,554
Change in Net Position	82,195	(62,522)	45,116	115,142	7,456	938	41,621	(78,275)	(148,797)	37,296	(73,029)
Beginning Net Position	638,066	215,477	11,806	(436,323)	(56,593)	341,894	22,204	152,743	693,708	171,893	447,828
Ending Net Position	\$ 720,261	\$ 152,955	\$ 56,922	\$ (321,181)	\$ (49,137)	\$ 342,832	\$ 63,825	\$ 74,468	\$ 544,911	\$ 209,189	\$ 374,799

Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Cash Flows – Workers’ Compensation
For the Six Months Ended December 31, 2017

	Total All Layers	Admin Layer	Shared Layer	Total Banking Layer
Cash flows from operating activities:				
Cash received from members	\$ 5,832,872	\$ 571,242	\$ 2,170,303	\$ 3,091,327
Cash paid for claims	(3,106,741)	-	(760,646)	(2,346,095)
Cash paid for insurance	(1,461,475)	-	(1,461,475)	-
Cash paid to vendors	(765,674)	(481,916)	(41)	(283,717)
Net cash provided by (used in) operating activities	498,982	89,326	(51,859)	461,515
Cash flows from investing activities:				
Investment income received	312,905	3,753	150,811	158,341
Net investment (purchases) sales	(321,581)	(4,045)	(364,923)	47,387
Net cash provided by (used in) investing activities	(8,676)	(292)	(214,112)	205,728
Net increase (decrease) in cash and cash equivalents	490,306	89,034	(265,971)	667,243
Cash and cash equivalents, beginning of year	1,818,581	16,391	894,777	907,413
Cash and cash equivalents, end of year	\$ 2,308,887	\$ 105,425	\$ 628,806	\$ 1,574,656
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 570,528	\$ 75,546	\$ 212,306	\$ 282,676
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
(Increase) decrease in:				
Member receivable	112,643	-	-	112,643
Excess receivable	(22,715)	-	(22,715)	-
Prepaid expense	(737,975)	(7,237)	(730,738)	-
(Decrease) increase in:				
Accounts payable	3,868	3,948	(39)	(41)
Unearned revenue	(303,837)	17,069	(181,718)	(139,188)
Unpaid claims and claim adjustment expenses	876,470	-	671,045	205,425
Net cash provided by (used in) operating activities	\$ 498,982	\$ 89,326	\$ (51,859)	\$ 461,515
Supplemental information:				
Noncash non-operating and investing activities				
Net change in fair value of investments	\$ (290,536)	\$ (3,823)	\$ (139,373)	\$ (147,340)

**Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Cash Flows – Workers’ Compensation
For the Six Months Ended December 31, 2017**

	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
Cash flows from operating activities:											
Cash received from members	\$ 91,419	\$ 103,273	\$ 62,803	\$ 25,836	\$ 156,494	\$ 335,816	\$ 520,518	\$ 148,692	\$ 34,618	\$ (4,138)	\$ 32,407
Cash paid for claims	(89,415)	(47,496)	(14,434)	(173)	(13,694)	(213,164)	(396,146)	(143,605)	(22,534)	(5,962)	(84,253)
Cash paid for insurance	-	-	-	-	-	-	-	-	-	-	-
Cash paid to vendors	(8,918)	(9,285)	(3,515)	(3,244)	(10,663)	(21,532)	(57,213)	(14,694)	(3,063)	(720)	(3,244)
Net cash provided by (used in) operating activities	(6,914)	46,492	44,854	22,419	132,137	101,120	67,159	(9,607)	9,021	(10,820)	(55,090)
Cash flows from investing activities:											
Investment income received	3,210	6,281	1,440	2,209	7,224	13,233	41,861	6,762	3,754	578	1,588
Net investment (purchases) sales	16,703	(6,456)	(1,483)	(2,269)	(67,430)	(13,590)	(42,973)	(6,940)	(3,856)	19,409	58,375
Net cash provided by (used in) investing activities	19,913	(175)	(43)	(60)	(60,206)	(357)	(1,112)	(178)	(102)	19,987	59,963
Net increase (decrease) in cash and cash equivalents	12,999	46,317	44,811	22,359	71,931	100,763	66,047	(9,785)	8,919	9,167	4,873
Cash and cash equivalents, beginning of year	19,289	35,854	6,822	12,444	39,582	75,718	241,557	39,846	21,720	3,568	9,927
Cash and cash equivalents, end of year	\$ 32,288	\$ 82,171	\$ 51,633	\$ 34,803	\$ 111,513	\$ 176,481	\$ 307,604	\$ 30,061	\$ 30,639	\$ 12,735	\$ 14,800
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:											
Operating income (loss)	\$ 46,640	\$ (131,305)	\$ 20,259	\$ 19,054	\$ 101,202	\$ 206,828	\$ 129,509	\$ (21,452)	\$ (26,267)	\$ 2,684	\$ (22,497)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:											
(Increase) decrease in:											
Member receivable	-	-	-	-	-	-	-	-	-	-	-
Excess receivable	-	-	-	-	-	-	-	-	-	-	-
Prepaid expense	-	-	-	-	-	-	-	-	-	-	-
(Decrease) increase in:											
Accounts payable	-	(1)	-	-	(1)	(3)	(12)	(3)	(1)	(1)	-
Unearned revenue	-	(7,245)	30,258	-	-	-	-	-	-	(8,906)	(3,566)
Unpaid claims and claim adjustment expenses	(53,554)	185,043	(5,663)	3,365	30,936	(105,705)	(62,338)	11,848	35,289	(4,597)	(29,027)
Net cash provided by (used in) operating activities	\$ (6,914)	\$ 46,492	\$ 44,854	\$ 22,419	\$ 132,137	\$ 101,120	\$ 67,159	\$ (9,607)	\$ 9,021	\$ (10,820)	\$ (55,090)
Supplemental information:											
Noncash non-operating and investing activities											
Net change in fair value of investments	\$ (2,954)	\$ (5,907)	\$ (1,427)	\$ (2,088)	\$ (6,958)	\$ (12,441)	\$ (38,825)	\$ (6,228)	\$ (3,490)	\$ (510)	\$ (1,351)

**Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Cash Flows – Workers’ Compensation
For the Six Months Ended December 31, 2017**

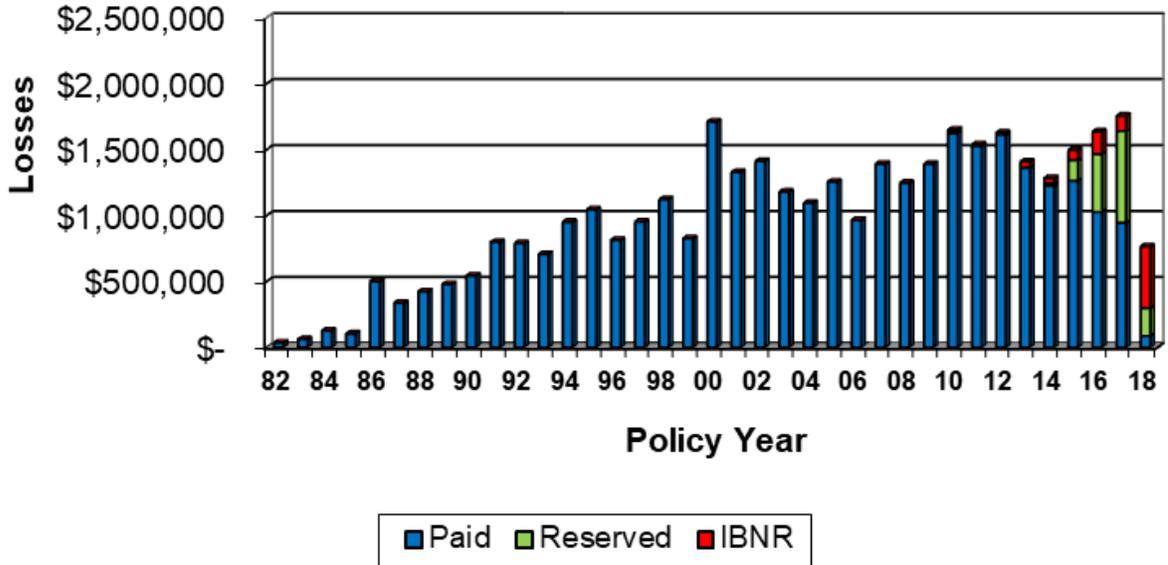
	City of Lincoln	City of Marysville	City of Nevada City	City of Oroville	City of Paradise	City of Placerville	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City
Cash flows from operating activities:											
Cash received from members	\$ 111,652	\$ 75,320	\$ 42,618	\$ 159,258	\$ 126,786	\$ 69,332	\$ 239,265	\$ 28,258	\$ 264,323	\$ 28,571	\$ 438,206
Cash paid for claims	(71,729)	(172,602)	(65,820)	(202,918)	(95,667)	(32,122)	(109,498)	(33,586)	(228,569)	(38,245)	(264,463)
Cash paid for insurance	-	-	-	-	-	-	-	-	-	-	-
Cash paid to vendors	(10,899)	(13,581)	(4,142)	(12,699)	(13,693)	(9,821)	(19,283)	(5,314)	(24,581)	(2,707)	(30,906)
Net cash provided by (used in) operating activities	29,024	(110,863)	(27,344)	(56,359)	17,426	27,389	110,484	(10,642)	11,173	(12,381)	142,837
Cash flows from investing activities:											
Investment income received	8,922	4,984	1,860	3,181	4,430	5,430	7,794	1,893	13,805	2,340	15,562
Net investment (purchases) sales	(9,166)	94,894	28,093	56,740	(4,552)	(5,576)	(68,016)	18,057	(14,175)	17,597	(15,999)
Net cash provided by (used in) investing activities	(244)	99,878	29,953	59,921	(122)	(146)	(60,222)	19,950	(370)	19,937	(437)
Net increase (decrease) in cash and cash equivalents	28,780	(10,985)	2,609	3,562	17,304	27,243	50,262	9,308	10,803	7,556	142,400
Cash and cash equivalents, beginning of year	51,880	30,279	11,111	19,349	25,172	31,080	43,322	11,062	80,733	13,799	83,299
Cash and cash equivalents, end of year	\$ 80,660	\$ 19,294	\$ 13,720	\$ 22,911	\$ 42,476	\$ 58,323	\$ 93,584	\$ 20,370	\$ 91,536	\$ 21,355	\$ 225,699
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:											
Operating income (loss)	\$ 80,992	\$ (62,944)	\$ 44,982	\$ 114,926	\$ 6,893	\$ 398	\$ 40,277	\$ (78,500)	\$ (150,443)	\$ 37,023	\$ (75,583)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:											
(Increase) decrease in:											
Member receivable	-	-	-	86,736	25,907	-	-	-	-	-	-
Excess receivable	-	-	-	-	-	-	-	-	-	-	-
Prepaid expense	-	-	-	-	-	-	-	-	-	-	-
(Decrease) increase in:											
Accounts payable	(2)	(2)	-	(1)	(1)	(2)	(1)	(1)	(3)	(1)	(5)
Unearned revenue	(43,775)	-	-	(22,212)	(20,097)	-	-	(11,969)	(300)	(30,723)	(20,653)
Unpaid claims and claim adjustment expenses	(8,191)	(47,917)	(72,326)	(235,808)	4,724	26,993	70,208	79,828	161,919	(18,680)	239,078
Net cash provided by (used in) operating activities	\$ 29,024	\$ (110,863)	\$ (27,344)	\$ (56,359)	\$ 17,426	\$ 27,389	\$ 110,484	\$ (10,642)	\$ 11,173	\$ (12,381)	\$ 142,837
Supplemental information:											
Noncash non-operating and investing activities											
Net change in fair value of investments	\$ (8,311)	\$ (4,372)	\$ (1,661)	\$ (2,821)	\$ (4,134)	\$ (5,076)	\$ (7,441)	\$ (1,728)	\$ (12,785)	\$ (2,138)	\$ (14,694)

**Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Reconciliation of Claims Liability by Program
As of December 31, 2017 and June 30, 2017**

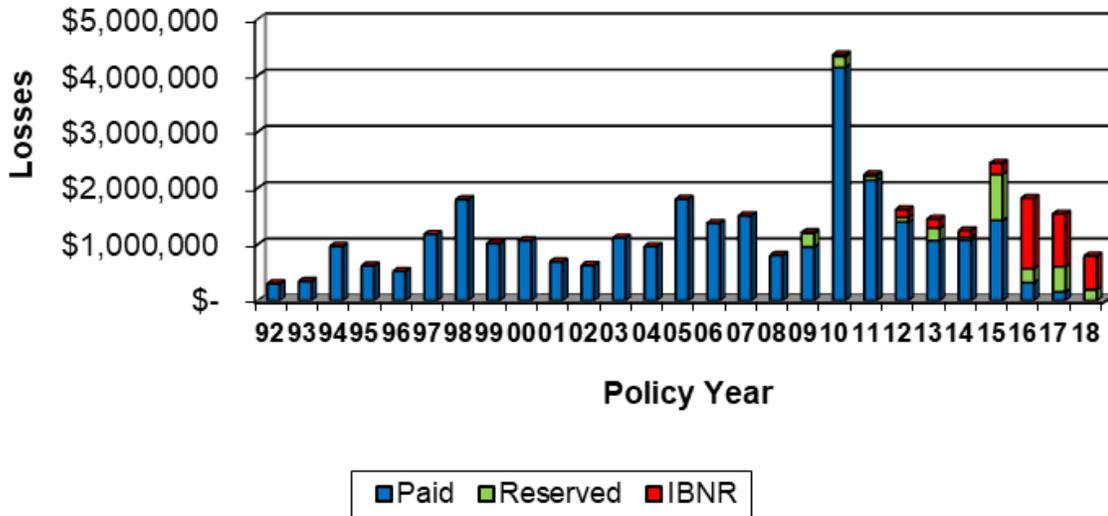
	Liability Banking 2018	Liability Shared Risk 2018	Total Liability Program		WC Banking 2018	WC Shared Risk 2018	Total WC Program		Totals	
			2018	2017			2018	2017	2018	2017
Unpaid claims and claim adjustment expenses at beginning of the fiscal year	\$ 2,158,551	\$ 5,224,752	\$ 7,383,303	\$ 9,946,575	\$ 13,626,420	\$ 16,999,526	\$ 30,625,946	\$ 29,798,449	\$ 38,009,249	\$ 39,745,024
Incurred claims and claim adjustment expenses:										
Provision for insured events of the current fiscal year	764,796	791,189	1,555,985	3,062,804	2,438,833	1,324,914	3,763,747	7,275,432	5,319,732	10,338,236
Increases (Decreases) in provision for insured events of prior fiscal years	231,655	(81,657)	149,998	(1,236,867)	101,373	46,885	148,258	(927,061)	298,256	(2,163,928)
Change in provision for ULAE in current year	-	-	-	-	11,313	36,956	48,269	79,550	48,269	79,550
Total incurred claims and claim adjustment expenses	<u>996,451</u>	<u>709,532</u>	<u>1,705,983</u>	<u>1,825,937</u>	<u>2,551,519</u>	<u>1,408,755</u>	<u>3,960,274</u>	<u>6,427,921</u>	<u>5,666,257</u>	<u>8,253,858</u>
Payments:										
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	86,381	-	86,381	587,291	313,739	-	313,739	1,012,697	400,120	1,599,988
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	572,845	(118,612)	454,233	3,801,918	2,032,359	737,710	2,770,069	4,587,727	3,224,302	8,389,645
Total Payments	<u>659,226</u>	<u>(118,612)</u>	<u>540,614</u>	<u>4,389,209</u>	<u>2,346,098</u>	<u>737,710</u>	<u>3,083,808</u>	<u>5,600,424</u>	<u>3,624,422</u>	<u>9,989,633</u>
Total unpaid claims and claim adjustment expenses at end of the fiscal year	<u>\$ 2,495,776</u>	<u>\$ 6,052,896</u>	<u>\$ 8,548,672</u>	<u>\$ 7,383,303</u>	<u>\$ 13,831,841</u>	<u>\$ 17,670,571</u>	<u>\$ 31,502,412</u>	<u>\$ 30,625,946</u>	<u>\$ 40,051,084</u>	<u>\$ 38,009,249</u>
Claims Liability	\$ 2,495,776	\$ 6,052,896	\$ 8,548,672	\$ 7,383,303	\$ 13,070,094	\$ 16,697,417	\$ 29,767,511	\$ 28,939,316	\$ 38,316,183	\$ 36,322,619
Claims ULAE	-	-	-	-	761,747	973,154	1,734,901	1,686,630	1,734,901	1,686,630
Total Claim Liabilities	<u>\$ 2,495,776</u>	<u>\$ 6,052,896</u>	<u>\$ 8,548,672</u>	<u>\$ 7,383,303</u>	<u>\$ 13,831,841</u>	<u>\$ 17,670,571</u>	<u>\$ 31,502,412</u>	<u>\$ 30,625,946</u>	<u>\$ 40,051,084</u>	<u>\$ 38,009,249</u>

Northern California Cities Self Insurance Fund
Graphical Summary of Claims
 As of December 31, 2017

Liability - Banking

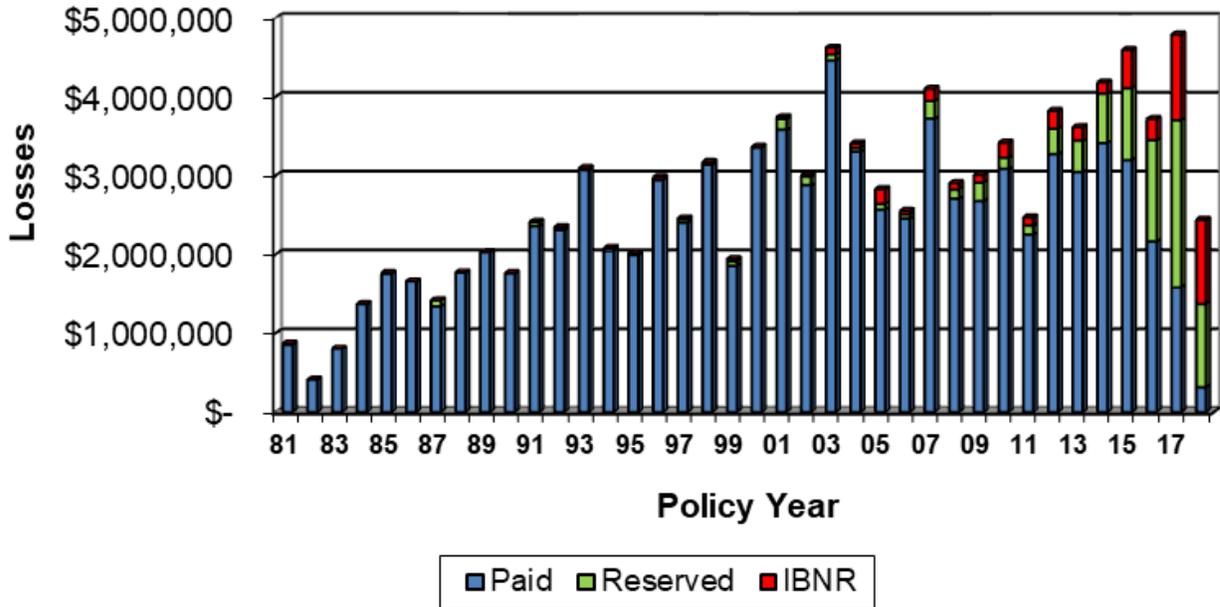


Liability - Shared

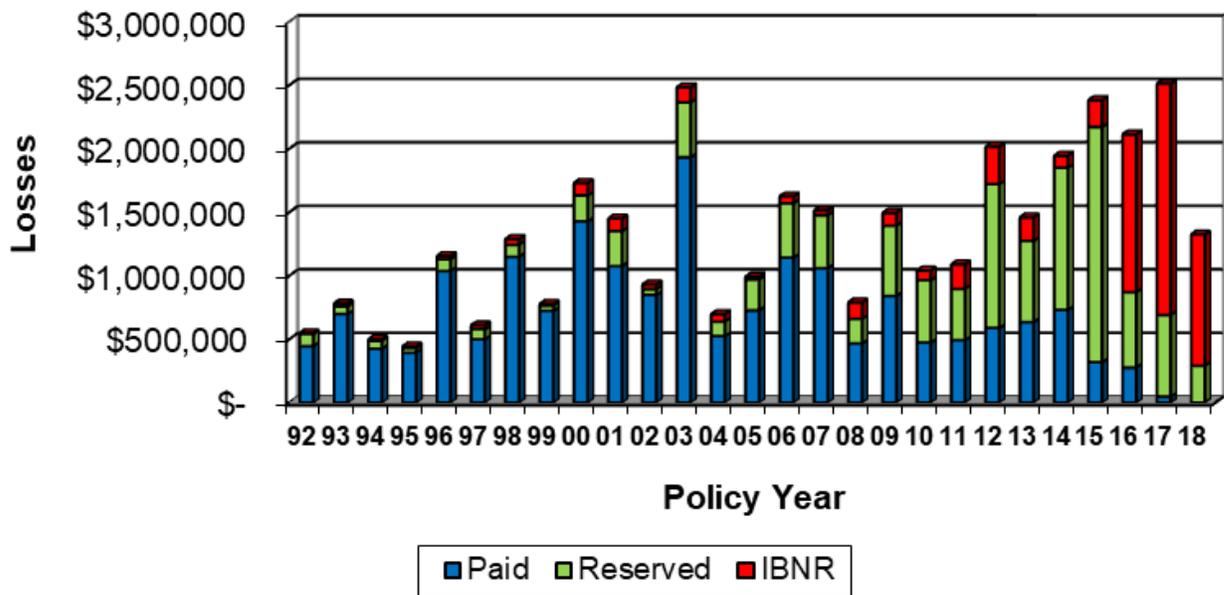


Northern California Cities Self Insurance Fund
Graphical Summary of Claims
As of December 31, 2017

Workers Compensation - Banking



Workers Compensation - Shared



See Accompanying Accountant's Report

Northern California Cities Self Insurance Fund
Budget to Actual
As of December 31, 2017

	Budget 2017-2018			YTD Expended 2017-2018			Remaining 2017-2018			
	Total	WC	Liab	Total	WC	Liab	Total \$	Total %	WC	Liab
ADMIN BUDGET										
Administrative Revenue										
41010 Administrative Deposit - See Note 1	\$ 1,272,680	\$ 707,582	\$ 565,098	\$ 636,340	\$ 353,791	\$ 282,549	\$ 636,340	50%	\$ 353,791	\$ 282,549
44030 Change in Fair Value - See Note 2	-	-	-	(6,914)	(3,823)	(3,091)	6,914		3,823	3,091
44040 Interest Income - See Note 2	-	-	-	8,590	4,723	3,867	(8,590)		(4,723)	(3,867)
44080 Risk Management Grants - See Note 6	-	-	-	200,382	200,382	-	(200,382)		(200,382)	-
Total Admin Revenue	<u>\$ 1,272,680</u>	<u>\$ 707,582</u>	<u>\$ 565,098</u>	<u>\$ 838,398</u>	<u>\$ 555,073</u>	<u>\$ 283,325</u>	<u>\$ 434,282</u>	<u>34%</u>	<u>\$ 152,509</u>	<u>\$ 281,773</u>
Administrative Expenses										
52101 Claims Audit	\$ 7,500	\$ -	\$ 7,500	\$ -	\$ -	\$ -	\$ 7,500	100%	\$ -	\$ 7,500
52102 Financial Audit	26,622	13,311	13,311	26,622	13,311	13,311	-	0%	-	-
52103 Legal Services	17,000	2,000	15,000	6,108	719	5,389	10,892	64%	1,281	9,611
52104 Actuarial Services	12,340	5,170	7,170	-	-	-	12,340	100%	5,170	7,170
52106 CAJPA Accreditation	4,500	2,250	2,250	-	-	-	4,500	100%	2,250	2,250
52109 Misc Consulting / Contingency	5,000	2,500	2,500	-	-	-	5,000	100%	2,500	2,500
Total Admin Expenses	<u>\$ 72,962</u>	<u>\$ 25,231</u>	<u>\$ 47,731</u>	<u>\$ 32,730</u>	<u>\$ 14,030</u>	<u>\$ 18,700</u>	<u>\$ 40,232</u>	<u>55%</u>	<u>\$ 11,201</u>	<u>\$ 29,031</u>
Safety Services										
52201 Outside Training	\$ 30,000	\$ 15,000	\$ 15,000	\$ 1,584	\$ 792	\$ 792	\$ 28,416	95%	\$ 14,208	\$ 14,208
52202 Risk Mgmt Comm Mtg Expense	1,500	750	750	654	327	327	846	56%	423	423
52203 Police Risk Mgmt Comm Training	7,900	3,950	3,950	721	361	360	7,179	91%	3,589	3,590
52204 Bickmore Risk Management Services	168,820	94,910	73,910	88,360	49,676	38,684	80,460	48%	45,234	35,226
52207 Member Training and Risk Management	88,000	50,000	38,000	2,233	1,269	964	85,767	97%	48,731	37,036
52208 Lexipol Police Manual Updates & DTBs	132,546	15,903	116,643	61,782	7,237	54,545	70,764	53%	8,666	62,098
52209 Police Risk Management Funds	50,000	25,000	25,000	25,172	12,586	12,586	24,828	50%	12,414	12,414
54200 Safety Grant Fund - See Note 3	-	-	-	46,857	46,857	-	(46,857)		(46,857)	-
Total Safety Services Expenses	<u>\$ 478,766</u>	<u>\$ 205,513</u>	<u>\$ 273,253</u>	<u>\$ 227,363</u>	<u>\$ 119,105</u>	<u>\$ 108,258</u>	<u>\$ 251,403</u>	<u>53%</u>	<u>\$ 86,408</u>	<u>\$ 164,995</u>

Northern California Cities Self Insurance Fund
Budget to Actual
As of December 31, 2017

	Budget 2017-2018			YTD Expended 2017-2018			Remaining 2017-2018			
	Total	WC	Liab	Total	WC	Liab	Total	Total %	WC	Liab
ADMIN BUDGET CONTINUED										
Claims Administration										
52302 Claims Administration Fee	\$ 50,600	\$ 29,700	\$ 20,900	\$ 50,600	\$ 29,700	\$ 20,900	\$ -	0%	\$ -	\$ -
52304 State Funding/Fraud Assessment	225,667	225,667	-	208,071	208,071	-	17,596	8%	17,596	-
Total Claims Admin Expenses	\$ 276,267	\$ 255,367	\$ 20,900	\$ 258,671	\$ 237,771	\$ 20,900	\$ 17,596	6%	\$ 17,596	\$ -
Program Administration										
52401 Program Administration and Brokerage Fee	\$ 303,505	\$ 137,957	\$ 165,548	\$ 151,752	\$ 68,978	\$ 82,774	\$ 151,753	50%	\$ 68,979	\$ 82,774
52403 Accounting Services	99,330	49,665	49,665	50,040	25,020	25,020	49,290	50%	24,645	24,645
Total Program Admin Expenses	\$ 402,835	\$ 187,622	\$ 215,213	\$ 201,792	\$ 93,998	\$ 107,794	\$ 201,043	50%	\$ 93,624	\$ 107,419
Board Expenses										
52500 Board of Directors Long Range Planning Session	\$ 2,000	\$ 1,000	\$ 1,000	\$ 1,515	\$ 758	\$ 757	\$ 485	24%	\$ 242	\$ 243
52501 Executive Committee	2,500	1,250	1,250	-	-	-	2,500	100%	1,250	1,250
52502 Executive Committee Member Travel	4,000	2,000	2,000	576	288	288	3,424	86%	1,712	1,712
52503 Board of Directors Meetings (includes Travel)	8,000	4,000	4,000	1,772	886	886	6,228	78%	3,114	3,114
52504 Association Memberships	4,000	2,000	2,000	-	-	-	4,000	100%	2,000	2,000
Total Board Expenses	\$ 20,500	\$ 10,250	\$ 10,250	\$ 3,863	\$ 1,932	\$ 1,931	\$ 16,637	81%	\$ 8,318	\$ 8,319
Other Administration Expenses - Not identified with above budget line items										
52001 Administration Expense - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-		\$ -	\$ -
52900 Member Identity Theft Protection	11,800	11,800	-	11,793	11,793	-	7	0%	7	-
Total Other Admin	\$ 11,800	\$ 11,800	\$ -	\$ 11,793	\$ 11,793	\$ -	\$ 7	0%	\$ 7	\$ -
Total Admin Expenses	\$ 1,263,130	\$ 695,783	\$ 567,347	\$ 736,212	\$ 478,629	\$ 257,583	\$ 526,918	42%	\$ 217,154	\$ 309,764
TOTAL ADMIN REVENUE OVER EXPENSES	\$ 9,550	\$ 11,799	\$ (2,249)	\$ 102,186	\$ 76,444	\$ 25,742	\$ (92,636)		\$ (64,645)	\$ (27,991)

Northern California Cities Self Insurance Fund
Budget to Actual
As of December 31, 2017

	Budget 2017-2018			YTD Expended 2017-2018			Remaining 2017-2018			
	Total	WC	Liab	Total	WC	Liab	Total	Total %	WC	Liab
BANKING LAYER BUDGET										
Banking Layer Revenue										
41020 Banking Layer Deposit - See Note 1	\$ 8,158,729	\$ 6,235,730	\$ 1,922,999	\$ 4,079,365	\$ 3,117,865	\$ 961,500	\$ 4,079,364	50%	\$ 3,117,865	\$ 961,499
44030 Change in Fair Value - See Note 2	-	-	-	(189,953)	(147,341)	(42,612)	189,953		147,341	42,612
44040 Interest Income - See Note 2	-	-	-	215,119	165,726	49,393	(215,119)		(165,726)	(49,393)
Total Banking Layer Revenue	<u>\$ 8,158,729</u>	<u>\$ 6,235,730</u>	<u>\$ 1,922,999</u>	<u>\$ 4,104,531</u>	<u>\$ 3,136,250</u>	<u>\$ 968,281</u>	<u>\$ 4,054,198</u>	50%	<u>\$ 3,099,480</u>	<u>\$ 954,718</u>
Banking Layer Expenses										
51100 Claims Expense - See Note 4	\$ 5,830,000	\$ 4,001,000	\$ 1,829,000	\$ 2,807,095	\$ 2,346,095	\$ 461,000	\$ 3,022,905	52%	\$ 1,654,905	\$ 1,368,000
51135 Claims Admin - Liability - See Note 4	-	-	-	198,225	-	198,225	(198,225)		-	(198,225)
51400 OS Liability Adjustment - See Note 4	-	-	-	531,337	194,111	337,226	(531,337)		(194,111)	(337,226)
51800 ULAE Adjustment - See Note 4	-	-	-	11,313	11,313	-	(11,313)		(11,313)	-
52300 Claims Admin - Monthly WC Only - See Note 4	706,000	706,000	-	283,672	283,672	-	422,328	60%	422,328	-
Total Banking Layer Expenses	<u>\$ 6,536,000</u>	<u>\$ 4,707,000</u>	<u>\$ 1,829,000</u>	<u>\$ 3,831,642</u>	<u>\$ 2,835,191</u>	<u>\$ 996,451</u>	<u>\$ 2,704,358</u>	41%	<u>\$ 1,871,809</u>	<u>\$ 832,549</u>
TOTAL BANKING REVENUE OVER EXPENSES	\$ 1,622,729	\$ 1,528,730	\$ 93,999	\$ 272,889	\$ 301,059	\$ (28,170)	\$ 1,349,840		\$ 1,227,671	\$ 122,169

Northern California Cities Self Insurance Fund
Budget to Actual
As of December 31, 2017

	Budget 2017-2018			YTD Expended 2017-2018			Remaining 2017-2018			
	Total	WC	Liab	Total	WC	Liab	Total	Total %	WC	Liab
SHARED RISK LAYER BUDGET										
Shared Layer Revenue										
41030 Shared Risk Layer Deposit - See Note 1	\$ 5,187,000	\$ 3,233,000	\$ 1,954,000	\$ 2,593,500	\$ 1,616,500	\$ 977,000	\$ 2,593,500	50%	\$ 1,616,500	\$ 977,000
41040 Excess Deposit/Premium - See Note 1	2,632,368	1,471,041	1,161,327	1,316,184	735,520	580,664	1,316,184	50%	735,521	580,663
44020 Excess Insurance Refund - See Note 3	-	-	-	-	-	-	-	-	-	-
44030 Change in Fair Value	-	-	-	(194,822)	(139,373)	(55,449)	194,822		139,373	55,449
44040 Interest Income	-	-	-	222,625	157,193	65,432	(222,625)		(157,193)	(65,432)
44060 Property Premium - See Note 1	861,478	-	861,478	430,739	-	430,739	430,739	50%	-	430,739
44070 Crime Premium - See Note 1	51,447	-	51,447	25,724	-	25,724	25,723	50%	-	25,723
Total Shared Layer Revenue	\$ 8,732,293	\$ 4,704,041	\$ 4,028,252	\$ 4,393,950	\$ 2,369,840	\$ 2,024,110	\$ 4,338,343	50%	\$ 2,334,201	\$ 2,004,142
Shared Layer Expenses										
51100 Claims Expense	\$ 5,206,000	\$ 3,829,000	\$ 1,377,000	\$ 2,099,907	\$ 1,408,977	\$ 690,930	\$ 3,106,093	60%	\$ 2,420,023	\$ 686,070
54100 Excess Deposit/Premium Exp - See Note 5	2,632,368	1,471,041	1,161,327	1,314,183	730,738	583,445	1,318,185	50%	740,303	577,882
54150 Member Property Coverage - See Note 5	861,478	-	861,478	430,741	-	430,741	430,737	50%	-	430,737
54150 Member Crime Coverage - See Note 5	51,447	-	51,447	25,724	-	25,724	25,723	50%	-	25,723
Total Shared Layer Expenses	\$ 8,751,293	\$ 5,300,041	\$ 3,451,252	\$ 3,870,555	\$ 2,139,715	\$ 1,730,840	\$ 4,880,738	56%	\$ 3,160,326	\$ 1,720,412
TOTAL SHARED REVENUE OVER EXPENSES	\$ (19,000)	\$ (596,000)	\$ 577,000	\$ 523,395	\$ 230,125	\$ 293,270	\$ (542,395)		\$ (826,125)	\$ 283,730
OTHER INCOME/(EXPENSE)										
Rounding	-	-	-	(7)	6	(13)	7		(6)	13
Total Other Income/(Expense)	\$ -	\$ -	\$ -	\$ (7)	\$ 6	\$ (13)	\$ 7		\$ (6)	\$ 13
TOTAL INCOME/(EXPENSE)	\$ 1,613,279	\$ 944,529	\$ 668,750	\$ 898,463	\$ 607,634	\$ 290,829	\$ 714,816		\$ 336,895	\$ 377,921

Northern California Cities Self Insurance Fund
Notes to Budget to Actual
As of December 31, 2017

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. 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.

4. Claims Expenses

Claims related expenses are budgeted based on the estimated claims expense for the year. 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.

5. 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
Risk Management Reserves Historic Usage Report
As of December 31, 2017**

Member	Risk Management Reserve Fund elected to be retained in WC admin by members from their WC shared refund							Total funds available FY 2009 - FY 2016 for Risk Management	Total Disbursements Paid through Last Update	Risk Management Reserve Funds Available	
	ADA Grants Declared in FY 2009 Board Meeting 4/24/2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015				FY 2017
Anderson	\$ 6,496.00	\$ 8,039.00	\$ 7,650.00	\$ 7,540.00	\$ 7,451.00	\$ 3,860.00	\$ -	\$ -	\$ 41,036.00	\$ 31,355.00	\$ 9,681.00
Auburn	6,397.00	-	-	8,098.00	-	-	-	16,672.00	31,167.00	6,397.00	24,770.00
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	-	10,602.00	-	27,573.00	11,762.47	15,810.53
Elk Grove	-	-	-	-	-	-	-	-	-	-	-
Folsom	16,732.00	62,977.00	-	61,737.00	61,566.00	32,328.00	57,693.00	117,055.00	410,088.00	334,297.37	75,790.63
Galt	7,613.00	14,375.00	14,135.00	14,171.00	14,153.00	11,310.00	16,586.00	-	92,343.00	84,412.00	7,931.00
Gridley	6,144.00	6,391.00	-	6,507.00	6,476.00	5,152.00	6,614.00	-	37,284.00	6,144.00	31,140.00
Ione	-	-	-	-	-	514.00	-	-	514.00	-	514.00
Jackson	5,627.00	3,510.00	3,487.00	-	-	-	4,285.00	-	16,909.00	5,500.00	11,409.00
Lincoln	6,303.00	8,638.00	10,028.00	-	10,854.00	-	10,078.00	-	45,901.00	24,969.00	20,932.00
Marysville	6,758.00	-	-	-	-	-	-	13,095.00	19,853.00	731.00	19,122.00
Nevada City	5,665.00	-	-	-	3,618.00	1,896.00	4,275.00	-	15,454.00	13,001.00	2,453.00
Oroville	7,633.00	-	-	-	-	-	12,309.00	-	19,942.00	17,412.50	2,529.50
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	15,602.50	3,510.50
Rocklin	9,178.00	24,019.00	25,254.00	25,419.00	25,476.00	20,260.00	22,851.00	51,560.00	204,017.00	118,471.80	85,545.20
Willows	5,856.00	4,618.00	4,412.00	-	-	3,405.00	7,156.00	2,000.00	27,447.00	25,448.00	1,999.00
Yuba City	8,607.00	-	-	22,184.00	-	-	-	-	30,791.00	30,791.00	-
	\$ 145,238.00	\$ 151,576.00	\$ 88,017.00	\$ 174,207.00	\$ 145,635.00	\$ 91,532.00	\$ 152,449.00	\$ 200,382.00	\$ 1,149,036.00	\$ 826,850.64	\$ 322,185.36

Schedule includes payments made through December 31, 2017.

**Northern California Cities Self Insurance Fund
Police Risk Management Grants Historic Usage Report
As of December 31, 2017**

Member	Police Risk Management Grant Funds			Total funds granted FY 2015 - FY 2017 for Police Risk Management	Total Disbursements Paid through Last Update	Police Risk Management Grant Funds Available
	FY 2015	FY 2016	FY 2017			
Anderson	\$1,515.00	\$1,515.00	\$ 1,515.00	\$ 4,545.00	\$ -	\$ 4,545.00
Auburn	3,030.00	3,030.00	3,030.00	9,090.00	9,309.74	(219.74)
Colusa	1,515.00	1,515.00	1,515.00	4,545.00	3,030.00	1,515.00
Corning	1,515.00	1,515.00	1,515.00	4,545.00	3,291.26	1,253.74
Dixon	3,030.00	3,030.00	3,030.00	9,090.00	6,060.00	3,030.00
Elk Grove	3,030.00	3,030.00	3,030.00	9,090.00	9,090.00	-
Folsom	3,787.50	3,787.50	3,788.00	11,363.00	7,576.00	3,787.00
Galt	3,030.00	3,030.00	3,030.00	9,090.00	-	9,090.00
Gridley	1,515.00	1,515.00	1,515.00	4,545.00	3,291.26	1,253.74
Ione	1,515.00	1,515.00	1,515.00	4,545.00	3,391.87	1,153.13
Jackson	1,515.00	1,515.00	1,515.00	4,545.00	-	4,545.00
Lincoln	3,030.00	3,030.00	3,030.00	9,090.00	6,548.50	2,541.50
Marysville	2,272.50	2,272.50	2,273.00	6,818.00	4,919.87	1,898.13
Nevada City	1,515.00	1,515.00	1,515.00	4,545.00	-	4,545.00
Oroville	3,030.00	3,030.00	3,030.00	9,090.00	7,234.00	1,856.00
Placerville	2,272.50	2,272.50	2,273.00	6,818.00	3,970.32	2,847.68
Paradise	1,515.00	1,515.00	1,515.00	4,545.00	4,545.00	-
Red Bluff	2,272.50	2,272.50	2,273.00	6,818.00	4,545.00	2,273.00
Rio Vista	1,515.00	1,515.00	1,515.00	4,545.00	4,241.15	303.85
Rocklin	3,030.00	3,030.00	3,030.00	9,090.00	6,516.24	2,573.76
Willows	1,515.00	1,515.00	1,515.00	4,545.00	-	4,545.00
Yuba City	3,030.00	3,030.00	3,030.00	9,090.00	6,060.00	3,030.00
	\$ 49,995.00	\$ 49,995.00	\$ 49,997.00	\$ 149,987.00	\$ 93,620.21	\$ 56,366.79

Schedule includes payments made through December 31, 2017.

Designated for Risk Management	
Risk Management Reserves	\$ 322,185
Police Risk Management Grants	56,367
Total	<u>\$ 378,552</u>



Agenda Item G.2.

BUDGET TO ACTUAL AS OF DECEMBER 31, 2017

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.

NCCSIF administrative expenses year-to-date are currently on track with the FY 17/18 Budget. The one exception is the annual State assessment of the Workers' Compensation Program, which came in less than budgeted. Last year the assessment was \$205,152 versus the budgeted amount of \$168,000 due to higher than expected Indemnity payments upon which the assessment is based. The budget was increased to \$225,667 for FY 17/18 and the assessment was \$208,071, for a budgeted savings of \$17,596 (8%). We are told to expect an increase of up to 18% in the assessment for FY 18/19.

Overall admin expenses are at 58% of budget due to a number of fully paid expense categories, with total expenses expected to be under budget at year end.

RECOMMENDATION: None.

FISCAL IMPACT: None.

BACKGROUND: None.

ATTACHMENT(S): Please refer to *pages 26-30* of the Quarterly Financial Report for Period Ending December 31, 2017 - Budget to Actual as of December 31, 2017.



Agenda Item H.1.

FY 18/19 NCCSIF ADMINISTRATION BUDGET

INFORMATION ITEM

ISSUE: The Executive Committee reviews and recommends to the Board the budget for the next fiscal year. Attached is the preliminary budget for review and discussion. The Administrative Costs are discussed in more detail below. The budget to actual revenues provided by our accountant are used in creating the FY 18/19 budget.

Administrative Expenses

- The Claims Audits - Every year either the Liability or Workers' Compensation claims are audited. The Liability claims audit was budgeted in FY 17/18 at \$7,500 and will be conducted in May 2018. Budgeted expense of \$10,500 is allocated for a Workers' Compensation Claims audit in FY 18/19.
- The Financial Audit increased by 2% based on the current three-year contract.
- Actuarial Services are increasing 3% per current contract, at \$7,350 for Liability and \$5,350 for Workers' Comp, including the \$2,000 credit we received from CSAC EIA for the actuarial each year.
- Accounting Services are expected to increase 3%.
- Bickmore's services are the same as last year based on the current three-year contract.
- State Funding/Fraud Assessment has been estimated to increase by *18% from the actual expense for FY 17/18.*
- Program Administration costs have been increased 2% based on the fee schedule in the current program administration agreement.

RECOMMENDATION: Review and provide direction as needed - an information item only.

FISCAL IMPACT: Total administrative expenses are estimated to be \$1,314,932, a 4% increase over FY 17/18. Last year's increase was 7% largely due to the State Comp Assessment increase. A small amount of surplus offset may be available to reduce the funding, to be determined as we get closer to the fiscal year end.

BACKGROUND: None

ATTACHMENT(S):

1. Preliminary FY 18/19 NCCSIF Budget
2. State Funding/Fraud Assessment Invoice

**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
PROPOSED ADMIN BUDGET
July 1, 2018 to June 30, 2019**

EXPENSES:		WORK COMP	LIABILITY	2018-19 TOTAL	2017-18 PRIOR YEAR	\$ CHANGE	% CHANGE	
Administrative Expenses:								
Consultants								
52101	Claims Audit	\$11,000		\$11,000	\$7,500	\$3,500	47%	GL audit last year less than WC
52102	Financial Audit	\$13,577	\$13,577	\$27,154	\$26,622	\$532	2%	Per 2017-19 contract
52103	Legal Services	\$2,000	\$15,000	\$17,000	\$17,000	\$0	0%	
52104	Actuarial Review	\$5,350	\$7,350	\$12,700	\$12,340	\$360	3%	Per 2016-19 contract including 6/30 Update
52105	Computer Services			n/a	\$0	n/a	n/a	Moved as part of Accounting Services
52106	CAJPA Accreditation (2018)				\$4,500	(\$4,500)	-100%	
52107	Employee Dishonesty Bonds			n/a	n/a	n/a	n/a	Included in ACIP coverage
52109	Misc. Consulting/Contingency	\$2,500	\$2,500	\$5,000	\$5,000	\$0	0%	
	Total Consultant Expenses	\$34,427	\$38,427	\$72,854	\$72,962	(\$108)	0%	
Safety Services:								
52204	Bickmore Onsite Risk Assessments	\$41,250	\$41,250	\$82,500	\$84,000	(\$1,500)	-2%	
52203	Bickmore Police Risk Mgmt Comm Training	\$6,200	\$6,200	\$12,400	\$7,900	\$4,500	57%	
52204	Bickmore Risk Control Service Days	\$16,500	\$16,500	\$33,000	\$36,460	(\$3,460)	-9%	
52204	Bickmore Phone Consultation	\$9,530	\$9,530	\$19,060	\$18,600	\$460	2%	Per 2016-19 contract
52204	Bickmore Newsletter	\$2,790	\$2,790	\$5,580	\$5,580	\$0	0%	
52204	Bickmore Safety Training Coordination	\$7,440	\$7,440	\$14,880	\$14,880	\$0	0%	
52204	Bickmore Meeting Preparation	\$4,650	\$4,650	\$9,300	\$9,300	\$0	0%	
52214	OCCUMED Occupational Health Consulting			n/a	n/a	n/a	n/a	
52215	Online Risk Management Services			n/a	n/a	n/a	n/a	
52217	ACI - Wellness Optional			n/a	n/a	n/a	n/a	Direct Bill
52201	Outside Training	\$15,000	\$15,000	\$30,000	\$30,000	\$0	0%	
52202	Risk Mgmt Comm Mtg Expense	\$750	\$750	\$1,500	\$1,500	\$0	0%	
52207	Member Training and Risk Management	\$50,000	\$38,000	\$88,000	\$88,000	\$0	0%	Formerly Seminars and PARMA - renamed beginning 17/18
52208	Lexipol Police Manual Updates & DTBs	\$15,903	\$127,247	\$143,150	\$132,546	\$10,604	8%	
52209	Police Risk Management Funds	\$25,000	\$25,000	\$50,000	\$50,000	\$0	0%	RMC recommendation
	Total Safety Services Expenses	\$195,013	\$294,357	\$489,370	\$478,766	\$10,604	2%	

EXPENSES:		WORK COMP	LIABILITY	2018-19 TOTAL	2017-18 PRIOR YEAR	\$ CHANGE	% CHANGE	
Claims Administration								
52302	Claims Administration Fee (Reports, etc.)	\$29,700	\$20,900	\$50,600	\$50,600	\$0	0%	Current contract: GL 2016-19 and WC 2016-19
	Claims Adjustment Fee*							
52303	Fraud Hotline			\$0	\$0	\$0		
52305	MPN Services			\$0	\$0	\$0		
52304	State Funding/Fraud Assessment	\$245,524		\$245,524	\$225,667	\$19,857	9%	Actual 17/18 = \$208,071 + 18% Est. increase
	Total Claims Administration Expenses	\$275,224	\$20,900	\$296,124	\$276,267	\$19,857	7%	
Program Administration								
52401	Program Administration and Brokerage Fee	\$140,716	\$168,860	\$309,576	\$303,505	\$6,071	2%	Per 2014-19 contract
52403	Accounting Services	\$51,345	\$51,345	\$102,690	\$99,330	\$3,360	3%	Current Contract 2018-22: \$99,360 + \$215 Intacct Software monthly fee + \$750 e-check delivery annual fee
	Total Program Administration Expenses	\$192,061	\$220,205	\$412,266	\$402,835	\$9,431	2%	
Board Expenses								
52501	Executive Committee	\$1,250	\$1,250	\$2,500	\$2,500	\$0	0%	
52502	Executive Committee Member Travel	\$2,000	\$2,000	\$4,000	\$4,000	\$0	0%	
52503	Board of Directors Meetings (includes Travel)	\$4,000	\$4,000	\$8,000	\$8,000	\$0	0%	
XXXXX	Board of Directors Long Range Planning Session (\$1,000	\$1,000	\$2,000	\$2,000	\$0	0%	
52504	Association Memberships (PARMA, CAJPA, AGRIF	\$2,000	\$2,000	\$4,000	\$4,000	\$0	0%	
	Total Board Expenses	\$10,250	\$10,250	\$20,500	\$20,500	\$0	0%	
Other Administration Expenses - Not identified with above budget line items								
52000	Administrative Expense	\$0	\$0	\$0	\$0	\$0	0%	
52001	Administration Expense - Other	\$0	\$0	\$0	\$0	\$0	0%	
52900	Member Identity Theft Protection**	\$11,800	0	\$11,800	\$11,800	\$0	0%	
	Total Other Admin	\$11,800	\$0	\$11,800	\$11,800	\$0	0%	
						\$0		
Total Admin Expenses		\$718,775	\$584,139	\$1,302,914	\$1,263,130	\$39,784	3%	
Net Loss/Admin Surplus Offset					TBD		0%	Possible offset TBD
						\$19,927	2%	Without State Fund Increase

* WC of \$706,000 included in Banking Layer Funding. GL time and expense billed to file.



Department of Industrial Relations

Office of Self-Insurance Plans
 11050 Olson Drive, Suite 230
 Rancho Cordova, CA 95670
 (916) 464-7000
 Fax: (916) 464-7007

INVOICE

Invoice Number: OSIP 64510
 Certificate No.: 5006
 Invoice Date: December 1, 2017
 Due Date: December 31, 2017
 OSIP Federal Tax ID.: 94-3160882

Customer Information:

Billing Address:		Send Payment To:	
Company:	ALLIANT INSURANCE SERVICES, INC.	Company:	Department Of Industrial Relations
Name:	MARCUS BEVERLY	Name:	Office of Self Insurance Plans
Address:	2180 HARVARD STREET, STE 460	Address:	11050 Olson Drive, Suite 230
City/State/Zip	SACRAMENTO, CA 95815	City/State/Zip	Rancho Cordova, CA 95670

For : Northern California Cities Self Insurance Fund

Terms: Due and payable within 30 days

Factor	Assessment for fiscal year July 1, 2017 through June 30, 2018 using 2016 / 2017 Public Annual Report	Paid Indemnity (Line 4 on the Annual Report)	Assessment Due
0.032620	Workers' Compensation Administration Revolving Fund Assessment (WCARF)	\$ 2,597,054	\$ 84,715.90
0.007006	Uninsured Employers Benefits Trust Fund Assessment (UEBTF)	\$ 2,597,054	\$ 18,194.96
0.011754	Subsequent Injuries Benefits Trust Fund Assessment (SIBTF)	\$ 2,597,054	\$ 30,525.77
0.011066	Occupational Safety and Health Fund Assessment (OSHF)	\$ 2,597,054	\$ 28,738.99
0.008790	Workers's Compensation Fraud Account Assessment (FRAUD)	\$ 2,597,054	\$ 22,828.10
0.008882	Labor Enforcement and Compliance Fund (LECF)	\$ 2,597,054	\$ 23,067.03
License Fee Assessment:			
	Base Fee (determined by total number of employees)		\$ 0.00
	Additional Location Fee (No. of Locations)		\$ 0.00
	Per Capita Employee Charge (# of ee's * 0)	License Fee Assessment Subtotal:	\$ 0.00
		Invoice Totals:	\$ 208,070.75
		Amount Paid:	\$ 0.00
		Balance Due:	\$ 208,070.75

Notes:
 The letter establishing the assessment factors and methodology used for calculation are available on the OSIP website at <http://sip.dir.ca.gov> You can also make an electronic funds transfer(EFT)payment online at <http://www.dir.ca.gov/osip> It is very important to enter the correct invoice number when making an online payment.



ACTUARIAL STUDY - WORKERS' COMPENSATION PROGRAM

ACTION ITEM

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

FY 18/19 Funding

Total recommended funding for the banking and shared risk layers is \$9,440,000 at the current 75% Confidence Level (CL). *Overall the rates have decreased 3.1%, from \$4.434 to \$4.295, with a 2.3% decrease in the Banking Layer and a 4.7% decrease for the Shared Layer.*

Outstanding Liabilities at June 30, 2018

The Actuary estimates that Workers' Compensation Program will have total assets of approximately \$44,489,000 on June 30, 2018, compared to \$42,896,000 last year. The estimated total Outstanding Liability at June 30 is \$38,057,000 at the 90% Confidence Level (CL), compared to \$36,711,000 last year. *This results in an estimated \$6,432,000 in net position above the 90% CL, compared to \$6,185,000 last year.*

Assets for the Banking Layer are estimated at \$22,258,000 as of June 30, 2018, slightly above the estimate of \$22,081,000 in 2017. Banking Layer liabilities are \$17,388,000 at the 90% CL, compared to \$16,892,000 last year. *This means the Banking Layer net position above the 90% CL is estimated at \$4,870,000 compared to \$5,189,000 last year.*

Assets for the Shared Risk Layer are estimated to be \$22,231,000 at June 30, 2018, compared to \$20,815,000 in 2017. Liabilities are estimated at \$20,669,000 at the 90% CL, compared to \$19,819,000 last year. *The net position in excess of the 90% CL is estimated to be \$1,562,000, compared to \$996,000 last year.*

RECOMMENDATION: Accept and file the report.

FISCAL IMPACT: TBD; depending on chosen Confidence Level. While rates are decreasing the overall funding is increasing due to an increase in payroll of 4.3%, from \$211 to \$220 million. Note the FY 18/19 rate at the 80% CL, \$4.475, is just \$0.041, or 0.9%, above the current 75% CL rate, so this represents a good opportunity to increase the CL.

BACKGROUND: NCCSIF annually receives an actuary report to determine the estimated Outstanding Liabilities (OL) for the Workers' Compensation program as of June 30 and to estimate the amount of funding required for the upcoming fiscal year. These figures are used for financial reporting purposes and to prepare the budget for member deposits. The funding CL was increased from 70% to 75% for FY 17/18.

ATTACHMENT(S): FY 18/19 Workers' Compensation Actuarial Study - **DRAFT** Summary



Actuarial Review of the Self-Insured Workers' Compensation Program

Outstanding Liabilities as of June 30, 2018

Forecast for Program Year 2018-19

Presented to

Northern California Cities Self-Insurance Fund

March 9, 2018



Friday, March 9, 2018

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 2018-19 program year to be \$8,259,000. 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, \$5,618,000 is for the banking layer (\$0 – \$100,000 per occurrence) and \$2,641,000 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 2018-19 claims translates to a rate of \$3.758 per \$100 of payroll, \$2.556 for the banking layer and \$1.202 for the shared layer (assuming \$219,785,000 in rated payroll).

In addition, we estimate the program's liability for outstanding claims to be \$30,252,000 as of June 30, 2018 again including ALAE and ULAE, and discounted for anticipated investment income, but excluding 4850 TD and 4850 SC benefits. Given estimated program assets of \$44,489,000 as of June 30, 2018, the program will be funded above the 90% confidence level on a combined basis and for both the banking layer and shared layer separately (see Graphs 1a, 1b and 1c on pages 11, 12, and 13).

The \$30,252,000 estimate is the minimum liability to be booked by NCCSIF at June 30, 2018 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.

Our conclusions regarding NCCSIF's liability for unpaid loss and loss adjustment expenses (LAE) at June 30, 2018 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, 2018
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	\$30,200,000					
ULAE	1,779,000					
Investment Income Offset	(1,727,000)					
Discounted Loss and LAE	\$30,252,000	\$32,733,000	\$33,701,000	\$34,850,000	\$36,242,000	\$38,057,000
Assets	44,489,000					
Surplus or (Deficit)	\$14,237,000	\$11,756,000	\$10,788,000	\$9,639,000	\$8,247,000	\$6,432,000

Northern California Cities Self Insurance Fund
Self-Insured Workers' Compensation Program
Estimated Liability for Unpaid Loss and LAE
Banking Layer
at June 30, 2018
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	\$13,745,000					
ULAE	1,779,000					
Investment Income Offset	(838,000)					
Discounted Loss and LAE	\$14,686,000	\$15,626,000	\$15,964,000	\$16,346,000	\$16,801,000	\$17,388,000
Assets	22,258,000					
Surplus or (Deficit)	\$7,572,000	\$6,632,000	\$6,294,000	\$5,912,000	\$5,457,000	\$4,870,000

Northern California Cities Self Insurance Fund
 Self-Insured Workers' Compensation Program
 Estimated Liability for Unpaid Loss and LAE
 Shared Layer
 at June 30, 2018
 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	\$16,455,000					
ULAE	0					
Investment Income Offset	(889,000)					
Discounted Loss and LAE	\$15,566,000	\$17,107,000	\$17,737,000	\$18,504,000	\$19,441,000	\$20,669,000
Assets	22,231,000					
Surplus or (Deficit)	\$6,665,000	\$5,124,000	\$4,494,000	\$3,727,000	\$2,790,000	\$1,562,000

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

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

The table below shows our funding recommendations for Northern California Cities Self Insurance Fund for the 2018-19 fiscal year.

Northern California Cities Self Insurance Fund
 Self-Insured Workers' Compensation Program
 Loss and LAE Funding Guidelines for 2018-19
 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	\$7,857,000					
ULAE	740,000					
Investment Income Offset	(338,000)					
Discounted Loss and LAE	\$8,259,000	\$9,110,000	\$9,440,000	\$9,836,000	\$10,307,000	\$10,943,000
Rate per \$100 of 2018-19 Payroll	\$3.758	\$4.145	\$4.295	\$4.475	\$4.689	\$4.979

Northern California Cities Self Insurance Fund
 Self-Insured Workers' Compensation Program
 Loss and LAE Funding Guidelines for 2018-19
 Banking Layer: \$0 to \$100,000
 Net of 4850 TD and 4850 SC

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$5,108,000					
ULAE	740,000					
Investment Income Offset	(230,000)					
Discounted Loss and LAE	\$5,618,000	\$6,079,000	\$6,242,000	\$6,433,000	\$6,657,000	\$6,949,000
Rate per \$100 of 2018-19 Payroll	\$2.556	\$2.766	\$2.840	\$2.927	\$3.029	\$3.162

Northern California Cities Self Insurance Fund
 Self-Insured Workers' Compensation Program
 Loss and LAE Funding Guidelines for 2018-19
 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	\$2,749,000					
ULAE	0					
Investment Income Offset	(108,000)					
Discounted Loss and LAE	\$2,641,000	\$3,031,000	\$3,198,000	\$3,403,000	\$3,650,000	\$3,994,000
Rate per \$100 of 2018-19 Payroll	\$1.202	\$1.379	\$1.455	\$1.548	\$1.661	\$1.817

The funding recommendations shown in the table above do not include any recognition of the existing funding margin (surplus or deficit) at June 30, 2018. They are for losses and loss adjustment expenses only, and do not include a provision for loss control, overhead, excess insurance premiums, and other expenses associated with the program. They do not include 4850 TD and 4850 SC benefits.

The 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, James Kim at (916) 290-4644 or Eric Small at (916) 244-1165 with any questions you may have concerning this report.

Sincerely,

Bickmore

DRAFT

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

DRAFT

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

DRAFT

Eric Small
Senior Analyst, Property and Casualty Actuarial Services, Bickmore

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

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

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, 2018, project ultimate loss costs for 2018-19, and provide funding guidelines to meet these liabilities and future costs.

DRAFT

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, 2018. 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, 2018.

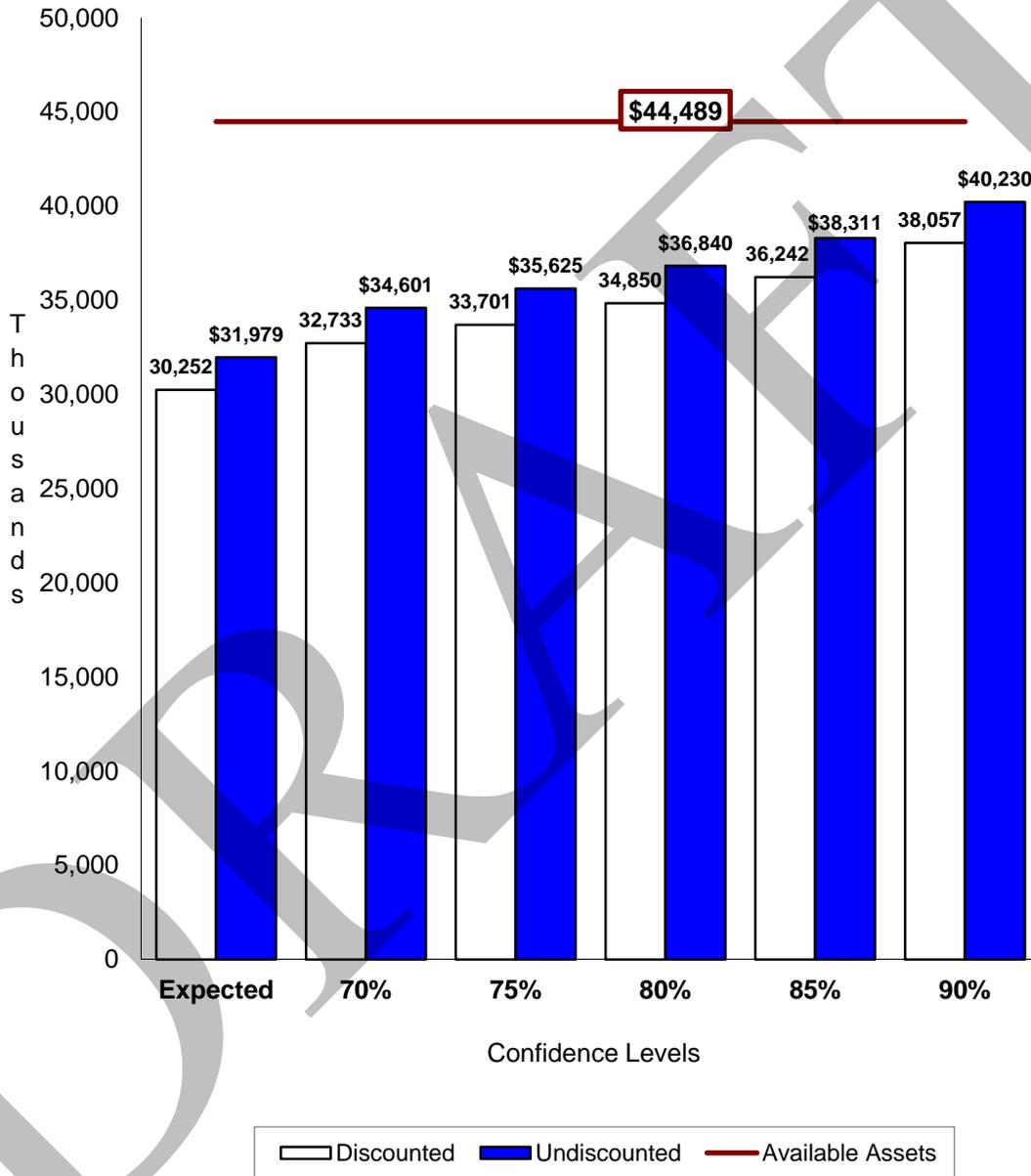
Our best estimate of the full value of NCCSIF's liability for outstanding claims within its pool limit is \$31,979,000, \$15,524,000 is for the banking layer and \$16,455,000 is for the shared layer as of June 30, 2018. These amounts include losses, allocated loss adjustment expenses (ALAE) and unallocated loss adjustment expenses (ULAE), but exclude 4850 TD and 4850 SC benefits. ALAE is the direct cost associated with the defense of individual claims (e.g. legal fees, investigation fees, court charges). ULAE is the cost to administer claims to final settlement, which may be years in the future (e.g. claims adjusters' salaries, taxes).

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

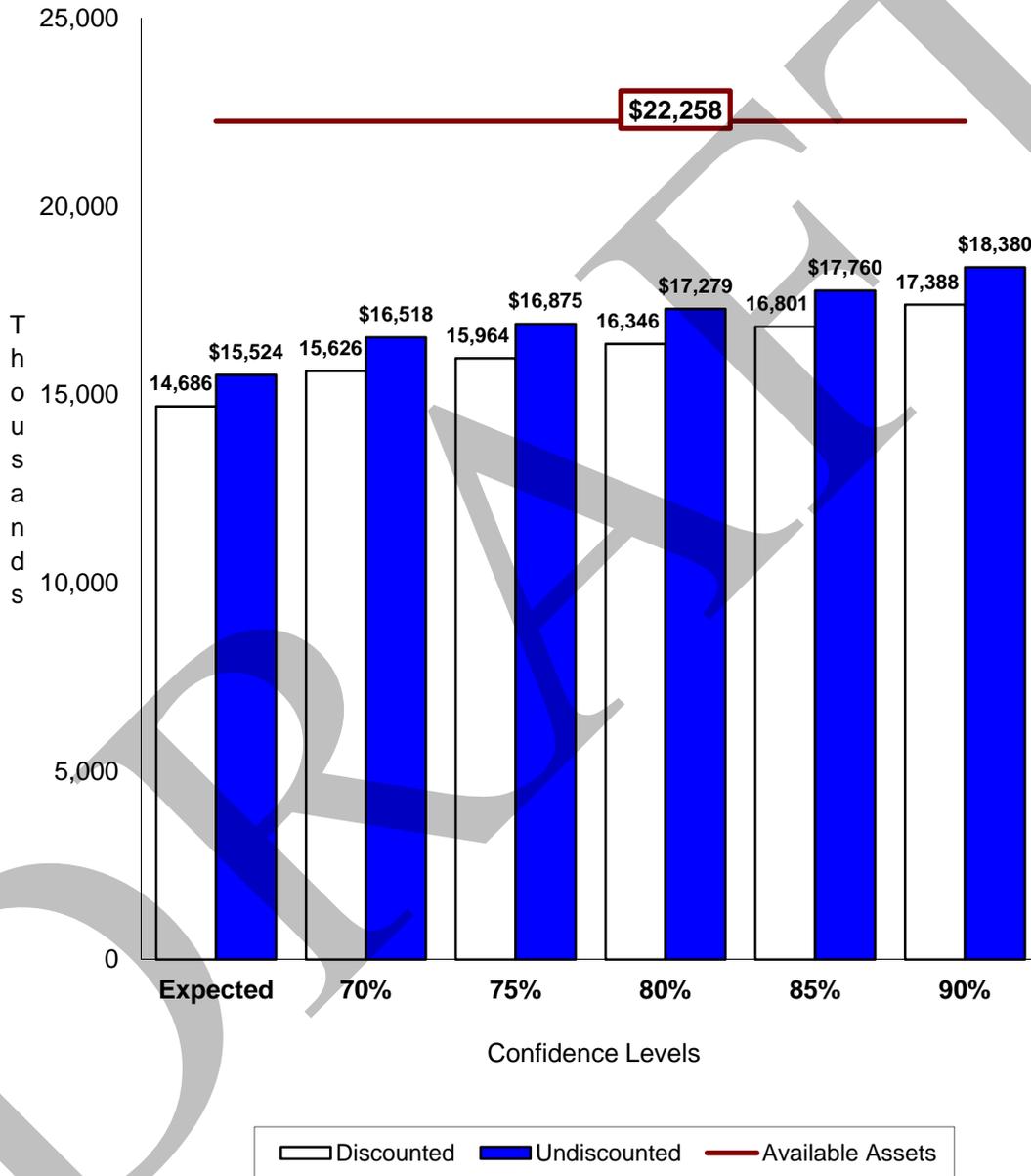
NCCSIF can earn investment income on the assets it holds until claims payments come due. Assuming a long-term average annual return on investments of 1.5%, we estimate the impact of investment income earnings to be about 5.4% if the program is funded within the range indicated in the graphs, resulting in a discounted liability for outstanding claims of \$30,252,000, \$14,686,000 for the banking layer and \$15,566,000 for the shared layer as of June 30, 2018.

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

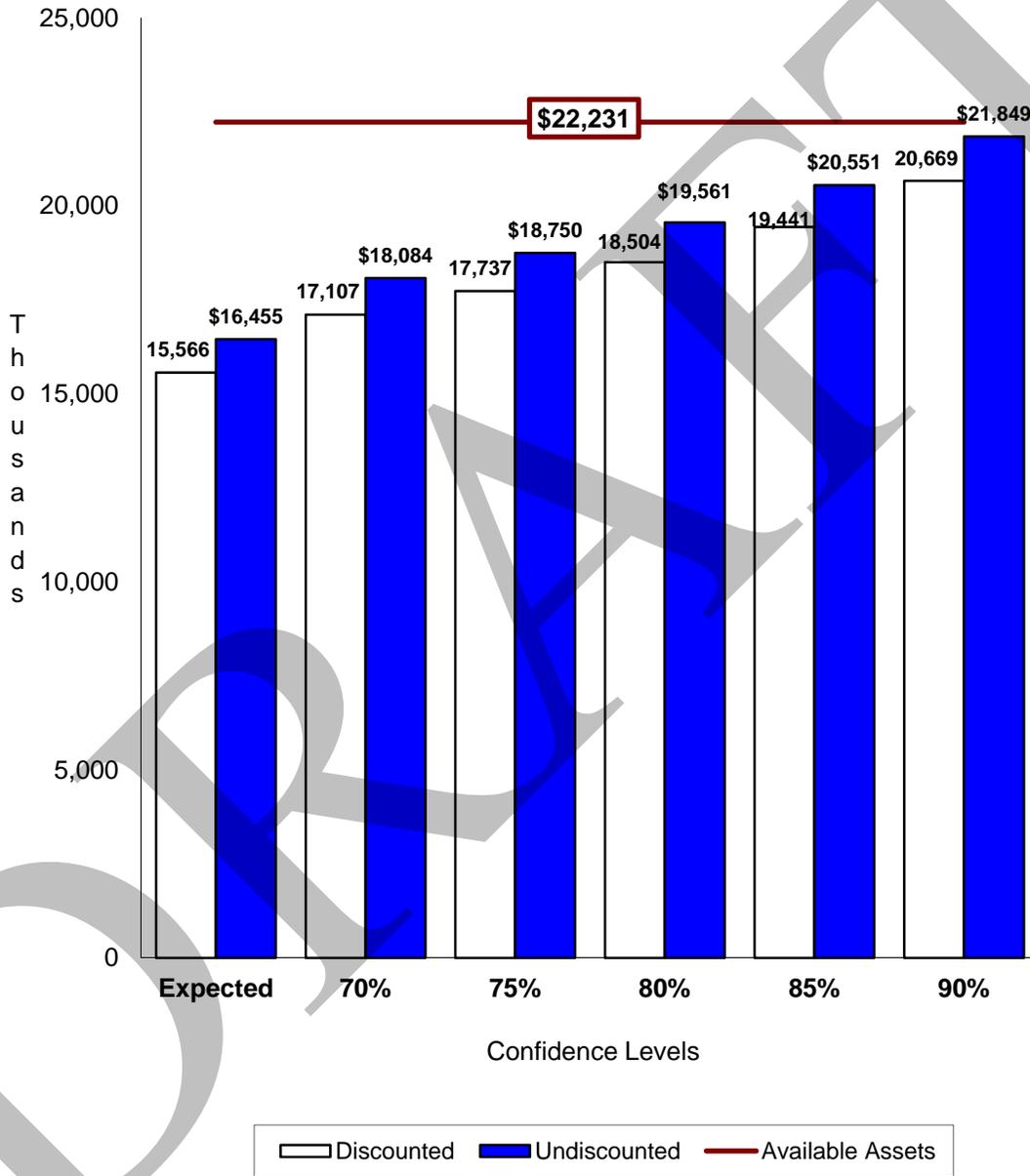
NCCSIF - Workers' Compensation
 Available Assets vs Outstanding Liability (\$000's)
 at June 30, 2018
 Banking and Shared Layers Combined
 Net of 4850 TD and 4850 SC



NCCSIF - Workers' Compensation
 Available Assets vs Outstanding Liability (\$000's)
 at June 30, 2018
 Banking Layer
 Net of 4850 TD and 4850 SC



NCCSIF - Workers' Compensation
 Available Assets vs Outstanding Liability (\$000's)
 at June 30, 2018
 Shared Layer
 Net of 4850 TD and 4850 SC



The table below displays a breakdown of the program's outstanding loss and LAE liabilities into case reserves and incurred but not reported (IBNR) reserves at June 30, 2018, 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, 2018
 Banking and Shared Layers Combined
 Net of 4850 TD and 4850 SC

Year	Case Reserves	IBNR Reserves	Total Outstanding
Prior	\$769,931	\$34,833	\$804,764
1997-98	123,805	12,681	136,486
1998-99	94,396	12,174	106,570
1999-00	209,202	37,103	246,305
2000-01	410,782	53,248	464,030
2001-02	157,269	53,906	211,175
2002-03	521,610	111,939	633,549
2003-04	165,377	86,783	252,160
2004-05	329,662	83,356	413,018
2005-06	497,961	99,002	596,963
2006-07	652,789	165,675	818,464
2007-08	311,798	128,155	439,953
2008-09	779,970	180,611	960,581
2009-10	621,208	231,326	852,534
2010-11	518,687	242,096	760,783
2011-12	1,445,182	334,977	1,780,159
2012-13	1,029,372	219,865	1,249,237
2013-14	1,656,895	421,473	2,078,368
2014-15	2,619,502	509,978	3,129,480
2015-16	1,657,363	1,434,050	3,091,413
2016-17	2,648,106	2,218,529	4,866,635
2017-18	1,986,547	4,321,104	6,307,651
Loss and ALAE	\$19,207,414	\$10,992,864	\$30,200,278
ULAE		1,779,080	1,779,080
Total	\$19,207,414	\$12,771,944	\$31,979,358

B. PROGRAM FUNDING: GOALS AND OBJECTIVES

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

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

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

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

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

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

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

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

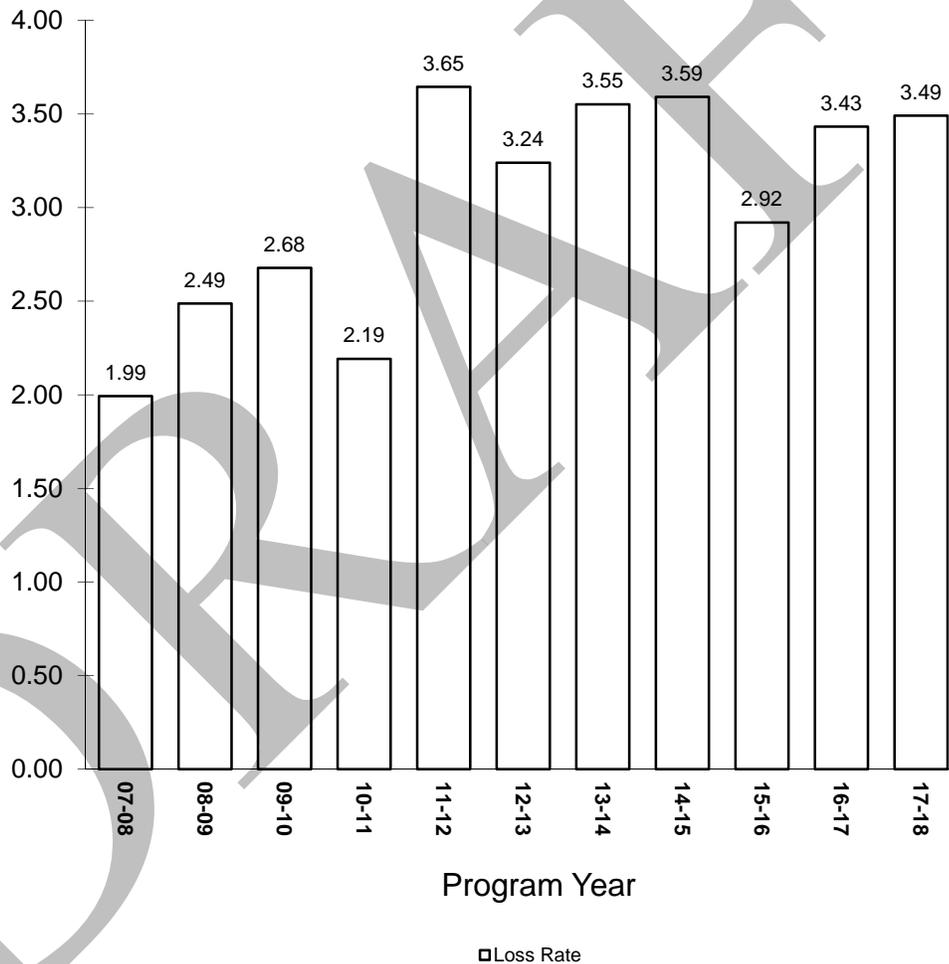
It is estimated that program assets will be \$44,489,000 at June 30, 2018, \$22,258,000 for the banking layer and \$22,231,000 for the shared layer, resulting in the program being funded above the 90% confidence level on a combined basis and for both the banking layer and shared layer separately

C. HISTORICAL TRENDS IN THE SELF-INSURANCE PROGRAM

The program's loss rate per \$100 payroll has varied substantially from year to year, but followed a generally increasing trend. We selected a loss rate of \$3.49 per \$100 of payroll for the 2017-18 program year based on the assumption that this trend will continue. See Graph 2a below.

Graph 2a

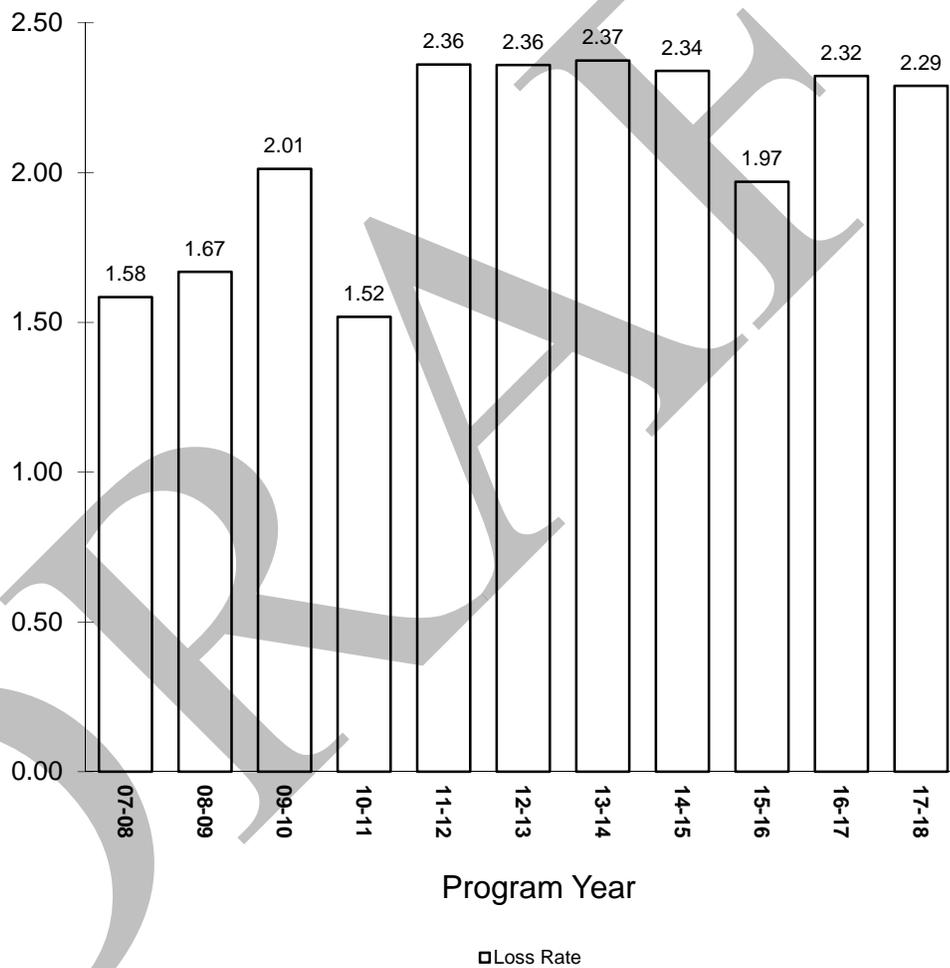
NCCSIF - Workers' Compensation
Banking and Shared Layers Combined
Dollars of Loss per
\$100 of Payroll
Net of 4850 TD and 4850 SC



The banking layer loss rate per \$100 payroll has also been trending upward during most recent ten years but has been relatively stable since 2011-12. Our projected 2017-18 loss rate of \$2.29 per \$100 of payroll reflects this trend. See Graph 2b below.

Graph 2b

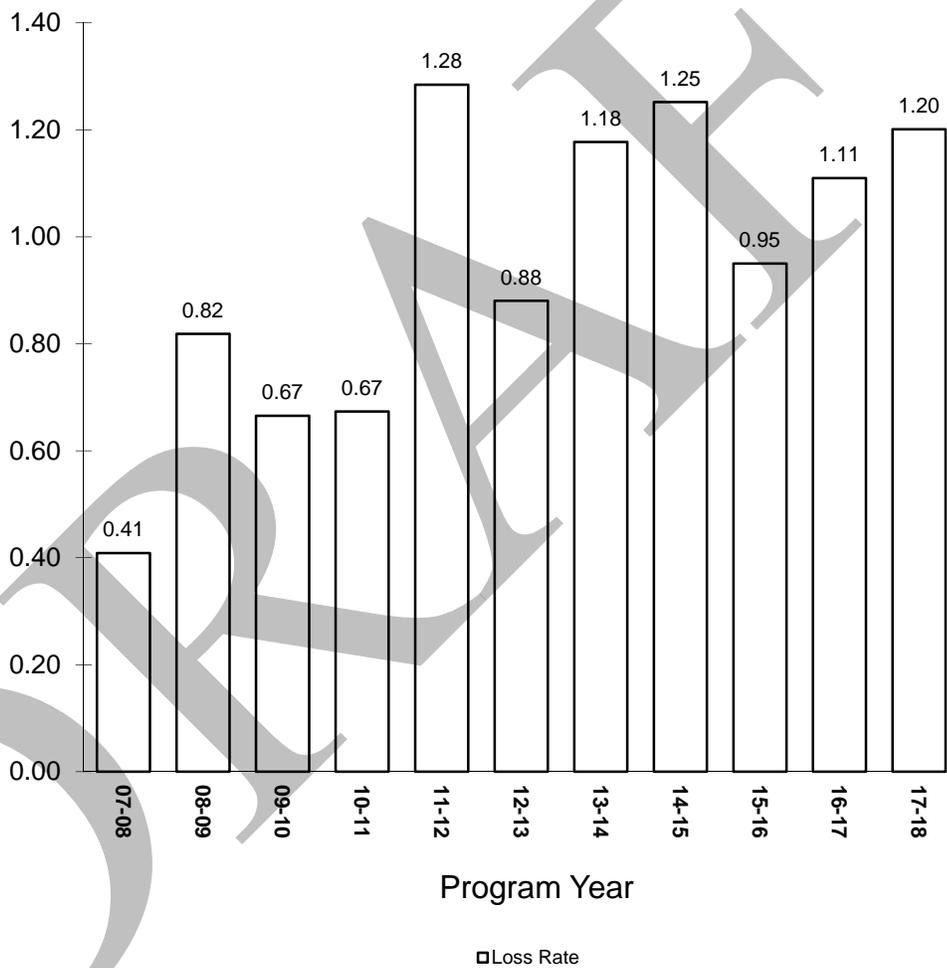
NCCSIF - Workers' Compensation
 Banking Layer
 Dollars of Loss per
 \$100 of Payroll
 Net of 4850 TD and 4850 SC



The shared layer loss rate has varied a great deal over the last ten years, typical for excess layers losses. Overall rates appear to follow an increasing trend in the most recent ten years. We projected 2017-18 loss rate of \$1.20 based on this recent trend. See Graph 2c below.

Graph 2c

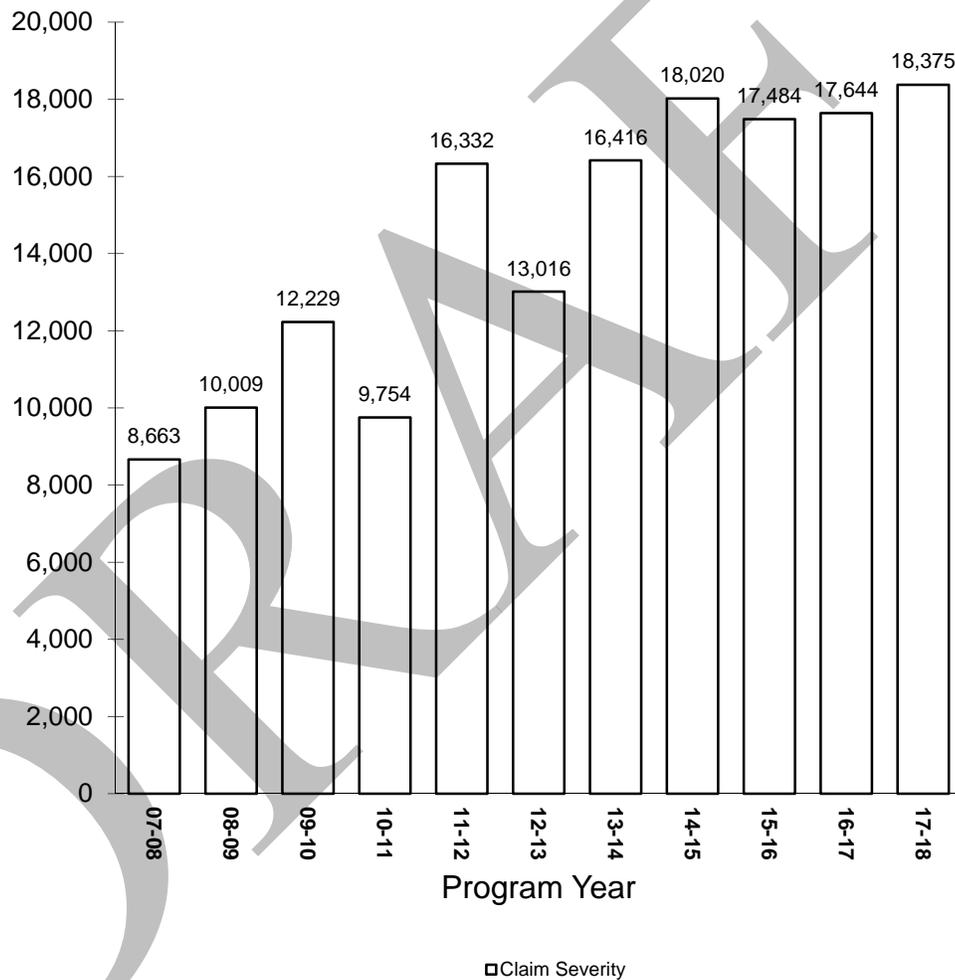
NCCSIF - Workers' Compensation
Shared Layer
Dollars of Loss per
\$100 of Payroll
Net of 4850 TD and 4850 SC



The program's average cost per claim has been following a generally increasing trend over the past ten years. The program's average cost per claim has ranged from a low of \$8,663 to a high of \$18,020. Our projected 2017-18 average cost of \$18,375 per claim reflects this trend. See Graph 3a below.

Graph 3a

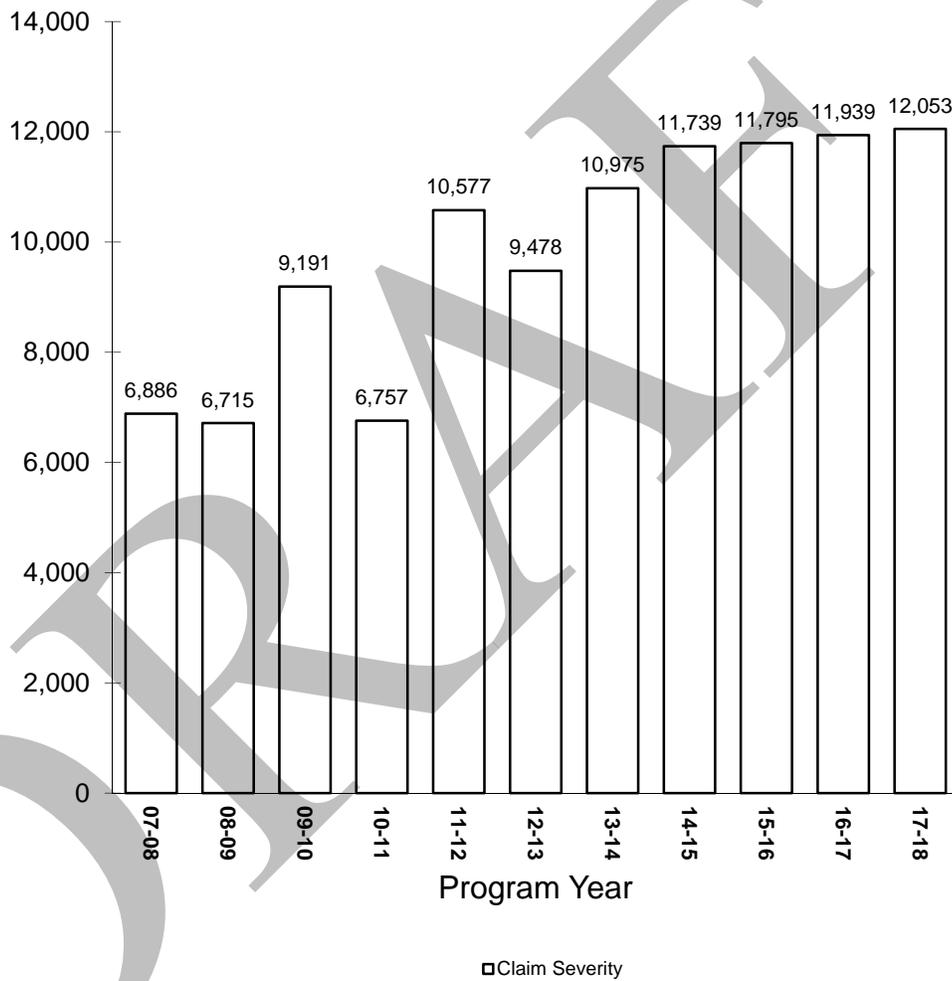
NCCSIF - Workers' Compensation
Banking and Shared Layers Combined
Dollars of Loss per Claim
Net of 4850 TD and 4850 SC



The banking layer's average cost per claim has varied considerably, ranging from a low of \$6,715 to a high of \$11,939. Our projected 2017-18 average cost is \$12,053. See Graph 3b below.

Graph 3b

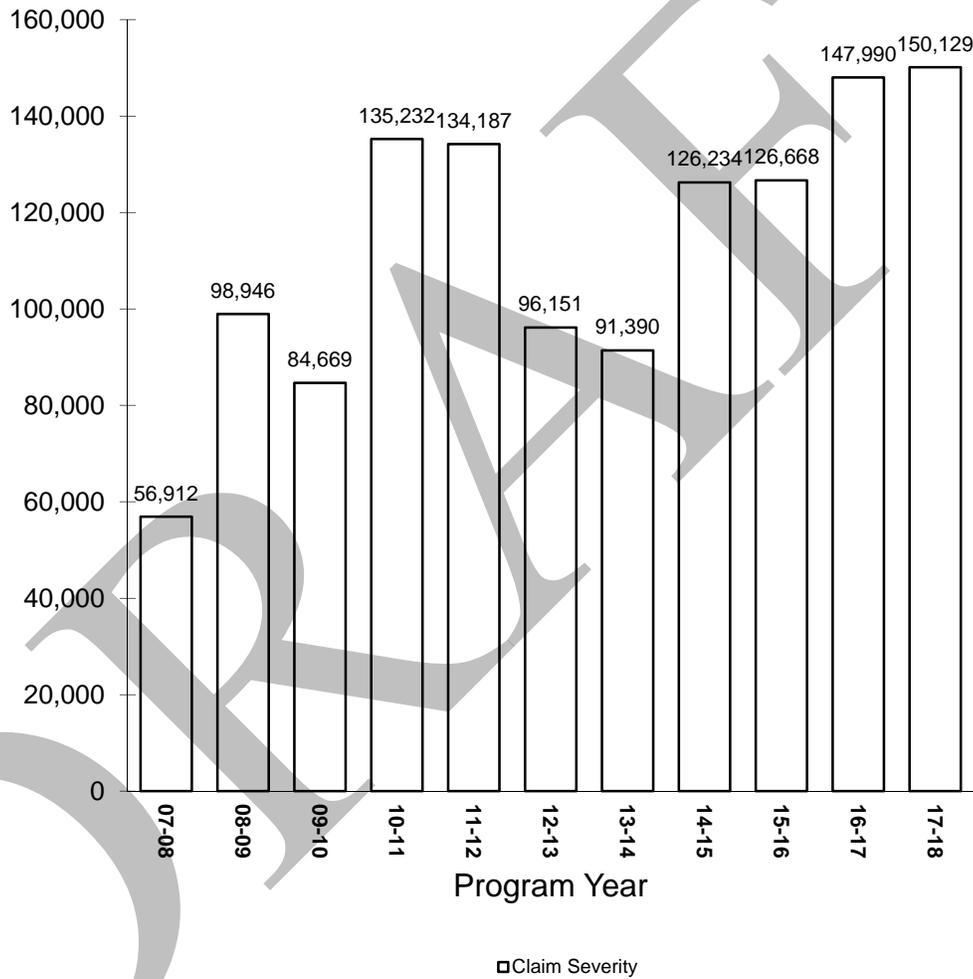
NCCSIF - Workers' Compensation
Banking Layer
Dollars of Loss per Claim
Net of 4850 TD and 4850 SC



The shared layer average cost per claim has been volatile over the period shown below but has been generally increasing. We project the 2017-18 shared layer severity to be \$150,129 per claim. See Graph 3c Below.

Graph 3c

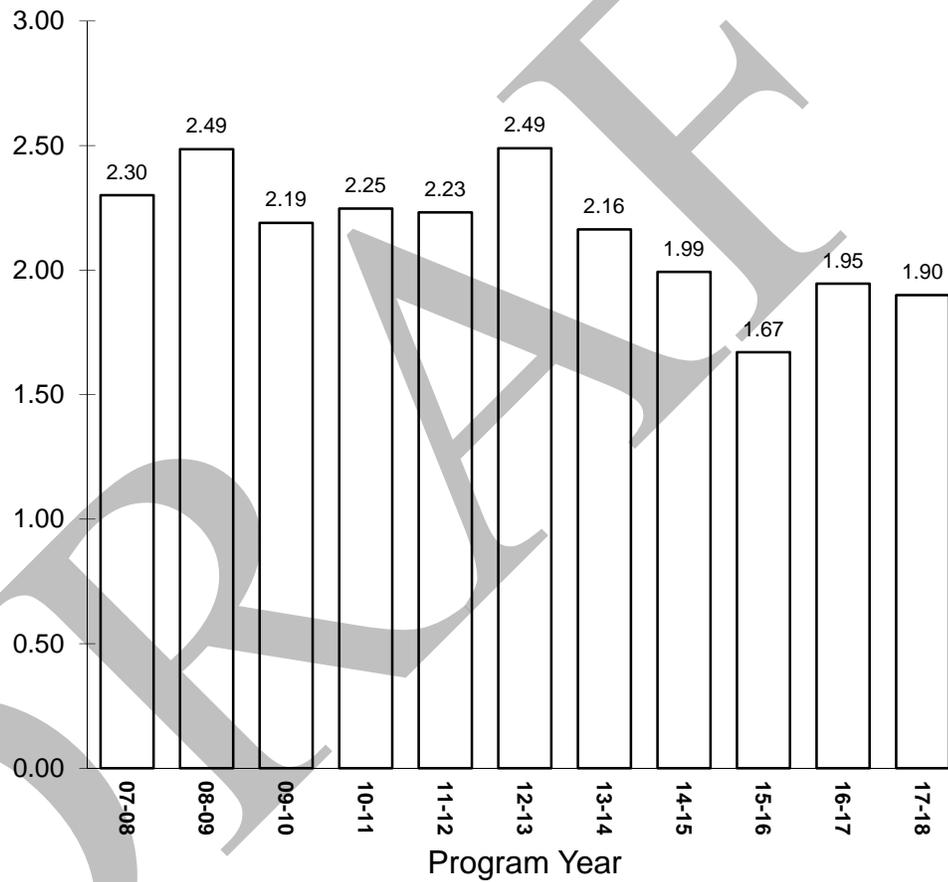
NCCSIF - Workers' Compensation
Shared Layer
Dollars of Loss per Claim
Net of 4850 TD and 4850 SC



The program's frequency of claims per \$1 million payroll has been generally trending downward. The projected 2017-18 frequency of 1.90 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

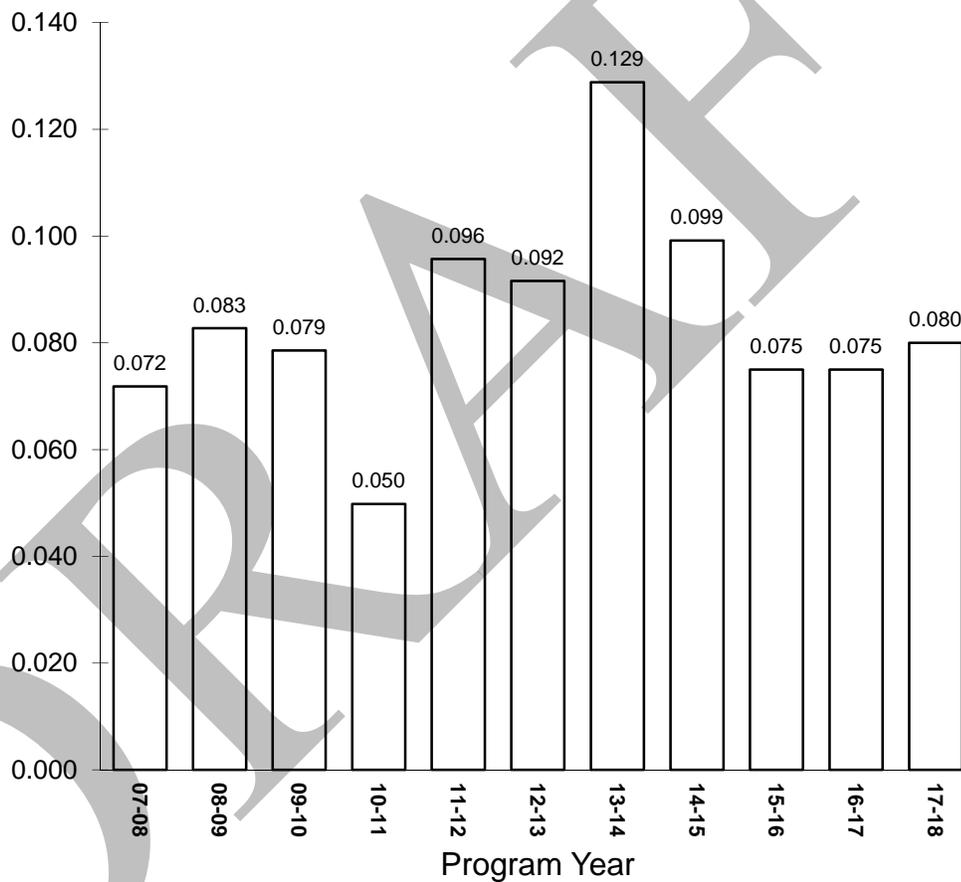


□ Claim Frequency

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 2017-18 shared layer frequency to be 0.080 claims per \$1M payroll. See Graph 4b below.

Graph 4b

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



□ Claim Frequency

D. COMPARISON WITH PREVIOUS RESULTS

The prior report for Northern California Cities Self Insurance Fund was dated March 9, 2017. In the table below we display actual versus expected development of incurred losses and ALAE by accident year between the 12/31/2016 evaluation date of the prior report and the 12/31/2017 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	\$38,000	(\$89,000)	(\$127,000)
1997-98	12,000	4,000	(8,000)
1998-99	8,000	(19,000)	(27,000)
1999-00	14,000	(108,000)	(122,000)
2000-01	14,000	15,000	1,000
2001-02	11,000	16,000	5,000
2002-03	20,000	(70,000)	(90,000)
2003-04	12,000	(40,000)	(52,000)
2004-05	11,000	(80,000)	(91,000)
2005-06	15,000	(5,000)	(20,000)
2006-07	27,000	(4,000)	(31,000)
2007-08	37,000	(147,000)	(184,000)
2008-09	40,000	26,000	(14,000)
2009-10	66,000	131,000	65,000
2010-11	75,000	41,000	(34,000)
2011-12	94,000	(100,000)	(194,000)
2012-13	69,000	238,000	169,000
2013-14	109,000	630,000	521,000
2014-15	222,000	73,000	(149,000)
2015-16	1,124,000	1,336,000	212,000
2016-17	3,222,000	3,074,000	(148,000)
Total	\$5,240,000	\$4,922,000	(\$318,000)

As shown, actual incurred development was lower than anticipated since the prior report. Based on the assumptions from the prior report, it was expected that incurred losses would increase by \$5,240,000 between the two evaluation dates. However, actual development was approximately \$4,922,000; or about \$318,000 less than expected. Although most accident years have developed lower than expected, three of the five most recent accident years are emerging greater than expected.

In the table below we display actual versus expected development of paid losses and ALAE by accident year between the 12/31/2016 evaluation date of the prior report and the 12/31/2017 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	\$135,000	\$76,000	(\$59,000)
1997-98	24,000	14,000	(10,000)
1998-99	19,000	12,000	(7,000)
1999-00	51,000	79,000	28,000
2000-01	52,000	36,000	(16,000)
2001-02	20,000	10,000	(10,000)
2002-03	65,000	50,000	(15,000)
2003-04	29,000	21,000	(8,000)
2004-05	51,000	34,000	(17,000)
2005-06	87,000	189,000	102,000
2006-07	138,000	114,000	(24,000)
2007-08	131,000	101,000	(30,000)
2008-09	189,000	28,000	(161,000)
2009-10	161,000	105,000	(56,000)
2010-11	163,000	152,000	(11,000)
2011-12	385,000	230,000	(155,000)
2012-13	350,000	420,000	70,000
2013-14	509,000	453,000	(56,000)
2014-15	1,291,000	706,000	(585,000)
2015-16	1,386,000	1,396,000	10,000
2016-17	1,941,000	1,347,000	(594,000)
Total	\$7,177,000	\$5,573,000	(\$1,604,000)

As shown, actual paid development was also less than anticipated since the prior report. Based on the assumptions from the prior report, it was expected that paid losses would increase by \$7,177,000 between the two evaluation dates. However, actual development was approximately \$5,573,000; or about \$1,604,000 less than expected.

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

Change in Ultimate Loss and ALAE

Net of 4850 TD and 4850 SC

Accident Year	Prior Report	Current Report	Change In Ultimate
Prior	\$35,167,000	\$35,072,000	(\$95,000)
1997-98	4,439,000	4,431,000	(8,000)
1998-99	2,721,000	2,693,000	(28,000)
1999-00	5,172,000	5,050,000	(122,000)
2000-01	5,151,000	5,152,000	1,000
2001-02	3,946,000	3,951,000	5,000
2002-03	7,152,000	7,061,000	(91,000)
2003-04	4,144,000	4,093,000	(51,000)
2004-05	3,822,000	3,727,000	(95,000)
2005-06	4,246,000	4,226,000	(20,000)
2006-07	5,684,000	5,650,000	(34,000)
2007-08	3,835,000	3,647,000	(188,000)
2008-09	4,577,000	4,564,000	(13,000)
2009-10	4,424,000	4,488,000	64,000
2010-11	3,620,000	3,570,000	(50,000)
2011-12	5,982,000	5,798,000	(184,000)
2012-13	4,907,000	5,037,000	130,000
2013-14	5,923,000	6,468,000	545,000
2014-15	7,170,000	7,046,000	(124,000)
2015-16	5,993,000	6,067,000	74,000
2016-17	7,550,000	7,287,000	(263,000)
Total	\$135,625,000	\$135,078,000	(\$547,000)

As shown, overall we have decreased our estimated ultimates by \$547,000 since our prior report. These changes track well with actual versus expected incurred and paid development mentioned above.

At the time of the prior report, we estimated the liability for outstanding claims as of June 30, 2017 to be \$29,205,000 at the discounted, expected level. Our current estimate as of June 30, 2018, is \$30,252,000, an increase in our assessment of NCCSIF's outstanding liabilities, as shown below:

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

	Prior Report at June 30, 2017	Current Report at June 30, 2018	Change
(A) Case Reserves:	\$18,576,000	\$19,207,000	\$631,000
(B) IBNR Reserves:	10,627,000	10,993,000	366,000
(C) Claims Administration Reserves:	1,702,000	1,779,000	77,000
(D) Total Reserves:	\$30,905,000	\$31,979,000	\$1,074,000
(E) Offset for Investment Income:	(1,700,000)	(1,727,000)	(27,000)
(F) Total Outstanding Claim Liabilities:	\$29,205,000	\$30,252,000	\$1,047,000

As shown, our estimate of outstanding claims liabilities at the discounted, expected level has increased between June 30, 2017 and June 30, 2018 as reflected in our prior and current reports respectively.

At the time of the prior report, available assets were estimated to be \$42,896,000 as of June 30, 2017, which corresponded to the then-estimated discounted liability for outstanding claims above the 90% confidence level. Available assets are currently estimated to be \$44,489,000 as of June 30, 2018, which corresponds to the currently estimated liability for outstanding claims above the 90% confidence level. It can be summarized as follows:

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

	Prior Report at June 30, 2017	Current Report at June 30, 2018	Change
(A) Outstanding Liability at the Discounted Expected Level:	\$29,205,000	\$30,252,000	\$1,047,000
(B) Estimated Assets At June 30:	42,896,000	44,489,000	1,593,000
(C) Surplus/(Deficit):	\$13,691,000	\$14,237,000	\$546,000

At the time of the prior report, our funding estimate for the 2017-18 year was \$8,205,000 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 2018-19 year is \$8,259,000 at the discounted, expected level, an increase in the program's expected loss costs, as shown in the table below:

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

	Prior Report 2017-18 Pool Limit = \$500,000	Current Report 2018-19 Pool Limit = \$500,000	Change
(A) Ultimate Loss and ALAE:	\$7,830,000	\$7,857,000	\$27,000
(B) Ultimate Claims Administration (ULAE):	706,000	740,000	34,000
(C) Total Claim Costs:	\$8,536,000	\$8,597,000	\$61,000
(D) Offset for Investment Income:	(331,000)	(338,000)	(7,000)
(E) Total Recommended Funding:	\$8,205,000	\$8,259,000	\$54,000
(F) Funding per \$100 of Payroll:	\$3.87	\$3.76	(\$0.11)

As you can see, our funding recommendations at the discounted, expected level have increased between 2017-18 and 2018-19, as shown in our prior and current reports respectively. This increase is largely due to an increase in payroll. It should be noted that our estimated rate per \$100 of payroll has decreased when compared to the estimated rate in our prior report.

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 2017-18 and 2018-19 (See Appendix K).
- We estimated the 6/30/2018 asset balance by beginning with the 12/31/2017 asset balance, and adjusting for anticipated revenue and expense for the second half of 2017-18 (see Appendix L).
- We received loss data evaluated as of 12/31/2017 (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 2018-19 will be \$219,785,116 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 costs of workers' compensation claims arise from a small number of incidents involving serious injury. A relatively small number of such claims could generate enough loss dollars to significantly reduce, or even deplete, the self-insurance fund.
- We cannot predict and have not attempted to predict the impact of future law changes and court rulings on claims costs. This is one major reason why we believe our funding recommendations are reasonable now, but should not be extrapolated into the future.
- The changes in cost levels associated with benefit increases and administrative changes typically take place over a period of several years following their enactment, and these changes are very difficult to forecast in advance. We have based our benefit level factors on those produced by the Workers' Compensation Insurance Rating Bureau of California (WCIRB). See Appendix E for a display of the benefit level cost indices by fiscal year.

- We have assumed that the loss rate trend associated with claim costs increases at 1.5% per year. We have assumed that claim severity increases at 1.5% per year, and that claim frequency will remain flat.
- We have assumed that payroll and other inflation-sensitive exposure measures increase 2.5% annually due to inflation.
- We have assumed that assets held for investment will generate an average annual return of 1.5% over the duration of payment of the loss liabilities. It should be noted that actual future investment returns may vary significantly from this assumption, depending upon the prevailing investment market conditions.
- The claims costs we have estimated include indemnity and medical payments, and all loss adjustment expenses. We have not included estimates for excess insurance contributions to the 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 \$44,489,000 as of June 30, 2018 for use in this report. This is shown in further detail in Appendix L.

IV. GLOSSARY OF ACTUARIAL TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Paid Losses - Losses actually paid on all reported claims.

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

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

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

Severity - Average claim cost.

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

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

Northern California Cities Self Insurance Fund - WC

Funding Guidelines for Outstanding Liabilities (Excluding 4850 TD and 4850 SC)
June 30, 2018

	<u>Total</u>	<u>Banking</u>	<u>Shared</u>
(A) Estimated Ultimate Losses Incurred through 6/30/18: (From Appendix G)	\$142,667,000	\$105,800,000	\$36,867,000
(B) Estimated Paid Losses through 6/30/18: (From Appendix G)	112,467,000	92,055,000	20,412,000
(C) Estimated Liability for Claims Outstanding at 6/30/18: (From Appendix G)	<u>\$30,200,000</u>	<u>\$13,745,000</u>	<u>\$16,455,000</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 6/30/18: (From Appendix F)	1,779,000	1,779,000	0
(E) Total Outstanding Liability for Claims at 6/30/18: ((C) + (D))	<u>\$31,979,000</u>	<u>\$15,524,000</u>	<u>\$16,455,000</u>
(F) Anticipated Investment Income: ((E) x [1 - Appendix I, Page 1, (H)])	1,727,000	838,000	889,000
(G) Discounted Outstanding Liability for Claims at 6/30/18: ((E) - (F))	<u>\$30,252,000</u>	<u>\$14,686,000</u>	<u>\$15,566,000</u>
(H) Confidence Level Factor: (From Appendix J)			
60%	1.026	1.024	1.028
65%	1.053	1.043	1.062
70%	1.082	1.064	1.099
75%	1.114	1.087	1.139
80%	1.152	1.113	1.189
85%	1.198	1.144	1.249
90%	1.258	1.184	1.328
(I) Total Required Available Funding at June 30, 2018 ((G) * (H))			
60%	\$31,039,000	\$15,038,000	\$16,001,000
65%	31,855,000	15,317,000	16,538,000
70%	32,733,000	15,626,000	17,107,000
75%	33,701,000	15,964,000	17,737,000
80%	34,850,000	16,346,000	18,504,000
85%	36,242,000	16,801,000	19,441,000
90%	38,057,000	17,388,000	20,669,000
(J) Available Assets at June 30, 2018	\$44,489,000	\$22,258,000	\$22,231,000
(K) Funding Surplus/(Deficit) at June 30, 2018 ((J) - (I))			
60%	\$13,450,000	\$7,220,000	\$6,230,000
65%	12,634,000	6,941,000	5,693,000
70%	11,756,000	6,632,000	5,124,000
75%	10,788,000	6,294,000	4,494,000
80%	9,639,000	5,912,000	3,727,000
85%	8,247,000	5,457,000	2,790,000
90%	6,432,000	4,870,000	1,562,000

Northern California Cities Self Insurance Fund - WC

Funding Options for Program Year 2018-2019 (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 2018-2019:	\$7,857,000	\$5,108,000	\$2,749,000
(B) Estimated Claims Administration Fees Incurred in Accident Year 2018-2019: (From Exhibit 5, Page 1, item (L))	740,000	740,000	0
(C) Total Claims Costs Incurred in Accident Year 2018-2019: ((A) + (B))	\$8,597,000	\$5,848,000	\$2,749,000
(D) Anticipated Investment Income: ((C) x [1 - Appendix I, Page 2, (F)])	338,000	230,000	108,000
(E) Discounted Total Claims Costs Incurred in Accident Year 2018-2019: ((C) - (D))	\$8,259,000	\$5,618,000	\$2,641,000
(F) Funding Rates for 2018-2019 Incurred Claims Costs	\$3.758	\$2.556	\$1.202
(H) Confidence Level Factor: (From Appendix J)			
60%	1.032	1.031	1.034
65%	1.066	1.056	1.087
67.5%	1.084	1.069	1.117
70%	1.103	1.082	1.148
75%	1.143	1.111	1.211
80%	1.191	1.145	1.289
85%	1.248	1.185	1.382
90%	1.325	1.237	1.512
(I) Total Required Required Funding for 2018-2019 Incurred Claims Costs ((G) * (H))			
60%	\$8,523,000	\$5,792,000	\$2,731,000
65%	8,804,000	5,933,000	2,871,000
67.5%	8,956,000	6,005,000	2,951,000
70%	9,110,000	6,079,000	3,031,000
75%	9,440,000	6,242,000	3,198,000
80%	9,836,000	6,433,000	3,403,000
85%	10,307,000	6,657,000	3,650,000
90%	10,943,000	6,949,000	3,994,000
(I) Funding Rates for 2018-2019 Incurred Claims Costs			
60%	\$3.878	\$2.635	\$1.242
65%	4.005	2.699	1.306
67.5%	4.075	2.732	1.343
70%	4.145	2.766	1.379
75%	4.295	2.840	1.455
80%	4.475	2.927	1.548
85%	4.689	3.029	1.661
90%	4.979	3.162	1.817

Rates based on 2018-2019 payroll of \$219,800,000



ACTUARIAL STUDY - LIABILITY PROGRAM

ACTION ITEM

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

FY 18/19 Funding

Total recommended funding for banking and shared risk layer is \$3,931,000 at the current 75% Confidence Level (CL), just \$54,000 above the funding of \$3,877,000 for FY 17/18. The rate at the 75% CL is \$2.318 per \$100 of payroll, compared to \$2.38 last year, **a decrease of 2.6%**. While the rate decreased, the total funding increased due to increased payroll.

Outstanding Liabilities at June 30, 2018

The Actuary estimates the Liability Program will have total assets of approximately \$13,132,000 on June 30, 2018, compared to \$11,811,000 last year. The estimated total Outstanding Liability at June 30 is \$10,031,000 at the 90% Confidence Level (CL), compared to \$11,048,000 last year. *This results in an estimated net position of \$3,101,000 above the 90% C.L., compared to a net position of \$763,000 last year.*

Assets for the Banking Layer are estimated at \$5,320,000 as of June 30, 2018, compared to \$5,277,000 in 2017. Banking Layer liabilities are \$3,212,000 at the 90% confidence level, compared to \$3,474,000 last year. *This means the Banking Layer net position above the 90% CL is estimated at \$2,108,000, compared to \$2,101,000 in 2017.*

Assets for the Shared Risk Layer are estimated to be \$7,812,000 at June 30, 2018, compared to \$6,534,000 in 2017. Liabilities are estimated at \$6,819,000 at the 90% CL, compared to \$7,872,000 last year. *This results in an estimated surplus of \$993,000 in net position above the 90% CL, compared to a deficit of (\$1,338,000) last year.*

RECOMMENDATION: Accept and file the report.

FISCAL IMPACT: TBD; depending on chosen Confidence Level. Note the FY 18/19 rate at the 80% CL is \$2.49, \$0.11 (4.8%) above the current rate of \$2.38 at the 75% CL. Although the plan is to continue assessments in FY 18/19, the Shared Layer is in a positive net position after a number of years in a deficit.

BACKGROUND: NCCSIF annually receives an actuary report to determine the estimated Outstanding Liabilities (OL) for the Liability program as of June 30 and to estimate the amount of funding required for the upcoming fiscal year. These figures are used for financial reporting purposes and to prepare the budget for member deposits. The funding CL was increased from 70% to 75% for FY 17/18.

ATTACHMENT(S): FY 18/19 Liability Actuarial Study - **DRAFT** Summary



Actuarial Review of the Self-Insured Liability Program

*Outstanding Liabilities as of June 30, 2018
Forecast for Program Year 2018-19*

Presented to
Northern California Cities Self-Insurance Fund

March 7, 2018



Wednesday, March 7, 2018

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 2018-19 program years to be \$3,147,000. Of this amount, \$1,593,000 is for the banking layer (\$0 – \$50,000 per occurrence) and \$1,554,000 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 2018-19 claims translates to rates of \$1.856 per \$100 payroll, \$0.939 for the banking layer and \$0.916 for the shared layer (assuming \$169,593,203 in rated payroll).

In addition, we estimate the program's liability for outstanding claims to be \$7,165,000 as of June 30, 2018, again including ALAE and ULAE, and discounted for anticipated investment income. Of this amount, \$2,404,000 is for the banking layer and \$4,761,000 is for the shared layer. Given estimated program assets of \$13,132,000 as of June 30, 2018, the program is expected to be funded above the 90% confidence levels on a combined basis. The banking layer is expected to be funded above the 90% confidence level. The shared layer is expected to be funded above the 90% confidence level. (See Graphs 1a, 1b and 1c on pages 11, 12, and 13.)

The \$7,165,000 estimate is the minimum liability to be booked by NCCSIF at June 30, 2018 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.

Our conclusions regarding NCCSIF's liability for unpaid loss and loss adjustment expenses (LAE) at June 30, 2018 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, 2018

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$7,364,000					
ULAE*	0					
Investment Income Offset	(199,000)					
Discounted Loss and LAE	\$7,165,000	\$7,989,000	\$8,354,000	\$8,784,000	\$9,322,000	\$10,031,000
Assets	13,132,000					
Surplus or (Deficit)	\$5,967,000	\$5,143,000	\$4,778,000	\$4,348,000	\$3,810,000	\$3,101,000

* ULAE is included with Loss and ALAE

Northern California Cities Self Insurance Fund
Self-Insured Liability Program
Estimated Liability for Unpaid Loss and LAE
Banking Layer
at June 30, 2018

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$2,471,000					
ULAE*	0					
Investment Income Offset	(67,000)					
Discounted Loss and LAE	\$2,404,000	\$2,640,000	\$2,743,000	\$2,863,000	\$3,012,000	\$3,212,000
Assets	5,320,000					
Surplus or (Deficit)	\$2,916,000	\$2,680,000	\$2,577,000	\$2,457,000	\$2,308,000	\$2,108,000

* ULAE is included with Loss and ALAE

Northern California Cities Self Insurance Fund
 Self-Insured Liability Program
 Estimated Liability for Unpaid Loss and LAE
 Shared Layer
 at June 30, 2018

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$4,893,000					
ULAE*	0					
Investment Income Offset	(132,000)					
Discounted Loss and LAE	\$4,761,000	\$5,349,000	\$5,611,000	\$5,921,000	\$6,310,000	\$6,819,000
Assets	7,812,000					
Surplus or (Deficit)	\$3,051,000	\$2,463,000	\$2,201,000	\$1,891,000	\$1,502,000	\$993,000

* ULAE is included with Loss and ALAE

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

The table below shows our funding recommendations for Northern California Cities Self Insurance Fund for the 2018-19 fiscal year.

Northern California Cities Self Insurance Fund
 Self-Insured Liability Program
 Loss and LAE Funding Guidelines for 2018-19
 Banking and Shared Layers Combined
 Banking Layer: \$0 to \$50,000
 Shared Layer: \$50,000 to \$500,000

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$3,251,000					
ULAE	0					
Investment Income Offset	(104,000)					
Discounted Loss and LAE	\$3,147,000	\$3,676,000	\$3,931,000	\$4,230,000	\$4,601,000	\$5,098,000
Rate per \$100 of 2018-19 Payroll	\$1.856	\$2.168	\$2.318	\$2.494	\$2.713	\$3.006

* ULAE is included with Loss and ALAE

Northern California Cities Self Insurance Fund
 Self-Insured Liability Program
 Loss and LAE Funding Guidelines for 2018-19
 Banking Layers
 Banking Layer: \$0 to \$50,000

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$1,626,000					
ULAE	0					
Investment Income Offset	(33,000)					
Discounted Loss and LAE	\$1,593,000	\$1,858,000	\$1,985,000	\$2,134,000	\$2,320,000	\$2,568,000
Rate per \$100 of 2018-19 Payroll	\$0.939	\$1.096	\$1.170	\$1.258	\$1.368	\$1.514

* ULAE is included with Loss and ALAE

Northern California Cities Self Insurance Fund
 Self-Insured Liability Program
 Loss and LAE Funding Guidelines for 2018-19
 Shared Layers

Shared Layer: \$50,000 to \$500,000

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$1,625,000					
ULAE	0					
Investment Income Offset	(71,000)					
Discounted Loss and LAE	\$1,554,000	\$1,818,000	\$1,946,000	\$2,096,000	\$2,281,000	\$2,530,000
Rate per \$100 of 2018-19 Payroll	\$0.916	\$1.072	\$1.147	\$1.236	\$1.345	\$1.492

* 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, 2018. 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.

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

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

Sincerely,

Bickmore

DRAFT

Mike Harrington, FCAS, MAAA
President, Actuarial Consulting Practice, Bickmore
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Member, American Academy of Actuaries

DRAFT

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Senior Analyst, Property and Casualty Actuarial Services, Bickmore

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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, 2018, NCCSIF is expected to have assets of \$13,132,000 for the program. Additional background on program funding is given in Appendix L.

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

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

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

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

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

The purpose of this review is to provide a guide to NCCSIF to determine reasonable funding levels for its self-insurance program according to the funding policy NCCSIF has adopted and to comply with Governmental Accounting Standards Board Statements #10 and #30. The specific objectives of the study are to estimate NCCSIF's liability for outstanding claims as of June 30, 2018, project ultimate loss costs for 2018-19, 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, 2018. 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, 2018.

Our best estimate of the full value of NCCSIF's liability for outstanding claims within its pool limit is \$7,364,000, \$2,471,000 for the banking layer and \$4,893,000 for the shared layer as of June 30, 2018. These amounts include losses, allocated loss adjustment expenses (ALAE), and unallocated loss adjustment expenses (ULAE). ALAE is the direct cost associated with the defense of individual claims (e.g. legal fees, investigation fees, court charges). ULAE is the cost to administer claims to final settlement, which may be years in the future (e.g. claims adjusters' salaries, taxes).

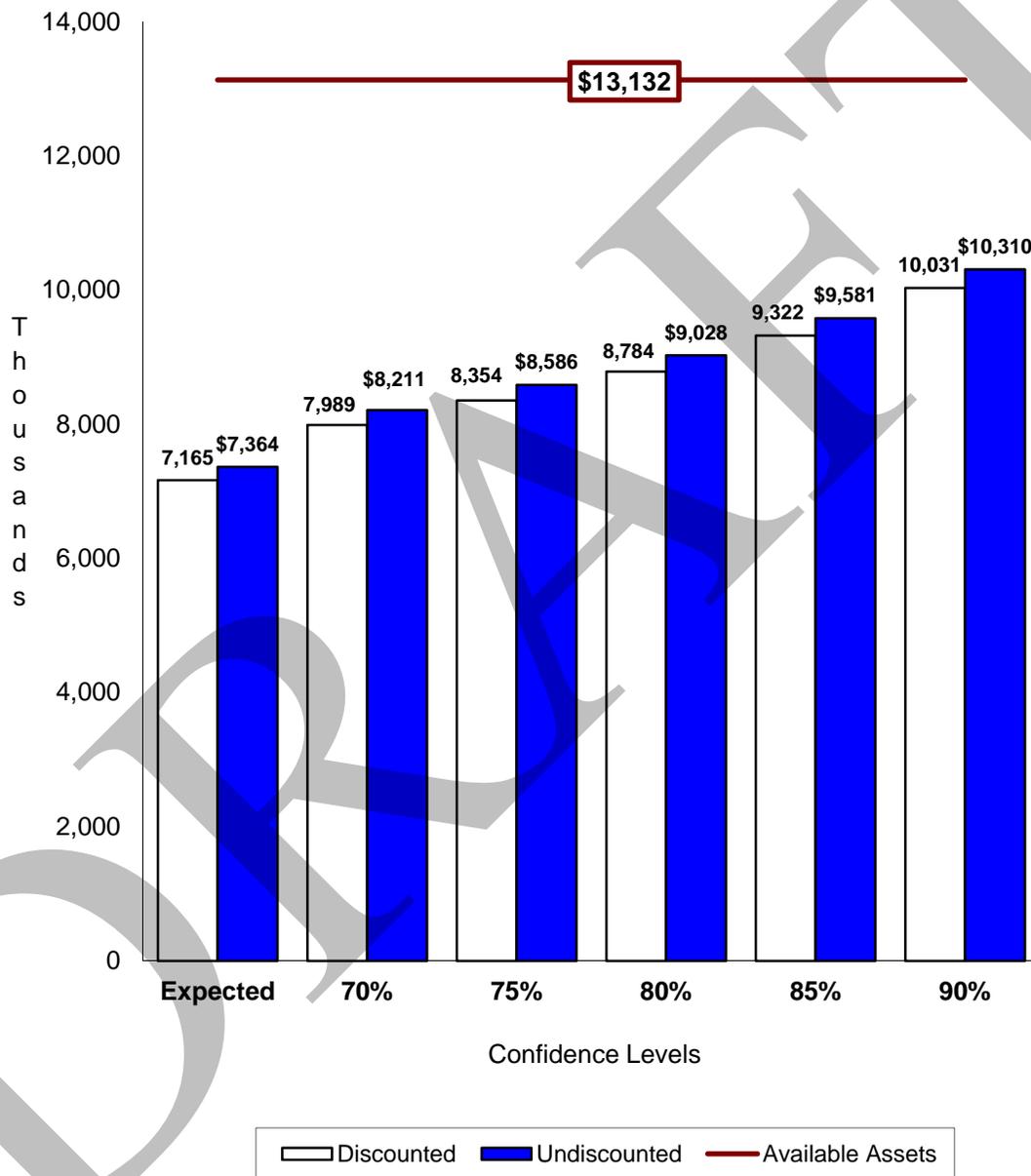
There is some measure of uncertainty associated with our best estimate because of the random nature of much of the process that determines ultimate claims costs. For this reason, we generally recommend that a program such as this include some funding margin for the possibility that actual loss costs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

NCCSIF can earn investment income on the assets it holds until claims payments come due. Assuming a long-term average annual return on investments of 1.5%, we estimate the impact of investment income earnings to be about 2.7% if the program is funded within the range indicated in the graphs, resulting in a discounted liability for outstanding claims of \$7,165,000, \$2,404,000 for the banking layer, and \$4,761,000 for the shared layer as of June 30, 2018.

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.

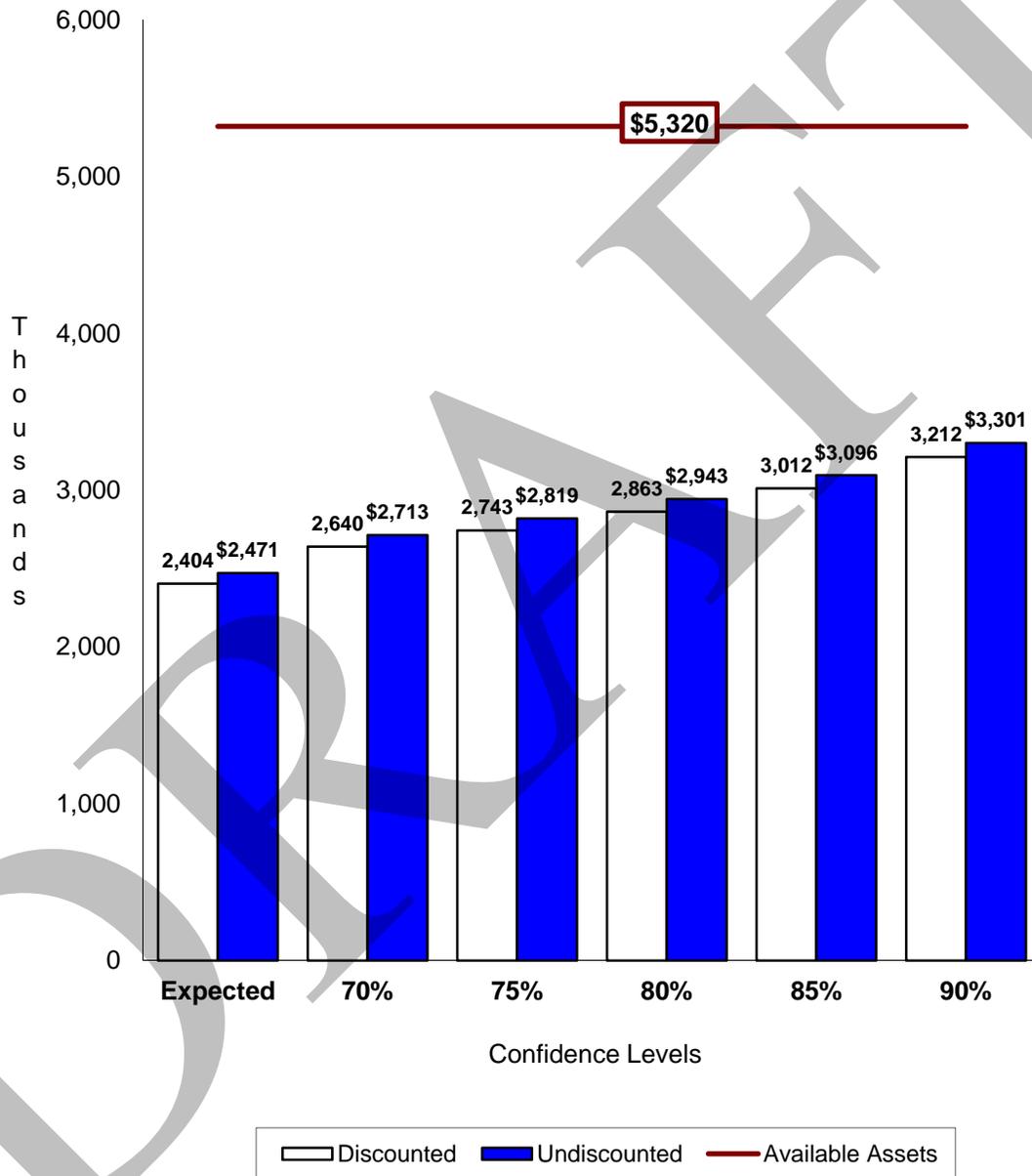
Graph 1a

NCCSIF - Liability
Available Assets vs Outstanding Liability (\$000's)
at June 30, 2018
Banking and Shared Layers Combined

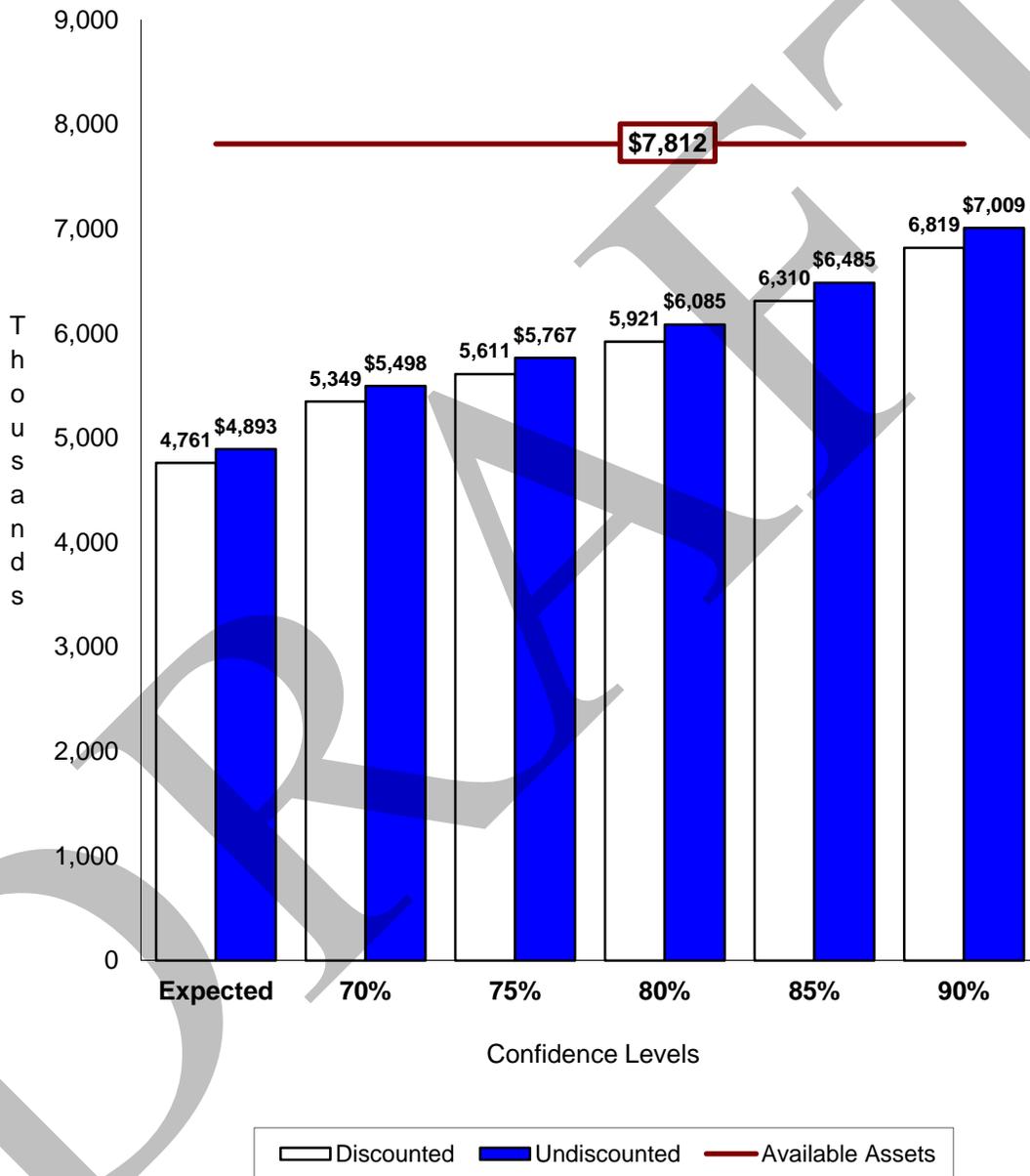


Graph 1b

NCCSIF - Liability
 Available Assets vs Outstanding Liability (\$000's)
 at June 30, 2018
 Banking Layer



NCCSIF - Liability
 Available Assets vs Outstanding Liability (\$000's)
 at June 30, 2018
 Shared Layer



The table below displays a breakdown of the program's outstanding loss and LAE liabilities into case reserves and incurred but not reported (IBNR) reserves at June 30, 2018, 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, 2018

Year	Case Reserves	IBNR Reserves	Total Outstanding
Prior	\$0	\$0	\$0
2008-09	176,858	7,376	184,234
2009-10	163,889	22,466	186,355
2010-11	59,459	22,933	82,392
2011-12	63,993	34,360	98,353
2012-13	180,801	63,492	244,293
2013-14	62,048	100,302	162,350
2014-15	697,442	202,586	900,028
2015-16	526,460	376,609	903,069
2016-17	1,139,918	769,172	1,909,090
2017-18	836,362	1,857,004	2,693,366
Loss and ALAE	\$3,907,230	\$3,456,300	\$7,363,530
ULAE		0	0
Total	\$3,907,230	\$3,456,300	\$7,363,530

B. PROGRAM FUNDING: GOALS AND OBJECTIVES

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

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

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

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

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

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

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

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

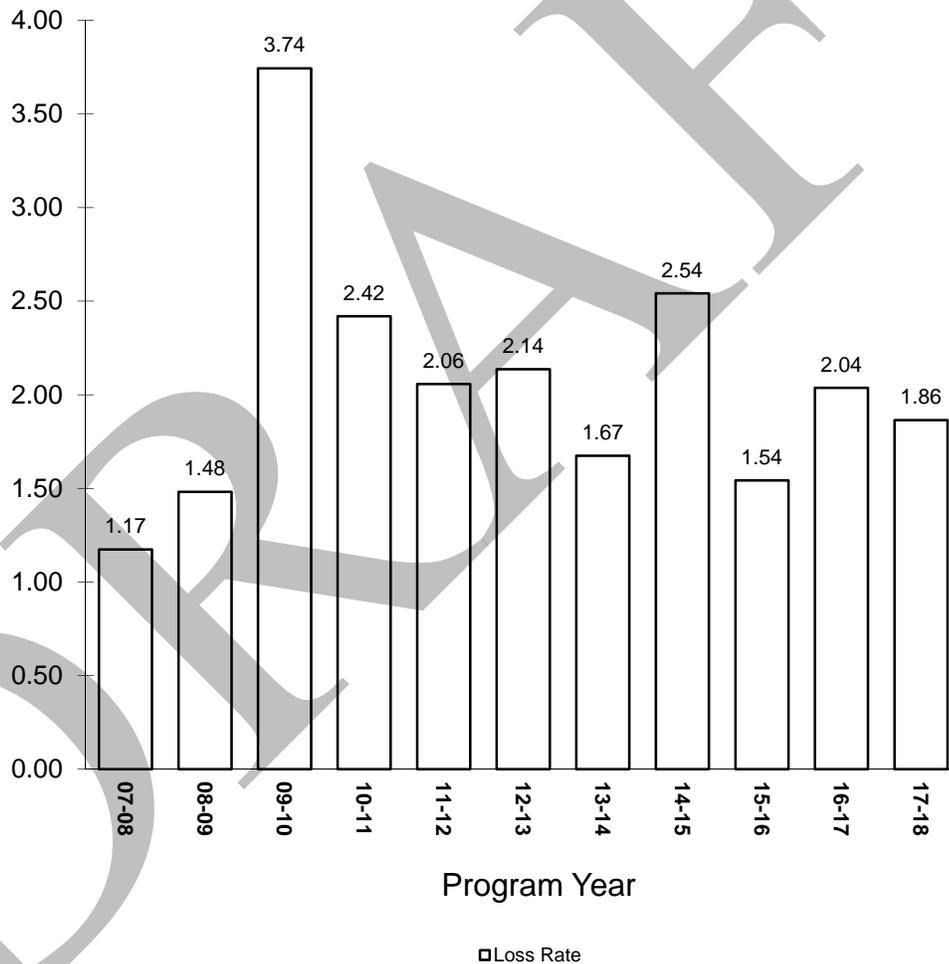
It is estimated that program assets will be \$13,132,000 at June 30, 2018, \$5,320,000 for the banking layer and \$7,812,000 for the shared layer, resulting in the program being funded above the 90% confidence level on a combined basis and for both the banking and shared layer separately.

C. HISTORICAL TRENDS IN THE SELF-INSURANCE PROGRAM

The program's loss rate per \$100 payroll has varied during the past ten years, but has followed a generally increasing trend. 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

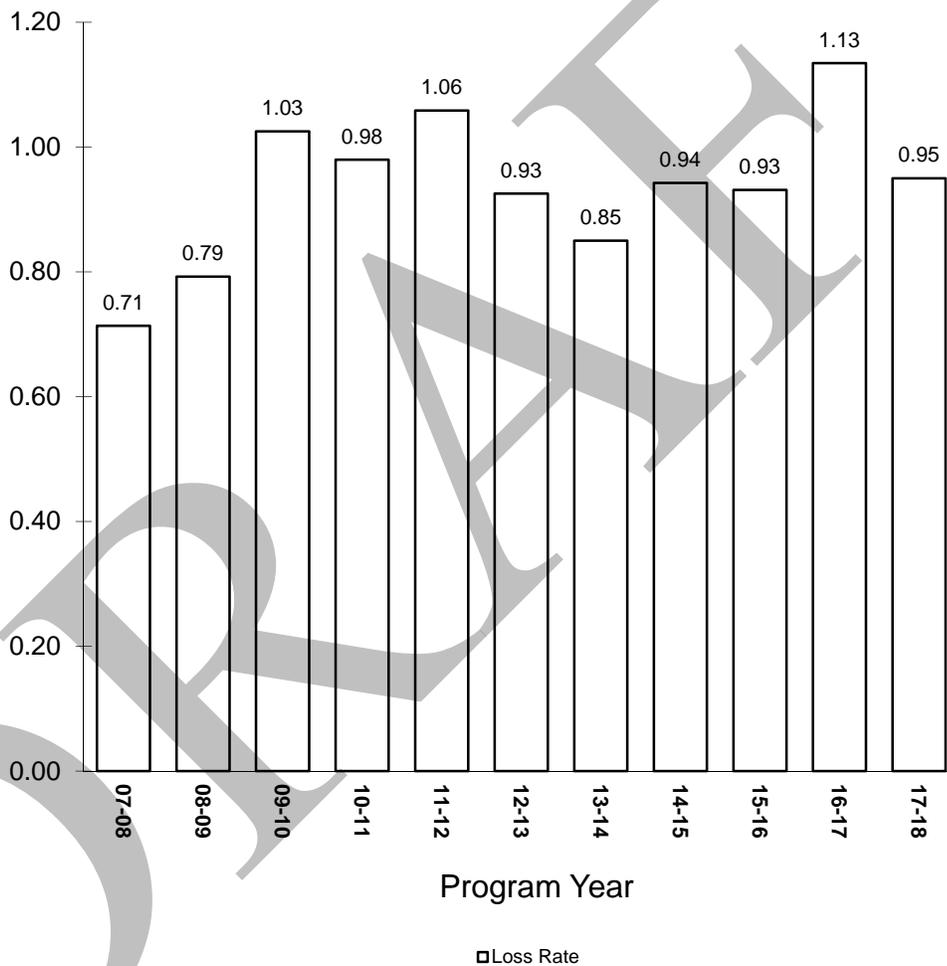
NCCSIF - Liability
Banking and Shared Layers Combined
Dollars of Loss per \$100 of Payroll



The banking loss rate per \$100 payroll has followed a generally increasing trend over the past ten years. Losses for 2007-08 and after reflect the new higher banking limit of \$50,000. See Graph 2b below.

Graph 2b

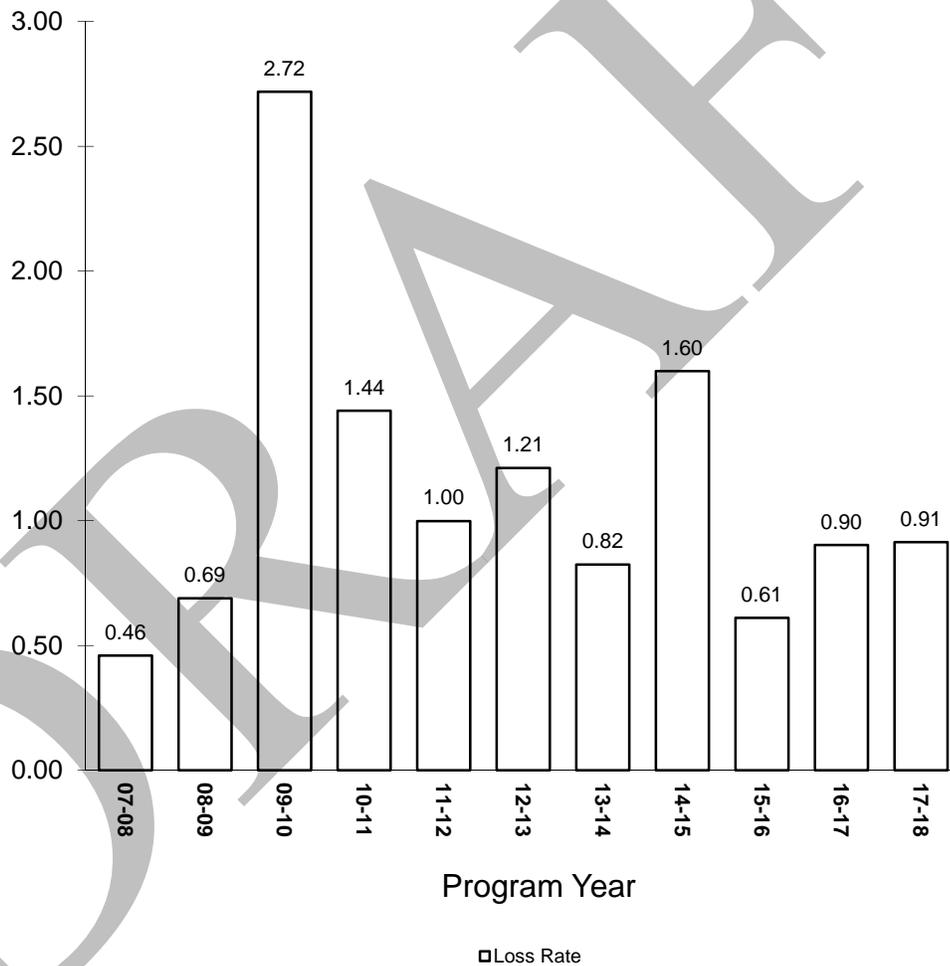
NCCSIF - Liability
Banking Layer
Dollars of Loss per \$100 of Payroll



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

Graph 2c

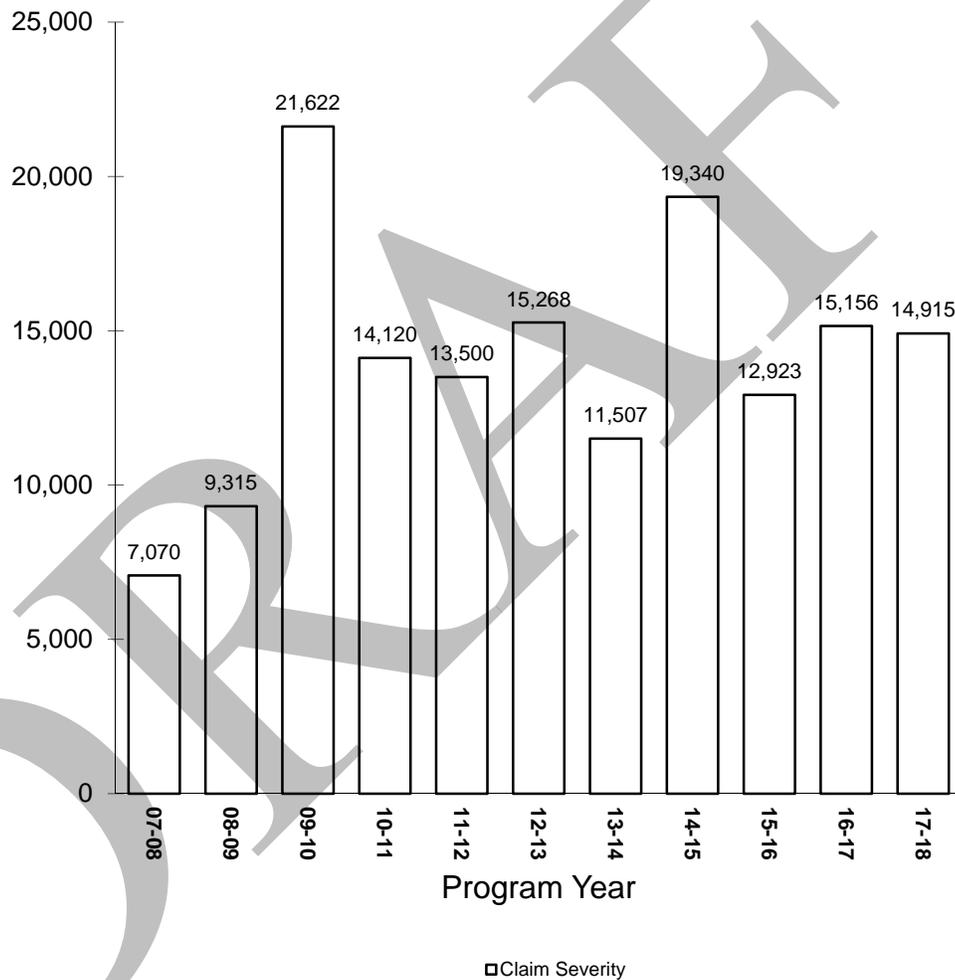
NCCSIF - Liability
 Shared Layer
 Dollars of Loss per \$100 of Payroll



The program's average cost per claim, or severity, has followed a generally increasing trend over the past ten years, with the 2009-10 and 2014-15 years coming in particularly high. The projected 2017-18 severity reflects that increasing trend. See Graph 3a below.

Graph 3a

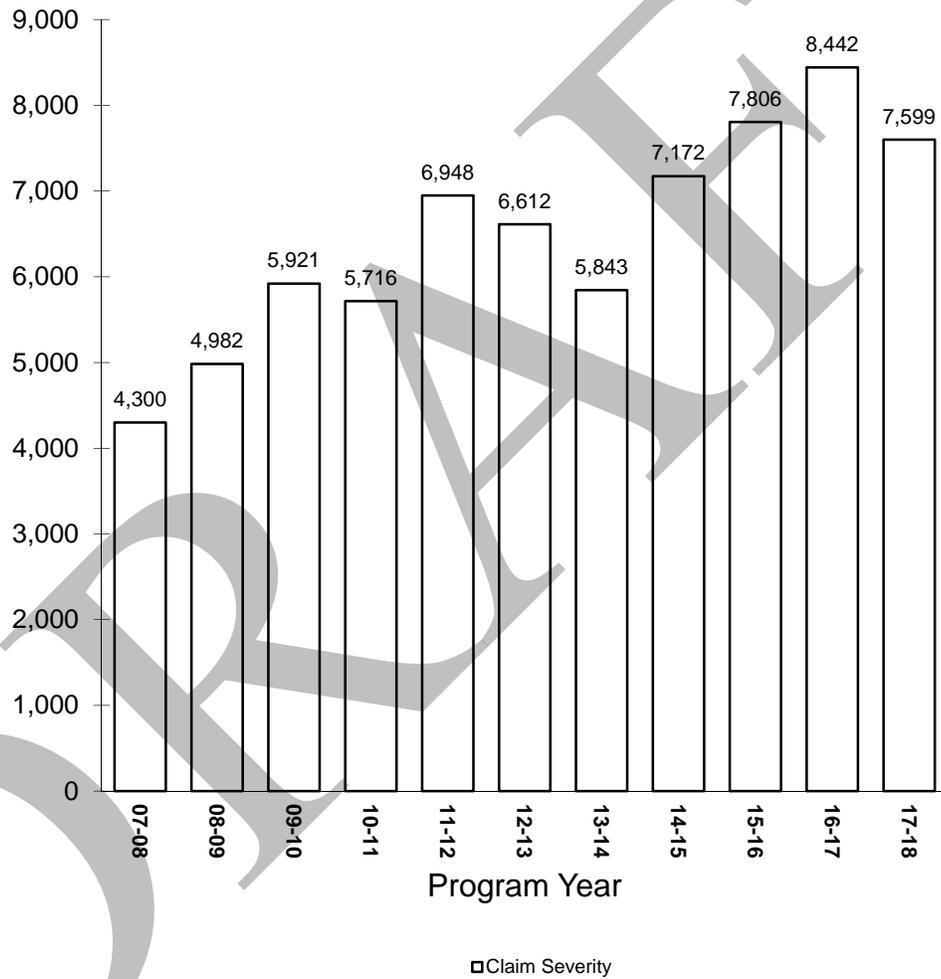
NCCSIF - Liability
Banking and Shared Layers Combined
Dollars of Loss per Claim



The banking layer average cost per claim, or severity, has followed a generally increasing trend over the past ten years. The projected 2017-18 severity reflects that increasing trend. See Graph 3b below.

Graph 3b

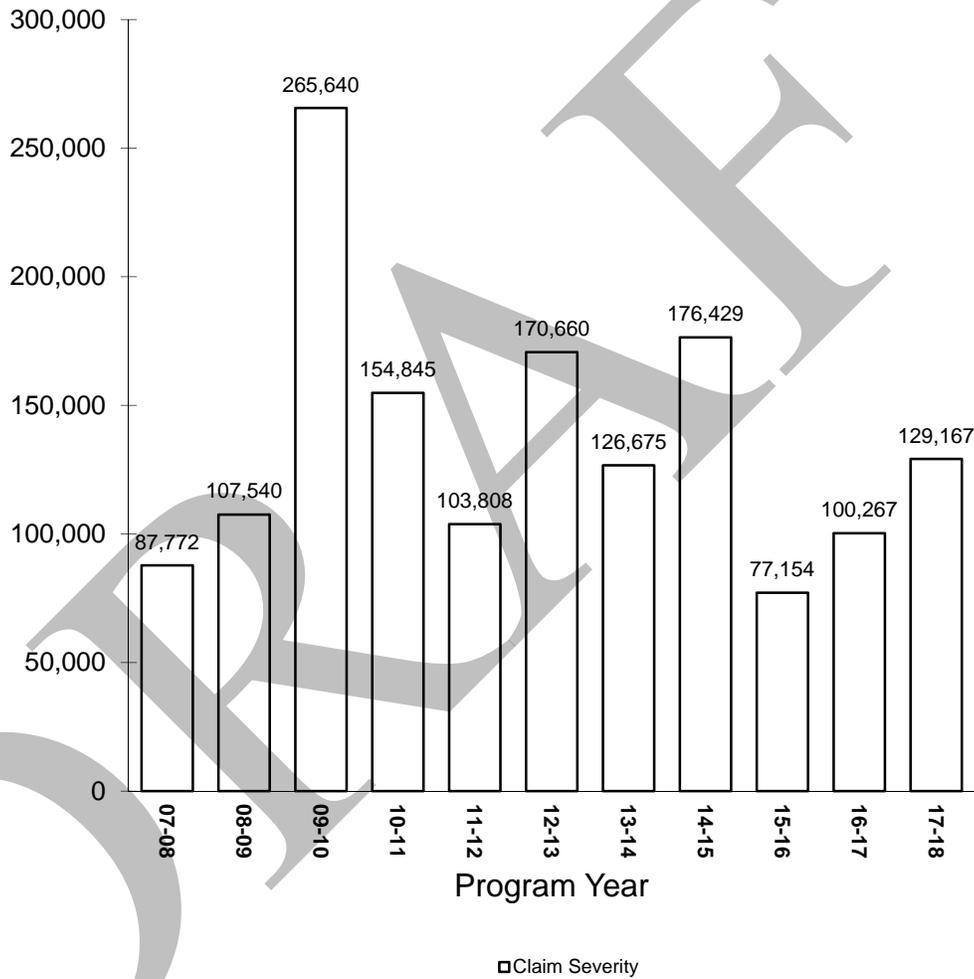
NCCSIF - Liability
Banking Layer
Dollars of Loss per Claim



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

Graph 3c

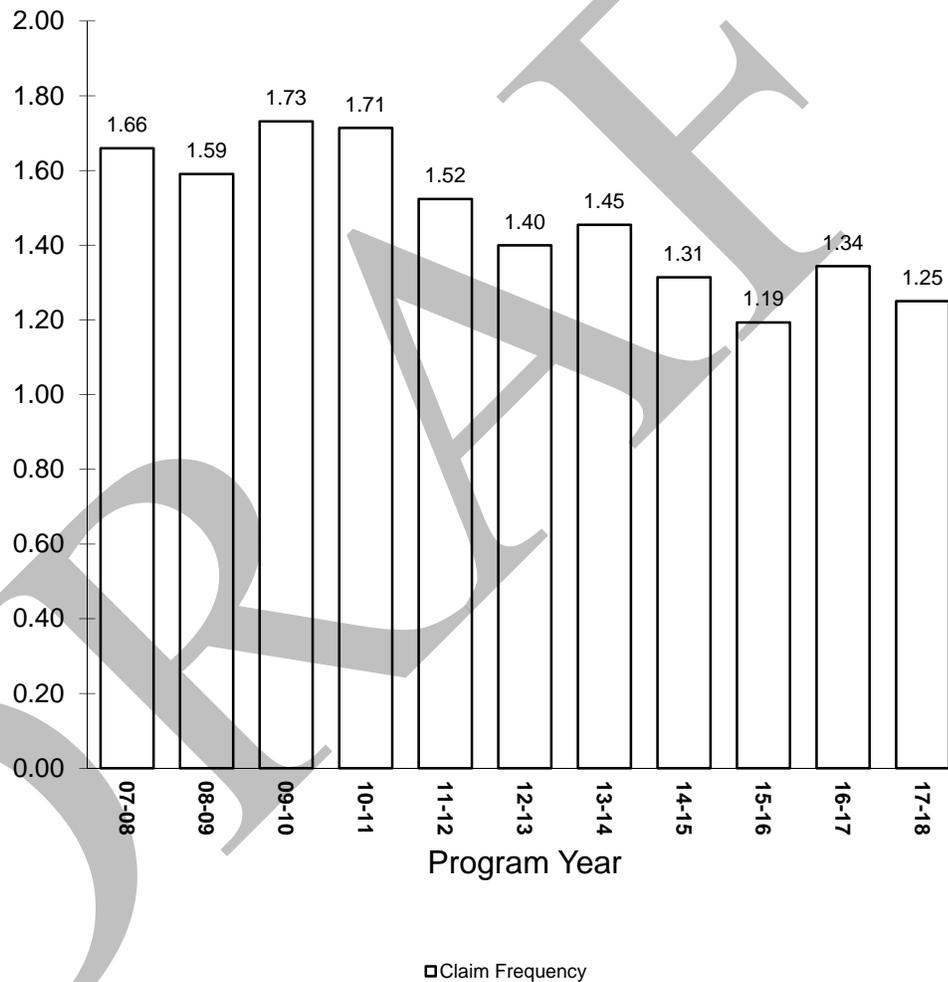
NCCSIF - Liability
Shared Layer
Dollars of Loss per Claim



The program's frequency of claims per \$1 million payroll has been generally decreasing over the past ten years. The projected 2017-18 frequency reflects that decreasing trend. See Graph 4a below. (Note that banking layer frequency is the same as shown below for the program.)

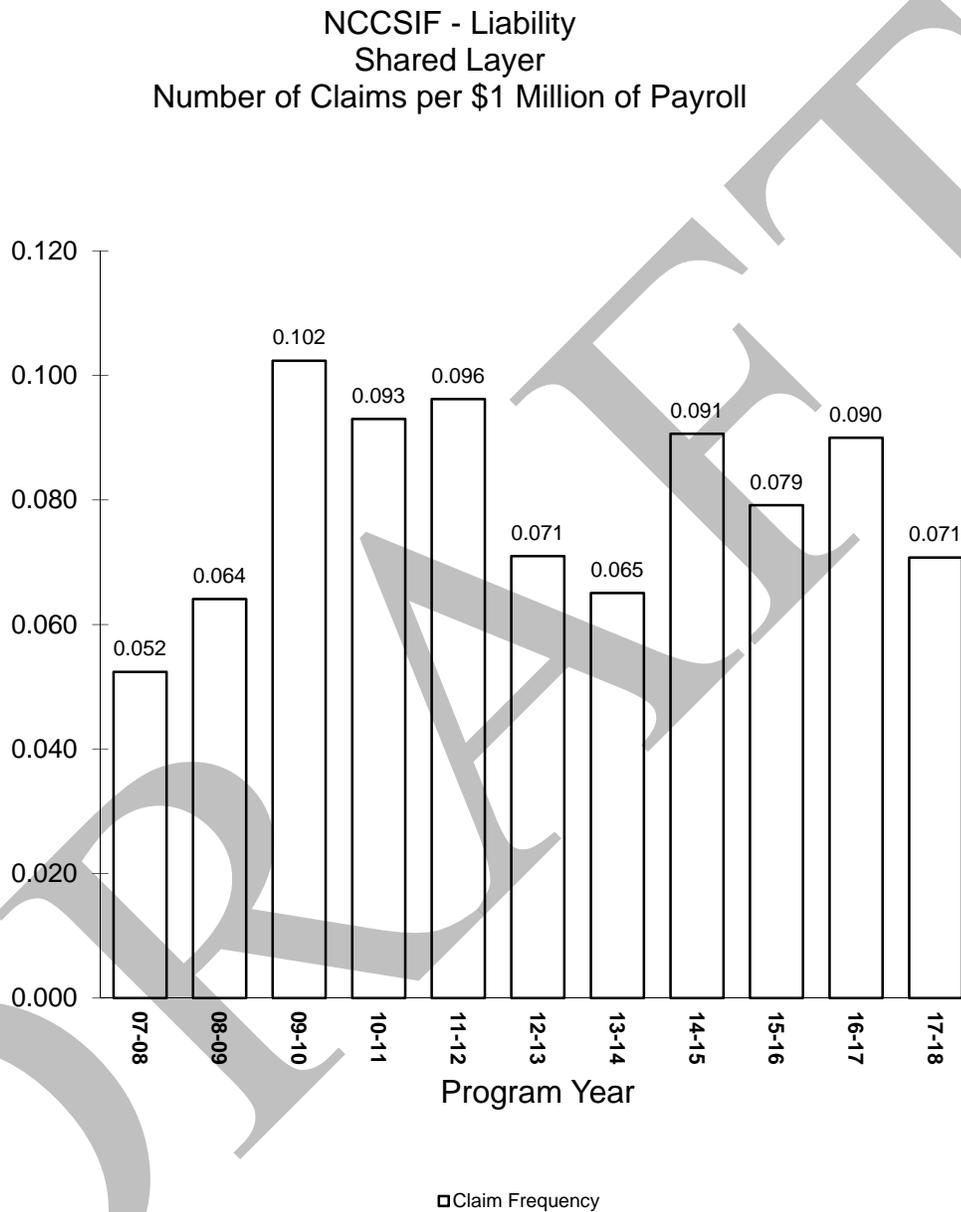
Graph 4a

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



The shared layer frequency of claims per \$1 million payroll has been quite volatile but has been generally decreasing since 2009-10. See Graph 4b below.

Graph 4b



D. COMPARISON WITH PREVIOUS RESULTS

The prior report for Northern California Cities Self Insurance Fund was dated March 10, 2017. In the table below we display actual versus expected development of incurred losses and ALAE by accident year between the 12/31/2016 evaluation date of the prior report and the 12/31/2017 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	\$1,000	(\$16,000)	(\$17,000)
1997-98	0	0	0
1998-99	0	0	0
1999-00	0	0	0
2000-01	2,000	(16,000)	(18,000)
2001-02	0	0	0
2002-03	0	0	0
2003-04	0	0	0
2004-05	0	0	0
2005-06	0	0	0
2006-07	0	0	0
2007-08	0	0	0
2008-09	5,000	0	(5,000)
2009-10	13,000	23,000	10,000
2010-11	17,000	50,000	33,000
2011-12	46,000	(71,000)	(117,000)
2012-13	59,000	381,000	322,000
2013-14	59,000	236,000	177,000
2014-15	162,000	59,000	(103,000)
2015-16	754,000	(251,000)	(1,005,000)
2016-17	1,608,000	1,902,000	294,000
Total	\$2,726,000	\$2,297,000	(\$429,000)

* ULAE is included with Loss and ALAE

As shown, actual incurred development was less than anticipated since the prior report. Based on the assumptions from the prior report, it was expected that incurred losses would increase by \$2,726,000 between the two evaluation dates. However, actual development was approximately \$2,297,000; or about \$429,000 less than expected. The favorable development in the 2015-16 year more than offset the overall adverse development in the remaining years.

In the table below we display actual versus expected development of paid losses and ALAE by accident year between the 12/31/2016 evaluation date of the prior report and the 12/31/2017 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	\$18,000	\$0	(\$18,000)
1997-98	0	0	0
1998-99	0	0	0
1999-00	0	0	0
2000-01	21,000	3,000	(18,000)
2001-02	0	0	0
2002-03	0	0	0
2003-04	0	0	0
2004-05	0	0	0
2005-06	0	0	0
2006-07	0	0	0
2007-08	0	0	0
2008-09	111,000	7,000	(104,000)
2009-10	129,000	49,000	(80,000)
2010-11	38,000	23,000	(15,000)
2011-12	202,000	183,000	(19,000)
2012-13	272,000	692,000	420,000
2013-14	316,000	557,000	241,000
2014-15	847,000	470,000	(377,000)
2015-16	966,000	709,000	(257,000)
2016-17	736,000	982,000	246,000
Total	\$3,656,000	\$3,675,000	\$19,000

* ULAE is included with Loss and ALAE

As shown, actual paid development was greater than anticipated since the prior report. Based on the assumptions from the prior report, it was expected that paid losses would increase by \$3,656,000 between the two evaluation dates. However, actual development was approximately \$3,675,000; or about \$19,000 more than expected.

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

Change in Ultimate Loss and ALAE*
Banking and Shared Layers Combined

Accident Year	Prior Report	Current Report	Change In Ultimate
Prior	\$12,606,000	\$12,588,000	(\$18,000)
1997-98	2,915,000	2,915,000	0
1998-99	1,842,000	1,842,000	0
1999-00	2,774,000	2,774,000	0
2000-01	2,038,000	2,020,000	(18,000)
2001-02	2,038,000	2,038,000	0
2002-03	2,291,000	2,291,000	0
2003-04	2,054,000	2,054,000	0
2004-05	3,058,000	3,058,000	0
2005-06	2,338,000	2,338,000	0
2006-07	2,898,000	2,898,000	0
2007-08	2,051,000	2,050,000	(1,000)
2008-09	2,604,000	2,599,000	(5,000)
2009-10	6,002,000	6,011,000	9,000
2010-11	3,737,000	3,770,000	33,000
2011-12	3,249,000	3,132,000	(117,000)
2012-13	2,867,000	3,191,000	324,000
2013-14	2,315,000	2,497,000	182,000
2014-15	3,964,000	3,926,000	(38,000)
2015-16	3,510,000	2,533,000	(977,000)
2016-17	3,142,000	3,395,000	253,000
Total	\$70,293,000	\$69,920,000	(\$373,000)

* ULAE is included with Loss and ALAE

As shown, overall we have decreased our estimated ultimates by \$373,000 since our prior report. The less than anticipated incurred loss development mentioned above translates to a decrease in our estimates of ultimate losses. The changes by accident year generally track well with the actual versus expected incurred loss development.

At the time of the prior report, we estimated the liability for outstanding claims as of June 30, 2017 to be \$7,948,000 at the discounted, expected level. Our current estimate as of June 30, 2018, is \$7,165,000, a decrease 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, 2017	Current Report at June 30, 2018	Change
(A) Case Reserves:	\$4,704,000	\$3,908,000	(\$796,000)
(B) IBNR Reserves:	3,465,000	3,456,000	(9,000)
(C) Claims Administration (ULAE*):	0	0	0
(D) Total Reserves:	\$8,169,000	\$7,364,000	(\$805,000)
(E) Offset for Investment Income:	(221,000)	(199,000)	22,000
(F) Total Outstanding Claim Liabilities:	\$7,948,000	\$7,165,000	(\$783,000)

* ULAE is included with Loss and ALAE

As shown, our estimate of outstanding claims liabilities at the discounted, expected level has decreased between June 30, 2017 and June 30, 2018 as reflected in our prior and current reports respectively.

The decrease in claim reserves (case and IBNR) is driven primarily by a large decrease in case reserves. Reserves for future claims administration expenses are included with Loss and ALAE, resulting in an \$805,000 decrease in total claim reserves. This decrease in reserves leads to a smaller offset for investment income. The net change due to the above factors is an overall decrease of \$783,000 in our estimate of outstanding claim liabilities for loss and LAE.

At the time of the prior report, available assets were estimated to be \$11,811,000 as of June 30, 2017, which corresponded to the then-estimated discounted liability for outstanding claims above the 90% confidence levels. Available assets are currently estimated to be \$13,132,000 as of June 30, 2018, which corresponds to the currently estimated liability for outstanding claims above the 90% confidence level. It can be summarized as follows:

Funding Margin
Banking and Shared Layers Combined

	Prior Report at June 30, 2017	Current Report at June 30, 2018	Change
(A) Outstanding Liability at the Discounted Expected Level:	\$7,948,000	\$7,165,000	(\$783,000)
(B) Estimated Assets At June 30:	11,811,000	13,132,000	1,321,000
(C) Surplus/(Deficit):	\$3,863,000	\$5,967,000	\$2,104,000

As you can see, our estimate of the program's funding margin at the discounted, expected level has increased by \$2,104,000 between June 30, 2017 (as previously estimated) and June 30, 2018 (as currently estimated). This is driven by an increase in the estimated fund assets between the two points, coupled with a decrease in the estimated outstanding liability.

At the time of the prior report, our funding estimate for the 2017-18 year was \$3,104,000 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 2018-19 year is \$3,147,000 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 2017-18 Pool Limit = \$500,000	Current Report 2018-19 Pool Limit = \$500,000	Change
(A) Ultimate Loss and ALAE:	\$3,206,000	\$3,251,000	\$45,000
(B) Ultimate Claims Administration (ULAE):	0	0	0
(C) Total Claim Costs:	\$3,206,000	\$3,251,000	\$45,000
(D) Offset for Investment Income:	(102,000)	(104,000)	(2,000)
(E) Total Recommended Funding:	\$3,104,000	\$3,147,000	\$43,000
(F) Funding per \$100 of Payroll:	\$1.906	\$1.856	(\$0.050)

* ULAE is included with Loss and ALAE

As you can see, our funding recommendations at the discounted, expected level have increased between 2017-18 and 2018-19, as shown in our prior and current reports respectively.

Our estimates of ultimate loss and ALAE have increased by \$45,000, driven primarily by an increase in exposure. Investment income is expected to be slightly greater. The net change due to the above factors is an overall increase of \$43,000 in our annual funding estimate for loss and LAE. It should be noted that, although the overall recommended funding has increased, the average funding rate has decreased by 2.6%.

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 2017-18 and 2018-19 (See Appendix K).
- We estimated the 6/30/2018 asset balance by beginning with the 12/31/2017 asset balance, and adjusting for anticipated revenue and expense for the last six months of 2017-18 (see Appendix L).
- We received loss data evaluated as of 12/31/2017 (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 2018-19 will be \$169,593,203, 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 costs of liability claims arise from a small number of incidents involving serious injury. A relatively small number of such claims could generate enough loss dollars to significantly reduce, or even deplete, the self-insurance fund.
- We cannot predict and have not attempted to predict the impact of future law changes and court rulings on claims costs. This is one major reason why we believe our funding recommendations are reasonable now, but should not be extrapolated into the future.
- We have assumed that the loss rate trend associated with claim costs increases at 0.9% per year. We have assumed that claim severity increases at 3.5% per year, and that claim frequency decreases at 2.5% per year.
- We have assumed that payroll and other inflation-sensitive exposure measures increase 2.5% annually due to inflation.

- We have assumed that assets held for investment will generate an average annual return of 1.5% over the duration of payment of the loss liabilities. It should be noted that actual future investment returns may vary significantly from this assumption, depending upon the prevailing investment market conditions.
- The claims costs we have estimated include indemnity and medical payments, and all loss adjustment expenses. We have not included estimates for excess insurance contributions and other expenses associated with the program based upon information provided by NCCSIF.
- Our funding recommendations do not include provisions for catastrophic events not in NCCSIF's history, such as earthquakes, flooding, mass civil disorder, or mass occupational disease.
- Our estimates assume that all excess insurance is valid and collectible. Further, our funding recommendations do not include a provision for losses greater than NCCSIF's excess coverage.
- NCCSIF's assets available for the program are estimated to be \$13,132,000 as of June 30, 2018 for use in this report. This is shown in further detail in Appendix L.

IV. GLOSSARY OF ACTUARIAL TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Paid Losses - Losses actually paid on all reported claims.

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

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

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

Severity - Average claim cost.

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

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

Northern California Cities Self Insurance Fund - Liability

Funding Guidelines for Outstanding Liabilities
June 30, 2018

	<u>Total</u>	<u>Banking</u>	<u>Shared</u>
(A) Estimated Ultimate Losses Incurred through 6/30/18: (From Appendix G)	\$73,083,000	\$37,509,000	\$35,574,000
(B) Estimated Paid Losses through 6/30/18: (From Appendix G)	65,719,000	35,038,000	30,681,000
(C) Estimated Liability for Claims Outstanding at 6/30/18: (From Appendix G)	<u>\$7,364,000</u>	<u>\$2,471,000</u>	<u>\$4,893,000</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 6/30/18: (From Appendix F)	0	0	0
(E) Total Outstanding Liability for Claims at 6/30/18: ((C) + (D))	<u>\$7,364,000</u>	<u>\$2,471,000</u>	<u>\$4,893,000</u>
(F) Anticipated Investment Income: ((E) x [1 - Appendix I, Page 1, (H)])	199,000	67,000	132,000
(G) Discounted Outstanding Liability for Claims at 6/30/18: ((E) - (F))	<u>\$7,165,000</u>	<u>\$2,404,000</u>	<u>\$4,761,000</u>
(H) Confidence Level Factor: (From Appendix J)			
60%	1.029	1.026	1.030
65%	1.070	1.060	1.075
70%	1.115	1.098	1.124
75%	1.166	1.141	1.179
80%	1.226	1.191	1.244
85%	1.301	1.253	1.325
90%	1.400	1.336	1.432
(I) Total Required Available Funding at June 30, 2018 ((G) * (H))			
60%	\$7,373,000	\$2,467,000	\$4,906,000
65%	7,667,000	2,548,000	5,119,000
70%	7,989,000	2,640,000	5,349,000
75%	8,354,000	2,743,000	5,611,000
80%	8,784,000	2,863,000	5,921,000
85%	9,322,000	3,012,000	6,310,000
90%	10,031,000	3,212,000	6,819,000
(J) Available Assets at June 30, 2018	\$13,132,000	\$5,320,000	\$7,812,000
(K) Funding Surplus/(Deficit) at June 30, 2018 ((J) - (I))			
Expected	\$5,967,000	\$2,916,000	\$3,051,000
60%	5,759,000	2,853,000	2,906,000
65%	5,465,000	2,772,000	2,693,000
70%	5,143,000	2,680,000	2,463,000
75%	4,778,000	2,577,000	2,201,000
80%	4,348,000	2,457,000	1,891,000
85%	3,810,000	2,308,000	1,502,000
90%	3,101,000	2,108,000	993,000

Northern California Cities Self Insurance Fund - Liability

Funding Options for Program Year 2018-2019

Banking Layer Retention: \$50,000 (Folsom: \$100,000)
Shared Layer Retention: \$500,000 (Including Folsom From \$100,000 - \$500,000)

	Total	Banking	Excl. Folsom	Folsom Only	Shared
(A) Estimated Ultimate Losses Incurred in Accident Year 2018-2019:	\$3,251,000	\$1,626,000	\$1,158,000	\$468,000	\$1,625,000
(B) Estimated Claims Administration Fees Incurred in Accident Year 2018-2019:	0	0	0	0	0
(C) Total Claims Costs Incurred in Accident Year 2018-2019: ((A) + (B))	\$3,251,000	\$1,626,000	\$1,158,000	\$468,000	\$1,625,000
(D) Anticipated Investment Income: ((C) x Average Discount Factor at 1.5%.	104,000	33,000	22,000	11,000	71,000
(E) Discounted Total Claims Costs Incurred in Accident Year 2018-2019: ((C) - (D))	\$3,147,000	\$1,593,000	\$1,136,000	\$457,000	\$1,554,000
(F) Rate per \$100 2018-2019 Payroll:	\$1.856	\$0.939	\$0.881	\$1.123	\$0.916
	Total	Banking	Banking ex Folsom	Banking Folsom	Shared
(G) Confidence Level Factor:					
60%	1.034	1.034	1.033	1.037	1.034
65%	1.098	1.097	1.092	1.110	1.098
67.5%	1.115	1.128	1.121	1.146	1.102
70%	1.168	1.166	1.157	1.191	1.170
75%	1.249	1.246	1.231	1.284	1.252
80%	1.344	1.340	1.318	1.393	1.349
85%	1.462	1.456	1.427	1.529	1.468
90%	1.620	1.612	1.572	1.711	1.628
(H) Total Required Funding for 2018-2019 Incurred Claims Costs ((E) * (G))					
60%	\$3,254,000	\$1,647,000	\$1,173,000	\$474,000	\$1,607,000
65%	3,455,000	1,748,000	1,241,000	507,000	1,707,000
67.5%	3,509,000	1,797,000	1,273,000	524,000	1,712,000
70%	3,676,000	1,858,000	1,314,000	544,000	1,818,000
75%	3,931,000	1,985,000	1,398,000	587,000	1,946,000
80%	4,230,000	2,134,000	1,497,000	637,000	2,096,000
85%	4,601,000	2,320,000	1,621,000	699,000	2,281,000
90%	5,098,000	2,568,000	1,786,000	782,000	2,530,000
(I) Funding Rates for 2018-2019 Incurred Claims Costs					
60%	\$1.919	\$0.971	\$0.910	\$1.165	\$0.948
65%	\$2.037	\$1.031	\$0.963	\$1.246	\$1.007
67.5%	\$2.069	\$1.060	\$0.988	\$1.288	\$1.009
70%	\$2.168	\$1.096	\$1.019	\$1.337	\$1.072
75%	\$2.318	\$1.170	\$1.085	\$1.443	\$1.147
80%	\$2.494	\$1.258	\$1.161	\$1.565	\$1.236
85%	\$2.713	\$1.368	\$1.258	\$1.718	\$1.345
90%	\$3.006	\$1.514	\$1.386	\$1.922	\$1.492

Rates based on 2018-2019 payroll of \$169,593,200



Agenda Item H.3.a.

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

ACTION ITEM

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

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

FISCAL IMPACT: Total recommended dividend is \$1,562,520 with assessments of \$188,760. (*For comparison, last year's dividend was \$1,684,823 with assessments of \$215,275.*)

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

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

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

NCCSIF Banking Layer Targeted Equity and Dividend and Assessment Worksheet
Workers Compensation Banking Layer
Evaluation of Equity by member above 90% confidence level
as of 12/31/17 with actuary dated 3-9-18

	Adjusted Net Position Equity at 12/31/17 A	O/S @ Exp times 90% Factor B	margin to 90% claims C	10 x SIR \$1M Layer Allocated D	Net Margin above (below) 90% and 10xSIR E	Members above target Amount Available F	Limited Amount Available Above target G	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 H	\$10,000 or less assess 100%, else 20% Expected Assessment I
		5630.1			A-C-D						
		1.184					Limited to the net margin above target should equal col E				
ANDERSON	99,243	410,786	63,838	27,144	8,261	8,261	6,819	-	-	2,387	-
AUBURN	203,979	802,382	124,695	50,883	28,401	28,401	23,445	-	-	8,206	-
COLUSA	92,411	95,108	14,780	6,389	71,242	71,242	58,809	-	-	20,583	-
CORNING	211,328	122,522	19,041	9,769	182,518	182,518	150,666	-	-	52,733	-
DIXON	709,094	418,186	64,988	28,002	616,104	616,104	508,585	-	-	178,005	-
ELK GROVE	663,767	1,440,313	223,832	99,825	340,110	340,110	280,756	-	-	98,265	-
FOLSOM	2,999,004	3,248,316	504,806	200,120	2,294,078	2,294,078	1,893,727	-	-	662,804	-
GALT	208,876	849,632	132,038	49,567	27,271	27,271	22,512	-	-	7,879	-
GRIDLEY	400,248	140,997	21,912	9,076	369,260	369,260	304,819	-	-	106,687	-
IONE	45,292	22,237	3,455	1,995	39,842	39,842	32,889	-	-	11,511	-
JACKSON	126,316	57,073	8,869	4,541	112,906	112,906	93,202	-	-	32,621	-
LINCOLN	723,108	481,590	74,842	34,884	613,382	613,382	506,338	-	-	177,218	-
MARYSVILLE	196,035	478,812	74,410	28,320	93,305	93,305	77,022	-	-	26,958	-
NEVADA CITY	67,526	196,738	30,574	12,912	24,040	24,040	19,845	-	-	6,946	-
OROVILLE	(210,762)	720,951	112,039	39,764	(362,565)	-	-	-	-	-	(72,513)
PARADISE	(29,851)	756,216	117,520	38,334	(185,705)	-	-	-	-	-	(37,141)
PLACERVILLE	336,677	498,448	77,461	31,291	227,925	227,925	188,149	-	-	65,852	-
RED BLUFF	20,756	1,311,540	203,820	73,008	(256,072)	-	-	-	-	-	(51,214)
RIO VISTA	49,604	222,223	34,535	14,663	406	406	335	-	-	117	-
ROCKLIN	513,758	1,650,272	256,462	106,301	150,995	150,995	124,644	-	-	43,625	-
WILLOWS	222,980	68,778	10,689	4,196	208,095	208,095	171,779	-	-	60,123	-
YUBA CITY	314,393	2,090,245	324,836	129,017	(139,460)	-	-	-	-	-	(27,892)
	7,963,782	16,083,365	2,499,442	1,000,001	4,464,339	5,408,141	4,464,341	-	-	1,562,520	(188,760)
			Total								
			Margin to 90%		2,499,442						
			Plus 10x SIR		1,000,000						
			Total Target Margin		3,499,442						
			Amount above (below) Margin		4,464,339					-	



BACK TO AGENDA

Northern California Cities Self Insurance Fund
Board of Directors Meeting
April 26, 2018

Agenda Item H.3.b.

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

ACTION ITEM

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

Based on the latest actuarial report, the Fund has \$1,562,000 in excess of the minimum required assets, defined as the lesser of total assets less outstanding liabilities at the 90% Confidence Level or Net Position of five times the SIR of \$400,000 (\$2,000,000). Please refer to the attached for details and discussion points, including how much of the available funds to disburse to each member.

RECOMMENDATION: The Executive Committee recommended a refund of no more than 50% of the available amount, or \$781,000, per the attached breakdown by member.

FISCAL IMPACT: TBD, reduction of Net Position by amount of dividend approved.

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

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

NCCSIF Shared Risk Layer Plan Fund Adjustments - WORKERS' COMPENSATION for 2018 Distribution

Estimated Available Assets as of June 30, 2018				Discounted Outstanding Liabilities @ Expected	Outstanding Liabilities @ 80%	Outstanding Liabilities @ 90%	5 times SIR	Available Refund, Lesser of the Two Formulas
A	B			C	D	E	F	A-(C+G) or A-F
\$22,231,000				\$15,566,000	\$18,504,000	\$20,669,000	\$2,000,000	\$1,562,000
			Net Position/NP over 5x SIR =	\$6,665,000	\$3,727,000	\$1,562,000	\$4,665,000	
						Recommended Refund 50% =		\$781,000
Members	Historical Shared Layer Contributions FY 05/06 to FY 15/16	Total %	Available Refund	Assessment	50% of Available Refund	<i>Any Available Refund should be in excess of the liabilities at the 90% confidence level and excess of the liabilities at expected plus 3-5 times SIR. This year we suggest 5 times SIR</i>		
Anderson	\$592,421	2.26%	\$35,342		\$17,671			
Auburn	\$901,812	3.44%	\$53,799		\$26,900			
Colusa	\$369,841	1.41%	\$22,063		\$11,032			
Corning	\$427,532	1.63%	\$25,505		\$12,753			
Dixon	\$1,185,118	4.53%	\$70,700		\$35,350			
Elk Grove	\$1,244,374	4.75%	\$74,235		\$37,118			
Folsom	\$5,851,643	22.35%	\$349,090		\$174,545			
Galt	\$1,366,538	5.22%	\$81,523		\$40,762			
Gridley	\$612,917	2.34%	\$36,565		\$18,282			
Ione	\$120,440	0.46%	\$7,185		\$3,593			
Jackson	\$346,389	1.32%	\$20,664		\$10,332			
Lincoln	\$1,650,441	6.30%	\$98,460		\$49,230			
Maysville	\$692,108	2.64%	\$41,289		\$20,644			
Nevada City	\$329,879	1.26%	\$19,679		\$9,840			
Oroville	\$1,069,055	4.08%	\$63,776		\$31,888			
Placerville	\$1,001,985	3.83%	\$59,775		\$29,888			
Paradise	\$928,469	3.55%	\$55,389		\$27,695			
Red Bluff	\$1,155,394	4.41%	\$68,927		\$34,463			
Rio Vista	\$469,749	1.79%	\$28,024		\$14,012			
Rocklin	\$2,793,455	10.67%	\$166,648		\$83,324			
Willows	\$343,430	1.31%	\$20,488		\$10,244			
Yuba City	\$2,730,168	10.43%	\$162,873		\$81,436			
Total	\$26,183,158	100.00%	\$1,562,000		\$781,000			



WORKERS' COMPENSATION PROGRAM FY 18/19 DEPOSIT PREMIUM CALCULATIONS

ACTION ITEM

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

- Total funding at the current 75% Confidence Level (CL) for FY 18/19 is estimated at \$11,672,129, compared to \$11,568,170 for FY 17/18, an **increase of 0.9%**. Given the rate has decreased, the overall increase is *due to increased payroll of 4.3%* (compared to 7.7% last year). For comparison, total funding rose 9.4% last year, but with payroll up by 7.7% and an increase in the Confidence Level from 70% to 75%.
- Total funding at an 80% CL is estimated at \$12,068,129, an **increase of 4.3%** over current funding at the 75% CL. The individual funding increase cap of 40% is not applicable this year, and members are within a narrow range of increases, from 3.7% to 4.7%. The notable exception is the City of Willows, with a decrease of almost 20% due to outsourcing police.

The excess coverage rate is decreasing slightly, with total excess funding increasing an *estimated* 4%, just below the payroll increase.

RECOMMENDATION: The Executive Committee recommends increasing funding from the 75% CL to 80% CL to achieve funding goal for FY 18/19.

FISCAL IMPACT: TBD, based on chosen funding Confidence Level.

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

ATTACHMENTS:

1. Preliminary FY 18/19 Workers' Compensation Deposit Calculations, 75% CL
2. Preliminary FY 18/19 Workers' Compensation Deposit Calculations, 80% CL
3. CSAC-EIA FY 18/19 Excess Workers' Compensation Premium Estimate
4. FY 18/19 Liability Deposit Premium CL Comparison
5. FY 18/19 Net Funding CL Comparison

FY 18/19 NCCSIF Workers' Compensation Allocation PRELIMINARY

75% Confidence Level

Total Admin Expense = \$718,775

A	B	C	D	E	F	G	H	I	J	K		
Formula/Allocation		Member Share of: Last 5 Years Average Losses, Weighted 75%; FY 18/19 WCIRB Loss Rate Premium, Weighted 25%	Member Share of EX MOD Adjusted Payroll	Member Share of: Last 5 Years Average Losses, Weighted 25%; FY 18/19 WCIRB Loss Rate Premium, Weighted 75%	Member Share of Banking, Shared & Excess Premium	22 Equal Shares	C+D+E+F+G			Member % of Total Payroll Without Capped Members x Capped Amount		
Member	FY 18/19 Estimated PAYROLL (P)	BANKING LAYER \$0 to \$100K	SHARED LAYER \$100K to \$500K	CSAC-EIA EXCESS LAYER \$500K TO STATUTORY	Variable ADMIN EXPENSE 65%	Fixed ADMIN EXPENSE 35%	FY 18/19 DEPOSIT	FY 17/18 DEPOSIT	% Change DEPOSIT	Cap 40% Increase	Payroll Increase from FY 17/18	FY 17/18 Estimated Payroll
Rate/Amount	Exposure Base	\$6,242,000	\$3,198,000	\$1,530,000	\$467,204	\$251,571	75% CL	75% CL		N/A		Exposure Base
Anderson	\$3,758,796	\$166,868	\$68,750	\$29,840	\$11,306	\$11,435	\$288,198	\$284,350	1.4%		12.1%	\$3,354,498
Auburn	\$6,562,867	\$168,025	\$96,178	\$50,030	\$13,383	\$11,435	\$339,051	\$334,922	1.2%		-17.1%	\$7,916,837
Colusa	\$2,271,794	\$60,466	\$33,788	\$18,981	\$4,823	\$11,435	\$129,494	\$127,821	1.3%		15.5%	\$1,966,977
Corning	\$2,841,529	\$28,091	\$46,623	\$14,318	\$3,792	\$11,435	\$104,259	\$103,588	0.6%		19.0%	\$2,388,300
Dixon	\$9,438,269	\$287,960	\$153,585	\$78,290	\$22,139	\$11,435	\$553,409	\$546,367	1.3%		5.1%	\$8,982,975
Elk Grove	\$40,866,211	\$718,270	\$420,834	\$186,930	\$56,475	\$11,435	\$1,393,943	\$1,376,970	1.2%		11.3%	\$36,710,148
Folsom	\$40,691,769	\$1,080,694	\$542,227	\$304,914	\$82,105	\$11,435	\$2,021,376	\$1,994,023	1.4%		1.0%	\$40,270,106
Galt	\$11,835,264	\$326,974	\$167,693	\$74,024	\$24,220	\$11,435	\$604,347	\$596,845	1.3%		4.6%	\$11,314,378
Gridley	\$3,804,797	\$62,999	\$56,585	\$22,014	\$6,031	\$11,435	\$159,063	\$157,542	1.0%		0.1%	\$3,801,769
Ione	\$1,092,528	\$18,840	\$18,920	\$7,095	\$1,910	\$11,435	\$58,200	\$57,575	1.1%		-3.4%	\$1,130,943
Jackson	\$2,266,229	\$90,823	\$35,338	\$19,495	\$6,203	\$11,435	\$163,295	\$160,981	1.4%		7.9%	\$2,101,191
Lincoln	\$12,747,000	\$255,894	\$158,364	\$81,328	\$21,107	\$11,435	\$528,128	\$521,847	1.2%		2.3%	\$12,464,564
Marysville	\$3,589,009	\$157,226	\$55,869	\$29,154	\$10,317	\$11,435	\$264,001	\$260,249	1.4%		10.6%	\$3,244,568
Nevada City	\$2,579,036	\$117,959	\$41,611	\$22,398	\$7,750	\$11,435	\$201,153	\$198,259	1.5%		2.3%	\$2,522,165
Oroville	\$6,368,537	\$311,766	\$149,300	\$56,348	\$22,036	\$11,435	\$550,885	\$543,973	1.3%		-9.8%	\$7,060,401
Paradise	\$4,204,235	\$248,208	\$92,044	\$35,287	\$15,994	\$11,435	\$402,967	\$397,478	1.4%		7.3%	\$3,917,312
Placerville	\$6,746,666	\$133,665	\$82,138	\$43,794	\$11,056	\$11,435	\$282,089	\$278,720	1.2%		6.7%	\$6,321,107
Red Bluff	\$6,264,914	\$393,946	\$143,467	\$64,849	\$25,650	\$11,435	\$639,346	\$630,362	1.4%		3.3%	\$6,066,197
Rio Vista	\$4,162,522	\$95,057	\$54,125	\$31,086	\$7,677	\$11,435	\$199,380	\$196,866	1.3%		8.6%	\$3,833,651
Rocklin	\$24,306,065	\$614,636	\$306,040	\$156,907	\$45,893	\$11,435	\$1,134,912	\$1,120,048	1.3%		9.2%	\$22,258,058
Willows	\$1,175,718	\$44,598	\$30,454	\$9,143	\$3,586	\$11,435	\$99,215	\$127,466	-22.2%		-34.8%	\$1,804,372
Yuba City	\$22,211,361	\$859,034	\$444,068	\$193,774	\$63,751	\$11,435	\$1,572,062	\$1,551,917	1.3%		-1.1%	\$22,467,222
Total:	\$219,785,116	\$6,242,000	\$3,198,000	\$1,530,000	\$467,204	\$251,571	\$11,688,775	\$11,568,170	1.0%		3.7%	\$211,897,739
Actuary/Verification		\$6,242,000	\$3,198,000									

no police

Total Payroll Less Capped Members \$203,876,383

FY 18/19 NCCSIF Workers' Compensation Allocation PRELIMINARY

80% Confidence Level

Total Admin Expense = \$718,775

A	B	C	D	E	F	G	H	I	J	K		
Formula/Allocation		Member Share of: Last 5 Years Average Losses, Weighted 75%; FY 18/19 WCIRB Loss Rate Premium, Weighted 25%	Member Share of EX MOD Adjusted Payroll	Member Share of: Last 5 Years Average Losses, Weighted 25%; FY 18/19 WCIRB Loss Rate Premium, Weighted 75%	Member Share of Banking, Shared & Excess Premium	22 Equal Shares	C+D+E+F+G			Member % of Total Payroll Without Capped Members x Capped Amount		
Member	FY 18/19 Estimated PAYROLL (P)	BANKING LAYER \$0 to \$100K	SHARED LAYER \$100K to \$500K	CSAC-EIA EXCESS LAYER \$500K TO STATUTORY	Variable ADMIN EXPENSE 65%	Fixed ADMIN EXPENSE 35%	FY 18/19 DEPOSIT 80% CL	FY 17/18 DEPOSIT 75% CL	% Change DEPOSIT	Cap 40% Increase	Payroll Increase from FY 17/18	FY 17/18 Estimated Payroll
Rate/Amount	Exposure Base	\$6,433,000	\$3,403,000	\$1,530,000	\$467,204	\$251,571	80% CL	75% CL	N/A			Exposure Base
Anderson	\$3,758,796	\$171,974	\$73,157	\$29,840	\$11,303	\$11,435	\$297,709	\$284,350	4.7%		12.1%	\$3,354,498
Auburn	\$6,562,867	\$173,166	\$102,343	\$50,030	\$13,381	\$11,435	\$350,356	\$334,922	4.6%		-17.1%	\$7,916,837
Colusa	\$2,271,794	\$62,317	\$35,954	\$18,981	\$4,820	\$11,435	\$133,507	\$127,821	4.4%		15.5%	\$1,966,977
Corning	\$2,841,529	\$28,951	\$49,612	\$14,318	\$3,818	\$11,435	\$108,134	\$103,588	4.4%		19.0%	\$2,388,300
Dixon	\$9,438,269	\$296,771	\$163,430	\$78,290	\$22,135	\$11,435	\$572,062	\$546,367	4.7%		5.1%	\$8,982,975
Elk Grove	\$40,866,211	\$740,248	\$447,810	\$186,930	\$56,519	\$11,435	\$1,442,943	\$1,376,970	4.8%		11.3%	\$36,710,148
Folsom	\$40,691,769	\$1,113,763	\$576,985	\$304,914	\$82,032	\$11,435	\$2,089,130	\$1,994,023	4.8%		1.0%	\$40,270,106
Galt	\$11,835,264	\$336,979	\$178,443	\$74,024	\$24,229	\$11,435	\$625,111	\$596,845	4.7%		4.6%	\$11,314,378
Gridley	\$3,804,797	\$64,927	\$60,212	\$22,014	\$6,049	\$11,435	\$164,637	\$157,542	4.5%		0.1%	\$3,801,769
Ione	\$1,092,528	\$19,416	\$20,132	\$7,095	\$1,917	\$11,435	\$59,996	\$57,575	4.2%		-3.4%	\$1,130,943
Jackson	\$2,266,229	\$93,602	\$37,603	\$19,495	\$6,195	\$11,435	\$168,330	\$160,981	4.6%		7.9%	\$2,101,191
Lincoln	\$12,747,000	\$263,724	\$168,515	\$81,328	\$21,110	\$11,435	\$546,113	\$521,847	4.7%		2.3%	\$12,464,564
Marysville	\$3,589,009	\$162,037	\$59,450	\$29,154	\$10,303	\$11,435	\$272,379	\$260,249	4.7%		10.6%	\$3,244,568
Nevada City	\$2,579,036	\$121,568	\$44,278	\$22,398	\$7,738	\$11,435	\$207,418	\$198,259	4.6%		2.3%	\$2,522,165
Oroville	\$6,368,537	\$321,306	\$158,871	\$56,348	\$22,054	\$11,435	\$570,013	\$543,973	4.8%		-9.8%	\$7,060,401
Paradise	\$4,204,235	\$255,803	\$97,944	\$35,287	\$15,991	\$11,435	\$416,460	\$397,478	4.8%		7.3%	\$3,917,312
Placerville	\$6,746,666	\$137,755	\$87,404	\$43,794	\$11,055	\$11,435	\$291,443	\$278,720	4.6%		6.7%	\$6,321,107
Red Bluff	\$6,264,914	\$406,000	\$152,663	\$64,849	\$25,630	\$11,435	\$660,577	\$630,362	4.8%		3.3%	\$6,066,197
Rio Vista	\$4,162,522	\$97,966	\$57,594	\$31,086	\$7,672	\$11,435	\$205,753	\$196,866	4.5%		8.6%	\$3,833,651
Rocklin	\$24,306,065	\$633,443	\$325,658	\$156,907	\$45,874	\$11,435	\$1,173,317	\$1,120,048	4.8%		9.2%	\$22,258,058
Willows	\$1,175,718	\$45,963	\$32,406	\$9,143	\$3,597	\$11,435	\$102,544	\$127,466	-19.6%		-34.8%	\$1,804,372
Yuba City	\$22,211,361	\$885,320	\$472,534	\$193,774	\$63,780	\$11,435	\$1,626,843	\$1,551,917	4.8%		-1.1%	\$22,467,222
Total:	\$219,785,116	\$6,433,000	\$3,403,000	\$1,530,000	\$467,204	\$251,571	\$12,084,775	\$11,568,170	4.5%		3.7%	\$211,897,739
Actuary/Verification		\$6,433,000	\$3,403,000									

no police

Total Payroll Less Capped Members \$203,876,383

\$5.498



CSAC Excess Insurance Authority
2018/19 Early Budget Estimates, March 2018

Northern California Cities Self Insurance Fund (NCCSIF)

This final round of early estimates have been prepared to further aid you in budgeting for the 2018/19 fiscal year. At this time, updated estimates are being provided for all major programs. Since the December version: (1) The budget estimates have been updated with actuarial rates for the pooled layers; (2) The reinsurance rates were updated where we have proposals; and (3) We have incorporated more accurate administrative budget numbers. While the estimates provided are more refined from the previous version, they still contain a range if there are still outstanding items specific to the program. The estimates are still intended to be conservative, however there may be a chance that final numbers may come in higher than the assumptions currently in place. For this reason we recommend continuing to budget toward the high end of the estimate range where one is provided.

Excess Workers' Compensation Program

Premium

16/17 Premium:	\$1,177,155	2016/17 Estimated Payroll:	\$196,762,337
17/18 Premium:	\$1,440,433	2017/18 Estimated Payroll:	\$211,897,739
18/19 Estimated Premium:	\$1,530,000	2018/19 Estimated Payroll:	\$219,785,114
Premium Audit:	\$42,742		
Collectible Amount:	\$1,572,742		

The EWC premium projections have been updated to reflect your entity's estimated 2018/19 exposure, as provided on your renewal application, as well as losses based on the June 30, 2017 data collection. Since the December estimate, we have updated the projected program administrative costs and received and updated the pool and reinsurance rates.

Pool rates have changed from last year as follows:

- County rates are down 2% on average
- Low Safety rates are down 0.2% on average
- High Safety rates are down 6.2% on average
- School rates are down 5.9% on average

Reinsurance Premiums changed from last year as follows:

- Ace layer \$45m x \$5M - 3.5% increase
- Liberty Mutual layer \$50M to Statutory - Pending proposals, estimated 5% increase
- Safety National - No Rate change

The estimates have become more accurate, however, we are still pending the finalization of some miscellaneous fees. To remain somewhat conservative at this point, the estimates were rounded up to the nearest \$1,000. We will distribute final premium numbers in June once the nominal fees are finalized.

FY 18/19 WC DEPOSIT PREMIUM

Members	75% CL	80% CL	Difference
Anderson	\$288,198	\$297,709	\$9,510
Auburn	\$339,051	\$350,356	\$11,305
Colusa	\$129,494	\$133,507	\$4,013
Corning	\$104,259	\$108,134	\$3,874
Dixon	\$553,409	\$572,062	\$18,652
Elk Grove	\$1,393,943	\$1,442,943	\$49,000
Folsom	\$2,021,376	\$2,089,130	\$67,754
Galt	\$604,347	\$625,111	\$20,764
Gridley	\$159,063	\$164,637	\$5,573
Ione	\$58,200	\$59,996	\$1,796
Jackson	\$163,295	\$168,330	\$5,036
Lincoln	\$528,128	\$546,113	\$17,985
Maysville	\$264,001	\$272,379	\$8,378
Nevada City	\$201,153	\$207,418	\$6,265
Oroville	\$550,885	\$570,013	\$19,128
Placerville	\$402,967	\$416,460	\$13,493
Paradise	\$282,089	\$291,443	\$9,355
Red Bluff	\$639,346	\$660,577	\$21,231
Rio Vista	\$199,380	\$205,753	\$6,373
Rocklin	\$1,134,912	\$1,173,317	\$38,406
Willows	\$99,215	\$102,544	\$3,328
Yuba City	\$1,572,062	\$1,626,843	\$54,781
Total	\$11,688,775	\$12,084,775	\$396,000

FY 18/19 NCCSIF WC Net Program Funding Summary Comparison

Member Entity	Work Comp Funding 75% CL					NET AMOUNT
	Work Comp Deposit	DIVIDEND		Assessment		
		Banking Layer	Shared Layer	Banking Layer	Shared Layer	
Anderson	\$288,198	\$2,387	\$17,671			\$268,140
Auburn	\$339,051	\$8,206	\$26,900			\$303,945
Colusa	\$129,494	\$20,583	\$11,032			\$97,879
Corning	\$104,259	\$52,733	\$12,753			\$38,774
Dixon	\$553,409	\$178,005	\$35,350			\$340,054
Elk Grove	\$1,393,943	\$98,265	\$37,118			\$1,258,561
Folsom	\$2,021,376	\$662,804	\$174,545			\$1,184,027
Galt	\$604,347	\$7,879	\$40,762			\$555,707
Gridley	\$159,063	\$106,687	\$18,282			\$34,094
Ione	\$58,200	\$11,511	\$3,593			\$43,097
Jackson	\$163,295	\$32,621	\$10,332			\$120,342
Lincoln	\$528,128	\$177,218	\$49,230			\$301,680
Marysville	\$264,001	\$26,958	\$20,644			\$216,399
Nevada City	\$201,153	\$6,946	\$9,840			\$184,367
Oroville	\$550,885		\$31,888	\$72,513		\$591,510
Paradise	\$402,967		\$29,888	\$37,141		\$410,221
Placerville	\$282,089	\$65,852	\$27,695			\$188,542
Red Bluff	\$639,346		\$34,463	\$51,214		\$656,096
Rio Vista	\$199,380	\$117	\$14,012			\$185,251
Rocklin	\$1,134,912	\$43,625	\$83,324			\$1,007,963
Willows	\$99,215	\$60,123	\$10,244			\$28,848
Yuba City	\$1,572,062		\$81,436	\$27,892		\$1,518,518
Total:	\$11,688,775	\$1,562,520	\$781,000	\$188,760	\$0	\$9,534,015

Member Entity	Work Comp Funding 80% CL					NET AMOUNT
	Work Comp Deposit	DIVIDEND		Assessment		
		Banking Layer	Shared Layer	Banking Layer	Shared Layer	
Anderson	\$297,709	\$2,387	\$17,671			\$277,651
Auburn	\$350,356	\$8,206	\$26,900			\$315,250
Colusa	\$133,507	\$20,583	\$11,032			\$101,892
Corning	\$108,134	\$52,733	\$12,753			\$42,648
Dixon	\$572,062	\$178,005	\$35,350			\$358,706
Elk Grove	\$1,442,943	\$98,265	\$37,118			\$1,307,560
Folsom	\$2,089,130	\$662,804	\$174,545			\$1,251,781
Galt	\$625,111	\$7,879	\$40,762			\$576,471
Gridley	\$164,637	\$106,687	\$18,282			\$39,667
Ione	\$59,996	\$11,511	\$3,593			\$44,893
Jackson	\$168,330	\$32,621	\$10,332			\$125,377
Lincoln	\$546,113	\$177,218	\$49,230			\$319,665
Marysville	\$272,379	\$26,958	\$20,644			\$224,777
Nevada City	\$207,418	\$6,946	\$9,840			\$190,632
Oroville	\$570,013		\$31,888	\$72,513		\$610,638
Paradise	\$416,460		\$29,888	\$37,141		\$423,714
Placerville	\$291,443	\$65,852	\$27,695			\$197,897
Red Bluff	\$660,577		\$34,463	\$51,214		\$677,327
Rio Vista	\$205,753	\$117	\$14,012			\$191,624
Rocklin	\$1,173,317	\$43,625	\$83,324			\$1,046,368
Willows	\$102,544	\$60,123	\$10,244			\$32,177
Yuba City	\$1,626,843		\$81,436	\$27,892		\$1,573,299
Total:	\$12,084,775	\$1,562,520	\$781,000	\$188,760	\$0	\$9,930,015



**LIABILITY PROGRAM
ANNUAL BANKING PLAN ADJUSTMENTS**

ACTION ITEM

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

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

FISCAL IMPACT: Total recommended dividend is \$506,483 with assessments of \$79,760. (*For comparison, last year's dividend was \$607,526 with assessments of \$34,369.*)

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

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

ATTACHMENT(S): Liability Banking Layer Plan Adjustments

NCCSIF Banking Layer Targeted Equity and Dividend and Assessment Worksheet										
Liability Banking Layer										
Evaluation of Equity by member above 90% confidence level										
as of 12/31/17 with updated actuary draft 3-9-18										
Adjusted Member Equity at 12/31/17	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
	5640.1									
	1.336									
						<i>Limited to the net margin Above target should equal col E</i>				
ANDERSON	46,775	76,052	19,127	11,907	15,741	15,741	13,181		4,613	-
AUBURN	(36,496)	162,780	40,939	25,486	(102,921)	-	-		-	(20,584)
COLUSA	(61,256)	93,111	23,417	14,578	(99,251)	-	-		-	(19,850)
CORNING	36,237	19,321	4,859	3,025	28,353	28,353	23,741		8,309	-
DIXON	114,300	65,430	16,455	10,244	87,601	87,601	73,353		25,674	-
FOLSOM	899,515	970,905	244,180	152,011	503,324	503,324	421,458		147,510	-
GALT	262,263	69,761	17,545	10,922	233,796	233,796	195,769		68,519	-
GRIDLEY	72,054	102,024	25,659	15,974	30,421	30,421	25,473		8,916	-
IONE	(2,467)	16,809	4,227	2,632	(9,326)	-	-		-	(9,326)
JACKSON	3,215	76,069	19,131	11,910	(27,826)	-	-		-	(10,000)
LINCOLN	208,813	271,103	68,181	42,446	98,186	98,186	82,216		28,776	-
MARYSVILLE	204,045	146,653	36,883	22,961	144,201	144,201	120,747		42,261	-
OROVILLE	131,452	71,383	17,953	11,176	102,323	102,323	85,680		29,988	-
PARADISE	139,104	208,060	52,327	32,575	54,202	54,202	45,386		15,885	-
RED BLUFF	246,770	97,790	24,594	15,311	206,865	206,865	173,218		60,626	-
RIO VISTA	(3,868)	65,109	16,374	10,194	(30,436)	-	-		-	(10,000)
ROCKLIN	137,080	295,752	74,381	46,305	16,394	16,394	13,728		4,805	-
WILLOWS	13,558	60,995	15,340	9,550	(11,332)	-	-		-	(10,000)
YUBA CITY	339,165	324,430	81,593	50,795	206,777	206,777	173,145		60,601	-
	2,750,259	3,193,537	803,165	500,002	1,447,092	1,728,184	1,447,095	-	-	506,483 (79,760)
					Margin to 90% conf. level	803,165				
					Plus 10x SIR	500,000				
					Total target equity	1,303,165				
					Amount above/(below) margin	1,447,094				



**LIABILITY PROGRAM
ANNUAL SHARED RISK PLAN ADJUSTMENTS**

ACTION ITEM

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

Based on the most recent actuary report, the Fund is estimated to have available assets of \$7,812,000 as of June 30, 2018. This is \$3,051,000 above Outstanding Liabilities at the Expected Confidence Level (CL) and \$993,000 over Liabilities at the 90% CL. This represents a significant improvement over last year, when the Fund was (\$1,525,000) *below* the 90% CL, and the first time assets have been above the 90% CL in at least five years. The Fund has also reached its other target benchmark of Net Position at least 5 times the SIR of \$450,000 (\$2,250,000), with Net Position estimated at just over \$3 million.

Members previously agreed to assess themselves \$600,000 per year for up to five years in an effort to increase assets and meet target funding goals, with FY 18/19 the fifth year of assessments. The attached provides the allocation of the assessment among the members, noting that *there will be no CJPRMA dividend this year to offset any assessment*. Given that the Fund has just exceeded its funding goals after years of assessments, the Program Managers do not recommend a refund or assessment if the members agree to fund at the 80% CL for FY 18/19 (next agenda item).

RECOMMENDATION: The Executive Committee recommends no refunds or assessments if GL funding is increased to 80% CL for FY 18/19.

FISCAL IMPACT: Funding at the 80% CL will increase the total by \$485,925 over the 75% CL

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

ATTACHMENT(S): Liability Shared Risk Layer Plan Adjustments

NCCSIF Shared Risk Layer Plan Fund Adjustments - LIABILITY for 2018 Distribution

Estimated Available Assets as of June 30, 2018		Outstanding Liabilities @ Expected 6/30/18	Outstanding Liabilities @ 70%	Outstanding Liabilities @ 80%	Outstanding Liabilities @ 90%	Benchmark Comparison Net Position to 5x SIR	Refund Available
A	B	C	D	E	F	G	Lesser of (A-F) or (C-G)
\$7,812,000		\$4,761,000	\$5,349,000	\$5,921,000	\$6,819,000	Net Position minus 5X SIR	\$993,000
	Surplus/Deficit	\$3,051,000	\$2,463,000	\$1,891,000	\$993,000	\$3,051,000 - \$2,250,000	\$801,000
		-\$					No refund recommended
Members	Historical Shared Layer Contributions FY 05/06 to FY	Total %		Assessment Allocation	Less CJPRMA Refund	Assessment Amount	
				\$600,000	\$ -		
Anderson	\$448,753	2.61%		\$15,679	0	\$15,679	
Auburn	\$945,212	5.50%		\$33,025	0	\$33,025	
Colusa	\$284,690	1.66%		\$9,947	0	\$9,947	
Corning	\$426,439	2.48%		\$14,899	0	\$14,899	
Dixon	\$892,109	5.19%		\$31,170	0	\$31,170	
Elk Grove	N/A						
Folsom	\$2,846,711	16.58%		\$99,462	0	\$99,462	
Galt	\$1,140,979	6.64%		\$39,865	0	\$39,865	
Gridley	\$458,569	2.67%		\$16,022	0	\$16,022	
Ione	\$71,389	0.42%		\$2,494	0	\$2,494	
Jackson	\$325,473	1.90%		\$11,372	0	\$11,372	
Lincoln	\$1,396,708	8.13%		\$48,800	0	\$48,800	
Marysville	\$679,694	3.96%		\$23,748	0	\$23,748	
Nevada City	N/A						
Oroville	\$1,059,847	6.17%		\$37,030	0	\$37,030	
Paradise	\$760,768	4.43%		\$26,581	0	\$26,581	
Placerville	N/A						
Red Bluff	\$973,379	5.67%		\$34,009	0	\$34,009	
Rio Vista	\$380,549	2.22%		\$13,296	0	\$13,296	
Rocklin	\$1,786,838	10.41%		\$62,431	0	\$62,431	
Willows	\$218,492	1.27%		\$7,634	0	\$7,634	
Yuba City	\$2,076,093	12.09%		\$72,537	0	\$72,537	
Total	\$17,172,692	100.00%		\$600,000	0	\$600,000	

* Missing data from 2001/02 and 2004/05

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



**LIABILITY PROGRAM
FY 18/19 DEPOSIT PREMIUM CALCULATIONS**

ACTION ITEM

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

- Total funding at the current 75% Confidence Level (CL) for FY 18/19 is estimated at \$5,792,599, compared to \$5,605,674 for FY 17/18 (an increase of 3.3%, or \$186,925). Payroll for the liability program increased by 3.5%, accounting for all of the funding increase. One member exceeded the 25% cap slightly.
- Total funding at an 80% CL is estimated at \$6,091,599, an increase of 8.7% over FY 17/18 funding at the 75% CL. The increase from a 75% to 80% CL for FY 18/19 funding is \$299,000, or 5.2%. One member is capped at 28%, to adjust the 25% cap to the higher CL.

RECOMMENDATION: the Executive Committee recommend increasing funding from the 75% CL to the 80% CL for FY 17/18.

FISCAL IMPACT: TBD, based on chosen funding Confidence Level, per above options.

BACKGROUND: Members have steadily increased the Confidence Level of annual funding from 67.5% to 70% to the current 75% CL. Over the same period the Discount Factor has decreased from 3% to 1.5%. Both of these changes have contributed to an increase in total funding, in addition to increases in payroll in prior years. In addition, members have been assessed \$600,000 per year for the last several years to increase Shared Layer assets.

ATTACHMENTS:

1. Preliminary FY 18/19 Liability Deposit Calculations, 75% CL
2. Preliminary FY 18/19 Liability Deposit Calculations, 80% CL
3. FY 18/19 Liability Deposit Premium CL Comparison
4. FY 18/19 Net Funding CL Comparison

FY 18/19 NCCSIF General Liability Funding Allocation PRELIMINARY

75% Confidence Level

Total Admin Expense = \$584,139

A	B	C	D	E	F	G	H	I	J	K	L	S
Formula/Allocation	Payroll (P)	Member Weighted Share Last 5 Years 25% Payroll, 75% Losses	Member Share of EX MOD Adjusted Payroll X Total Funding	Member Weighted Share Last 5 Years 75% Payroll, 25% Losses	(Admin/2) X Member % of Total Payroll	(Admin/2) ÷ 19 Equal Shares	C+D+E+F+G				Member % of Total Uncapped Payroll X Capped Amount	
Member	2017 Calendar Year Payroll (DE 9)	BANKING LAYER \$0 to \$50K (*Folsom \$0 to \$100K)	SHARED LAYER \$50K to \$500K	CJPRMA EXCESS LAYER \$500k to \$40M	ADMIN EXPENSE 50%	ADMIN EXPENSE 50%	FY 18/19 TOTAL DEPOSIT 75% CL	FY 17/18 TOTAL DEPOSIT 75% CL	\$ Change Overall	% Change Overall	Cap 25%*	Payroll Increase from 2016
Rate/Amount	Exposure Base	\$1,985,000	\$1,946,000	\$1,216,741	\$292,070	\$292,070					(\$2,598)	Exposure Base
Anderson	\$3,892,316	\$37,165	\$43,003	\$24,593	\$6,812	\$15,372	\$126,945	\$113,720	\$13,224	11.63%	\$126,882	9%
Auburn	\$6,599,546	\$147,389	\$111,435	\$60,969	\$11,550	\$15,372	\$346,715	\$279,451	\$67,265	24.07%	\$349,313	4%
Colusa	\$2,307,226	\$42,998	\$30,942	\$19,717	\$4,038	\$15,372	\$113,067	\$98,013	\$15,055	15.36%	\$113,030	0%
Corning	\$3,180,106	\$38,101	\$39,011	\$23,287	\$5,566	\$15,372	\$121,337	\$110,682	\$10,655	9.63%	\$121,285	1%
Dixon	\$7,539,682	\$34,302	\$67,042	\$44,129	\$13,196	\$15,372	\$174,041	\$176,962	-\$2,921	-1.65%	\$173,919	-2%
Elk Grove												
Folsom*	\$40,703,191	\$578,783	\$488,774	\$317,858	\$71,238	\$15,372	\$1,472,026	\$1,508,244	-\$36,218	-2.40%	\$1,471,366	7%
Galt	\$10,696,052	\$96,930	\$104,958	\$68,325	\$18,720	\$15,372	\$304,305	\$297,317	\$6,988	2.35%	\$304,132	9%
Gridley	\$3,898,873	\$46,601	\$58,785	\$33,040	\$6,824	\$15,372	\$160,622	\$162,401	-\$1,779	-1.10%	\$160,558	8%
Ione	\$1,328,981	\$17,256	\$16,243	\$10,065	\$2,326	\$15,372	\$61,262	\$60,693	\$569	0.94%	\$61,241	4%
Jackson	\$2,377,166	\$74,081	\$36,958	\$25,997	\$4,160	\$15,372	\$156,568	\$156,798	-\$229	-0.15%	\$156,530	7%
Lincoln	\$13,781,309	\$125,610	\$135,550	\$86,116	\$24,120	\$15,372	\$386,768	\$353,754	\$33,014	9.33%	\$386,545	7%
Marysville	\$3,323,440	\$91,558	\$44,554	\$34,330	\$5,817	\$15,372	\$191,631	\$224,879	-\$33,248	-14.78%	\$191,577	0%
Nevada City												
Oroville	\$5,721,964	\$63,729	\$87,762	\$49,020	\$10,015	\$15,372	\$225,898	\$230,761	-\$4,863	-2.11%	\$225,805	-18%
Paradise	\$4,051,393	\$73,962	\$61,444	\$36,249	\$7,091	\$15,372	\$194,118	\$189,816	\$4,302	2.27%	\$194,052	-1%
Placerville												
Red Bluff	\$6,200,247	\$53,557	\$61,869	\$37,743	\$10,852	\$15,372	\$179,393	\$197,038	-\$17,645	-8.95%	\$179,293	7%
Rio Vista	\$3,944,364	\$32,714	\$37,361	\$23,541	\$6,903	\$15,372	\$115,892	\$106,195	\$9,698	9.13%	\$115,828	6%
Rocklin	\$20,590,340	\$223,105	\$272,223	\$154,501	\$36,037	\$15,372	\$701,238	\$664,376	\$36,862	5.55%	\$700,904	-7%
Willows	\$1,691,174	\$22,239	\$25,660	\$14,663	\$2,960	\$15,372	\$80,893	\$75,942	\$4,952	6.52%	\$80,866	-8%
Yuba City	\$25,051,436	\$184,919	\$222,424	\$152,600	\$43,845	\$15,372	\$619,159	\$598,635	\$20,525	3.43%	\$618,753	4%
Total:	\$166,878,805	\$1,985,000	\$1,946,000	\$1,216,741	\$292,070	\$292,070	\$5,731,880	\$5,605,674	\$126,206	2.25%	\$5,731,880	3.5%
Actuary/Verification		\$1,985,000	\$1,946,000	\$1,216,741			\$5,731,880					

*Adjusted based on increased CL.

Don't Participate In GL Program

Payroll Less Capped Members \$160,279,260

FY 18/19 NCCSIF General Liability Funding Allocation PRELIMINARY

80% Confidence Level

Total Admin Expense = \$584,139

A	B	C	D	E	F	G	H	I	J	K	L	S	
Formula/Allocation	Payroll (P)	Member Weighted Share Last 5 Years 25% Payroll, 75% Losses	Member Share of EX MOD Adjusted Payroll X Total Funding	Member Weighted Share Last 5 Years 75% Payroll, 25% Losses	(Admin/2) X Member % of Total Payroll	(Admin/2) ÷ 19 Equal Shares	C+D+E+F+G				Member % of Total Uncapped Payroll X Capped Amount		
Member	2017 Calendar Year Payroll (DE 9)	BANKING LAYER \$0 to \$50K <i>(*Folsom \$0 to \$100K)</i>	SHARED LAYER \$50K to \$500K	CJPRMA EXCESS LAYER \$500k to \$40M	ADMIN EXPENSE 50%	ADMIN EXPENSE 50%	FY 18/19 TOTAL DEPOSIT 80% CL	FY 17/18 TOTAL DEPOSIT 75% CL	\$ Change Overall	% Change Overall	Cap 28%*	Payroll Increase from 2016	2016 Calendar Year Payroll (DE 9)
Rate/Amount	Exposure Base	\$2,134,000	\$2,096,000	\$1,216,741	\$292,070	\$292,070					\$8,671		Exposure Base
Anderson	\$3,892,316	\$39,954	\$46,318	\$24,593	\$6,812	\$15,372	\$133,049	\$113,720	\$19,329	17.00%	\$133,260	9%	\$3,564,429
Auburn	\$6,599,546	\$158,452	\$120,025	\$60,969	\$11,550	\$15,372	\$366,368	\$279,451	\$86,917	31.10%	\$357,697	4%	\$6,348,787
Colusa	\$2,307,226	\$46,226	\$33,328	\$19,717	\$4,038	\$15,372	\$118,680	\$98,013	\$20,667	21.09%	\$118,805	0%	\$2,304,648
Corning	\$3,180,106	\$40,961	\$42,018	\$23,287	\$5,566	\$15,372	\$127,204	\$110,682	\$16,522	14.93%	\$127,376	1%	\$3,140,249
Dixon	\$7,539,682	\$36,877	\$72,210	\$44,129	\$13,196	\$15,372	\$181,783	\$176,962	\$4,822	2.72%	\$182,191	-2%	\$7,693,827
Elk Grove													
Folsom*	\$40,703,191	\$622,228	\$526,450	\$317,858	\$71,238	\$15,372	\$1,553,146	\$1,508,244	\$44,902	2.98%	\$1,555,348	7%	\$37,958,470
Galt	\$10,696,052	\$104,206	\$113,048	\$68,325	\$18,720	\$15,372	\$319,672	\$297,317	\$22,354	7.52%	\$320,250	9%	\$9,787,885
Gridley	\$3,898,873	\$50,099	\$63,316	\$33,040	\$6,824	\$15,372	\$168,651	\$162,401	\$6,250	3.85%	\$168,862	8%	\$3,599,942
Ione	\$1,328,981	\$18,552	\$17,495	\$10,065	\$2,326	\$15,372	\$63,810	\$60,693	\$3,117	5.14%	\$63,882	4%	\$1,273,191
Jackson	\$2,377,166	\$79,641	\$39,807	\$25,997	\$4,160	\$15,372	\$164,978	\$156,798	\$8,180	5.22%	\$165,106	7%	\$2,223,818
Lincoln	\$13,781,309	\$135,039	\$145,998	\$86,116	\$24,120	\$15,372	\$406,645	\$353,754	\$52,891	14.95%	\$407,391	7%	\$12,897,112
Marysville	\$3,323,440	\$98,431	\$47,989	\$34,330	\$5,817	\$15,372	\$201,938	\$224,879	-\$22,941	-10.20%	\$202,118	0%	\$3,325,857
Nevada City													
Oroville	\$5,721,964	\$68,513	\$94,527	\$49,020	\$10,015	\$15,372	\$237,446	\$230,761	\$6,685	2.90%	\$237,756	-18%	\$7,008,304
Paradise	\$4,051,393	\$79,514	\$66,180	\$36,249	\$7,091	\$15,372	\$204,406	\$189,816	\$14,590	7.69%	\$204,625	-1%	\$4,094,565
Placerville													
Red Bluff	\$6,200,247	\$57,577	\$66,638	\$37,743	\$10,852	\$15,372	\$188,182	\$197,038	-\$8,855	-4.49%	\$188,518	7%	\$5,798,073
Rio Vista	\$3,944,364	\$35,170	\$40,241	\$23,541	\$6,903	\$15,372	\$121,228	\$106,195	\$15,033	14.16%	\$121,441	6%	\$3,736,526
Rocklin	\$20,590,340	\$239,852	\$293,207	\$154,501	\$36,037	\$15,372	\$738,968	\$664,376	\$74,592	11.23%	\$740,082	-7%	\$22,156,572
Willows	\$1,691,174	\$23,908	\$27,638	\$14,663	\$2,960	\$15,372	\$84,541	\$75,942	\$8,599	11.32%	\$84,632	-8%	\$1,836,025
Yuba City	\$25,051,436	\$198,799	\$239,568	\$152,600	\$43,845	\$15,372	\$650,184	\$598,635	\$51,550	8.61%	\$651,540	4%	\$24,146,931
Total:	\$166,878,805	\$2,134,000	\$2,096,000	\$1,216,741	\$292,070	\$292,070	\$6,030,880	\$5,605,674	\$425,206	7.59%	\$6,030,880	3%	\$161,275,769
Actuary/Verification		\$2,134,000	\$2,096,000	\$1,216,741			\$6,030,880						

*Adjusted based on increased CL.

Don't Participate In GL Program

Payroll Less Capped Members \$160,279,260

FY 18/19 GL DEPOSIT PREMIUM

Members	75% CL	80% CL	Difference
Anderson	\$126,945	\$133,049	\$6,104
Auburn	\$346,715	\$366,368	\$19,653
Colusa	\$113,067	\$118,680	\$5,613
Corning	\$121,337	\$127,204	\$5,867
Dixon	\$174,041	\$181,783	\$7,743
Elk Grove	N/A	N/A	N/A
Folsom	\$1,472,026	\$1,553,146	\$81,121
Galt	\$304,305	\$319,672	\$15,366
Gridley	\$160,622	\$168,651	\$8,029
Ione	\$61,262	\$63,810	\$2,547
Jackson	\$156,568	\$164,978	\$8,410
Lincoln	\$386,768	\$406,645	\$19,877
Maysville	\$191,631	\$201,938	\$10,307
Nevada City	N/A	N/A	N/A
Oroville	\$225,898	\$237,446	\$11,549
Placerville	\$194,118	\$204,406	\$10,288
Paradise	N/A	N/A	N/A
Red Bluff	\$179,393	\$188,182	\$8,789
Rio Vista	\$115,892	\$121,228	\$5,335
Rocklin	\$701,238	\$738,968	\$37,730
Willows	\$80,893	\$84,541	\$3,647
Yuba City	\$619,159	\$650,184	\$31,025
Total	\$5,731,880	\$6,030,880	\$299,000

FY 18/19 NCCSIF GL Net Program Funding Summary Comparison

Member Entity	Liability Funding 75% CL					NET AMOUNT
	Liability Deposit	DIVIDEND		Assessment		
		Banking Layer	Shared Layer	Banking Layer	Shared Layer	
Anderson	\$126,945	\$4,613			\$15,679	\$138,011
Auburn	\$346,715			\$20,584	\$33,025	\$400,324
Colusa	\$113,067			\$19,850	\$9,947	\$142,864
Corning	\$121,337	\$8,309			\$14,899	\$127,927
Dixon	\$174,041	\$25,674			\$31,170	\$179,537
Elk Grove						
Folsom	\$1,472,026	\$147,510			\$99,462	\$1,423,977
Galt	\$304,305	\$68,519			\$39,865	\$275,651
Gridley	\$160,622	\$8,916			\$16,022	\$167,728
Ione	\$61,262			\$9,326	\$2,494	\$73,083
Jackson	\$156,568			\$10,000	\$11,372	\$177,940
Lincoln	\$386,768	\$28,766			\$48,800	\$406,802
Marysville	\$191,631	\$42,261			\$23,748	\$173,118
Nevada City						
Oroville	\$225,898	\$29,988			\$37,030	\$232,940
Paradise	\$194,118	\$15,885			\$26,581	\$204,814
Placerville						
Red Bluff	\$179,393	\$60,626			\$34,009	\$152,776
Rio Vista	\$115,892			\$10,000	\$13,296	\$139,188
Rocklin	\$701,238	\$4,805			\$62,431	\$758,864
Willows	\$80,893			\$10,000	\$7,634	\$98,527
Yuba City	\$619,159	\$60,601			\$72,537	\$631,095
Total:	\$5,731,880	\$506,473	\$0	\$79,760	\$600,000	\$5,905,167

Member Entity	Liability Funding 80% CL					NET AMOUNT
	Liability Deposit	DIVIDEND		Assessment		
		Banking Layer	Shared Layer	Banking Layer	Shared Layer	
Anderson	\$133,049	\$4,613				\$128,436
Auburn	\$366,368			\$20,584		\$386,952
Colusa	\$118,680			\$19,850		\$138,530
Corning	\$127,204	\$8,309				\$118,895
Dixon	\$181,783	\$25,674				\$156,109
Elk Grove						
Folsom	\$1,553,146	\$147,510				\$1,405,636
Galt	\$319,672	\$68,519				\$251,153
Gridley	\$168,651	\$8,916				\$159,735
Ione	\$63,810			\$9,326		\$73,136
Jackson	\$164,978			\$10,000		\$174,978
Lincoln	\$406,645	\$28,766				\$377,879
Marysville	\$201,938	\$42,261				\$159,677
Nevada City						
Oroville	\$237,446	\$29,988				\$207,458
Paradise	\$204,406	\$15,885				\$188,521
Placerville						
Red Bluff	\$188,182	\$60,626				\$127,556
Rio Vista	\$121,228			\$10,000		\$131,228
Rocklin	\$738,968	\$4,805				\$734,163
Willows	\$84,541			\$10,000		\$94,541
Yuba City	\$650,184	\$60,601				\$589,583
Total:	\$6,030,880	\$506,473	\$0	\$79,760	\$0	\$5,604,167



Agenda Item H.5.

VIOLENT EVENT LIABILITY PROGRAM SUBLIMIT OPTION

ACTION ITEM

ISSUE: As a result of the shooting incident in Tehama County this past November, one Member (Corning) incurred significant overtime response costs that impacted their budget. At the Long Range Planning meeting, the Board requested options for providing some type of coverage for the cost of responding to such events - - possibly tied to the NCCSIF Liability Program although not specifically a Third Party loss.

This new exposure has created a market for coverage of “active shooter” events that is now being offered commercially but is tailored to the needs of insureds who have an incident occur *on their property*. While that, too, is an exposure faced by Members, it does not address the unique exposures related to responding to such events, most notably the extraordinary cost of emergency personnel. The Program Administrators have drafted an endorsement to the Liability MOC that will allow Members to use their Banking Layer funds following a **Violent Event** as defined in the endorsement.

The endorsement language allows the Member to decide if they want to use their Banking Layer after a Violent Event. It does not require that the Member provide any documentation of having paid an extraordinary amount of extra expense or overtime for emergency personnel, only that the triggering event has occurred. The Board could elect to provide a limited amount of coverage from the Shared Risk Layer as well, though at this time the endorsement does not include such coverage. The Executive Committee suggested that additional language requiring proof of loss be added prior to expanding coverage to the Shared Layer.

The recommended endorsement language is based on similar language found in the “parametric” insurance policies we briefly discussed at the last Board meeting. Parametric coverage is the preferred approach because it delivers payment to the insured most quickly after a triggering event. The amount of the payment is set in advance and paid promptly once the event that meets the coverage parameters occurs. Please refer to the Background below for more details on this type of coverage and how it may be expanded in the future to cover more types of events.

RECOMMENDATION: Review and provide approval or direction regarding Violent Event coverage.

FISCAL IMPACT: TBD. The biggest impact would be to a Member who elects to use this coverage, as they would still be required to maintain a sufficient balance in their Banking Layer for other claims and would end up repaying the money over time. If the Board chose to add a \$50,000 sublimit of coverage from the Shared Layer, for example, the impact for one member would be minimal, though it is possible that perhaps four or five members could be involved in a single event and receive payment. No actuarial analysis will assist in determining these costs - they are random (and hopefully infrequent).



Agenda Item H.5. *continued*

BACKGROUND: One of the strategic goals identified by the Board at their last meeting was an interest in “parametric” style coverage for certain types of risks, like civil disorder, wildfires, or active shooters. Parametric coverage differs from other types of coverage in the “trigger” for loss payment by the insurer. There are three general types of insurance coverage triggers:

Standard insurance reimburses based on *indemnity* - making the insured “whole” again after a loss. Catastrophe bonds and other types of insurance-backed securities use an *index* – a single value representing an aggregation of defined losses within a specific time.

Parametric coverage uses set *parameters*, such as the magnitude of the event, e.g. a 7.5 magnitude earthquake. Both the securities and parametric coverage pay a *set amount* based on their triggers, regardless of the amount of the insured’s actual loss. This makes the payment of the loss much quicker and more certain when the trigger is met.

The key to providing the coverage is to define the parameters upon which payment is made. Coverage for one company is triggered by “an armed person who has used or attempted to use deadly force on other persons and aggressively continues to do so while having unrestricted access to additional victims”. Some commercial policies set parameters of at least three casualties or injuries and no more than fifty.

If Members wanted to later expand the coverage to include more incidents, like civil disorder, it may be possible to cover a number of triggering events. The parameters for payment might be based on a Member’s public safety payroll increasing by a minimum percentage due to overtime in responding to the event. Before we expand coverage on a broader context we should 1) take this first step with Violent Event coverage, and 2) explore all available options to provide coverage commercially available, if at a reasonable cost. (Right now, any sort of “parametric”, or other insurance product, would not likely be cost effective unless NCCSIF secured this coverage through a large ‘group purchase’ to generate the economies of scale necessary).

Commercial insurance options, designed for property owners, also include coverages that NCCSIF members already have, including third-party legal liability and Critical Incident Counseling Services through CSAC-EIA for incidents that impact a member’s workplace. A comparison of how these coverages and services may overlap will be part of the analysis if NCCSIF were to consider purchasing commercial insurance

ATTACHMENT(S): Draft Violent Event Endorsement



LIABILITY AMENDATORY ENDORSEMENT
UNDERLYING MEMORANDUM OF COVERAGE
VIOLENT EVENT COVERAGE

It is understood and agreed that after a **Violent Event** requiring emergency service response from any Member, such Member may elect payment up to the amount of their Banking Layer.

Violent Event is defined as an individual or group of individuals who has used or attempted to use deadly force on other persons and continues to do so while having unrestricted access to additional victims.

Notwithstanding what is stated in the applicable declarations, the limit of coverage described in this endorsement shall not exceed the Member's Banking Layer per **Violent Event** or in the aggregate for the applicable Program Year.

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

David R. Warren, NCCSIF President

Endorsement Effective Date: July 1, 2018



Agenda Item H.6.

FIRE DEPARTMENT GUIDELINES AND TRAINING OPTIONS

INFORMATION ITEM

ISSUE: A number of members have expressed interest in subscribing to Lexipol's Fire Services to establish and maintain their Fire Policy Manuals and provide regular training bulletins and webinars. This service is similar to the service NCCSIF provides to member police departments.

Members will receive a significant discount if NCCSIF pays for the service and allocates the cost to the applicable members (\$52,769 if purchased separately, \$28,664 if one invoice to NCCSIF).

For comparison of member options, the Program Managers also requested a quote from Target Solutions to add their Premium Fire and EMS Content to the currently available menu of online training. The annual fee is quoted at \$21,520. TargetSolutions noted that there is no need to enter into master contract with TargetSolutions as NCCSIF members can avail the CSAC EIA discounted rate for the premium contents at \$80 per user per year, as opposed to \$109 per user per year plus maintenance fee. The TargetSolutions standard training is paid for by CSAC EIA as part of the program benefits. Given the additional services provided by Lexipol, their discounted pricing compares favorably to the cost of the additional online training.

RECOMMENDATION: Proceeding to move forward to a master contract with Lexipol.

FISCAL IMPACT: None to NCCSIF. See attached for breakdown by member.

BACKGROUND: Interest in the Lexipol Fire Services was initiated by both the City of Dixon and the newly combined Lincoln and Rocklin Fire Departments, both of whom needed assistance in updating and maintaining their policy manuals. Other members expressed interest after the Program Managers reached out for feedback.

ATTACHMENT(S):

1. Lexipol Fire Services Cost Breakdown by City
2. Lexipol Fire Subscription Services Brochure
3. TargetSolutions Fire & EMS Premium Content Quote

Lexipol Fire Subscription Services Quote

	Full Time Fire Fighters	Number of Firefighters Volunteers	Adjusted Staffing	2018 Pricing	Single Invoice to NCCSIF Discount (50% of List)
1 City of Auburn	14	5	15	\$5,684	\$2,842
2 City of Colusa	5	20	7	\$4,260	\$2,130
3 City of Corning	1	29	4	\$2,735	\$1,368
4 City of Dixon	22	5	23	\$7,819	\$3,910
5 City of Folsom	65		65	\$9,643	\$4,822
6 City of Jackson	6	12	7	\$4,260	\$2,130
7 City of Lincoln	20		20	\$7,819	\$3,910
8 City of Oroville	15		15	\$7,819	\$3,910
9 City of Red Bluff	26		26	\$8,725	\$4,363
10 City of Rocklin	33		33	\$8,725	\$4,363
11 City of Willows	5	10	6	\$4,260	\$2,130
Total	212	81	220	\$71,749	\$35,875

Note: The cities of Lincoln and Rocklin share leadership and therefore 'share' a manual.

**NCCSIF members would receive:*

1) the policy subscription

2) legal updates

3) Daily Training Bulletins (DTBs) - 10 per month; and

4) SPS platform - where agencies 'house' their procedues

In addition, Willows would begin receiving DTBs; and both Willows and Lincoln/Rocklin would receive the SPS platform

Note: Implementation and Management Services is separate service and does not include in the training subscription services. Cost for this service is based on 'page count' of current policy manual and number of policies each individual agency has. Estimate cost to assist an agency with the implementation is between \$8,000 to \$16,000 (100 hours to 200 hours for most agencies).



ENSURE SAFETY AND REDUCE LIABILITY WITH STATE-SPECIFIC POLICIES AND TRAINING

Are your policies putting you at risk?

Operating with inconsistent or incomplete policies can increase your department's chances of experiencing an adverse event—and the potential for significant legal liability.

Achieve Peace of Mind with Lexipol

Lexipol's Fire Policy Manual provides:

- State-specific policies vetted by fire service professionals and public safety attorneys
- Updates in response to legislation, case law and evolving best practices
- Daily, scenario-based training to bring policies to life
- 24/7 access to your policies via a web-based platform and mobile app

Trusted by more than **3,000 public safety agencies** in **32 states**

PROVEN RESULTS

After implementing Lexipol, Oregon agencies experienced:

45% reduction in frequency of litigated claims

48% reduction in severity of claims paid out.

(Source: Citycounty Insurance Services)

Colorado member agencies that implemented Lexipol had

37% fewer claims and

67% lower incurred costs than those that didn't.

(Source: Colorado Intergovernmental Risk Sharing Agency)

Experience the benefits of Lexipol's fire policy services:



Keep your firefighters safe

Easy-to-understand policies and training create the foundation for consistent, safe operations



Reduce liability

Policies that reflect federal and state laws and fire service best practices provide a strong legal defense



Improve policy understanding

Daily scenario-based training helps your firefighters learn and apply your policies



Save time and money

Comprehensive, continuously updated policy content means you'll spend fewer resources on creating and maintaining your policies



Improve access to policy content

Your policy manual is available anytime, anywhere through our online platform and mobile app



Enhance accountability

Reporting features let you track policy acknowledgement and training

What our customers are saying:



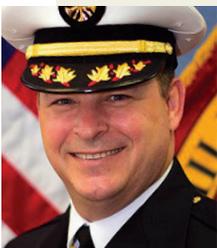
"The benefit of Lexipol is that the work has already been done for you. All of the laws and standards are there; it's just a matter of conforming it to your organization."

Battalion Chief Jeff Stewart
Clark County (WA) Fire District 3



"Before, our firefighters really only accessed policy when something went wrong. With Lexipol, policy content is so much more accessible. And with the ongoing training, we're going to get policy into their heads."

Chief Ted Martin
Branson (MO) Fire Department



"When my firefighters ask, 'Who wrote this?' I can say it's not some lawyer who's just trying to make buck and doesn't care about you. [Lexipol co-founder] Gordon Graham and [Lexipol consultant] Billy Goldfeder are vested in the fire service, in risk management.

As soon as the members know this is coming from them, they buy in."

Chief Jeffrey Pilz
Hillside (IL) Fire Department



"Lexipol serves three purposes: One, it protects citizens by giving us vetted guidelines to follow. Two, it protects firefighters because in court, they can show that they follow the guidelines. And three, as long as we follow the policies, it protects the city's assets."

Chief Bob Watson
Borger (TX) Fire Department

EDUCATE, TRACK AND VERIFY WITH TRAINING BULLETINS

Are You Training On Your Policies?

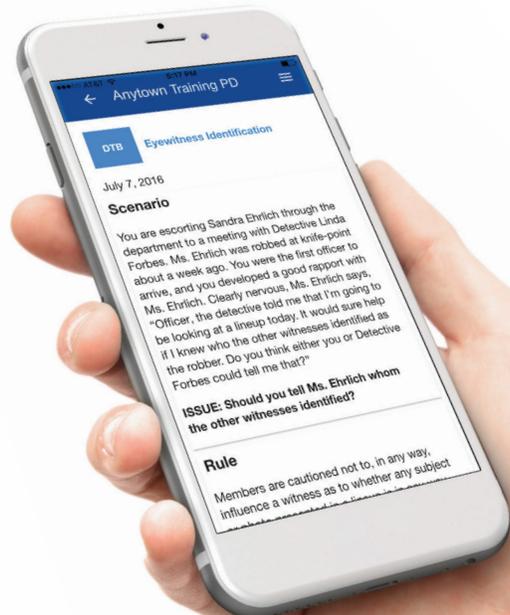
Even the best policy manual isn't as effective if it's not backed by ongoing training. Yet too often, public safety agencies merely ask personnel to acknowledge policies; they don't offer ongoing training. This creates the risk that personnel don't understand policy. It also leaves the organization vulnerable when something goes wrong and it's impossible to prove employees were trained on and understood agency policies.

Improve Policy Compliance

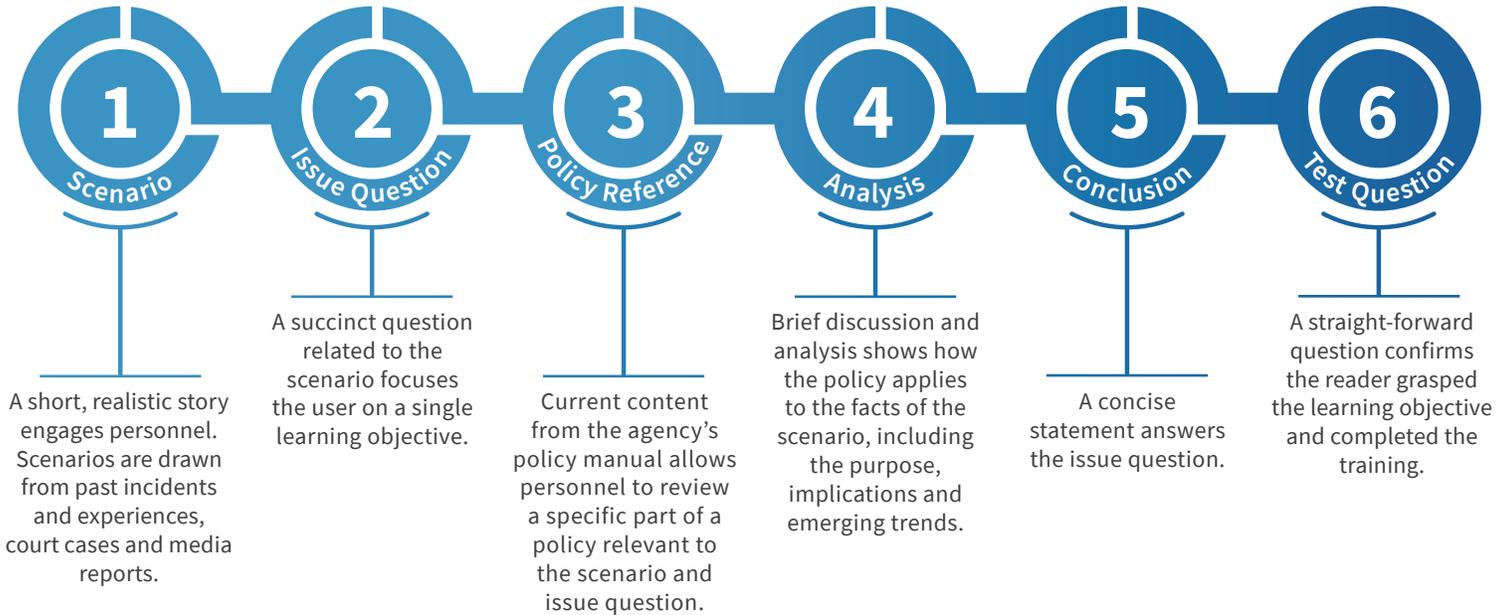
Lexipol's Daily Training Bulletins use a proven system of realistic, ongoing and verifiable training to help personnel learn to apply policies and improve their ability to make well-reasoned decisions. These brief, scenario-based lessons provide a convenient way to enhance your members' policy understanding and defend against claims that you failed to train.

Lexipol's Daily Training Bulletin service provides:

- Enhanced retention of policy content in just minutes a day
- Application of policies to real-world situations
- Ability to electronically issue training bulletins and track completion
- Reports that document training by topic and staff member
- 24/7 access via a web-based platform and mobile app



Anatomy of a Daily Training Bulletin



Training Designed To Protect

Scenario-based training covering high-risk, low-frequency events and core critical tasks, including:

Law Enforcement

- Preventing bias in policing
- Interacting with mentally ill persons
- Use of force
- Traffic stops
- Body-worn cameras

Fire

- Social media
- Personal protective equipment
- Critical incident stress debriefing
- Apparatus operation
- Response to violent incidents

Corrections

- Inmate classification
- Inmate safety checks
- PREA compliance
- Restrictive housing
- Mentally ill inmates

Plus, you can use Lexipol's technology platform to create custom training bulletins!

More Than 3,000 Public Safety Agencies In 35 States Trust Lexipol



"The Daily Training Bulletins [DTBs] make training on policy so simple. They give the officers an opportunity to review the policies using real-life scenarios, and we can easily track completion. Obviously a more thorough knowledge of the policy manual keeps the officers safer. And the DTBs are huge in helping us avoid litigation."

Chief Clifford Block
Midland (MI) Police Department



"The Daily Training Bulletins are a big asset. We now have a tool where an employee can log in any time, be given a policy to review, and complete a test. It shows that the employees have been taken through the policy and understand it."

Chief Ted Martin
Branson (MO) Fire and Rescue



LIGHTEN YOUR WORKLOAD WITH MANAGEMENT SERVICES

One Less Thing To Worry About

Policy updates and monthly training packages are valuable aspects of your Lexipol subscription. But processing updates and issuing training bulletins can take away from other operational priorities.

Lexipol's skilled Management Services staff can free up your time to focus on what matters most. Let our policy experts manage the review, customization and distribution of policy updates and training bulletins as soon as they're available to your agency.

Lexipol's Management Services Include:

Policy Update Management

Start-to-finish project management on every policy update. We'll customize policy updates, integrate them into your agency's online manual, and coordinate review and distribution to your staff.

Policy Update Catch-Up

One-time assistance designed for agencies that have fallen behind on policy updates. We'll review your pending policy updates and develop an implementation plan, integrate the updates into your existing manual, and coordinate review and distribution.

Daily Training Bulletin (DTB) Management

Monthly assistance to maximize the value and applicability of DTBs for your agency. We'll adapt the monthly training packages to fit the parameters of your agency's policy content, issue DTBs to personnel, and provide customized training reports and analysis.

Benefits of Lexipol's Management Services

-  **Stay up to date** on critical policy changes
-  **Deliver timely training** on your policies
-  **Maintain consistency** as you integrate updates
-  **Spend less time** reviewing policy updates and training packages
-  **Free your staff** to focus on other important department initiatives

Trusted By More Than 3,000 Public Safety Agencies In 35 States

ACCELERATE YOUR NEW POLICY SOLUTION

Assistance Tailored For Your Agency

You're committed to adopting a new policy manual. But are you prepared?

A policy rewrite and update project requires dedicated time and effort. You'll be faced with difficult questions about your current policies and procedures, and you'll need to conduct a critical analysis of every aspect of your operations.

At the same time, adopting and customizing new policies is an opportunity to bring your personnel together around a shared vision, and redefine your organizational culture.

You want to get it right. But many departments can't do it alone.

Optimize Your Policy Investment

Lexipol's Professional Services provide:

- Flexible policy customization assistance designed to fit your specific needs
- Guidance from policy consultants who average 30 years of experience in public safety
- A proven structure of policy review and approval developed from our experience with more than 575 implementation projects
- Project management assistance to help you meet your timeline and avoid common policy adoption pitfalls

5X FASTER

Customers who take advantage of our help typically complete their manuals 5 times faster than those who go it alone.

With Lexipol Professional Services, you'll:

- Spend less time and fewer resources on policy review and customization
- Avoid the frustration of making foreseeable mistakes and having to redo work
- Benefit from efficient project management strategies
- Lay a foundation for policy consistency and accountability

Lexipol's Professional Services Options Include:



Policy Cross-Reference

Analysis of your existing policies and procedures against the Lexipol master content, with annotations and tips for integration. We'll identify potential gaps in your current policy content as well as agency-specific content that should be retained for continuity of operations.



Full Implementation

Individually tailored for agencies who want start-to-finish, comprehensive policy adoption assistance. Our implementation consultants will help you through the process of creating a policy manual that fits your agency's unique needs, philosophy and project timeline.



Support+ Package

A discounted, customizable solution for agencies looking for one-on-one policy consultation. Packages are offered in 50-hour increments with a flexible scope of work.

Not sure what service is right for your agency or need customized help?

Lexipol can develop a support package to fit your budget and time constraints.

What Our Customers Are Saying:



"Lexipol's Implementation Services program was key to getting our manuals off the shelf. If it weren't for that, we wouldn't be implemented today. Departments should recognize their limitations and realize that they likely don't have the resources to do it on their own. Implementation Services is key to getting it done."

Major Jeff Fox
Vigo County (IN) Sheriff's Office



"The experience that Lexipol's implementation team brought really helped us get our process into place. Had we done it on our own, we would have been making mistakes throughout. They were able to help us prevent tripping over ourselves."

Deputy Chief Jim Hamilton
Grants Pass (OR)
Department of Public Safety



"The [Policy Cross-Reference] helped us see that many of our policies are actually procedures. And that in turn got us started on condensing the manual."

Chief Jeffrey Pilz
Hillside (IL) Fire Department



"A lot of departments are operating in a black hole when it comes to the policy review process. Lexipol has it figured out; they have great tools they can give you. Chiefs don't have to reinvent the wheel; they can just follow the step-by-step process."

Assistant Chief Scott Neal
Bullhead City (AZ) Fire Department



SCHEDULE A PROPOSAL

TargetSolutions Learning, LLC

4890 W KENNEDY BLVD. SUITE 740
 TAMPA, FL 33609
 877-944-6372 - TOLL FREE
 858-592-6880 - DIRECT / 858-487-8762 - FAX

Account Manager: Tomasita Butler
[Email: tomasita.butler@targetsolutions.com](mailto:tomasita.butler@targetsolutions.com)
Phone: 858-376-1608

DATE OF SUBMISSION
2/14/2018
<p>3/01/2018-2/28/2020 Term of contract is 24 months and may be cancelled by customer after agreed term of service. Payment terms are annually in advance.</p>

Contract Renewal Proposal Exclusively Created for:
Northern California Cities Self Insurance Fund Alliant Insurance Services, Inc.
 ATTN: Raychelle Maranan
 2180 Harvard Street
 Suite 460
 Sacramento, CA 95815
 916-643-2700

DESCRIPTION	UNIT PRICE PER USER	QUANTITY (# of Users)	TOTAL
TargetSolutions Premium Content			
TargetSolutions Premium Fire & EMS Content	\$ 109.00	269	\$ 29,321.00
EIA Member Discount	\$ (29.00)	269	\$ (5,380.00)
Site Setup Fee: N/A		N/A	\$ -
Annual Maintenance Fee: N/A		N/A	\$ -
TOTAL DUE ANNUALLY			\$21,520.00

By signing the Client agreement, you are 1) agreeing to the pricing and terms presented in this proposal; 2) agreeing you have read and accept the Client Agreement and License terms and; 3) agreeing you have read the TargetSolutions Platform System Requirements and Platform Solution Description documents listed in detail at the following url:

<http://www.targetsolutions.com/clients/client-resources/>

TargetSolutions, Inc. business proposal pricing is good for 30 days from Date of Submission listed above.



TARGETSOLUTIONS

**CSAC EXCESS INSURANCE AUTHORITY
ONLINE COURSE CATALOG**



UPDATED AUGUST 2017

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Welcome to TargetSolutions' course catalog. On pages 3-15, you will find courses available to EIA members through TargetSolutions, including LearnSmart & SmartTeam courses for professional development. Pages 16-26 feature additional courses that can be purchased by EIA members at a discounted rate. Please contact us at (800) 840-8048 with questions.

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NOTE:

Training Modules highlighted in GREEN are Standard Trainings paid for by CSAC EIA program benefits.

Training Modules highlighted in YELLOW are Premium Contents which is additional cost to members at EIA discounted rate of \$80 per user per year; per category: a) EMS and Fire; b) Law Enforcement; and c) Professional Security.



PREMIUM CONTENT

The following pages feature additional courses that are available to EIA members at an exclusive, discounted rate. For more information about these courses, or to add them to your course catalog, please contact TargetSolutions at (800) 840-8048.



EMERGENCY MEDICAL SERVICES

TargetSolutions offers a comprehensive catalog of online EMS continuing education courses that are accepted in most states. Our courses allow first responders, EMT-Basics, EMT-Intermediates and EMT-Paramedics to complete their continuing education requirements in an engaging and easy-to-use format. These courses are available to EIA members at an exclusive, discounted rate. For more information about these courses, or to add them to your course catalog, please contact TargetSolutions at (800) 840-8048.

PREPARATORY

- Clinical Decision-Making
- Common Infectious Pathogens
- Communication and Documentation
- Cultural Diversity for EMS Providers
- Diet & Nutrition
- Health & Wellness
- HIPAA Awareness
- Infectious Disease Control
- Medical, Ethical, and Legal Issues
- Protecting Yourself from Influenza
- Therapeutic Communications
- Workplace Stress

AIRWAY

- Advanced Airways: Intubation and Beyond (2 hours)
- Airway Management Advanced (2 hours)
- Airway Management Basic
- Blind Nasotracheal Intubation
- Capnography
- Mechanics of Breathing
- Orotracheal Intubation
- Respiratory System A&P Review
- Suctioning the Patient Airway
- Supplemental Oxygen
- Tracheostomies Advanced

PATIENT ASSESSMENT

- Assessing the Patient with Major Trauma
- Patient Assessment Advanced
- Patient Assessment Basic
- Rapid Secondary Assessment
- Special Challenges in Patient Assessment

MEDICAL

- Acute Respiratory Distress Syndrome Advanced
- Allergies and Anaphylaxis Advanced
- Allergies and Anaphylaxis Basic
- Altered Mental Status Advanced
- Altitude Emergencies
- Aquatic Emergencies
- Asthma Advanced
- Behavioral Emergencies Advanced
- Behavioral Emergencies Basic

- Carbon Monoxide Poisoning
- Cardiac Emergencies Advanced
- Cardiac Emergencies Basic
- Cardiovascular Anatomy & Physiology Review
- Complete Resuscitation: Integrating Post-Care Advanced
- Date Rape Drugs
- Diabetic Ketoacidosis Advanced
- Endocrine System Emergencies Advanced
- Epilepsy
- Fundamentals of 12 Lead ECG Operation and Interpretation
- H1N1 (Swine Flu)
- Heat Illness and Emergencies
- Hematology
- HIV/AIDS Awareness
- Intraosseous Infusion Advanced
- Intro to Arrhythmias: Escape Rhythms and Premature Complexes
- Intro to Arrhythmias: Tachy-arrhythmias and Fibrillation
- Managing Cardiac Arrest: During and After Resuscitation
- Medication Errors
- Methamphetamine
- MRSA Infections
- Non-Traumatic Abdominal Injuries
- Non-Traumatic Chest Pain
- Obstetrical Emergencies Advanced (2 hours)
- Operating an AED
- Pharmacology Advanced
- Pharmacology Basic
- Poisoning and Overdose
- Prehospital Pulmonary Embolism Care
- Renal Failure Advanced
- Respiratory Emergencies Advanced
- Respiratory Emergencies Basic
- Toxicology and Substance Abuse Advanced
- Understanding the Basics of ECGs

TRAUMA

- Abdominal Trauma Advanced
- Abdominal Trauma Basic
- Amputation Injuries Advanced
- Bleeding and Shock Advanced
- Bleeding and Shock Basic
- Bomb Blast Injuries Advanced
- Burn Management Advanced
- Burn Management Basic
- CNS Injuries Advanced
- CNS Injuries Basic
- Environmental Emergencies Advanced
- Environmental Emergencies Basic
- Femur Fractures
- Gunshot Wounds
- Head and Facial Injuries Advanced
- Injuries and Infections of the Eye
- Kinematics of Trauma
- Musculoskeletal Injuries Advanced
- Musculoskeletal Injuries Basic
- Pelvic Fractures Advanced
- Spinal Cord Injuries

- Thoracic Emergencies Advanced
- Thoracic Emergencies Basic
- Traumatic Head and Brain Injuries Advanced
- Traumatic Injury During Pregnancy

SPECIAL CONSIDERATIONS

- Bariatric Patients
- Geriatric Behavioral Emergencies
- Geriatric Emergencies Advanced
- Geriatric Emergencies Basic
- Geriatric Hip Injuries
- Managing Chronic Care Patients
- Neonatology Advanced
- Obstetrical Emergencies Advanced (2 hour)
- Obstetrical Emergencies Basic
- Patient Abuse and Assault
- Patients with Special Challenges
- Pediatric Airway Management Advanced
- Pediatric Assessment
- Pediatric Burns Advanced
- Pediatric Cardiac Arrest Advanced
- Pediatric Emergencies Advanced
- Pediatric Emergencies Basic
- Pediatric Shock Advanced (2 hours)
- Pediatric Trauma Advanced
- Sudden Infant Death Syndrome (SIDS)

OPERATIONS

- Back Injury Prevention
- Confined-Space Entry
- Crime Scene Awareness
- Driving Safety
- Emergency Response to Terrorism (Modules 1-4)
- Fire & EMS Grant Writing
- First Responder Operations Level Refresher (Modules 1-4)
- Incident Command
- Introduction to Hazardous Materials
- Managing Multiple Casualty Incidents
- Medical Extrication & Rescue
- Right to Know (Hazard Communication)

These courses are available at a discounted rate for EIA members. Please contact TargetSolutions at (800) 840-8048 for information.

FIRE

TargetSolutions' course catalog delivers more than 250 hours of recertification courses for emergency responders. Courses based on the NFPA codes and standards, including NFPA 1001, 1021 and the 1500 Series. Courses also cover wildland fire, response to terrorism and much more.

NFPA 1001 SERIES | FIREFIGHTER I & II

TargetSolutions has a complete library of Firefighter I & II awareness and refresher level courses based on NFPA codes and standards.

- Building Construction
- Fire Behavior
- Fire Control
- Fire Department Communications
- Fire Detection, Alarm & Suppression Systems
- Fire Hose
- Fire Prevention and Public Education
- Fire Streams
- Firefighter Orientation and Safety
- Firefighter Personal Protective Equipment
- Firefighting Foams
- Forcible Entry into a Structure
- Ground Ladders
- Loss Control
- Portable Extinguishers
- Protection of Evidence of Fire Origin & Cause
- Rescue and Extrication
- Self-Contained Breathing Apparatus
- Vehicle Extrication
- Ventilation
- Water Supply

NFPA 1021 SERIES | COMPANY OFFICER

TargetSolutions has developed a complete line of company officer awareness and refresher level courses based on NFPA codes and standards.

- Action Plan Implementation
- Assuming the Role of Company Officer
- Budgeting
- Community Awareness
- Company-Level Training
- Elements of Supervision and Management
- Fire and Life Safety Inspections
- Fire Department Communications
- Fire Department Structure
- Fire Investigation
- Firefighter Safety and Health
- Firefighter Safety and Health Part II
- Government Structure
- Incident Response Safety
- Incident Scene Communications
- Incident Scene Management
- Information Management

- Labor Relations
- Leadership as a Group Influence
- Legal Responsibilities and Liabilities
- Pre-Incident Planning
- Professional Ethics
- Public Education Programs

NFPA 1410 SERIES

TargetSolutions' NFPA 1410 training series illustrates the most commonly practiced fireground evolutions. These video-based courses are written to the NFPA firefighter training standard.

- Evolution 1
- Evolution 2
- Evolution 3
- Evolution 4
- Evolution 5
- Evolution 6
- Evolution 7
- Evolution 8
- Evolution 9
- Evolution 10
- Evolution 11
- Evolution 12
- Evolution 13
- Evolution 14

NFPA 1500 SERIES

This series of courses is designed specifically for the fire industry and meets the NFPA 1500 code requirements. These courses were developed in conjunction with the NFPA, and specific content experts at the NFPA participated in their creation.

- Advanced HAZWOPER Awareness (Modules 1–4)
- Bloodborne Pathogens Safety
- Combustible & Flammable Liquids
- Compressed Gas Safety
- Confined Space Entry
- CPR Academic
- Driving Safety
- HAZMAT Spill Prevention & Control
- HAZMAT Transportation
- Laboratory Safety
- Materials Handling, Storage, Use & Disposal
- Personal Protective Equipment
- Respiratory Protection
- Hazard Communication
- Welding Safety

GENERAL

- Customer Service for Fire Department Personnel
- Emergency Response to Terrorism (Modules 1–4)
- Fire & EMS Grant Writing
- Fire Industry Driver Intersection Safety
- Fire Industry Driver Operator

- Fire Industry Introduction to Wildland Fire Behavior
- First Responder Hybrid Vehicle Incidents
- First Responder Operations Level Refresher
(Modules 1–4)
- Firefighter Rehabilitation (Modules 1 and 2)
- Fire Service: Health & Safety
- NFPA 1403 Live Fire Training Evolutions
- NFPA 1584 Firefighter Rehabilitation

WILDLAND FIREFIGHTING

- RT-130 Annual Wildland Fire Safety Refresher
(Modules 1–4)
- S-190 Introduction to Wildland Fire Behavior
(Modules 1–4)

ARFF TRAINING

TargetSolutions is pleased to offer valuable training for airport firefighters. The 17-course bundle delivers 13 hours of training featuring video- and scenario-based lessons.

- Adapting and Using Structural Equipment
- Aircraft Cargo Hazards (Parts 1-2)
- Aircraft Familiarization
- Aircraft Rescue - Emergency Communications
- Airport Rescue And Firefighting Ops
- Application of Extinguishing Agents (Parts 1-4)
- Aviation Incident Response/Crash Rescue Management
- Command and Control of Aircraft Incidents
- Emergency Aircraft Evacuation
- Out of the Blue
- Personnel Safety
- Vehicle Rescue
- Water Rescue

These courses are available at a discounted rate for EIA members. Please contact TargetSolutions at (800) 840-8048 for information.



Agenda Item H.7.

PROPERTY PROGRAM MEMBER APPRAISALS

ACTION ITEM

ISSUE: Members of the Property Program are scheduled to have their properties appraised in 2018. Appraisal of properties over \$5 million are conducted by Alliant Appraisal Services, and they have provided a breakdown of the cost to appraise the remaining properties, per the attached Letter of Engagement. Buildings valued between \$1 million and \$4.9 million are appraised for \$250 per building, and buildings below \$1 million are appraised for \$150 per building. The Waste Water Treatment Plants must be at or above 10 MGD (million gallons per day) to be paid for by the program. Appraisals are performed on the entire treatment plant in accordance to their function, not individual location/real property value per the Schedule of Values. Treatment Plants that are less than 10 MGD's can be appraised at member cost: less than 5 MGD is \$4,800.00; and 5 to 9 MGD is \$6,000.00.

The Program Administrators have also prepared a Request for Proposals for Appraisal Services to obtain additional quotes for appraisal services. They key criteria for members to address is the scope of properties to be appraised. For comparison purposes and to ensure a comprehensive appraisal of member properties, the Program Administrators recommend using the list of properties identified by AAS. Attached is a list of properties identified by AAS based on the 18/19 Pre-Renewal Property Schedule/Values.

RECOMMENDATION: Approve issuing RFP with scope of properties as identified by AAS.

FISCAL IMPACT: TBD. The fee as quoted by AAS totals \$235,900.

BACKGROUND: Members of the Alliant Property Insurance Program (APIP) receive appraisals of their insured properties valued at \$5 million or more every five years. Waste Water Treatment Plants (WWTP) processing 10 Million Gallons Daily (MGDs) or more also receive appraisals at no charge. At the same time Members have paid to appraise their insured properties under \$5 million to keep up with changes in their property schedules and to make sure their replacement cost values are still valid.

Appraisals were last conducted in 2013 by AssetWorks, Inc., selected after an RFP process. In 2006 member properties were appraised by CBIZ Valuation Group.

ATTACHMENT(S):

1. Alliant Appraisal Services Letter of Engagement
2. Total Summary Cost per Member



April 17, 2018

Marcus Beverly
Program Administrator
Northern California Cities Self Insurance Fund
2180 Harvard Street, Suite 460
Sacramento, CA 95815

Appraisal Services Letter of Engagement

Dear Mr. Beverly:

Thank you for allowing Alliant Appraisal Services to provide a proposal for replacement cost analysis appraisals for structure(s) as indicated on the summary below.

Upon Acceptance, our professionals will work closely with the Northern California Cities Self Insurance Fund Risk Management and staff to ensure that all data collected is complete, accurate and meets prevailing Uniform Standards of Professional Appraisal Practice (USPAP) requirements. Our appraisal professionals will provide you with appraisal summary reports, applying the appropriate valuations that meet the reporting requirements of USPAP.

Contract Costs – Payment Terms

Alliant Appraisal Services projects that the onsite inspection of the estimated 22 Program Paid location(s) and Treatment Plants will take a minimum of Four (4) day(s).

Appraisal Summary

22 Buildings valued > \$5mm	Paid by PEPiP
3 WWTP => 10 MGDs - Program Paid	Paid by PEPiP
11 WWTP < 5 MGDs - Paid by Client @ \$4,800/site	\$52,800.00
113 Buildings valued \$1mm - \$4.9mm - Paid by Client @ \$250.00/bldg.	\$25,750.00
1049 Buildings valued < \$1mm - Paid by Client @ \$150.00/bldg.	\$157,350.00
* Total to be paid to Alliant Appraisal Services by Client	\$235,900.00

*** The Estimated Total is based on the existing SOV line items. However the fee will increase if these line items include multiple structures i.e. Apartments. Each additional building that is appraised will be charged at the appropriate rate based on the appraisal value.**

Fees will be invoiced upon completion and delivery of reports. Alliant Appraisal Services compensation is not contingent in any way upon its opinions or conclusions, or upon any subsequent event related to those opinions or conclusions.

Electronic copies of the appraisal report along with a CD will be provided; bound hard copies will be provided upon written request. The final reports will be delivered within 90 days after the completion of inspections.



Terms and Conditions

This Letter of Engagement is in effect for a period of 30 days from the date submitted. This assignment is subject to the General Terms and Conditions located in the Attachment following this letter. A confidentiality section is included in the General Terms and Conditions.

Authorization to Proceed

Alliant Appraisal Services estimates that we can commence work on this process by **April, 2018**. Please fax an executed copy of this Letter of Engagement to the attention of Lora Carlisle, Appraisal Manager, Appraisal Services, at (949) 809-1465, or email the document to lcarlisle@alliant.com. If you have any questions, feel free to contact me at (949) 260-5033.

Sincerely,

Lora Carlisle
Appraisal Manager
Alliant Insurance Services, Inc.

Alliant Insurance Services

Northern California Cities Self Insurance Fund

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

NCCSIF MEMBERS IN ALLIANT PROPERTY INSURANCE PROGRAM (APIP)
Estimate Appraisal Cost per Alliant Appraisal Services Fee

Member	Number of Property Locations	Property Cost	Number of Wastewater Treatment Plant (WWTP)	WWTP Cost	Total
CITY OF ANDERSON	52	\$8,200	1	\$4,800	\$13,000
CITY OF AUBURN	25	\$4,150	1	\$4,800	\$8,950
CITY OF COLUSA	40	\$6,100	1	\$4,800	\$10,900
CITY OF DIXON	77	\$12,050	1	\$4,800	\$16,850
CITY OF FOLSOM	173	\$27,950	1	Program Paid	\$27,950
CITY OF GALT	99	\$15,750	1	\$4,800	\$20,550
CITY OF GRIDLEY	53	\$8,250	1	\$4,800	\$13,050
CITY OF IONE	17	\$2,750	2	\$9,600	\$12,350
CITY OF LINCOLN	84	\$13,800	1	\$4,800	\$18,600
CITY OF MARYSVILLE	63	\$9,750	1	\$4,800	\$14,550
CITY OF OROVILLE	88	\$13,500			\$13,500
CITY OF RED BLUFF	101	\$16,150	1	\$4,800	\$20,950
CITY OF ROCKLIN	158	\$24,700			\$24,700
CITY OF YUBA CITY	97	\$16,050	2	Program Paid	\$16,050
TOWN OF PARADISE	25	\$3,950			\$3,950
	1152	\$183,100	14	\$52,800	\$235,900



BACK TO AGENDA

Northern California Cities Self Insurance Fund
Board of Directors Meeting
April 26, 2018

Agenda Item H.8.

REVIEW OF STRATEGIC GOALS

INFORMATION ITEM

ISSUE: From time to time it is necessary for the members to review its long term goals and consider any necessary additions, deletions or revisions.

RECOMMENDATION: Review the goals and provide feedback as necessary.

FISCAL IMPACT: None at this time.

BACKGROUND: The NCCSIF Board of Directors, at their December 2017 Long Range Planning meeting, discussed future goals for the JPA. The attached list reflects the ideas that came out of that meeting.

ATTACHMENT(S): NCCSIF FY 18/19 Long Range Planning Timeline

NCCSIF STRATEGIC GOALS & ACTION PLAN

Goals Established: 12/14/17 BOD Long Range Planning meeting

Updated: 3/13/18

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.

GOAL	ACTION/TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS
LRP-1				
What do we want to be when we grow up	1. Open to grow membership, but not actively market with caveat to maintain geographic centric/similar exposures as current members. Will underwrite on an as-needed basis when a city approach the pool to join.	BOD	Open	As Needed
	2. Self-insured Group Benefits: interest from members - ask CSAC EIA to present employee benefits program at April BOD meeting.	Alliant	Open	4/26/18 <i>presentation at BOD Mtg</i>
	<i>Representatives from EIA and GSRMA will be in attendance at the April BOD meeting to present the health benefits programs.</i>			
LRP-2				
What more can NCCSIF do for members	1. Develop a unified policy for Active Shooters Response - coordinate with PRMC.	BOD, PRMC, Alliant, Bickmore	Ongoing	2/1/18 initial discussion at PRMC Mtg
	<i>PRMC feels this is under control - Folsom conducted training with school on 3/2/18.</i>			
	2. Case Management Workshop: 2-hour Litigation Claims Management presentation on best practices at future BOD meeting.	BOD, York, CJPRMA	Open	10/25/18 <i>presentation at BOD Mtg</i>
	3. Interest in Parametric Coverage: BI for Liability - Civil Disorder, Wildfire Coverage, Active Shooter.	Alliant	7/1/18	Open
<i>Propose using a self-insured layer for active shooter (Corning) situation.</i>				
LRP-3				
How do we achieve greatness	1. Incrementally increase Confidence Level to 80% in the next few years.	BOD, Alliant, Marta, Actuary	Open	TBD
	<i>Currently at 75%, will look at options for higher CL % for FY 18/19.</i>			
	2. Marta and Alliant to present benchmarks of what our SIR could be after 6/30/18 Financials (discussion stems from CJPRMA potentially requiring members with high loss exposures to higher SIR).	BOD, Alliant, Marta, Actuary	Open	10/25/18 BOD Mtg



BACK TO AGENDA

Northern California Cities Self Insurance Fund
Board of Directors Meeting
April 26, 2018

Agenda Item H.9.

WORKERS' COMPENSATION CLAIMS ADMINISTRATION QUARTERLY REPORT

INFORMATION ITEM

ISSUE: York has provided the attached Quarterly Report to update members on their recent activities and progress to date in meeting claims management benchmarks. The Report is one aspect of the attached Performance Plan that was agreed-upon with York as a result of feedback from the members.

RECOMMENDATION: Review and comment on report contents.

FISCAL IMPACT: None.

BACKGROUND: NCCSIF's regular Service Provider Survey revealed concerns with the Workers' Compensation (WC) claims management provided by York. A subsequent survey and Board discussion regarding the WC claims administration led to a meeting with York and select Executive Committee members to agree on a Performance Plan to address member concerns. Part of that plan is a quarterly report that York will prepare for the Board to update members on progress in reaching the goals set out in the Plan.

ATTACHMENT(S): York Quarterly Report

Workers' Compensation Updates for the Quarter:

- File reviews conducted with City of Dixon, City of Elk Grove, City of Folsom, City of Rocklin, and City of Yuba City. If you would like a file review, please contact Dori Zumwalt (dorieanne.zumwalt@yorkrsg.com).
- New Workers' Compensation Overview training available to staff directly involved with workers' compensation claims. Please contact Dori Zumwalt to schedule the training with your city.
- Groundbreaking case law decided in Rice vs. City of Jackson related to apportionment of permanent disability. This is a really exciting Opinion and is being celebrated by employers throughout California!!!
- Successful reduction of claim costs for a City of Lincoln claim. The examiner initiated sub-rosa due to some red flags identified. The video was presented to the doctor who discharged the injured worker from care resulting in significant savings!

NCCSIF Quarterly Workers' Compensation Report: April 2018

Workers' Compensation Contacts

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York Risk Services Group, Inc.
P.O. Box 619079
Roseville, CA 95661
(916) 783-0100 • Fax (866) 548-2637
<http://www.yorkrsg.com>



Workers' Compensation Program Results:

Item	Measurement	Jan-18	Feb-18	Mar-18
	Total Open Claims	521	528	525
1.	Closing Ratio	103.2%	76.9%	106.5%
	a. Cases Entered During the Period			
	i. Medical Only	18	11	13
	ii. Indemnity	11	13	16
	iv. Total opened	29	24	29
	b. Cases Closed During the Period			
	i. Medical Only	11	7	15
	ii. Indemnity	21	13	18
	iv. Total closed	32	20	33
	c. Reopened Claims			
	i. Medical Only	-	-	-
	ii. Indemnity	2	2	2
	iii. Total Reopened Claims	2	2	2
	iv. Reopened Claims as % of Open Inventory for period	0.4%	0.4%	0.4%
2.	Conversions			
	a. MO to Indemnity	1	3	1
	b. Indemnity to Future Medical	-	-	-
3.	Open Claims Inventory			
	a. Medical Only	48	42	39
	b. Indemnity	228	247	253
	c. Future Medical	245	238	233
	d. Total	521	527	525
	e. First Aid	-	1	-



Workers' Compensation Program Results:

Item	Measurement	Jan-18	Feb-18	Mar-18
4.	Settlements/Closures in Period			
a.	via Compromise & Release	4	5	-
b.	via Stipulated Awards	2	-	3
c.	Avg. Incurred Value of Indemnity Closures	\$11,038	\$28,558	\$34,494
5.	Litigation			
a.	Number of open litigated cases	228	236	237
b.	Percentage of OPEN Litigation/ OPEN Indemnity	48%	49%	49%
c.	Newly Litigated Cases	6	3	6
d.	Total Cumulative Litigated Cases	1,689	1,701	1,707
e.	Percentage of OPEN Litigation/ TOTAL Litigation	13%	14%	14%
f.	Average incurred per litigated claim	\$81,719	\$82,416	\$82,493
6.	Late Reported Cases			
a.	New Claims reported >5 days from DOI	14	9	17
b.	as % of total new reported claims	48.3%	37.5%	58.6%
7.	Paid this Period			
a.	Medical	\$275,507	\$341,323	\$219,593
b.	Indemnity	\$304,660	\$245,782	\$257,980
c.	Expense	\$84,787	\$102,723	\$94,475
d.	Total	\$664,954	\$689,829	\$572,049
	Medical as % of total	41.4%	49.5%	38.4%
8.	Medical Control			
a.	Open Claims treating in MPN	281	295	299
b.	Claims Treating in MPN as % of Total Open Claims	54%	56%	57%



Goals and Objectives

Focus	Measurement	Objective
Inventory Reduction	Files closed from Critical Listing *	2 per month
Settlements	Number of Settlements	5 per month
Salvage	Salvage as % of incurred on Closed Files	10% on prior incurred value
Temporary Disability	Average Duration of TD on active TD files	24 weeks of TD on current TD files
Litigation	Newly Litigated Files as % of Newly Opened files	20% of newly opened claim files
Reserve Development	Annualized development of reserves on files DOI > 1 year	10% Annual Development

* Critical Listing claims have the following criteria:
 Total Incurred > \$100k, and/or DOI prior to 1/1/2010, and/or Initially denied and currently litigated,
 and/or Litigated with \$0 in indemnity reserves

NCCSIF Quarterly Workers' Compensation Report: April 2018



Performance vs Objectives	<u>1/31/2018</u>	<u>2/28/2018</u>	<u>3/31/2018</u>
Inventory Reduction	-	-	-
Claims Closed from Critical Listing	3	2	5
Settlements			
Compromise and Release	4	5	-
Stipulations	2	-	3
New Settlements in Period	6	5	3
Salvage on Closures			
Incurred Value of Closed Ind Files	\$231,808	\$371,251	\$620,888
Salvage on Closed Files	\$224,006	\$76,324	\$349,921
Salvage as % of Incurred Value	49.1%	17.1%	36.0%
Average Duration of Active TD Files			
Num of Claims Paying TD in Period	34	33	33
Average Duration of TD (weeks)	25.16	22.41	24.27
Litigated Inventory			
Newly Litigated Files	6	3	6
Open Litigated Files	228	236	237
Newly Litigated Files, 6 Months Rolling	33	29	34
Newly Opened Files, 6 Months Rolling	195	176	179
Newly Litigated as % of Newly Opened	16.9%	16.5%	19.0%



BACK TO AGENDA

Northern California Cities Self Insurance Fund
Board of Directors Meeting
April 26, 2018

Agenda Item I.

ROUND TABLE DISCUSSION
INFORMATION ITEM

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

RECOMMENDATION: None.

FISCAL IMPACT: None.

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

ATTACHMENT(S): None.



BACK TO AGENDA

Northern California Cities Self Insurance Fund
Board of Directors Meeting
April 26, 2018

Agenda Item J.

INFORMATION ITEMS

INFORMATION ITEM

ISSUE: The following items are being presented as information for NCCSIF members.

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

FISCAL IMPACT: None.

BACKGROUND: None

ATTACHMENT(S):

1. Glossary of Terms
2. NCCSIF Organizational Chart
3. NCCSIF 2018 Meeting Calendar
4. NCCSIF Vendor Services Matrix
5. NCCSIF Resource Contact Guide
6. NCCSIF Travel Reimbursement

GLOSSARY OF TERMS

Term	Definition
4850	Labor Code Section 4850 provide a special benefit for certain public employees who are essentially in safety and law enforcement positions.
AB 1234	Ethics Education for Local Officials
AB 1825	Harassment Prevention Training for Supervisors
Active Negligence	The party that was negligent took an active part in doing whatever caused the damage. For example, a city digging a hole and someone falls in
ACV (Actual Cash Value)	The amount equal to the replacement cost minus depreciation of a damaged or stolen property at the time of the loss. It is the actual value for which the property could be sold, which is always less than what it would cost to replace it.
Adhesion	When one party has greater power over the other party in drafting the contract (i.e. the provisions of the contract are prepared by one party --the insurer. The other party the insured does not take part in the preparation of the contract).
ATD (Aerosol Transmissible Diseases)	An epidemiologically significant disease that is transmitted via droplet or airborne route.
Aggregate	The term used to describe the cumulative amount of all losses for a period of time.
Aggregate Stop Loss	A financial arrangement with a JPA's excess carrier that caps the aggregate to a predetermined limit at which point the excess carrier would "drop down" and pay losses within the JPIA's SIR, or pooled layer.
AME (Agreed Upon Medical Examiner)	A medical provider who has been certified by the Division of Workers' Compensation by passing an administrative exam. An AME is selected (or agreed upon) by two parties in order to help resolve a dispute about a WC claim.
Aleatory	An insurance contract is aleatory meaning it is contingent on an uncertain event (a loss) that provides for unequal transfer of value between the parties.
ACIP (Alliant Crime Insurance Program)	Program offered by Alliant that created to bring the advantages of group purchase to public entities seeking very broad coverage for illegal acts committed by their employees while on the job.
APIP (Alliant Property Insurance Program)	The largest single property insurance placement in the world. Formed by Alliant Insurance Services in 1993 to meet the unique property insurance needs faced by public entities.
ADA (American Disability Act)	A federal law that prohibits discrimination against people with disabilities in employment, transportation, public accommodation, communications, and governmental activities. The ADA also establishes requirements for telecommunications relay services. For the U.S. Equal Employment Opportunity Commission office (EEOC office) in your area, call 1-800-669- 4000 or 1-800-669-6820 (TTY).
Assessment company	Providing primarily fire and windstorm insurance for small towns and farmers (charge members a pro rata share of losses at the end of each policy period)
AIS (Associate in Insurance Services)	Professional designation awarded by the Insurance Institute of America (IIA) upon successful completion of four national exams, one specifically designed for this program and the three examinations in the IIA Program in General Insurance.
AGRIP (Association of Governmental Risk Pools)	A national organization of JPA's and public agency insurance pools. Formed for educational, information gathering and political lobbying purposes. Affiliated with PRIMA

GLOSSARY OF TERMS

ALCM (Associate in Loss Control Management)	A professional designation earned after the successful completion of five national examinations given by the Insurance Institute of America (IIA).
ARM (Associate in Risk Management)	A nationally recognized educational program for dedicated risk management professionals, developed by the Insurance Institute of America.
Attachment Point	The dollar amount of a loss where the next layer of insurance begins to pay for the loss.
Automobile Liability	Designed to afford bodily injury and property damage liability coverage associated with owned, non-owned and hired vehicles. May include medical payments, uninsured/underinsured motorists' liability coverages.
Automobile Physical Damage	Usually a first party coverage; however, some entities have "Bailment" or "care, custody and control" liability exposures such as garages, maintenance facilities that service vehicles of others, and parking lots
Best's Rating	A rating system that indicates the operating and financial condition of insurance companies. Information is developed and published annually by the A. M. Best company. Generally one looks for a company with a rating of A VII or better.
BOD/BD (Board of Directors)	Body of elected or appointed members who jointly oversee the activities of a company or organization.
BI (Business Interruption)	A form of insurance coverage that replaces business income lost as a result of an event that interrupts the operations of the business, such as fire or a natural disaster.
CAJPA (California Association of Joint Powers Authorities)	Performs regulatory and legislative lobbying as well as accreditation of Joint Powers Authorities to promote the financial stability of JPAs.
CIPRA (California Institute for Public Risk Analysis)	Organized to develop, analyze and disseminate information on risk management in California's public sector, especially self-insured entities and Joint Powers Authorities
CJPRMA (California Joint Powers Risk Management Authority)	CJPRMA provides the excess coverage to NCCSIF's Liability Program
CSAC (California State Association of Governments)	CSAC is a lobbying, advocacy and service organization representing the state's 58 counties at the state and federal level. Areas of focus include the state budget, health-care reform, corrections reform, transportation funding, water and climate change
CSAC-EIA (California State Association of Governments - Excess Insurance Authority)	CSAC-EIA is a member directed insurance risk sharing pool. The EIA has developed effective risk management solutions to help California public entities proactively control losses and prepare for different exposures. CSAC-EIA provides excess coverage to NCCSIF's workers' compensation pool.
CalTIP (California Transit Insurance Pool)	In 1986 the California Transit Association formed an insurance committee and authorized the preparation of a study of alternative methods of providing liability insurance coverage and began providing liability coverage in 1987.
Catastrophic Loss Reserve	A separate JPIA reserve account designated to pay losses without additional premium assessments to members.
CIC (Certified Insurance Counselor)	An insurance agent professional certification designation

GLOSSARY OF TERMS

CIH (Certified Industrial Hygienist)	CIH is a professional whose job it is to protect the health of workers and the general public. A CIH is educated, trained and certified to recognize health hazards, test the environment for those hazards and determine when they pose a risk to those who might be exposed to them.
CPCU (Chartered Property Casualty Underwriter)	CPCU is a professional designation in property-casualty insurance and risk management
Claim	A demand of a right. In general a demand for compensatory damages, resulting from the actions of another.
Claims Made	A provision of an insurance policy that requires it to pay only for claims presented during the policy period with no regard for when the action causing the claim took place. Typically, a claims-made form also includes a retroactive date setting the earliest date for which a covered occurrence can happen. (Also see "Occurrence")
C&R (Compromise and Release)	A type of settlement in which you receive a lump sum payment and become responsible for paying for your future medical care. A settlement like this must be approved by a workers' compensation judge.
Conditional	An insurance policy includes a number of conditions that both the insured and the insurer must comply with. (i.e. a covered loss occurs, the insured must notify the insurer about the loss and the insurer must use the valuation methods specified in the policy to settle the loss- thus the contract is conditional)
Conditions	Describe the responsibilities and the obligations of both the insured and the insurance company.
CL (Confidence Level)	An estimated probability that a given level of funding will be sufficient to pay actual claim costs. The higher a CL the greater the certainty the actuary has that losses will not exceed the dollar value used to attain the CL.
Contract	A legal agreement between two competent parties that promises a certain performance in exchange for a certain consideration.
Contract of Utmost Good Faith	As the insurance company relies on the truthfulness and integrity of the applicant when issuing a policy. In return, the insured relies on the company's promise and ability to provide coverage and pay claims.
CSP (Certified Safety Professional)	CSP's are qualified persons that are competent and trained to detect and appraise hazardous materials, procedures and activities of workers, materials and work environments. They are highly educated, trained and experienced in the field of safety.
Cumis Counsel	Cumis refers to a lawsuit against the Cumis Insurance Society in which they were found to have controlled the defense attorney to the detriment of their insured. The court determined that the Society should have assigned separate counsel to represent the exclusive interests of the insured. The need for <i>cumis counsel</i> arises in situations where there are significant coverage issues and defense counsel is conflicted between his duty to his client and the obligations to the insurance carrier.
DE9	Quarterly Contribution Return and Report of Wages
Declarations	Contain information such as the name of the insured, the address, the amount of coverage provided, a description of property, and the cost of the policy
Deductible	It is that portion of each claim that is paid by the member at the time of loss. It is in addition to any premium already paid
Defense	A defendant's denial to a complaint or cause of action

GLOSSARY OF TERMS

Definitions	Clarify the meaning of certain terms used in the policy
Deposit Premium	Premium required at the beginning of a policy period based on estimated costs
DIC (Difference In Conditions)	A specialized property insurance policy written to provide coverage for perils not covered in a standard property policy or in the JPIA's Memorandum of Property Coverage. In particular, it is most often used to provide coverage for earthquake and/or flood losses.
D&O (Directors and Officers)	Liability insurance payable to the directors and officers of a company, or to the organization(s) itself, as indemnification (reimbursement) for losses or advancement of defense costs in the event an insured suffers such a loss as a result of a legal action brought for alleged wrongful acts in their capacity as directors and officers.
Directors, Officers and Trustees Liability	Intended to protect nonprofit board members, officers, and directors for faulty decisions, which imperil the entity. Usually written to include entity reimbursement for legal actions and personal liability of specific wrongdoers
DOL (Date of Loss)	Regarding property claims this is usually the date of occurrence of physical damage to property. In WC claims this is usually the date a physical injury occurred to an employee.
Doctrine of reasonable expectations	a policy includes coverages that an average person would reasonably expect it to include regardless of what the policy actually provides
EQ (Earthquake)	a sudden and violent shaking of the ground, sometimes causing great destruction, as a result of movements within the earth's crust or volcanic action
Employers' Liability	Included as part of a worker's compensation insurance policy. Covers liability for losses arising out of injuries to employees that are not covered by statutory workers' compensation benefits
EPL (Employment Practices Liability)	Written to protect an entity from liabilities arising from allegations of discrimination, failure to promote or hire, harassment, ADA responsibilities, wrongful termination, etc.
Endorsement	Any change to the original policy (attached to the policy itself)
Environmental Impairment Liability	Also referred to as "Pollution" and "Pollution Legal" Liability; can be written to protect an entity from actions resulting from contamination of air, water, property. First party (damage to owned property) and third party (liability for damage to others) protections are often provided on the same policy
E&O (Errors and Omissions Insurance)	Professional liability insurance that protects companies and individuals against claims made by clients for inadequate work or negligent actions, usually includes both court costs and any settlements up to the amount specified on the insurance contract.
Errors and Omissions Liability	Excludes bodily injury and property damage; intended to afford protection for the "misfeasance, malfeasance or non-feasance" of public officials, employees and volunteers. May also include incidental medical personnel (paramedics), police and fire personnel, architects and plan checkers, engineers, and on-staff attorneys
Excess Insurance	Insurance that is purchased to provide higher limits than the primary policy or coverage provides
Excess Loss	The portion of a loss that is allocated to, or paid by, excess coverage
Exclusions	Describe the losses for which the insured is not covered
EC (Executive Committee)	Committee within that organization which has the authority to make decisions and ensures that these decisions are carried out.

GLOSSARY OF TERMS

Expected liabilities	Outstanding reserves plus Incurred But Not Reported (IBNR) and Loss Adjustment Expense, discounted at the “Expected” Confidence Level (CL).
Exposure	A condition or situation that presents a possibility of loss (i.e. home built on flood plain is exposed to the possibility of flood damage).
FASB (Financial Accounting Standards Board)	FASB standards, known as generally accepted accounting principles (GAAP), govern the preparation of corporate financial reports and are recognized as authoritative by the Securities and Exchange Commission.
Fidelity Bonds	Written as financial guarantees of employees’ honesty. Personnel with money-handling responsibilities are considered exposures to loss.
Fiduciary Liability	Covers board members, executives and other decision-making personnel with responsibilities for pension funds, retirement plans and employee benefit monies for negligent decisions that result in losses to such funds.
GAAP (Generally Accepted Accounting Principles)	GAAP refers to the standard framework of guidelines for financial accounting used in any given jurisdiction; generally known as accounting standards or standard accounting practice
GASB (Governmental Accounting Standards Board)	GASB is the source of generally accepted accounting principles (GAAP) used by State and Local governments in the United States. As with most of the entities involved in creating GAAP in the United States, it is a private, non- governmental organization.
General Liability	Written to protect the member's assets against liability for property damage of or bodily injury to third parties (see definition of parties).
Hazard	Anything that increases the chance of loss (also see Physical Hazard, Morale Hazard and Moral Hazard).
HIPAA (Health Insurance Portability and Accountability Act)	A federal law enacted in 1996 that protects continuity of health coverage when a person changes or loses a job, that limits health-plan exclusions for preexisting medical conditions, that requires that patient medical information be kept private and
IBNR (Incurred But Not Reported)	It is that part of the total claims that is unknown at any point in time. At any time, NCCSIF has claims that have not been reported or recognized by NCCSIF or has claims recognized by NCCSIF but without knowledge of the cost when such claim is finally closed. NCCSIF uses an actuary to project the costs of these unknown liabilities to NCCSIF - the estimate of funds needed to pay for covered losses that have occurred but have not been reported to the member and/or NCCSIF and expected future development on claims already reported
Incurred Loss	This is the ultimate expected total value of any claim. It includes the amount already paid, plus the estimated amount yet to be paid (reserves)
IIPP (Injury Illness Prevention Program)	Proactive process of assessing workplace hazards prior to an injury being reported
Insurable Interest	Before you can benefit from insurance; you must have a chance of financial loss or a financial interest in the property
Insurance	A contract or device for transferring risk from a person, business, or organization to an insurance company that agrees, in exchange for a premium, to pay for losses through an accumulation of premiums
IRIC (Insurance Requirements in Contracts)	In insurance, the insurance policy is a contract (generally a standard form contract) between the insurer and the insured, known as the policyholder, which determines the claims which the insurer is legally required to pay.

GLOSSARY OF TERMS

ISO (Insurance Services Office, Inc.)	An insurance industry association that collects statistical data for rate making and develops standard insurance policy forms. ISO is the organization that drafted the standard commercial general liability (CGL) commonly used by insurers
Insuring agreements	State in general what is to be covered, also includes a description of what type of property is covered and the perils against which it is insured (i.e. the losses for which the insured will be indemnified)
Inverse Condemnation	Both the United States Constitution and the California Constitution require that a private citizen be compensated if property is "taken" by a public entity. When the property is taken proactively it is called eminent domain. When the property is taken "accidentally," without due course, it is called inverse condemnation. Negligence need not be proven. The claimant's legal expenses are payable in addition to actual damages.
Limit	The most that will be paid in a loss
LRP (Long Range Planning)	Exercise aimed at formulating a long-term plan, to meet future needs estimated usually by extrapolation of present or known needs. It begins with the current status and charts out a path to the projected status, and generally includes short- term (operational or tactical plans) for achieving interim goals.
LAE (Loss Adjustment Expense)	Administrative expense to manage a claim to conclusion - Allocated LAE (ALEA) are expenses attributable to a specific claim such as attorney fees - Unallocated LAE (ULAE) are overhead expenses not attributable to a specific claim such as salaries or office rental.
Loss Ratio	The amount of loss divided by the amount of premium, contributions, payroll or property values.
Master Plan Documents	A document issued by a JPA defining the structure, rights and obligations of the participants and procedures of an insurance or self- funded program
MMI (Maximum Medical Improvement)	When an injured employee's condition is well stabilized and unlikely to change substantially in the next year, with or without medical treatment. Once an employee reaches MMI, a doctor can assess how much, if any, permanent disability resulted from the work injury. See also P&S
MOC (Memorandum of Coverage)	A document issued by a JPA defining the coverage provided to the members
Moral Hazard	A person might create a loss situation on purpose just to collect from the insurance company (i.e. a pre-arranged faked theft of an older vehicle so the owner could collect insurance money and buy something new).
Morale Hazard	An individual, through carelessness or by irresponsible actions, can increase the possibility for a loss (i.e. a person who drives a car carelessly because he knows a loss will be insured if an accident occurs).
Mutual interest company	The insureds are also owners of the company and so they can vote to elect the management of the company (profits are returned to the insureds in the form of dividends or reductions in future premiums)
Named Insured	Any person, firm, or corporation, or any of its members specifically designated by name as insured(s) in the policy as distinguished from others who, although unnamed, are protected by the policy definition. A named insured under the policy has rights and responsibilities not attributed to additional insureds, such as premium payment, premium return, notice of cancellation, and dividend participation

GLOSSARY OF TERMS

Net Assets	(Equity, surplus or Net Position) Total assets less Expected liabilities- the amount of funds remaining after subtracting liabilities at the actuarially determined "Expected" Confidence Level (approx. 50% CL)
Net Contribution	A total contribution for losses less excess insurance costs
Non Vacant land	Refers to land that is occupied and used, and/or has structures on it (i.e. shack, building, park with benches).
Obligee	Is an individual, partnership, corporation, or a government entity which requires the guarantee that an action or service will be performed. If not properly performed, the surety pays the obligee for any damages or fulfills the obligation.
Occurrence	A) In order for NCCSIF to pay a liability claim, it must arise out of an occurrence. This is an accident, event, act or omission to act which results in "damages," "bodily injury," or "property damage" neither expected nor intended from the covered parties' conduct. B) A provision of an insurance policy that requires it to pay for a claim caused during the policy period regardless of when it is presented.
Passive Negligence	The party that was negligent did not take part in the action that caused the damage, but was responsible for somehow allowing it to take place. For example, a city allowed a contractor to dig a hole on city property and someone fell in.
Peril	Cause of a loss
P&S (Permanent and Stationary)	When an employee's medical condition has reached maximum medical improvement. Once an employee is declared P&S, a doctor can assess how much, if any, permanent disability resulted from the work injury. If the disability is rated under the 2005 schedule you will see the term maximal medical improvement (MMI) used in place of P&S. See also MMI
PD (Permanent Disability)	Any lasting disability that results in a reduced earning capacity after maximum medical improvement is reached.
PPE (Personal Protective Equipment)	PPE refers to protective clothing, helmets, goggles, or other garments or equipment designed to protect the wearer's body from injury.
Physical Hazard	A hazard that arises from the condition, occupancy, or use of the property itself (i.e. skateboard left on the porch steps).
Plaintiff	The party who complains or sues in a personal action. A claimant becomes a plaintiff by filing suit.
Pooled Loss	The portion of a loss that is allocated to, or paid by, the self-insured pool. NCCSIF's Liability Program pools, or self-insures, the first \$500,000 of each occurrence. Loss costs exceeding this amount are paid by excess insurance.
Principal	Is an individual, partnership, or corporation who offers an action or service and is required to post a bond. Once bonded, the surety guarantees that he will perform as promised.
Principle of Indemnity	When a loss occurs an individual should be restored to the approximate financial condition he was in before the loss no more and no less.
Property Insurance	This covers the member for damage to its own property, sometimes called first- party coverage.
PARMA (Public Agency Risk Managers Association)	A statewide association for risk managers in the public sector. Educational and lobbying activities.

GLOSSARY OF TERMS

PRIMA (Public Risk Management Association)	A national association for risk managers in the public sector. Formed for educational, information gathering and political lobbying purposes.
Pure Risk	Involves only the possibility of loss
QME (Qualified Medical Examiner)	A medical provider who has been certified by the Division of Workers' Compensation by passing an administrative exam.
Reciprocal company	(to give/take), a member of a reciprocal agrees to share the insurance responsibilities with all other members of the unincorporated group (all members insure each other and share the losses with each other) NOTE: managed by an attorney-in-fact who is empowered to handle all of the business of the reciprocal.
RC (Replacement Cost)	The cost to replace damaged property with like kind and quality, with no deduction for depreciation, but still subject to a "limit"
Reserve	In order to budget for its expected costs and to know when a claim must be reported to the excess coverage, NCCSIF estimates the ultimate expected total value of each claim and "reserves" part of the not paid. As moneys are paid out for a claim, the reserve amount is decreased
Retrospective Premium Adjustment	At the beginning of each policy period, NCCSIF collects a deposit premium representing the estimated costs for that year. Each year a calculation of expenses associated with the policy period are subtracted from the deposit premium. At some point the excess funds will be returned, or shortage of funds will be charged. This process is repeated annually for each coverage year until all claims for that year are closed out and there is no IBNR allocated to that policy year.
Risk	The chance or uncertainty of loss (also see Speculative Risks and Pure Risks)
RIMS (Risk and Insurance Management Society)	National professional organization to promote principles of risk management and assist risk managers in their daily activities
Risk Control	Those risk management techniques designed to minimize the frequency and/or severity of claims. Risk control techniques include exposure avoidance, loss prevention, loss reduction, segregation of loss exposures, and contractual transfer to shift losses to others
Risk Financing	Techniques for generating funds to pay for losses that risk control methods do not entirely eliminate. There are two types of risk financing techniques -- retention and transfer. Retention involves paying for losses using an organization's own assets; transfer involves covering losses by an unrelated entity for a consideration (such as a payment of a premium)
Risk Management	One of the specialties within the general field of management, the process of managing an organization's activities to minimize the adverse effects of accidental losses on a cost-effective basis. Risk management has two components -- risk control and risk financing.
Self-Insured	Coverage of losses from the insured's own funds, rather than an insurance policy. Generally refers to a planned program for financing or otherwise recognizing losses
SIR (Self-Insured Retention)	The maximum amount of exposure to a single loss retained by NCCSIF

GLOSSARY OF TERMS

Severability of Interests Clause	An insurance policy provision clarifying that the word “insured,” as it appears within various parts of a policy, applies severally and not collectively. When there is more than one insured, the effect is as though a separate policy is issued to each insured. Thus, a policy containing such a clause will cover a cross liability claim – a claim made by one insured against another insured. The one exception to the separate application to each insured of a policy containing a severability of interest clause is that the limits are not cumulative; that is, one set of limits applies to all insureds collectively
Special Events	Designed to cover your sponsorship of events, such as fireworks shows, festivals, community/entity celebrations; often written to protect other policies’ loss integrity. Another type of special event coverage, known as a “tenants and permittees” policy, can be issued for third parties who rent or use your owned facilities.
Speculative Risk	Risks in which there exists both the possibility of gain and the possibility of loss (i.e. poker game)
Spread of Risk	The greater the spread of risk the less likely that there will be a catastrophic loss for the insurance company (i.e. NOT insuring every person in a single town that could be hit by a fire which destroys the town= catastrophic loss for the insurance company vs. insuring several people in MANY towns to spread out the risk of a catastrophic loss)
Stock company	Sells stock to stockholders to raise the money necessary to operate the business (profits attributed to the operation of the company are returned as dividends to the stockholders, not the insureds)
Subrogation	The insurer’s right to proceed against a third person if that third person was responsible for a claim paid by the insurer. Employee dishonesty can be subrogated by the insurance company against a dishonest employee
Surety	Is usually a corporation which determines if an applicant (principal) is qualified to be bonded for the performance of some act or service. If so, the surety issues the bond. If the bonded individual does not perform as promised, the surety performs the obligation or pays for any damages.
TD (Temporary Disability Benefits)	Payments an employee receives if they lose wages because of a work related injury which prevents them from doing their usual job while recovering.
TPA (Third Party Administrator)	TPA is a person or organization that processes claims and performs other administrative services in accordance with a service contract, usually in the field of employee benefits.
TIV (Total Insured Values)	The values shown on a member city’s schedule or appraisal for property coverage. Only those items shown on the schedule are covered for loss.
TRIA (Terrorism Risk Insurance Act)	TRIA is a United States federal law signed into law by President George W. Bush on November 26, 2002. The Act created a federal “backstop” for insurance claims related to acts of terrorism.
Vacant land	Refers to land that is unoccupied and unused, and/or has no structures on it.
VIN (Vehicle Identification Number)	Unique code including a serial number, used by the automotive industry to identify individual motor vehicles, towed vehicles, motorcycles, scooters and mopeds as defined in ISO 3833.

**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
2018 Organizational Chart**

MEMBER ENTITY	BOARD OF DIRECTORS	BOARD ALTERNATES	RISK MANAGEMENT COMMITTEE	POLICE RISK MANAGEMENT COMMITTEE
City of ANDERSON	EC / CC Liz Cottrell	Jeff Kiser	Liz Cottrell	Chief Michael Johnson
City of AUBURN	<i>Vacant</i>	<i>Vacant</i>	Shari Harris	Chief John Ruffcorn (Chair)
City of COLUSA	Toni Benson	<i>Vacant</i>	<i>Vacant</i>	Chief Josh Fitch
City of CORNING	EC Kristina Miller	Tom Watson	Tom Watson	Chief Jeremiah Fears
City of DIXON	Rachel Ancheta	Kim Stalie	Rachel Ancheta	Chief Robert Thompson
City of ELK GROVE	Brad Koehn	Kara Reddig	Jim Ramsey	Lieutenant Jeff Scott
City of FOLSOM	Jim Francis	Kristine Haile	Kristine Haile	Chief Cynthia Renaud
City of GALT	Cora Hall	Eugene Palazzo	Cora Hall	Chief Tod Sockman
City of GRIDLEY	EC Juan Solis	Elisa Arteaga	Juan Solis	Chief Dean Price
City of IONE	Jon Hanken	Lori McGraw	Jon Hanken	Chief Tracy Busby
City of JACKSON	Yvonne Kimball	Dalacie Blankenship	Yvonne Kimball	Chief Scott Morrison
City of LINCOLN	S / EC / CJPRMA Rep. Astrida Trupovnieks	Ruthann Codina	Astrida Trupovnieks	Chief Doug Lee
City of MARYSVILLE	<i>Vacant</i>	Martha Brown	<i>Vacant</i>	Interim Chief Chris Sachs
City of NEVADA CITY	Loree' McCay	Catrina Olson	Loree McCay	Chief Tim Foley
City of OROVILLE	VP / EC / CC Liz Ehrenstrom (Vice-Chair)	<i>Vacant</i>	Liz Ehrenstrom (Chair)	Asst. Chief Allen Byers
Town of PARADISE	EC / CC Gina Will	Crystal Peters	Crystal Peters	Lieutenant Eric Reinbold
City of PLACERVILLE	P / EC / CC Dave Warren (Chair)	Cleve Morris	Dave Warren	Chief James Ortega
City of RED BLUFF	EC Sandy Ryan	Anita Rice	Sandy Ryan	Chief Kyle Sanders (Vice-Chair)
City of RIO VISTA	Yujun Du	Robert Hickey	<i>Vacant</i>	Chief Dan Dailey
City of ROCKLIN	Steven Rudolph	Kimberly Sarkovich	Steven Rudolph	Chief Chad Butler
City of WILLOWS	T / EC / CC Tim Sailsbery	<i>Vacant</i>	Wayne Peabody	<i>Vacant</i>
City of YUBA CITY	Natalie Springer	Robin Bertagna	Sheleen Loza	Chief Robert Landon

OFFICERS
P = President **VP = Vice President**
S = Secretary **T = Treasurer**
CJPRMA Board Rep.

EC = Executive Committee
CC = Claims Committee

PROGRAM ADMINISTRATORS (Alliant Insurance Services)
Marcus Beverly
Michael Simmons
Raychelle Maranan

CLAIMS ADMINISTRATORS (York Risk Services)
Dorienne Zumwalt
Cameron Dewey (Liability)
Steven Scott (Workers' Comp)

RISK CONTROL CONSULTANTS (Bickmore)
Enriqueta (Henri) Castro
Tom Kline
Gail Zeigler

ADVISORS
Byrne Conley (Board Counsel)
James Marta (Accounting)
Alana Theiss (Accounting)



2018 MEETING CALENDAR

- Thursday, February 1, 2018 **Police Risk Management Committee** at 10:00 a.m.
- Thursday, March 22, 2018 *Executive Committee* at 10:00 a.m.
Claims Committee at 11:30 a.m.
- Thursday, April 26, 2018 **Risk Management Committee** at 10:00 a.m.
Board of Directors at 12 noon
- Wednesday, May 2, 2018 **Police Risk Management Committee** - 10:00 a.m.
- Thursday, May 17, 2018 **Claims Committee** at 10:00 a.m.
Executive Committee at 11:30 a.m.
- Thursday, June 14, 2018 **Risk Management Committee** at 10:00 a.m.
Board of Directors at 12 noon
- Thursday, August 2, 2018 **Police Risk Management Committee** at 10:00 a.m.
- Thursday, September 27, 2018 **Claims Committee** at 10:00 a.m.
Executive Committee at 11:30 a.m.
- Thursday, October 25, 2018 **Risk Management Committee** at 10:00 a.m.
Board of Directors at 12:30 p.m.
- Thursday, November 1, 2018 **Police Risk Management Committee** at 10:00 a.m.
- Thursday, December 13, 2018 **Board of Directors** at 10:00 a.m.

Meeting Location: Rocklin Event Center - Garden Room (except February - Ballroom)
2650 Sunset Boulevard, Rocklin, CA 95677

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



RISK MANAGEMENT VENDOR SERVICES MATRIX

As a member of NCCSIF, your City/Town has many risk management resources available. This Vendor Services Matrix is designed to assist you with identifying and locating these resources. Vendor names and service categories are hyperlinked, so you can easily navigate through the matrix for specific resources and contact information. The **BACK** button will bring you back to this home page. If you have any questions, contact Henri Castro at Bickmore Risk Services, 800.541.4591, ext. 4614, or hcastro@brsrisk.com.

SERVICE CATEGORY*		BRS	CSAC-EIA	TARGET SOLUTIONS	OCCU - MED	APIP	LEXIPOL	ACI EAP	CAL-TIP	SOLUTIONS GROUP	DKF
Page:											
1	Telephone Hotline - Questions & Guidance	X									
1	Hazard & Safety Assessment	X									X
2	Program/Policy Development	X	X				X				X
	Safety Materials/Web-based Courses/Videos	X	X	X							X
2	On-Site Training	X	X								X
3	Ergonomic Evaluations	X									
3	Risk Management Webinars	X	X			X					
3	Employer Pull Notice Program		X								
4	Pre-Employment Medical Services				X						
5	Employee Assistance Program - Health & Wellness							X			
5	Transit Resources (available to CalTIP members)								X		

* Services and resources are available at no additional cost unless specifically noted.



RISK MANAGEMENT VENDOR SERVICES MATRIX

Vendor Contact Information

Vendor Name	Contact Information	Services Provided
BRS - Bickmore Risk Services Risk Management Services Provider	Enriqueta Castro (Henri) Office: 800.541.4591, ext. 4614 Email: hcastro@brsrisk.com Website: http://riskcontrol.brsrisk.com/	<ul style="list-style-type: none"> ▪ Telephone Hotline - Questions & Guidance ▪ Hazard & Safety Assessment ▪ Program/Policy Development ▪ Ergonomic Evaluations ▪ On-site Training ▪ Safety Materials ▪ On-line Streaming Videos ▪ Webinars - WC and Liability Risk Management Topics
CSAC-EIA Excess Workers' Compensation Coverage	Travis Clemmer Kristen Calderon (video library) Office: 916.850.7300 Email: tclemmer@csac-eia.org Website: www.CSAC-EIA-eia.org	<ul style="list-style-type: none"> ▪ Program/Policy Development (additional member cost) ▪ On-site Training ▪ Safety Materials ▪ Video Library ▪ Webinars - WC Risk Management Topics
Target Solutions Web-based Resources available through CSAC-EIA	Website: http://www.targetolutions.com/eia/	<ul style="list-style-type: none"> ▪ Web-based Courses* ▪ Records Management <p><i>*EIA members are able to access the standard course library at no cost. However, there is a cost to the member for the premium content listed under "Additional Courses"</i></p>
CJPRMA - California Joint Powers Risk Management Authority Excess Liability Coverage	David Clovis - General Manager Office: 925.290.1316 Email: david@cjprma.org Website: http://www.cjprma.org/	<ul style="list-style-type: none"> ▪ Regional Training provided on a variety of Liability-related Topics





RISK MANAGEMENT VENDOR SERVICES MATRIX

Vendor Contact Information

Vendor Name	Contact Information	Services Provided
Occu-Med Pre-employment Medical Services	Bill Vogeler Office: 559.435.2800, ext. 101 Email: bvogeler@occu-med.com Website: www.occu-med.com	<ul style="list-style-type: none"> Review of Pre-placement Medical Exams Job Analysis <i>Additional Cost to Member</i>
APIP - Alliant Property Insurance Program	Contact Marcus Beverly, Alliant Insurance Services, for questions.	<ul style="list-style-type: none"> Webinars - Property Risk Management Topics
Lexipol Police risk management policies	Contact Marcus Beverly, Alliant Insurance Services, for policy updates.	<ul style="list-style-type: none"> Police Risk Management Policies and Procedures
ACI Employee Assistance Program	Colleen Shuster, Account Manager Office: 858.529.0171 Email: cshuster@acispecialtybenefits.com Website: www.acieap.com	<ul style="list-style-type: none"> Employee Assistance Program provided at an <i>Additional Cost to Member</i>
CalTIP - California Transit Insurance Pool Self-insurance program for public transit operators	Lee Sorenson, Bickmore Risk Services Office: 800.541.4516. ext. 1168 Email: lsorenson@brsrisk.com Website: http://www.caltiponline.org/	<ul style="list-style-type: none"> Transit Specific Risk Management Resources for Member Cities (Auburn, Dixon, and Folsom)
DKF Solutions Group, LLC	David Patzer Office: 707.373.9709 Email: dpatzer@dkfsolutions.com Website: http://www.dkfsolutions.com	<ul style="list-style-type: none"> Sewer Risk Management Additional cost to member



RISK MANAGEMENT VENDOR SERVICES MATRIX

Vendor Contact Information

Vendor Name	Contact Information	Services Provided
Total Aquatic Management	Jim Wheeler Office: 510.523.3155 Email: jim@totalaquaticmanagement.com swimnjim@hotmail.com Website: http://www.totalaquaticmanagement.webs.com	<ul style="list-style-type: none"> ▪ Aquatic Safety services ▪ Certified Pool Operator (CPO) Trainings ▪ Additional cost to member
Precision Concrete Cutting	Katrina Lynch (916) 847-7346 Klynch@dontgrind.com Joseph Ortega jortega@DontGrind.com Main: (866) 792-8006 Fax: (650) 240-3866 www.dontgrind.com	<ul style="list-style-type: none"> ▪ Sidewalk cutting to repair defects ▪ Will inspect to your specifications ▪ Map defects ▪ Repairs @ \$35 to \$50 per location



NCCSIF RESOURCE CONTACT GUIDE

<p><u>PROGRAM ADMINISTRATION</u> Alliant Insurance Services, Inc. 2180 Harvard Street, Suite 460 Sacramento, CA 95815 Main: (916) 643-2700 Fax: (916) 643-2750 www.alliant.com</p>										
SUBJECT	MAIN CONTACT									
<p>JPA MANAGEMENT ISSUES</p> <ul style="list-style-type: none"> ➤ Governance - policies and procedures, program budget/funding, financial analysis, program management, personnel, contracts, consultants. ➤ Coverage - coverage questions, quotations, new members, development of shared risk program coverage agreements, RFPs for services, actuary liaison, excess insurance/additional coverage marketing (Crime coverage, etc.), program development. ➤ Risk Management - Insurance Requirements in Contracts (IRIC), third party contract review, hold harmless and indemnification clauses, risk management program planning, RFPs for JPA payment approval of budgeted funds. 	<p>Marcus Beverly Michael Simmons Raychelle Maranan</p>									
<p>JPA ADMINISTRATIVE ISSUES</p> <ul style="list-style-type: none"> ➤ Meetings & Compliance - agendas; minutes; development/maintenance of governing documents, development/interpretation of policies & procedures, JPA state compliance, Form 700, changes in Board members, website updates. ➤ Certificates - certificates of coverage, additions/deletions of coverages, special events liability coverage, automobile identification cards, auto/mobile equipment physical damage programs. 	<p>Raychelle Maranan Michelle Minnick Marcus Beverly</p>									
<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; border: none;">Michael Simmons</td> <td style="width: 33%; border: none;">(415) 403-1425 / (925) 708-3374 cell</td> <td style="width: 33%; border: none;">msimmons@alliant.com</td> </tr> <tr> <td style="border: none;">Marcus Beverly</td> <td style="border: none;">(916) 643-2704 / (916) 660-2725 cell</td> <td style="border: none;">Marcus.Beverly@alliant.com</td> </tr> <tr> <td style="border: none;">Raychelle Maranan</td> <td style="border: none;">(916) 643-2712</td> <td style="border: none;">Raychelle.Maranan@alliant.com</td> </tr> </table>		Michael Simmons	(415) 403-1425 / (925) 708-3374 cell	msimmons@alliant.com	Marcus Beverly	(916) 643-2704 / (916) 660-2725 cell	Marcus.Beverly@alliant.com	Raychelle Maranan	(916) 643-2712	Raychelle.Maranan@alliant.com
Michael Simmons	(415) 403-1425 / (925) 708-3374 cell	msimmons@alliant.com								
Marcus Beverly	(916) 643-2704 / (916) 660-2725 cell	Marcus.Beverly@alliant.com								
Raychelle Maranan	(916) 643-2712	Raychelle.Maranan@alliant.com								
<p style="text-align: center;"><u>ACCOUNTING SERVICES</u> James Marta & Company CPAs 701 Howe Avenue, Suite E3 Sacramento, CA 95825 Main: (916) 993-9494 · Fax: (916) 993-9489 www.jpmpca.com</p> <p style="text-align: center;">Jim Marta, CPA - jmarta@jpmpca.com Alana Theiss, CPA - atheiss@jpmpca.com - ext. 12</p>	<p style="text-align: center;"><u>SAFETY & RISK CONTROL SERVICES</u> Bickmore 1750 Creekside Oaks Drive, Suite 200 Sacramento, CA 95833 Main: (800) 541-4591 Fax: (855) 242-8919 www.bickmore.net</p> <p>Henri Castro - hcastro@bickmore.net - (916) 244-1107 Gail Zeigler - gzeigler@bickmore.net - (916) 244-1108 <i>Police Risk Management</i> Tom Kline - tkline@bickmore.net - (916) 244-1121</p>									

NCCSIF RESOURCE CONTACT GUIDE

<p style="text-align: center;"><u>CLAIMS ADMINISTRATION</u> York Risk Services Group, Inc. P.O. Box 619079 Roseville, CA 95661-9058 Main: (916) 783-0100 · Fax (866) 548-2637 www.yorkrsg.com</p>	<p style="text-align: center;"><u>EMPLOYEE ASSISTANCE PROGRAM</u> ACI Specialty Benefits Corporation 6480 Weathers Place, Suite 300 San Diego, CA 92121 Main: (800) 932-0034 · Fax: (858) 452-7819 www.acispecialtybenefits.com Colleen Shuster, Account Manager cshuster@acispecialtybenefits.com (858) 529-0171 Direct</p>								
CLAIMS LIABILITY CONTACTS Report Claims To: NCalYorkLiabilityClaims@yorkrsg.com	CLAIMS WORKERS' COMPENSATION CONTACTS								
<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <p>Alex Davis, Claims Analyst (925) 349-3890 alex.davis@yorkrsg.com <i>Handles All Cities As Needed</i></p> <p>Gianna Polli, Subrogation Specialist (916) 580-2452 gianna.polli@yorkrsg.com <i>Handles All Cities As Needed</i></p> <p>John Tucker, Senior Adjuster (209) 320-0804 john.tucker@yorkrsg.com <i>Dixon, Galt, Ione, Rio Vista</i></p> <p>Kelley Winters, Senior Adjuster (916) 960-1024 kelley.winters@yorkrsg.com <i>Auburn, Lincoln, All Cities As Needed</i></p> <p>Erica Nichols, Adjuster (916) 960-1026 erica.nichols@yorkrsg.com <i>Folsom, Rocklin, All Cities As Needed</i></p> <p>Dan Lamb, Senior Adjuster (209) 795-0742 dan.lamb@yorkrsg.com <i>Jackson</i></p> </td> <td style="width: 50%; vertical-align: top;"> <p>Irina Ganchenko, Adjuster (916) 746-8856 irina.ganchenko@yorkrsg.com <i>Handles All Cities As Needed</i></p> <p>Sarah Briasco, Recovery Specialist (916) 960-0920 sarah.briasco@yorkrsg.com <i>Handles All Cities As Needed</i></p> <p>Kenneth Sloan, Senior Adjuster (916) 960-0927 ken.sloan@yorkrsg.com <i>Galt, Rio Vista</i></p> <p>Craig Nunn (530) 768-4801 craig.nunn@yorkrsg.com <i>Red Bluff, All Cities As Needed</i></p> <p>D'Ana Seivert, Adjuster/Subro Unit Mgr (916) 960-0980 dana.seivert@yorkrsg.com <i>Handles All Cities As Needed</i></p> <p>Shawn Millar, Senior Adjuster (530) 345-5998 shawn.millar@yorkrsg.com <i>Colusa, Gridley, Marysville, Oroville, Paradise, Willows, Yuba City</i></p> </td> </tr> </table> <p style="text-align: center;">Cameron Dewey, AIC, PCLA, Unit Manager (530) 243-3249 cameron.dewey@yorkrsg.com</p> <p style="text-align: center;"><u>RESOURCES</u></p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <p>Mike Berndt Assistant Vice President Liability (925) 349-3891 mike.berndt@yorkrsg.com</p> </td> <td style="width: 50%; vertical-align: top;"> <p>Dori Zumwalt Senior Account Manager Client Services (916) 960-1017 dorienne.zumwalt@yorkrsg.com</p> </td> </tr> </table>	<p>Alex Davis, Claims Analyst (925) 349-3890 alex.davis@yorkrsg.com <i>Handles All Cities As Needed</i></p> <p>Gianna Polli, Subrogation Specialist (916) 580-2452 gianna.polli@yorkrsg.com <i>Handles All Cities As Needed</i></p> <p>John Tucker, Senior Adjuster (209) 320-0804 john.tucker@yorkrsg.com <i>Dixon, Galt, Ione, Rio Vista</i></p> <p>Kelley Winters, Senior Adjuster (916) 960-1024 kelley.winters@yorkrsg.com <i>Auburn, Lincoln, All Cities As Needed</i></p> <p>Erica Nichols, Adjuster (916) 960-1026 erica.nichols@yorkrsg.com <i>Folsom, Rocklin, All Cities As Needed</i></p> <p>Dan Lamb, Senior Adjuster (209) 795-0742 dan.lamb@yorkrsg.com <i>Jackson</i></p>	<p>Irina Ganchenko, Adjuster (916) 746-8856 irina.ganchenko@yorkrsg.com <i>Handles All Cities As Needed</i></p> <p>Sarah Briasco, Recovery Specialist (916) 960-0920 sarah.briasco@yorkrsg.com <i>Handles All Cities As Needed</i></p> <p>Kenneth Sloan, Senior Adjuster (916) 960-0927 ken.sloan@yorkrsg.com <i>Galt, Rio Vista</i></p> <p>Craig Nunn (530) 768-4801 craig.nunn@yorkrsg.com <i>Red Bluff, All Cities As Needed</i></p> <p>D'Ana Seivert, Adjuster/Subro Unit Mgr (916) 960-0980 dana.seivert@yorkrsg.com <i>Handles All Cities As Needed</i></p> <p>Shawn Millar, Senior Adjuster (530) 345-5998 shawn.millar@yorkrsg.com <i>Colusa, Gridley, Marysville, Oroville, Paradise, Willows, Yuba City</i></p>	<p>Mike Berndt Assistant Vice President Liability (925) 349-3891 mike.berndt@yorkrsg.com</p>	<p>Dori Zumwalt Senior Account Manager Client Services (916) 960-1017 dorienne.zumwalt@yorkrsg.com</p>	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; 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Northern California Cities 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 _____



OVERVIEW OF ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

INFORMATION ITEM

ISSUE: The Program Administrators plan *Coverage Reviews* at each Board meeting that update members on the various coverage programs offered by NCCSIF. As the renewal for the property program is underway members are provided an overview of the key terms and conditions found in the APIP coverage.

RECOMMENDATION: None - information only.

FINANCIAL IMPACT: No fiscal impact for NCCSIF. The APIP program is a group purchase program with no loss sharing.

BACKGROUND: NCCSIF members have participated in the APIP program over 15 years. Over time it has evolved to include coverage enhancements including Pollution and Cyber coverages. Not all NCCSIF Members participate in this program, and those that do not should make sure that they are purchasing similar quality coverage from their local agents, or consider joining this program to obtain it.

ATTACHMENT: Handout of presentation at the meeting