



## **HANDOUTS**

from December 13, 2018 Training and Board of Directors Meeting

**E.1.**           Litigation and Claims Management - Presentation

**E.2.**           Legal and Legislative Update - Presentation

**E.3. and E.4.** CJPRMA Overview of Services and  
Special Events Risk Management and Permit Language - Presentation

**G.4.**           Program Administrator's Report – NCCSIF Annual Report

# Litigation Management Policies, Procedures, and Practicalities

Presented to NCCSIF Board of Directors

By

Marcus Beverly

December 13, 2018

## Three Pillars of Litigation Management\*



- Wise Attorney Selection
- Cost Control
- Service Management

\* Credit IRMI.com

## NCCSIF's Three Pillars of Litigation Management\*



- Wise Attorney Selection
  - P&P A-9 – Selection and Use of Counsel
  - Approved Attorney & EPL Investigator List
- Cost Control
  - P&P L-5 Liability Litigation Management Plan
  - Litigation Budget
- Service Management
  - Responsiveness & Results

\* Credit IRMI.com

## Guidelines are Guidelines



- Should NOT impair defense counsel's ability to defend a claim
- City and other covered parties are the attorney's clients, not NCCSIF
- Defense counsel may commit an ethical violation if follow guidelines that curtail their ability to defend a claim, such as restricting or requiring prior approval for needed work can be considered

## Selection of Counsel

- Approved List – member driven
  - Specialists in police, employment, dangerous conditions.
- City attorneys *or their firm* not approved to manage cases *for that city* but may for others if qualified
- **EPL Investigators paid through Banking Layer if on approved list**
- Pre-litigation counsel assignment encouraged and paid from Banking

## Selection & Payment *Pending Coverage Decision*

Manage same as covered claim – use attorney on list and Banking Layer

**If denied solely due to exclusion can still use Banking Layer to fund**

Independent or “Cumis” counsel

- Entitled to own attorney if coverage an issue that defense can impact
- Pool has own coverage counsel as well – paid for in admin budget

## Assignment



- After consultation and approval from the Member City, the Claims Administrator shall assign and direct defense counsel from the Approved List.
- *Choose counsel based on type of case and prior experience.*

## Case Analysis and Litigation Budget

- **Within 7 days\*** the defense counsel, adjuster, and/or member should discuss the case to **agree on response** (within 20 or 30 days) and the *general direction* of initial discovery.
- **Within 30 days** of retention in each case selected defense counsel shall complete and return a case evaluation and analysis as requested in the case assignment letter from the Claims Administrator.
- *Should include budget to get to resolution stage*

\* Recommended – not in P&P

## Budgeting – Six Stages of Case



- Evaluation
- Discovery
- “Trial” or resolution
- Appeal
- Dispositive Motions – “MSJs”
- **Alternative Dispute Resolution** – “ADR”, MSC, Mediation, Arbitration

## Evaluation

**Why is this claim open and what do we need to do to resolve it?**

- Liability
- Damages
- Emotional or Aggravating Factors? **Video?**
- Probable settlement value **range** (damages x % of liability)
- Joint and several – Prop 51 – big “specials” for permanent disability?
- Fight or flight? Make a stand?
- Coverage issues?

**Ask the first question above repeatedly until claim resolved!**

## Evaluation – REMEMBER!



**It doesn't matter what you think!**

(or your boss, city manager, city council, city attorney, police chief, HR director, public works staff, defense attorney, claims staff, or me!)

## Evaluation It Matters What A JURY Will Think!



## Discovery



- Answer/Response
- Interrogatories/Admissions
- Request for Production of Documents  
(your training &/or maintenance records!)
- Subpoenas of records – medical, employment, etc.
- Depositions
- Experts

The following expenses are to be approved by the Claims Administrator prior to being incurred:

- **Experts** - whether investigative (consulting) or testimonial;
- Independent medical examinations (IMEs);
- Outside investigators;
- **More than one attorney at meetings**, interviews, depositions, hearings, appearances or other like engagements;
- Travel out-of-town or outside designated area for investigation - e.g., for depositions, meetings with expert witnesses, etc.;
- **Filing of cross-complaint, counter-claims;** and
- *Co-defendant cost sharing agreements.*

## Fees and Billings

All bills for legal services and related costs shall be submitted to the Claims Administrator **every sixty (60) days**.

- The name of the matter;
- A brief description of services performed;
- The date the services were performed;
- The number of hours, or fraction thereof, spent for each service and by whom;
- The hourly or project rate for the services;
- A brief description of any costs incurred; and
- Copies of invoices for all advanced costs.

## MANDATORY STATUS REPORTS



Status reports are mandatory **every 90 days** or as soon as possible following any significant event in the case.

Status reports should include the following:

- **The ongoing strategy for defense or resolution of the case**, including a factual analysis of issues related to *liability and damages*;
- A description of planned discovery with a time table for completion;
- A brief synopsis of the discovery completed since the last report;
- Court dates including, but not necessarily limited to, mandatory settlement conferences, trial setting conferences, arbitration and trial dates, hearings on discovery, etc.;
- New settlement demands; and
- Any anticipated **changes in the litigation budget**.

TRIAL/ARBITRATION REPORTS (mediation, MSC, ADR, etc.)

*No later than 30 days prior to trial (or binding arbitration)*

- an assessment of the City's **liability**;
- an assessment of plaintiff's injuries or **damages**;
- an assessment of legal defenses (and probability of prevailing);
- an assessment of the chances of prevailing at trial;
- the **verdict value** assuming full liability
- an assessment of any other factors affecting the items above, including **demeanor or credibility of important witnesses**, evidentiary disputes, tendencies of local juries, the judge or opposing counsel, liability and solvency/coverage of co-defendants, or similar important issues;
- an appraisal of **settlement value**, considering verdict value and chances of prevailing
- the status of settlement discussions
- **estimated future fees and costs through trial** (since last billing)

## Performance Evaluation



The Claims Administrator shall review the performance of the panel members with the Claims Committee annually.

Be vigilant to warning signs of deteriorating service, such as the following.

- Firms **pawning off your case** to a newly minted attorney or an underqualified neophyte, **viewing your case as a training ground** for new lawyers
- Lack of creativity
- Trouble getting phone calls returned
- **No or slow response to letters and inquiries**
- "Musical attorneys": different lawyers handling your case
- **Strategy inconsistent with your aims and philosophy**, i.e., trial prep on cases that should be settled, under preparation on cases needed to be worked up for trial

## **Recent Audit Results – Litigation Management**

**38 of 75 files audited are litigated cases (51%).**

- All litigated files are appropriately assigned to outside counsel.
- **Litigation budgets were secured on all but one file; an excellent result.**
- Most files show monitoring to confirm the initial budget was accurate, or the budget revised if it is exceeded or looks like it will be exceeded.
- **Many defense firms are used; consolidating the number** of firms could:
  - Streamline defense of cases with firms familiar with the JPA's members,
  - Provide potential defense cost savings, and
  - NCCSIF becoming a more important client with those firms.
- **On a whole, the defense is well handled**, providing timely reports, and good communication between Member and York staffs.

## **Audit – Litigation Management** (*continued*)

- Some audited files suggest that **adjusters might be relying on defense counsel for decisions on tactics to defend cases.**
- Some files appear idle, awaiting filing of suit, which is sometimes, but not always, appropriate.
- Evidence of communication with all key stakeholders on the strategy of cases should be evident in all files.
- **Suggest department heads attend mediations/settlement conferences.**
- Defense **settlement evaluations**, including possibility of a defense verdict, **should be copied to all stakeholders** so they have a *realistic view of the exposure*.

## PLAINTIFF “REPTILE” LITIGATION STRATEGY



- Reptile theory asserts that you can prevail at trial by speaking to, and **scaring, the primitive part of jurors' brains**, the part of the brain they share with reptiles
- The strategy is designed to frame the case in a way that shifts each juror's brain into survival mode when they decide on the case
- Reptile theory essentially **replaces the standard of care with general ideas of safety and security.**

## WHAT IS THE FOCUS?



- The focus of the case is the **conduct of the defendant**, not the injuries of the plaintiff.
- The belief is that jurors are not interested in the plaintiff's injury, even when severe.
- Instead, plaintiff attorneys engage jurors by demonstrating how the conduct in question **endangers the juror or the juror's family.**

## PLAINTIFF'S GOALS



- ❖ The plaintiff's goal is to motivate the jury to **protect the community** at large by promoting future safety

- ❖ Reptile litigation strategy focuses on the defendant's **failure to conform with general safety principles**, rather than specific harm suffered by the plaintiff



- ❖ The focus is on **anger**, and the idea is to make jurors believe the worst about a defendant and its record of safety

## HOW REPTILE STRATEGY WORKS



### ***"Safety Rule + Danger = Reptile"***

- Plaintiff attorneys identify a safety rule and show the jury that **defendant's violation of that rule puts themselves and the community in danger**
- This awakens the jurors' reptile brains, motivating them to equate justice in this case with their own security

## TO “AWAKEN THE REPTILE,” A SAFETY RULE MUST...

- (1) **Prevent danger**
- (2) **Protect people in a wide variety of situations**, not just someone in plaintiff's situation
- (3) Be in **plain English**
- (4) **Explicitly state** what a person must do or not do
- (5) Be **practical** and **easy** for someone in defendant's position to have followed
- (6) Be one that the **defendant will either agree with or reveal him or herself as stupid, careless, or dishonest in disagreement**

## DEFENSE TACTICS



- For the defense, we have to be able to point out that this “reptile strategy” is nothing more than an attempt to resurrect Golden Rule arguments, which are usually not allowed.
- **Jurors are not to be asked to put themselves in the place of a party and make a judgment based on that virtual reality.**

## Case Study - A Dog of a Claim – Literally



- **Drug Task Force** – 2 member cities and county
- Really bad guy with F\_\_\_ the Police tattoo on his chest and a mean dog
- Mix the two with an arrest and a dead dog aftermath.
- Claim alleges the task force did not have adequate plan to deal with dog
- Could have settled for \$100,000 *or less* very early on - \$25K to \$33K estimate.
- Finger pointing ensues as to who is at fault
- County ended up settling around the two member cities for \$100,000.
- We are still fighting it out - \$195K in legal so far.

## Case Study – Grad Night Event



Per the complaint, Plaintiff alleges injury during a School District event held at the City's Community Building and adjacent field. **The complaint alleges negligence in that an inflatable landing pad beneath a velcro climbing device was not properly inflated.**

The District's Booster Club executed a "Public Facilities Use Application" under which it promised to defend and indemnify the City "against any claimed loss, damages, or liability arising out of any conduct by the applicant/sponsor on facilities owned by the City." **The Club provided Special Event coverage naming the city as AI but claims arising from "inflatable devices" are excluded.**

The inflatables vendor should have coverage but likely would not extend to the city. **Possible the Booster Club could have obtained proof of coverage and AI status.**

Questions?



Thank You!



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all we do is work



**NCCSIF.org**

Northern California Cities Self Insurance Fund - A Joint Powers Authority

*Presented by:*

**MICHAEL J. CHRISTIAN**

**December 12, 2018**

## **EMPLOYMENT LIABILITY AND CLAIMS: HOT TOPICS AND TRENDS**

### **Agenda**

#### **● Areas of Significant Activity:**

1. Sexual Harassment Prevention and Claims
2. Disability and Worker's Compensation
3. Retaliation and Free Speech Claims
4. Privacy Rights
5. Lactation Accommodations

#### **● Best Practices**

## Increased Risk With Sexual Harassment Claims

- #MeToo Movement's Effect:
  - The EEOC's statistics for 2018:
    - Amount of sexual harassment charges filed increased by 12%
    - Number of lawsuits alleging sexual harassment jumped up by 50%
    - The EEOC recovered \$70 million in these actions
      - They recovered roughly \$20 million *more* than in 2017, where they only recovered \$47.5 million
  - A 2018 verdict against the City of Los Angeles for **\$3,000,000** in damages.

## New Sexual Harassment Training Requirements Senate Bill 1343

- Employers with at least five (5) employees must provide:
  - At least two hours of sexual harassment prevention training to all supervisory employees
  - At least *one hour of sexual harassment prevention training to all non-supervisory employees* in California
  - **Applies to Temporary or Seasonal Employees**
- The training must be provided within six months of the employee's assumption of either a supervisory or non-supervisory position.
- The training must be provided once every two years.
- Must be in compliance by January 1, 2020

## New Sexual Harassment Training Requirements Senate Bill 1343

### ● Temporary or Seasonal Employees

- Beginning January 1, 2020, if an employee is hired to work for less than six months, the employer must provide sexual harassment prevention training within 30 calendar days after the hire date or within 100 hours worked, whichever occurs first
- In the case of a temporary employee employed by a “temporary services employer” (as defined by the California Labor Code) to perform services for clients, the training must be provided by the temporary services employer, not the client.
- “Temporary services employers” are temp agencies or staffing companies that meet seven specific requirements, such as retaining the authority to assign or reassign a worker to another client or customer when the worker is determined unacceptable by a specific client or customer.

## New Sexual Harassment Training Requirements Senate Bill 1343

- Training may be conducted with employees as a group, or individually
- Training may be broken up into shorter time segments as long as the two-hour (supervisory employees) and one-hour (non-supervisory employees) requirements are met
- DFEH is required to develop and make available on its website compliant training courses for both supervisory and non-supervisory employees
- Employers may direct employees to the DFEH online training courses or may develop their own training platforms as long as they are compliant

## New Sexual Harassment Training Requirements Senate Bill 1343

### ● Timing Considerations

- The training specified in the new law must be provided to employees by January 1, 2020.
- “An employer who has provided this training and education to an employee after January 1, 2019, is not required to provide training and education by the January 1, 2020, deadline.”
- “After January 1, 2020, each employer covered by this section shall provide sexual harassment training and education to each employee in California once every two years.”
- Training requirements for seasonal or temporary employees do not go into effect *until* January 1, 2020.

## Bystander Intervention Training: Senate Bill 1300

● Under SB 1300, employers **may** provide employees with bystander intervention training that includes information and practical guidance on how to enable bystanders to recognize potentially problematic behaviors and to motivate bystanders to take action when they observe such behaviors.

● Encouraged but **not required**

# NONEMPLOYEE HARASSMENT

## Expanded Employer Responsibility for Nonemployee Harassment

### Senate Bill 1300

- Under current law, an employer can be responsible for the acts of nonemployees with respect to **sexual harassment** against employees, applicants and other nonemployees working as interns, volunteers or service contracts.
- SB 1300 broadens liability to include **any type of harassment**
- As amended, an employer may be liable for non-employee harassment if the employer (including its agents or supervisors) knows or should have known of the conduct and fails to take immediate and appropriate corrective action

# Clarification of Legal Standard for Harassment Claims: Senate Bill 1300

- Adopts the standard in Justice Ruth Bader Ginsburg's concurrence in *Harris v. Forklift Systems*, 510 U.S. 17 (1993)
  - A sexual harassment plaintiff "need not prove that his or her tangible productivity has declined as a result of the harassment. It suffices to prove that a reasonable person subjected to the discriminatory conduct would find, as the plaintiff did, that the harassment so altered working conditions as to make it more difficult to do the job."
- A single incident of harassing conduct is sufficient to create a triable issue if the conduct has unreasonably interfered with plaintiff's work performance or created an intimidating, hostile, or offensive work environment
  - Expressly rejects the opinion of the Ninth Circuit in *Brooks v. City of San Mateo*, 229 F.3d 917 (2000) which held otherwise.

## Clarification of Legal Standard for Harassment Claims: Senate Bill 1300

- Rejects the “stray remarks doctrine” and affirms the California Supreme Court’s decision in *Reid v. Google, Inc.*, 50 Cal.4th 512 (2010), which found that isolated remarks, if viewed in light of other circumstances, can be evidence of severe and pervasive harassing conduct.
- Rejects the view that workplaces can be held to different standards regarding sexual harassment.
- Declares that harassment cases are rarely appropriate for disposition on summary judgment and affirms the decision in *Nazir v. United Airlines, Inc.* (2009) 178 Cal.App.4th 243, which observed that hostile work environment cases involve issues “not determinable on paper.”

## SB 224: Expanded Definition of Potential Harassers

- Expands list of professional relationships where liability for sexual harassment claims may arise to include investors, elected officials, lobbyists, directors, and producers. (Civil Code §51.9(a)(1).)
- Gives DFEH jurisdiction to investigate and take enforcement against these groups.

## Increased Statute of Limitations for Sexual Assault

- AB 1619 expands the statute of limitations for sexual assault civil actions
  - 10 years from the date of the assault or within 3 years after the plaintiff discovers injury or illness due to assault, whichever is later.
  - Old law was 3 years from the date of the assault or 3 years from the date injury was discovered.

## New Restrictions on Confidentiality Provisions Senate Bill 820

- Settlement agreements that prevent an individual from disclosing *factual information* related to claims of sexual assault, sexual harassment or discrimination based on sex, including retaliation for reporting sexual harassment or discrimination, will no longer be permitted.
- Applies to settlement agreements entered into on or after January 1, 2019
- Permissible subjects of confidentiality:
  - Information that could reveal identity of claimant
  - Settlement amount

## New Restrictions on Confidentiality Provisions Assembly Bill 3109

- Makes void and unenforceable a provision in a contract or settlement agreement that waives a party's right to testify regarding alleged criminal conduct or sexual harassment
- Applies to testimony in an administrative, legislative, or judicial proceeding, so long as the person's testimony was required or requested by the court, administrative agency, or legislative body
  - Plaintiff may be prohibited from *voluntarily* speaking at a public hearing.
- Applies to contracts or settlement agreements entered into on or after January 1, 2019

## Restrictions on Releases and Non-Disparagement Agreements: Senate Bill 1300

- Employers prohibited from offering employees raises or bonuses, or conditioning continued employment on the employee:
  - Signing a release of a claim or right under the FEHA
  - Signing a non-disparagement agreement or other document that denies the employee the right to disclose information about unlawful acts in the workplace, including, but not limited to, sexual harassment
- Exception for negotiated settlement agreement resolving a claim or claim(s) filed by an employee in court, before an administrative agency, alternative dispute resolution forum, or through an employer's internal complaint process

## SB 1300: Limited Recovery for Prevailing Defendant

- A defendant *cannot* recover costs, including attorney fees and expert witness fees, unless the court finds that the action was unreasonable, groundless when brought, frivolous, or plaintiff continued the lawsuit despite it becoming inappropriate.
- Applies notwithstanding CCP §998 “Offer of Compromise”

## Disability & Workers' Compensation

- *Hernandez v. Rancho Santiago Cmty. College* (May 2018):
  - **Holding:** An employer failed to reasonably accommodate a probationary employee when it terminated that employee who was out on medical leave at the time so that it would not have to make her a permanent employee without evaluating her performance.
  - **Key Facts:**
    - Plaintiff was on worker's compensation leave for surgery during her probationary period.
    - The employer terminated her because no one reviewed her performance and the employer did not want to make her a permanent employee yet

## Disability & Workers' Compensation (cont.)

### ● *Camacho v. Target Corporation* (June 2018):

- **Holding:** If an employer seeks a general release of claims in a worker's compensation settlement agreement, then the release must be in clear and nontechnical language. It cannot be buried or hidden.
- **Key Facts:**
  - Plaintiff had a Workers' Compensation claim based off workplace harassment.
  - He subsequently filed a civil complaint and on appeal, the court found the buried language in the worker's compensation settlement agreement was not enough for a release.

## Retaliation and Freedom of Speech

### ● *Barone v. City of Springfield*, (9th Cir. Sept. 2018):

- **Holding:** An employee's free speech claim can be defeated when they speak while in their capacity as a public employee. However, it is improper for an employer to restrain an employee from making *any* type of speech.
- **Key Facts:**
  - Plaintiff attended a community event wearing her police uniform and regularly participated in community outreach programs.
  - When asked about racial profiling, she admitted that she heard of such complaints.

# Privacy Rights

● *Perez v. City of Roseville* (9th Cir. Feb. 2018):

- **Holding:** A public entity violated an employee's privacy rights when it terminated the officer for having a private, off-duty extramarital affair with a fellow police officer.
- **Test:** To take action, an employee's private off-duty conduct must negatively impact the on-the-job performance or violate a regulation that is constitutionally permissible and narrow.

# Privacy Rights (cont.)

● *Hurley v. California Dept. of Parks and Recreation* (Feb. 2018):

- **Holding:** An employer will violate the Information Privacy Act if they disclose personal information about employees to other employees when the disclosure is not relevant and necessary to the performance of official duties.
- **Key Facts:**
  - Plaintiff's supervisor disclosed information to non-supervisory employee about Plaintiff's failure to pass probation.
  - The manager provided Plaintiff's supervisor with the supervisor's desk file on Plaintiff while the supervisor was on leave.

## Lactation Accommodations: New Law Effective Jan. 1, 2019

### ● **Assembly Bill 1976:**

- Generally employers must provide a permanent lactation location – but not a bathroom – that is private, in close proximity to the work area and can be their own office so that an employee can express milk.
- If a permanent lactation location cannot be provided a temporary location may be used if:
  - A permanent location is not possible because of operational, financial, or space limitations
  - It is private and free from intrusion while an employee expresses milk.
  - It is used only for lactation purposes while an employee expresses milk.
  - It is not a bathroom.
- If there is undue hardship the lactation location may be in a bathroom, but not a toilet stall.

## Takeaways?

### ● **Anticipate:**

- More claims
- Harder to resolve claims
- Harder to win cases

\*\* increased potential monetary costs and disruption on operations

### ● **Focus on Best Practices**

# Best Practices

1. Make sure policies and guidelines are appropriate and updated.
2. Train supervisors and non-supervisors and document the training.
3. Respond appropriately
  - a. Thoroughly investigate and document
  - b. Seek help
4. Set goals and plan to accomplish
  - a. Follow the law
  - b. Put entity in good defense position
  - c. Avoid claims
  - d. Create a better and more productive work environment

# Questions?

Thank You!



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CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY

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**Northern California Cities Self Insurance Fund (NCCSIF)**

**CJPRMA Services Presentation**

**December 13, 2018**

**Tony Giles, General Manager**



## CJPRMA

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- Membership
- Liability Coverage
- NCCSIF
- Other Coverage Programs
- Services
- Special Event Program
- Encroachment Permits
- Training

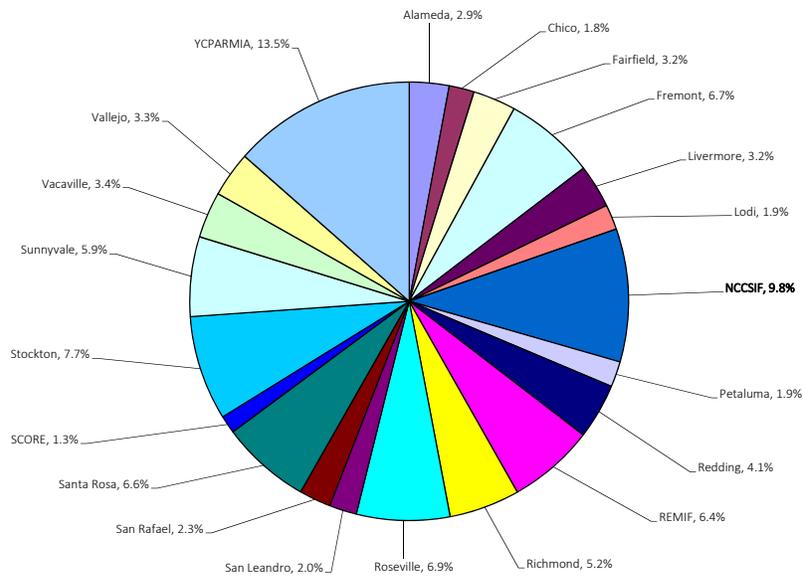


## CJPRMA Membership

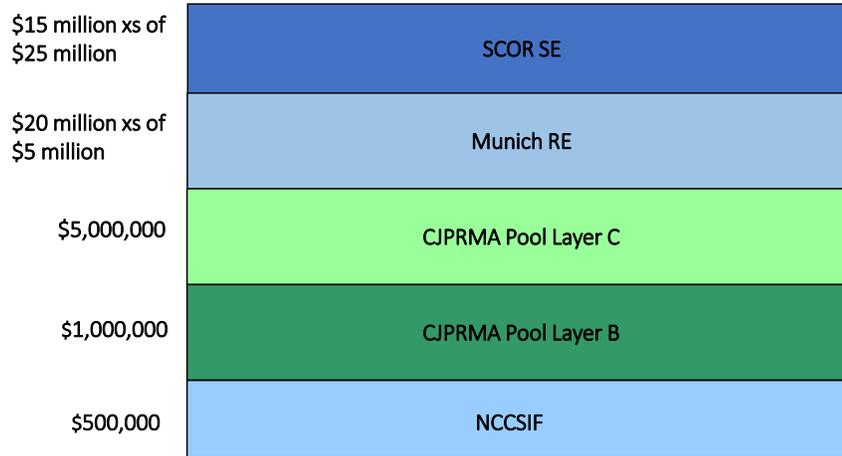
- 16 cities
- 4 primary JPAs
- 1 fire JPA
- 97 member agencies
- 1.6 billion dollars of payroll
- Geographically centered in Northern California



Payroll by Member Entity 2017-2018



## CJPRMA Excess Program Structure (18/19)



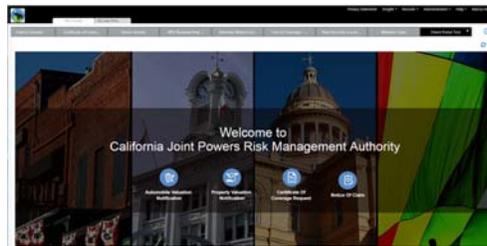
## Other CJPRMA Coverage Programs

- Property Program/Boiler & Machinery
- Auto Physical Damage
- Pollution Coverage
- Cyber Coverage
- Drone Coverage/Hull & Liability



## CJPRMA Services

- RMIS Services
- Electronic COC Processing
- Training
- Consultation
- Sample Contract Language for Insurance Requirements



## CJPRMA Special Events Endorsement

- Retained Limit of \$25,000
- Definition of Special Event
- Indemnity and hold harmless agreement



## CJPRMA Special Event Coverage

- Special Event Program
  - JD Fulwiler & Co. Insurance (formerly Gales Creek)



## Special Event Best Practice

- Contractual risk transfer
- Special event coverage/alcohol endorsement
- Licensed to serve alcohol
- Outdoor events – pre event inspection
- Vehicle operations
- Team approach, if possible



## Encroachment Permits

- City of San Leandro
- PG&E and contractor
- Traffic Control Plan
- Encroachment language
- Sample language available

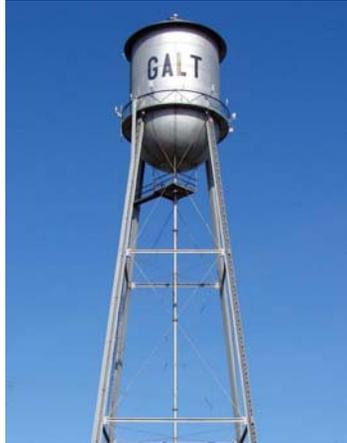


## Training Opportunities

- Police Liability
- Fire Services
- CJPRMA University
- CSRMA/CJPRMA Training
- Contractual Risk Transfer
- Associate in Risk Management (ARM)



# Questions?





# 2018/19 ANNUAL REPORT



NCCSIF Program Administrators  
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Corporate License No. 0C36861



COVER PHOTOS (from left to right):  
Top - Yuba City and Red Bluff  
Middle - Folsom and Auburn  
Bottom - Colusa and Galt

# LETTER TO OUR MEMBERS

Dear Members,

I am proud to present the 2018/19 Annual Report to highlight NCCSIF programs and services, recent accomplishments, and goals for the future. Entering the pool's 39<sup>th</sup> year, it's good to know NCCSIF is financially strong and will continue to be around to assist members by providing risk management programs and services that will respond when needed.

As we are publishing this report the Camp Fire that devastated much of the Town of Paradise has just been extinguished, and the extent of the loss is only beginning to be assessed. In spite of the uncertain outcome of the fire one thing is certain - NCCSIF members and service providers have and will continue to assist the Town in recovery. Member firefighters and police responded to contain the flames, secure damaged areas, and assist in recovery. ACI immediately provided critical incident EAP services, and the APIP claims team was one of the first on scene to assist in mitigating damage to the Town's property.

The efforts of NCCSIF members over the last six years to expand risk management training and services continue to contribute to the group's financial stability. While Net Position decreased (\$377,089), that is after **payment of dividends totaling \$2,551,295**. Total assets increased by \$2.2 million; liabilities increased by \$2.6 million mostly due to an adjustment in unpaid claims and expenses. Net cash from operations increased by \$425,986 due to increasing investment returns and member contributions.

The Workers' Compensation Program continues to deliver better than expected results, allowing members to **increase the funding confidence level over the last two years from 70% to 80% with only a 1% increase in the rate**. During the same period the program returned \$4 million in dividends to its members. This is in contrast to rate increases seen by other groups and is the result of continued focus on risk and claims management that includes ergonomic and return to work programs as well as partnering with doctors and therapists to provide prompt diagnoses and effective treatment.

The Liability Program has maintained assets in excess of the pool's target benchmarks, allowing for a refund from the Banking Layer and continued growth in Net Position in the Shared Layer. Since a planned assessment is no longer needed, Members instead decided to **increase the annual funding confidence level from 75% to 80%**, further increasing the financial stability of the program going forward. Members also agreed to add Violent Event Coverage to the program and purchase a **new insurance coverage for Deadly Weapon Response**. These coverages provide funds and incident response services for responding to deadly force events including one in 2017 that impacted several members.

NCCSIF was formed to provide members resources to recover from the types of terrible events we have seen recently, and the group is committed to ongoing innovation of its services to address the traditional and emerging risk exposures facing its members. I am proud to serve as NCCSIF President and support the continued success of the group in providing exceptional service and sound risk management practices to our members now and into the future.

Sincerely,



Liz Ehrenstrom  
NCCSIF President

Human Resources Director - City of Oroville



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# HISTORY OF THE JPA

NCCSIF was **founded in 1979** as the Northern California Cities **Workers' Compensation Fund**.

Formed as a Joint Powers Authority (JPA), it is **one of the first pooled municipal programs in California**.

**In 1981, members formed the Liability Program** to apply the same concepts of pooling coverage for comprehensive coverage designed for municipalities.

**In 1987**, the Joint Powers Authority's name was changed to **Northern California Cities Self Insurance Fund (NCCSIF)**.

The same year NCCSIF began to offer group purchase of:

- Property,
- Crime, and
- Employee Assistance Program (EAP) coverage.

**In 1991**, the pool began a shared risk program for Liability and Workers' Compensation.

The group has grown to **twenty-two cities** that **pool coverage to \$500,000** for both Workers' Compensation and Liability.

**In 1993**, NCCSIF joined CJPRMA for Excess Liability Coverage.

The same year NCCSIF became one of the first pools to achieve **CAJPA Accreditation with Excellence**.

**In 2003**, NCCSIF joined CSAC-EIA for Excess Workers' Compensation Pooled Coverage.

**Since 2008** NCCSIF has expanded coverage and increased the number and variety of risk management services and resources for members, including:

- **Cyber and Pollution Liability Coverage** through the Property Program
- Online training and risk management resources through TargetSolutions
- **Sewer operations risk management** through DKF Solutions
- Police Policy updates and training through Lexipol
- Body-worn camera grants for police agencies
- **Risk Management Best Practices and Scorecard** to benchmark and improve member operations
- Comprehensive Risk Assessments, training and consultation from Bickmore Risk Services

This fiscal year, the pool **added two coverages for responding to "active shooter" incidents** – Violent Events Coverage for the Liability MOC and Alliant Deadly Weapons Response coverage for members in the Property Program. The JPA also piloted a half-day information packed workshop on **Risk Management 101 for Supervisors and Managers**, a collaborative effort by Alliant, Bickmore and York. The workshop provides a better understanding of how a City manages their loss exposures, tools and techniques to recognize and respond to risks, and the resources available through NCCSIF to help them reduce their losses.

## MISSION STATEMENT

The Northern California Cities Self Insurance Fund (NCCSIF) is an association of municipalities joined together 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.

# GOVERNANCE

NCCSIF operates under the direction of its 22 Member Cities, with each member represented on the Board of Directors. The Executive Committee consists of seven to eleven members that rotate on a geographical basis, with the President, Vice President and Treasurer elected by the Board. Four other committees review and make recommendations regarding risk management, claims, or financial issues.



## BOARD OF DIRECTORS

The Board of Directors of NCCSIF is composed of a representative appointed by the City Council of each member agency. An Alternate Representative is also appointed to serve and may vote in the Board Member's absence. Current Board Members and Alternates are listed below.

<b>Member</b>	<b>Board Director</b>	<b>Alternate</b>
City of Anderson*	Liz Cottrell	Jeff Kiser
City of Auburn	Cristina Shafer	Vacant
City of Colusa	Toni Benson	Vacant
City of Corning*	Kristina Miller	Tom Watson
City of Dixon	Rachel Ancheta	Kim Stalie
City of Elk Grove	Brad Koehn	Kara Redding
City of Folsom*	Jim Francis	Kristine Haile
City of Galt*	Cora Hall	Eugene Palazzo
City of Gridley	Juan Solis	Elisa Arteaga
City of Ione	Jon Hanken	Lori McGraw
City of Jackson*	Yvonne Kimball	Dalacie Blankenship
City of Lincoln	Veronica Rodriguez	Ruthann Codina
City of Marysville	Vacant	Jennifer Styczynski
City of Nevada City	Loree McCay	Catrina Olson
City of Oroville	Elizabeth Ehrenstrom	Vacant
Town of Paradise	Gina Will	Crystal Peters
City of Placerville*	Dave Warren	Cleve Morris
City of Red Bluff	Sandy Ryan	Anita Rice
City of Rio Vista*	Vacant	Robert Hickey
City of Rocklin	Kimberly Sarkovich	Andrew Schiltz
City of Willows*	Tim Sailsbery	Vacant
City of Yuba City	Natalie Springer	Robin Bertagna

***\*Founding Members***

# GOVERNANCE



## EXECUTIVE COMMITTEE

The Executive Committee is a standing committee of the Board that acts as a steering committee for overall operation of the JPA and has been delegated certain duties in the Bylaws. The President of the Board serves as the Chair of the Committee, with the Vice President and Secretary as voting members. Remaining voting seats are selected on a rotating geographical basis. The Treasurer and CJPRMA Board Representative are non-voting members of the Committee.

<b>Member</b>	<b>Name</b>	<b>2019 Officers, as of January 1, 2019</b>
City of Oroville	Elizabeth Ehrenstrom	President
City of Folsom	Kristine Haile	Vice President
City of Willows	Tim Sailsbery	Treasurer
Town of Paradise	Gina Will	Secretary and CJPRMA Board Representative
City of Galt	Cora Hall	Member-at-large
City of Gridley	Juan Solis	Member-at-large
City of Lincoln	Veronica Rodriguez	Member-at-large
City of Nevada City	Loree McCay	Member-at-large
City of Rio Vista	<i>Vacant</i>	Member-at-large



# GOVERNANCE

## CLAIMS COMMITTEE

The Claims Committee reviews claims in the Shared Risk Layer, authorizes settlements and makes determinations on coverage. The Claims Committee has settlement authority from a Member's Banking Layer up to \$250,000, and the Executive Committee has authority to settle claims in excess of that amount for both Liability and Workers' Compensation. The Committee also reviews NCCSIF's claims management practices, claim audits, litigation management and approved attorney lists and makes recommendations as needed. The Executive Committee appoints members to the Claims Committee from their ranks.



## FINANCE COMMITTEE

The NCCSIF Board of Directors has delegated financial investment authority and other duties to the Executive Committee. The Executive Committee delegates these duties to the Finance Committee on an as-needed basis. The Treasurer is appointed annually by the Board and serves as the Chair of the Finance Committee.

## RISK MANAGEMENT COMMITTEE

NCCSIF established a Risk Management Committee in 1991, comprised of at least one member from each City. Over the years it has been enriched by participation from employees from Public Works, Finance, Human Resources, Police, Fire, and City Management who have contributed a broad range of ideas and best practices to the members. Most recently the Committee recommended and the Board approved best practices for managing the risks of special events.

The Committee's goal is to foster member risk management programs to reduce the frequency and severity of accidents and claims for loss or damage. Recognizing this goal, the Committee annually recommends and administers a budget to provide each member hands-on risk management consultation and training. For FY 18/19 **the risk management budget is \$482,487, or 37% of the pool's total administration expenses.**

## POLICE RISK MANAGEMENT COMMITTEE



Given the importance of managing public safety risks and the unique nature of their operations, members formed a separate Police Risk Management Committee, and all members with police departments are encouraged to participate. Members meet quarterly to share risk management tips, keep abreast of legislative and case law changes, and attend a training session at each Committee meeting.

The Committee also reviews major claims for risk management practices that can be shared or improved and evaluates equipment to prevent or minimize losses. In the last five years, members have approved a **total of \$250,000 in grant funds to purchase body-worn cameras** and storage. Each meeting includes feedback on how effective the cameras have been in **reducing the number of claims and their severity.**

# FY 18/19 MEMBERS PARTICIPATING IN EACH PROGRAM

MEMBER	POOLED PROGRAMS		GROUP PURCHASE					INDIVIDUAL PURCHASE					Alliant Special Events Program		
	LIABILITY	WORKERS' COMP	APIP PROPERTY	APIP PHYSICAL DAMAGE	APIP FLOOD	ACIP CRIME	ID FRAUD Expense Reimbursement	ADWRP	AMVP Auto Physical Damage	AIRPORT	POLLUTION	DIC-Earthquake		Fiduciary Liability	EAP through ACI
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	✓	✓					✓		✓					✓	✓
City of Lincoln	✓	✓	✓	✓		✓	✓	✓		✓	✓			✓	
City of Marysville	✓	✓	✓		✓	✓	✓	✓	✓					✓	
City of Nevada City		✓					✓								✓
City of Oroville	✓	✓	✓	✓		✓	✓	✓		✓					
Town of Paradise	✓	✓	✓			✓	✓	✓	✓					✓	✓
City of Placerville		✓					✓								✓
City of Red Bluff	✓	✓	✓	✓		✓	✓	✓		✓		✓		✓	
City of Rio Vista	✓	✓				✓	✓		✓					✓	✓
City of Rocklin	✓	✓	✓			✓	✓	✓	✓						✓
City of Willows	✓	✓					✓								
City of Yuba City	✓	✓	✓	✓	✓	✓	✓	✓							

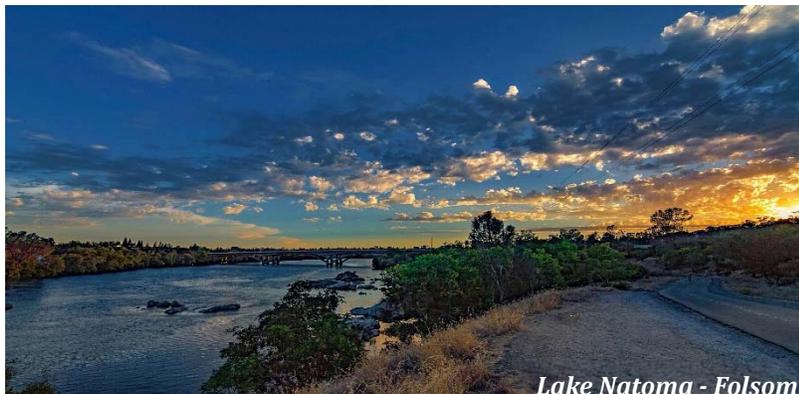
APIP = Alliant Property Insurance Program

ADWRP = Alliant Deadly Weapon Response Program

Special Events serviced by Penny DeWitt in Newport Beach office

ACIP = Alliant Crime Insurance Program

AMVP = Alliant Mobile Vehicle Program



Lake Natoma - Folsom

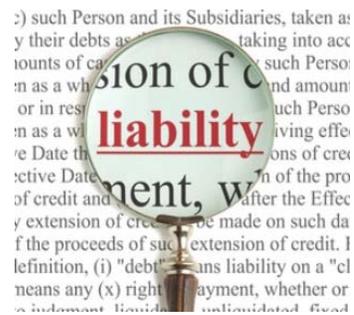


# LIABILITY PROGRAM

## COVERAGE HIGHLIGHTS

The Liability Program provides coverage for losses Members become legally obligated to pay as damages due to:

- **Bodily Injury and Property Damage,**
- **Employment Practices Liability (EPL),**
- **Personal Injury, and**
- **Public Officials' Errors or Omissions.**



Coverage is included for the Member Entity and its commissions, agencies, districts, authorities, boards, or similar entities coming under the Member's direction or control, in addition to officials, employees, or volunteers while acting for or on behalf of the Member.

The program is divided into **three separate coverage layers** - Banking, Shared Risk and Excess Coverage, as illustrated in the table to the right.

All three coverage layers include self-insurance. The **Banking Layer is funded to pay for each Member's own claims, similar to a deductible.** The Shared Risk Layer is funded to pay for claims that are shared by all NCCSIF Members. The Excess Layer is funded through the California Joint Powers Risk Management Authority (CJPRMA).

<p style="text-align: center;"><b><u>Excess Layer</u></b></p> <p style="text-align: center;">Excess Insurance: \$5,000,000 to \$40,000,000 EPL Coverage Limit: \$10,000,000 CJPRMA Members: \$500,000 to \$5,000,000</p>
<p style="text-align: center;"><b><u>Shared Risk Layer</u></b></p> <p style="text-align: center;">Banking Layer Limit to \$500,000</p>
<p style="text-align: center;"><b><u>Banking Layer</u></b></p> <p style="text-align: center;">Folsom: \$0 to \$100,000 All Other Members: \$0 to \$50,000</p>



**CALIFORNIA JOINT POWERS  
RISK MANAGEMENT AUTHORITY**

CJPRMA members pool risk up to \$5,000,000 and purchase excess reinsurance for total limits up to \$40,000,000, inclusive of NCCSIF's retained limit of \$500,000 per occurrence. Other sublimit apply, including for Employment Practices Liability (EPL) and subsidence coverage. As a result of sharing risk to \$5,000,000, CJPRMA is largely insulated from fluctuating insurance market conditions. CJPRMA also provides valuable risk management training and excess claim management services.



# LIABILITY PROGRAM

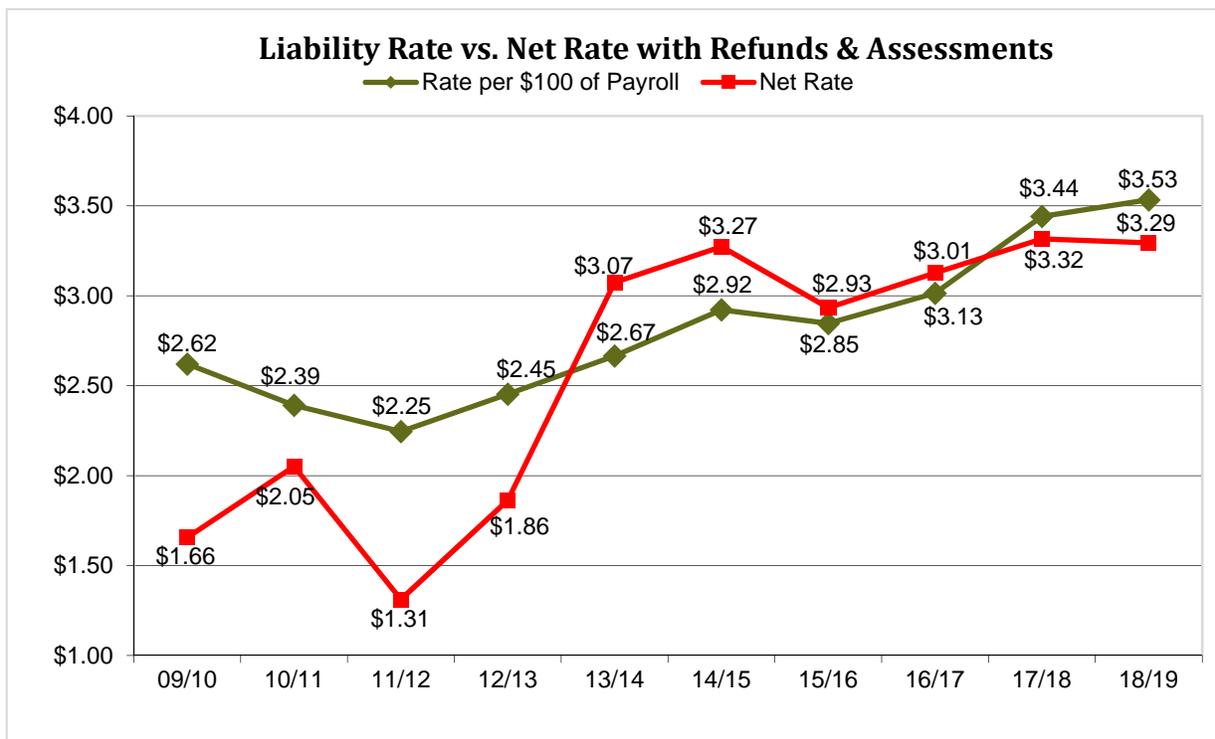
## FINANCIAL HIGHLIGHTS

Total FY 18/19 funding for the Liability Program is \$5,897,011. Members agreed to **increase the funding Confidence Level from 75% to 80%**, resulting in a rate increase of 4.8%. However, payroll increased by 2.4% and contributed almost half of the 5.2% increase in total funding from last year. Stabilizing losses in both layers minimized the impact of increasing the confidence level and contributed to a Shared Layer **increase of \$2,289,109 (165%) in Net Position**, exceeding target benchmarks for the first time in five years.

## OPERATING HIGHLIGHTS

The Board of Directors annually reviews the Banking and Shared Risk financial status to evaluate the appropriateness of declaring either a refund or an assessment. **The Banking Fund returned net dividends of \$426,713** to Members who exceeded their target funding levels. This is the **first year since 13/14 without an assessment in the Shared Risk Layer** now that funding levels again exceed target benchmarks. The following chart shows the historical rates with and without the impact of refunds and assessments.

Nine years ago the Liability Program **net rates reached historic lows due to large dividends** that continued for several years. The gross rate hit a low of \$2.25 in 2012 before climbing to \$3.44 in 2018, in part due to increased losses during a period when the Shared Layer was \$1 million. The rate has also increased due to an **increase in the funding Confidence Level over the last five years**, from 65% in 14/15; 67.5% in 15/16; 70% in 16/17; 75% in 17/18; and 80% in 18/19. The increase in the net rate is due to Shared Risk Layer Assessments over the last several years.



Willows

# WORKERS' COMPENSATION PROGRAM

## COVERAGE HIGHLIGHTS

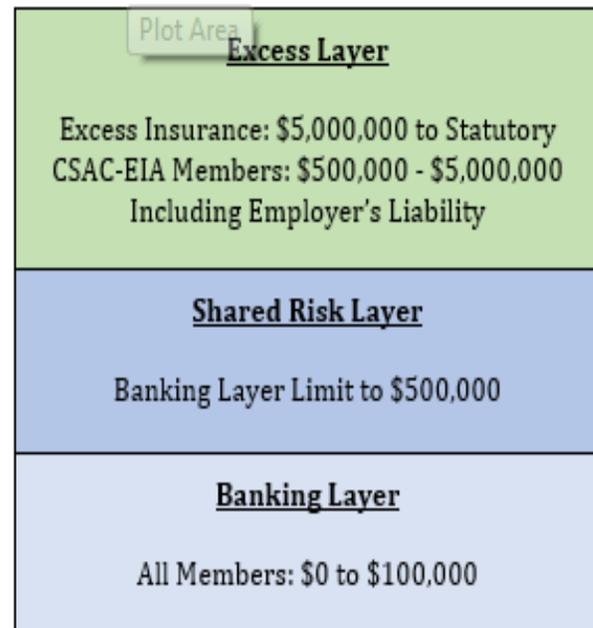
California Workers' Compensation laws require every employer to provide benefits to employees for injury and/or illness arising out of, or in the course of, employment. Statutory benefits prescribed by law include:

- **Medical Treatment**
- **Temporary Disability Payments**
- **Permanent Disability Compensation**
- **Rehabilitation**
- **Death Benefits**



Like the Liability Program, coverage is divided into three separate layers, Banking, Shared Risk and Excess as illustrated in the chart to the right.

**All three coverage layers include self-insurance.** The Banking Layer is funded to pay for each Member's own claims, similar to a deductible. The Shared Risk Layer is funded to pay for claims that are shared by all NCCSIF Members. **The Excess Layer is funded through the CSAC Excess Insurance Authority (CSAC EIA).**



CSAC-EIA is a risk-sharing pool of most of the counties and many cities and special districts in California. Since 2003, NCCSIF has participated in the EIA, currently providing coverage from \$500,000 to \$5 Million and purchasing excess reinsurance to provide Statutory limits. The program also provides Employer's Liability Coverage up to \$5 Million. CSAC-EIA also provides a variety of risk management resources, including online training, consulting and monthly webinars on a variety of topics.

## FINANCIAL HIGHLIGHTS

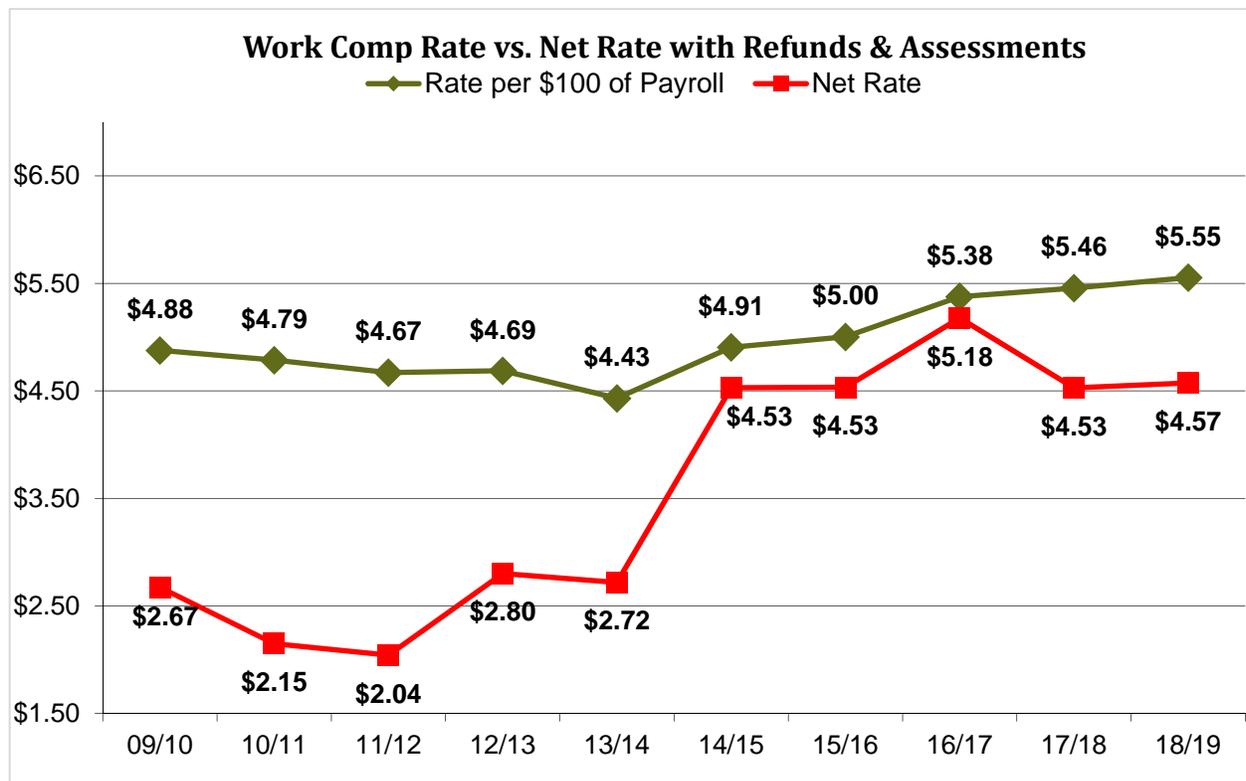
The total cost of the program for FY 18/19 is \$12,206,139, before dividends, an increase of 5.6% over the prior year, mostly due to a 4% increase in payroll. The members also **increased the funding confidence level from 75% to 80% with only a 1% increase in the rate.** Over the last five years members have increased the annual funding confidence level from 60% to 80%, a funding increase that has provided a consistently high margin for maintaining budget stability and meeting or exceeding financial benchmarks.

The Board of Directors annually reviews the Program's financial status to evaluate the appropriateness of declaring either a refund or an assessment. In 2018 NCCSIF **returned \$781,000 in Shared Layer dividends** to its members and **\$1,562,520 in dividends in the Banking Layer.**

# WORKERS' COMPENSATION PROGRAM

## OPERATING HIGHLIGHTS

The following chart shows the historical rates with and without the impact of refunds and assessments. Rates were relatively low and stable from 09/10 to 13/14, largely due to the last regulatory reforms, but they have been increasing since then, though members have also **increased the Confidence Level from 60% to 80% over the last few years, increasing the financial stability of the pool**. Factoring in the refunds and assessments over the years results in a net rate that has dipped as low as \$2.04 per \$100 of payroll and has remained steady at \$4.53 for three of the last five years.



These results are due to a combination of NCCSIF cost containment strategies, including return to work modified duty placement for injured workers, increased loss control training for the members, and quality claims management from York Risk Services. York provides a “Fall into Education” Training Conference available to all NCCSIF members free of cost designed to enhance knowledge about the Workers’ Compensation claims process and increase risk management and return to work efforts.

## Looking Ahead

Members will continue to receive hands-on training and assistance regarding Workers’ Compensation claims, including Work Comp 101 training and a revised Reporting Manual for guidance in reporting claims. York will also work with members in identifying qualified medical providers closer to member cities.



# PROPERTY PROGRAM

## COVERAGE HIGHLIGHTS

NCCSIF continues to offer coverage through the Alliant Property Insurance Program (APIP). This group purchase program provides the following coverages:

- **Broad Replacement Cost valuation**
- \$5,000 All Risk Deductible per claim
- **Rental Income and Tax Interruption**
- Course of Construction (Builder's Risk)
- **Auto Coverage with optional Replacement Cost**
- **Increased Cost of Construction (Code Upgrade)**
- Boiler & Machinery Coverage: \$100,000,000 limit per occurrence & \$5,000 deductible per claim
- **OPTIONAL Flood coverage** with deductible of \$100,000, or \$250,000 for Flood Zones A & V



The APIP Property Program *automatically includes coverage for Pollution Liability as well as Cyber Liability.*

## POLLUTION LIABILITY

- Shared limit of \$2M between all NCCSIF members that participate in APIP
- New Pollution Conditions or Indoor Environmental Conditions Coverage: First-party and third-party coverage for **claims arising out of a pollution condition on, at, under or migrating from a covered location, or an indoor environmental condition** at a covered location
- Transportation Coverage: First-party and third-party coverage for claims arising out of a pollution condition resulting from transportation
- Non-Owned Disposal Site Coverage: Third-party coverage for claims arising out of a pollution condition on, at, under or migrating from a non-owned disposal site
- **Coverage for catastrophe management costs and emergency response costs** (first-party remediation costs incurred within seven (7) days following the discovery of a pollution condition) included, **provided that the claim is reported to the insurer within seven (7) days.**

## CYBER LIABILITY

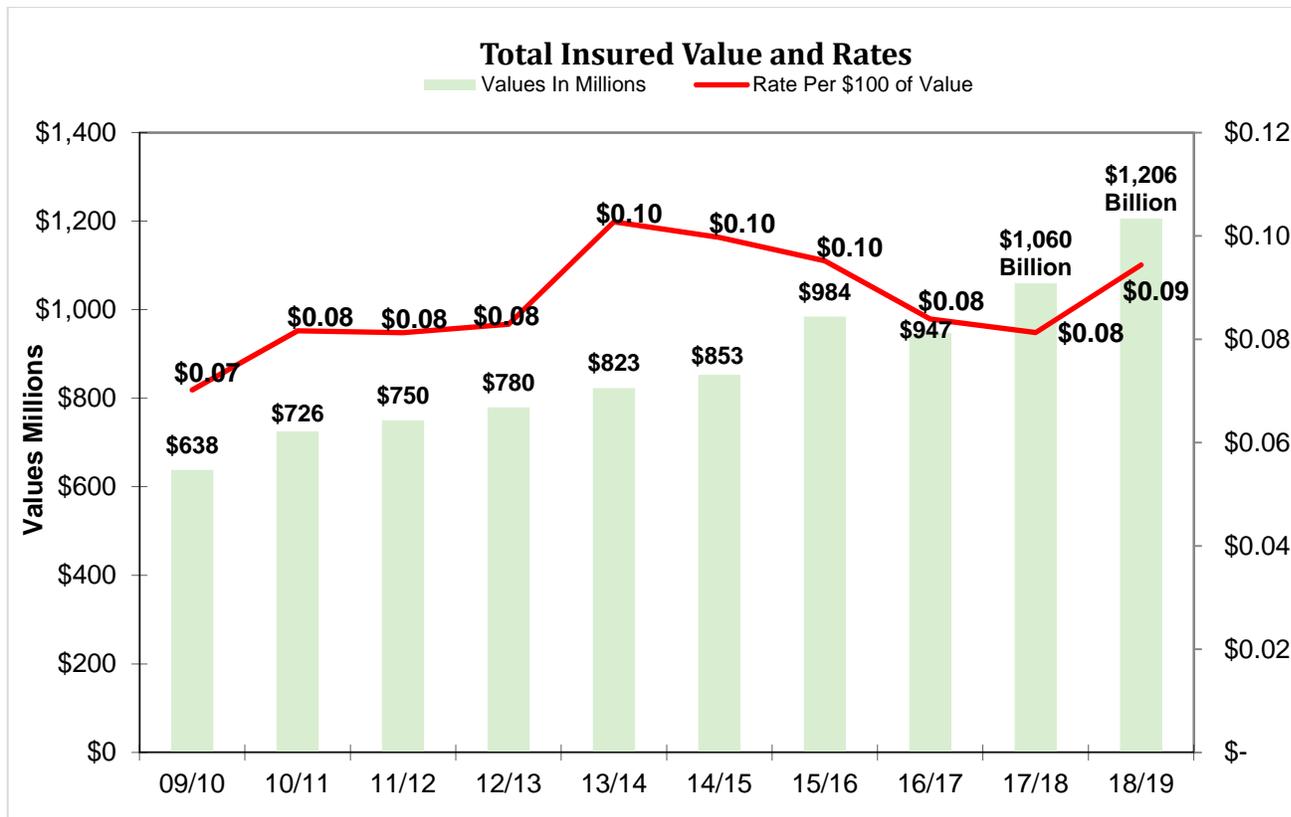
- Information Security & Privacy Liability – each member in APIP has a \$2 Million limit, with higher limits available
- **Privacy Notification Costs** limit of \$500,000 (limit is increased to \$1M if Beazley Vendor Services are used)
- **Cyber Extortion Loss**
- Data Protection Loss and Business Interruption
- **Fraudulent Instruction** resulting directly from an Insured having transferred, paid, or delivered any Money or Securities as a direct result of Fraudulent Instructions.



# PROPERTY PROGRAM

## FINANCIAL HIGHLIGHTS

For FY 18/19 NCCSIF total insurable values increased 13.62%, to \$1.2 Billion. The rate increased, from \$0.081 to \$0.094, remaining steady from a high of \$0.10 two to four years ago.



## LOOKING AHEAD

The APIP Program provides Real Property Appraisals based upon Real Property Replacement Cost for scheduled locations (Appraisals do not include Personal Property/Contents). Property Appraisals of scheduled buildings are conducted every five years to maintain accurate valuations. Buildings valued over \$5 Million are appraised at no cost to the member. Appraisals for properties below \$5 million are available at reduced group rates, and **members are currently undergoing property appraisals** to update their schedules in time for the FY 19/20 renewal.

Appraisals of all buildings are encouraged since underwriters of the APIP Program continue to require more updated and detailed information to issue quotes for FY 19/20. This is largely due to the increase of extreme weather events nationally and recent fires locally in California. Members are encouraged to work with Program Administration to identify items missing from their property schedule and update vehicle values as needed to ensure NCCSIF receives the lowest rates for renewal.



*Ione*

# CRIME PROGRAM

## COVERAGE HIGHLIGHTS

The ACIP Crime Program provides coverage for employee theft, robbery, fraud, forgery, and other types of crimes through the National Union Fire Insurance Company, A.M. Best Rated A (XV). The **per occurrence limit was increased to \$3,000,000** in FY 17/18, with a \$5,000 deductible.

The ACIP policy also covers Faithful Performance of Duty and deletes typical exclusions for Treasurers, Tax Collectors, and Bonded Employees. Therefore, there is no need for the city to purchase individual bonds for city officials who are required by law to give bonds for the faithful performance of their duties. To assure coverage the City must pass a resolution authorizing the use of a Master Crime Policy.

The ACIP Coverage contains the following:

- Employee Theft
- Robbery or Safe Burglary
- Computer Fraud
- **Faithful Performance of Duty**
- Funds Transfer Fraud
- **Investigative Expenses – Sublimit of \$75,000**
- Forgery or Alteration including Credit, Debit or Charge Card Forgery
- Includes chairperson and members of committees as employees
- **Includes volunteer workers other than fund solicitors as employees**
- Includes specified directors and trustees on committees as employees
- **Deletes Treasurer/Tax Collector and Bonded Employees exclusions**
- Includes specified non-compensated officers as employees
- Specified City Officials Coverage Endorsement (for cities that are required by their city charter to individually bond certain employee or officer positions)



Sixteen of the twenty-two NCCSIF members participate in the ACIP Crime program: Cities of Anderson, Auburn, Colusa, Corning, Dixon, Galt, Gridley, Ione, Lincoln, Marysville, Oroville, Red Bluff, Rio Vista, Rocklin, Yuba City and Town of Paradise.

## LOOKING AHEAD

As crime incidents are increasing in frequency and more commonly through computer fraud members could benefit from the added security a higher limit of insurance affords—NCCSIF members are always **encouraged to explore a higher limit of insurance in the ACIP program.** Members who do not currently participate in the ACIP Crime Coverage but would like additional information should contact the Program Administration for assistance with a quote.



## OTHER PROGRAMS

### ALLIANT MOBILE VEHICLE PROGRAM (AMVP)



Select Members of NCCSIF are enrolled in the Alliant Mobile Vehicle Program (AMVP), initially designed specifically for public agencies with a limited number of higher-valued vehicles or special equipment. The program has expanded to include all types of vehicles and mobile equipment. It provides All Risk Equipment Coverage **including earthquake and flood for scheduled equipment**. Claims valuation is on a replacement cost basis for vehicles or equipment less than three years old, otherwise the policy pays to repair or replace damaged property on a like kind and quality basis (not new for old). Currently ten of the twenty-two NCCSIF Members are enrolled in this program. The deductible varies for each member as selected.

### Identity Fraud Protection

Member employees receive protection from the impact of identity fraud with Identity Fraud Reimbursement Coverage and Resolution Services through Travelers Insurance Company, with a **limit of up to \$25,000 to reimburse many of the costs and expenses associated with identity recovery**, including lost wages, attorney fees, and document replacement fees.

Employees as well as their immediate family members have 24/7 access to an expert fraud specialist to provide unlimited assistance in restoring a victim's identity. They also have access to online educational resources providing tips, information and steps to avoid becoming a victim of identity theft. NCCSIF members will receive step-by-step guidance through the resolution process, 3-in-1 credit reporting, as well as one year of free credit, cyber and fraud monitoring in the event of a fraud incident.



### EMPLOYEE ASSISTANCE PROGRAM (EAP)

Thirteen NCCSIF members participate in the group purchase of an Employee Assistance Program (EAP). An EAP is a worksite-based program designed to assist City employees in identifying and resolving personal concerns, including, but not limited to, health, marital, family, financial, alcohol, drug, legal, emotional, stress, or other personal issues that may affect job performance.



**ACI's program includes employees and ALL of their family members – whether or not they live in the home.**

The program features a benefit package which includes:

- Counseling and training
- Critical Incident Stress Debriefing (CISD)
- Childcare and eldercare resources
- Legal and financial consultation

## SERVICES

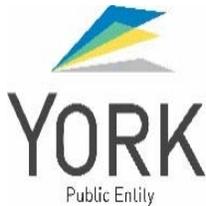
### PROGRAM ADMINISTRATION

Alliant Insurance Services provides overall program administration, including meeting agendas, underwriting, and management of governing documents and policies. In addition, Alliant provides consultation and advice regarding:

- **Insurance requirements in contracts**
- Certificates of insurance and endorsements
- **Best Practices for Municipal Risk Management**
- Safety Grant administration



### CLAIMS MANAGEMENT



York Risk Services provides **claims management for both the Liability and Workers' Compensation Programs**. The York claims examiner is responsible for advising the member on the merits of each claim and the appropriate action to be taken, as well as providing for necessary investigation of claims and oversight of legal defense. York manages litigated claims **based on NCCSIF's Litigation Management Guidelines** using a group of select attorneys chosen for their skill in public entity defense of Liability and Workers' Compensation claims.

### RISK MANAGEMENT

NCCSIF hired Bickmore Risk Services in 2012 as their Risk Control Services provider to perform a Hazard and Risk Assessment for each member and **recommend policies, procedures, and training to address their individual needs**. As a result, members are receiving more direct assistance in managing their operations in ways that reduce the frequency and severity of claims.



Consulting by Bickmore Services includes:

- Hotline Services – call with any safety question
- **Program/Policy Development**
- Safety Materials
- **Training Matrix** – details the type and frequency of training required for member employees
- **Hazard & Safety Assessments**
- On-site Training
- Webinars – on a variety of Risk Management Topics

### TARGETSOLUTIONS (PROVIDED BY CSAC-EIA)



NCCSIF members have access to a comprehensive online training platform to ensure compliance with OSHA, fire safety training, and ethics requirements. Target Solutions offers an **online based training platform** which members can access remotely and helps track training completed by employees.

### LEXIPOL

NCCSIF law enforcement agencies have access to Lexipol policy and training services. Lexipol provides comprehensive, defensible public safety policy content and integrated policy training. The **Daily Training Bulletins (DTB) bring the manual into practice through real-life, scenario-based training exercises** emphasizing high-risk, low frequency events. DTBs often qualify for continuous training certification.



## SERVICES

### MEMBER TRAINING FUND

For FY 18/19, members are allotted \$4,000 training fund towards risk management related training and/or attendance to annual CAJPA, PARMA, CalPELRA, or other Risk Management Conferences. Attendance at Risk Management Conferences helps educate members on claim reduction strategies and other cost control mechanisms.



### SEMINARS AND REGIONAL WORKSHOPS

Selection of topics determined annually by the Board and Members, including:

- **Bickmore:** on-site sessions covering ergonomics, OSHA compliance, customized training and email communications.
- **Regional Workshops:** NCCSIF conducts regional workshops on pertinent safety topics. Topics for 2018 consisted of Aquatics Risk Management, Tactical Communications “Verbal Judo” for Public Works/Utilities Workers, Commercial Driver Safety, Temporary Traffic Control and Flagging, and Asbestos Cement Pipe.
- **General Liability and Police Risk Management** related trainings provided through CJPRMA on a wide variety of topics.

### WEBSITE

NCCSIF website resources include a Risk Management tab where members can access Risk Management information, including **recommended policies, procedures and best practices**. Please take a moment to visit our website at: [www.nccsif.org](http://www.nccsif.org).

### ALLIANTCONNECT



AlliantConnect is a web based portal that provides a secure way for NCCSIF members to access coverage information online as well as the **JPA governing documents, agendas and other important documents**. AlliantConnect offers NCCSIF members access to the documents on the go via a **mobile app**. The mobile app version provides the same 24/7 access to the documents and coverage information through a secure platform. The app is available on iOS and Android devices.

### FINANCIAL SERVICE PROVIDERS AND CONSULTANTS



Accounting Services  
James Marta & Company



Investment Consultants  
Chandler Asset Management, Inc.



Independent Financial Auditing Services  
Crowe Horwath LLP

# FINANCIAL OVERVIEW

## STATEMENT OF NET POSITION

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
COMBINING STATEMENT OF NET POSITION  
June 30, 2018

	<u>Liability</u>	<u>Workers' Compensation</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 1,411,177	\$ 3,114,470	\$ 4,525,647
Investments maturing within one year	1,036,836	3,802,446	4,839,282
Member receivable	-	72,513	72,513
Excess insurance receivable	581,846	356,583	938,429
Interest receivable	38,869	132,591	171,460
Prepaid expenses	<u>167,176</u>	<u>20,990</u>	<u>188,166</u>
Total current assets	3,235,904	7,499,593	10,735,497
Investments, less portion maturing within one year	<u>9,979,929</u>	<u>36,599,932</u>	<u>46,579,861</u>
Total assets	<u>13,215,833</u>	<u>44,099,525</u>	<u>57,315,358</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	51,818	15,074	66,892
Dividends payable	230,217	704,489	934,706
Current portion of unpaid claims and claim adjustment expenses	<u>2,570,000</u>	<u>5,200,000</u>	<u>7,770,000</u>
Total current liabilities	2,852,035	5,919,563	8,771,598
Unpaid claims and claim adjustment expenses	<u>6,178,166</u>	<u>26,746,604</u>	<u>32,924,770</u>
Total liabilities	<u>9,030,201</u>	<u>32,666,167</u>	<u>41,696,368</u>
<b>NET POSITION</b>			
Unrestricted	<u>\$ 4,185,632</u>	<u>\$ 11,433,358</u>	<u>\$ 15,618,990</u>

## SUMMARY OF RESULTS

- Total assets increased by \$2.2 million, and total liabilities increased by \$2.6 million, resulting in a decrease in Net Position of (\$377,089), or 2.4%, from \$15,996,079 to \$15,618,990. **Without dividends of \$2,551,295 the net position would have increased by \$2,174,206.**
- Net cash from operations increased by \$425,986, from \$1,590,743 to \$2,016,729. Results reflect increased cash received from members of \$1.2 million and increased cash from investing activities of \$3 million, less increased cash paid for claims of \$4.4 million.
- NCCSIF lost (-\$377,089) in 2018 compared to earning \$1,996,522 in 2017. This is largely due to an increase of \$2.7 million in the provision for unpaid claims and claim adjustment expenses.

# FINANCIAL OVERVIEW

## STATEMENT OF REVENUES AND EXPENSES

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION  
For the Year Ended June 30, 2018

	<u>Liability</u>	<u>Workers' Compensation</u>	<u>Total</u>
<b>Operating revenues:</b>			
Banking layer deposit	\$ 1,922,999	\$ 6,235,730	\$ 8,158,729
Shared risk layer deposit	1,954,000	3,233,000	5,187,000
Other deposits/fees	2,639,350	2,480,611	5,119,961
Banking layer assessment	<u>79,760</u>	<u>188,760</u>	<u>268,520</u>
<b>Total operating revenues</b>	<b><u>6,596,109</u></b>	<b><u>12,138,101</u></b>	<b><u>18,734,210</u></b>
<b>Operating expenses:</b>			
Provision for claims and claim adjustment expenses	3,054,638	7,511,225	10,565,863
Dividends	478,737	2,072,558	2,551,295
Insurance premiums	2,079,821	1,461,470	3,541,291
Claims administration	450,622	805,115	1,255,737
Program administration	215,213	187,622	402,835
Administrative fees	37,742	21,444	59,186
Safety services	228,701	234,519	463,220
Other expenses	<u>5,316</u>	<u>17,109</u>	<u>22,425</u>
<b>Total operating expenses</b>	<b><u>6,550,790</u></b>	<b><u>12,311,062</u></b>	<b><u>18,861,852</u></b>
<b>Operating income (loss)</b>	<b><u>45,319</u></b>	<b><u>(172,961)</u></b>	<b><u>(127,642)</u></b>
<b>Non-operating (expenses) revenues:</b>			
Net change in the fair value of investments	(254,676)	(778,560)	(1,033,236)
Investment income	<u>191,567</u>	<u>592,222</u>	<u>783,789</u>
<b>Total non-operating (expenses) revenues</b>	<b><u>(63,109)</u></b>	<b><u>(186,338)</u></b>	<b><u>(249,447)</u></b>
<b>Change in net position</b>	<b><u>(17,790)</u></b>	<b><u>(359,299)</u></b>	<b><u>(377,089)</u></b>
<b>Net position, beginning of year</b>	<b><u>4,203,422</u></b>	<b><u>11,792,657</u></b>	<b><u>15,996,079</u></b>
<b>Net position, end of year</b>	<b><u>\$ 4,185,632</u></b>	<b><u>\$ 11,433,358</u></b>	<b><u>\$ 15,618,990</u></b>

## SUMMARY OF RESULTS

- The change in net position for the FY ended June 30, 2018 was (\$377,089). Expenses during the year included dividends to members totaling \$2,551,295. Without the dividend to members the program would have shown change in net position of \$2,174,206.
- Total operating revenues for FY 2018 were \$16,182,915, net of refunds, an increase of 6.0% or \$909,642 as compared to FY 2017. **The increase in operating revenues was driven by an increase in the confidence level from 70% in FY 2017 to 75% in FY 2018.**

# PROGRAM ADMINISTRATION CONTACT INFORMATION

## PROGRAM ADMINISTRATION CONTACT INFORMATION



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***Protect Member Resources***

***Reliable***



***Economical***

***Stable***

***Broad Coverage***

***Quality Services***

***Risk and Claims Management***



**Northern California Cities Self Insurance Fund**  
*A California Joint Powers Authority*