



President
Ms. Elizabeth Ehrenstrom
City of Oroville

Vice President
Ms. Kristine Haile
City of Folsom

Treasurer
Mr. Tim Sailsbery
City of Willows

Secretary
Ms. Gina Will
Town of Paradise

**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
BOARD OF DIRECTORS MEETING
AGENDA**

Date: Thursday, April 25, 2019

Time: 12:00 noon
Lunch and Presentation 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.

LUNCHTIME PRESENTATION - Cyber Liability Coverage
Marcus Beverly will present the Board with information about cyber liability coverage options.

- A. CALL TO ORDER**
- B. INTRODUCTIONS**
- C. APPROVAL OF AGENDA AS POSTED** **A 1**
- D. PUBLIC COMMENTS**
This time is reserved for members of the public to address the Board of Directors on matters pertaining to NCCSIF that are of interest to them.
- E. CONSENT CALENDAR** **A 1**
All matters listed under the consent calendar are considered routine with no separate discussion necessary. Any member of the public or the Board of Directors may request any item to be considered separately.
 - 1. Training and Board of Directors Meeting Minutes - December 13, 2018
 - 2. Check Register from December 1, 2018 to February 28, 2019

pg. 5

pg. 6
pg. 15



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pg. 18	3. Investment Reports		
	a. Chandler Asset Management Short/Long Term - December 2018 to February 2019		
pg. 42	b. Local Agency Investment Fund (LAIF) Report as of December 31, 2018		
pg. 43	c. Treasurer's Report as of December 31, 2018		
pg. 44	4. NCCSIF Conflict of Interest Code Final 2019		
pg. 48	5. EIA 2018 Workers' Compensation Program Claims Audit and York's Response		
pg. 87	6. York Risk Services Workers' Compensation Quarterly Claims Report		
pg. 94	7. 18/19 Alliant-Commission Opt-Out Letter dated March 28, 2019		
pg. 95	F. GENERAL RISK MANAGEMENT ISSUES	I	4
	<i>This is an opportunity for a member to discuss a topic of interest or seek guidance and input from the group about a current issue, risk management topic or exposure the member is facing.</i>		
	G. ADMINISTRATION REPORTS	I	
	1. Program Administrator's Report		4
	<i>Alliant will address the Board on items pertaining to NCCSIF.</i>		
pg. 96	2. FY 18/19 EIA Member Annual Report		1
	<i>Marcus Beverly will provide an update on the benefits achieved as a result of NCCSIF's participation in the EIA's program.</i>		
pg. 108	3. Summary of the March 14, 2019 Executive Committee Meeting		1
	<i>The Board will receive an update of the actions taken at the Executive Committee meeting.</i>		
	H. FINANCIAL REPORTS		
pg. 109	1. Quarterly Financial Report for Period Ending December 31, 2018	A	1
	<i>Nicole Rushing from James Marta & Company will present the quarterly financial report ending December 31, 2018 for the Board to Accept and File.</i>		
pg. 146	2. Budget to Actual as of December 31, 2018	I	1
	<i>The Board will receive an update on the Budget to Actual as of December 31, 2018.</i>		



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I. JPA BUSINESS

- pg. 147 1. **FY 19/20 NCCSIF Administration Budget** **I 1**
The Board will review and may provide direction to the Preliminary Admin Budget.
- 2. **Actuarial Services - Mike Harrington, Bickmore Actuarial** **A 1**
- pg. 150 a. **Actuarial Services Transition to “Bickmore Actuarial”**
Mike Harrington will discuss the change of services from York Risk Services Group, Inc. to Bickmore Actuarial.
- pg. 152 b. **Actuarial Study for Workers’ Compensation Program**
The Board will review and may approve the Actuarial Study for the Workers’ Compensation Program.
- pg. 189 c. **Actuarial Study for Liability Program**
The Board will review and may approve the Actuarial Study for the Liability Program.
- 3. **Workers’ Compensation Program** **A 1**
- pg. 228 a. **Annual Banking Plan Adjustments - James Marta & Company**
The Board will review and may approve adjustments to the Banking Layer for the Workers’ Compensation program.
- pg. 230 b. **Annual Shared Risk Plan Adjustments - Alliant Insurance Services**
The Board will review and may approve adjustments to the Shared Risk Layer for the Workers’ Compensation program.
- pg. 232 c. **FY 19/20 Deposit Premium Calculations**
The Board will review and may approve the Preliminary Deposit Premium Calculations for the Workers’ Compensation Program.
- 4. **Liability Program** **A 1**
- pg. 236 a. **Annual Banking Plan Adjustments - James Marta & Company**
The Board will review and may approve adjustments to the Banking Layer for the Liability program.
- pg. 238 b. **Annual Shared Risk Plan Adjustments - Alliant Insurance Services**
The Board will review and may approve adjustments to the Shared Risk Layer for the Liability program.



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. Training and Board of Directors Meeting Minutes December 13, 2018
2. Check Register from December 1, 2018 to February 28, 2019
3. Investment Reports
 - a. Chandler Asset Management Short/Long Term - December 2018 to February 2019
 - b. Local Agency Investment Fund (LAIF) Report as of December 31, 2018
 - c. Treasurer's Report as of December 31, 2018
4. NCCSIF Conflict of Interest Code Final 2019
5. EIA 2018 Workers' Compensation Program Claims Audit and York's Response
6. York Risk Services Workers' Compensation Quarterly Claims Report
7. 18/19 Alliant-Commission Opt-Out Letter dated March 28, 2019



**MINUTES OF THE
NCCSIF TRAINING AND BOARD OF DIRECTORS MEETING
ROCKLIN EVENT CENTER, ROCKLIN, CA
DECEMBER 13, 2018**

BOARD OF DIRECTORS PRESENT

Cristina Shafer, City of Auburn
Kristina Miller, City of Corning
Rachel Ancheta, City of Dixon
Brad Koehn, City of Elk Grove
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
Dave Warren, City of Placerville (**Chair**)
Andrew Schiltz, City of Rocklin (Alternate)
Natalie Springer, City of Yuba City

OTHER MEMBERS PRESENT

Veronica Rodriguez, City of Lincoln
Jen Lee, City of Rio Vista

Jose Jasso, City of Rio Vista

BOARD OF DIRECTORS ABSENT

Liz Cottrell, City of Anderson
Toni Benson, City of Colusa
Jim Francis, City of Folsom
Juan Solis, City of Gridley
City of Lincoln (primary Board vacant)
City of Marysville (primary Board vacant)

Gina Will, Town of Paradise
Sandy Ryan, City of Red Bluff
City of Rio Vista (primary Board vacant)
Kimberly Sarkovich, City of Rocklin
Tim Sailsbery, City of Willows

CONSULTANTS & GUESTS

Marcus Beverly, Alliant Insurance Services
Michael Simmons, Alliant Insurance Services
Raychelle Maranan, Alliant Insurance Services
Dori Zumwalt, York Risk Services

Tom Baber, York Risk Services
Tony Giles, CJPRMA
Michael Christian, Jackson Lewis

Pre-Board Meeting Orientation: NCCSIF Orientation and Refresher Training at 9:15 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 10:10 a.m.



Prevention and Claims; 2) Disability and Workers' Compensation, 3) Retaliation and Free Speech Claims; 4) Privacy Rights; and 5) Lactation Accommodations. It was noted new training requirements will take effect January 1, 2019 pertaining to SB 1343 sexual harassment prevention training to all supervisory and non-supervisory employees.

Kristina Miller arrived at 11:11 a.m.

Most notable takeaway from the training is to focus on 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 and thoroughly investigate and document.
4. Set goals and plan to accomplish such as to follow the law, put entity in good defense position, avoid claims and create a better and more productive work environment.

Presented as information only.

The Board recessed for lunch at 11:38 a.m.

Tony Giles arrived at 11:46 a.m.

Tom Baber left the meeting during lunch.

LUNCHTIME PRESENTATION - State of the Insurance Market

Mr. Beverly provided a presentation of the State of the Insurance Market at 11:55 a.m. The ten emerging risks affecting public entities: Cyber, Employment Practices Liability (EPL) Claims, Sexual Misconduct, School Violence, Transgender Discrimination, Playground Safety, Fleet Safety, Pension Risk, Sovereign Immunity & Tort Caps and Pension Risk.

Mr. Beverly mentioned that he does not anticipate any change to NCCSIF program coverage. The marketing plan for FY 19/20 coverage placement is as follows:

- Renew coverage with EIA as the traditional Excess Workers' Compensation insurance carriers are still not competitive with EIA program. The expected trend is about 10% to 15% increase.
- Continue participation in CJPRMA as this pool has been a strong partner and valuable alternative to traditional excess insurance. However, due to increasing claim severity the expected increase is about 19% and with no dividend.
- 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, catastrophic wild fires in the State and bad loss history, it is anticipated between 10% to 15% rate increase.

- ACIP (Alliant Crime Insurance Program) still provides members the broadest coverage and after a two year guarantee with flat renewals, no rate increase is anticipated, but premium increase depends on number of employees.

Mr. Michael Simmons indicated catastrophic events in recent years resulted in a hardening property market. Various scenarios of natural disasters were discussed with an emphasis on business interruption (BI) and tax interruption (TI) types of property losses. Mr. Simmons reminded members to start thinking of the likelihood event scenarios in their respective city and scheduling BI and TI is an important consideration during budgeting process.

Cristina Shafer left the meeting at 12:30 p.m.

Mr. Beverly stated that appraisal of members' insured properties is underway and AssetWorks found 900 more new building/structures that cities requested to be appraised. He warned members to keep this in mind when final invoice comes in higher than previous estimate.

The meeting resumed at 12:30 p.m.

E.3. CJPRMA Overview of Services

Mr. Beverly introduced Tony Giles to the Board. Mr. Giles indicated that he is the new General Manager for California Joint Powers Risk Management Authority (CJPRMA).

Mr. Giles presented an overview of the CJPRMA including history, membership structure, other coverage offerings available within CJPRMA, and additional services available to members such as risk management program with wide variety of trainings throughout the year. The CJPRMA is the excess Liability carrier for NCCSIF up to \$40 million coverage in excess of the NCCSIF \$500,000 retained limit with \$10 million limit for Employment Practices Liability. NCCSIF represent 10% of the overall payroll of CJPRMA. The loss ratio claims payout is 75% of what NCCSIF paid in premium.

Mr. Beverly reminded members that CJPRMA includes drone coverage with retained limit of \$500. It was noted that in order for coverage to apply, members must register the drones with CJPRMA in addition to operating the drones pursuant to FAA (Federal Aviation Administration) regulations. This coverage only applies to city owned drones and it does not apply to vendor contracted services.

Presented as information only.

E.4. Special Events Risk Management and Permit Language

Members were reminded that CJPRMA has an Endorsement for Special Events Liability and if a contract is secured with a hold harmless agreement, the CJPRMA retained limit will drop to \$25,000. Important reminder for members to be aware of contractual risk transfer. It is the ability to transfer a risk/loss from one party to another party through the language written in a contract.

The two methods of transferring risk: strong indemnification and hold harmless agreement. Mr. Beverly noted to review standard contracts routinely to make sure all information is still relevant and to obtain certificates of insurance and additional insured status should be verified at least once a year. Mr. Giles noted the key is to have a strong agreement in place with vendors prior to issuing a permit and a sample encroachment permit language is available on CJPRMA website. It was noted that subcontractor must uphold the same standards and requirements as the primary contractor. Examples of actual claims that would have had much different outcomes if proper risk transfer techniques had been used were discussed.

Presented as information only.

F. CONSENT CALENDAR

Chair Warren pointed out that the Executive Committee increased the combined number of Risk Management and Police Risk Management Committee meetings from five to six per fiscal year as reflected in the final agreement with Bickmore for Safety and Risk Control Services, item number four on the consent calendar.

1. Board of Directors Meeting Minutes - October 25, 2018
2. Check Register from September 1, 2018 to November 30, 2018
3. Investment Reports
 - a. Chandler Asset Management Short/Long Term - September 2018 to November 2018
 - b. Local Agency Investment Fund (LAIF) Report as of September 30, 2018
 - c. Treasurer's Report as of September 30, 2018
4. Agreement for Safety and Risk Control Services with Bickmore

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

Motion: Andrew Schiltz

Second: Brad Koehn

Motion Carried

Ayes: Miller, Ancheta, Koehn, Haile, Hall, Arteaga, Hanken, Kimball, McCay, Ehrenstrom, Warren, Schiltz, Springer

Nays: None

Tony Giles left the meeting at 1:22 pm

G. ADMINISTRATION REPORTS

G.1. President's Report

Chair Warren indicated that it is his last meeting as Chair and as President of NCCSIF. He thanked Liz Ehrenstrom and Tim Sailsbery for their peer support and sound advice. He also thanked the Program Administrators, Mike, Marcus and Raychelle for exceptional service.

The Program Administrators presented Dave Warren a glass trophy vase for his contribution to the JPA and years of service as President of NCCSIF from March 2016 to December 2018.



I. JPA BUSINESS

I.1. Brokerage, Risk Management and Program Administration Services with Alliant Insurance Services

Mr. Beverly indicated that the Executive Committee (EC) reviewed the proposed Brokerage, Risk Management and Program Administration Services agreement with Alliant Insurance Services on November 19, 2018 meeting. Mr. Beverly indicated there are no major changes to the contract language and reviewed the proposed changes page by page with the Board. The contract term is for five years with two optional one-year terms. The fee increase for first year is 9.50% reset rate and 3.25% annual increases each subsequent year. The EC took action to recommend approval to the Board including a change to the Scope of Services, B.16. to review time spent on each program every three years. It was noted that Board Counsel does not need to review the agreement.

Chair Warren asked the Alliant team and York staff to step out of the room.

Michael Simmons, Marcus Beverly, Raychelle Maranan and Dori Zumwalt stepped out of the room at 1:56 p.m.

Michael Simmons, Marcus Beverly, Raychelle Maranan and Dori Zumwalt rejoined the meeting 2:23 p.m.

The Board expressed concerns of the impact of the increase for some members that have not fully recovered from the recession, increased uncertainty in most cities and new ones centered on the Town of Paradise and how the Camp Fire may impact the city and the pool. Hesitation on the contract increase was due to some members' budget constraints and not service issues. It was noted that Alliant has provided an exceptional service.

Mr. Simmons clarified the increase was due to additional hours required to service the pool and to appropriately account for those hours as outlined in the administration hours analysis report. Alliant has been a long-time partner since inception of the JPA.

A motion was made to approve the Brokerage, Risk Management and Program Administration Services with Alliant Insurance Services agreement as presented.

Motion: Brad Koehn

Second: Kristina Miller

Motion Carried

Ayes: Miller, Ancheta, Koehn, Haile, Hall, Arteaga, Kimball, McCay, Ehrenstrom, Warren, Schiltz, Springer

Nays: None

I.2. CAJPA Accreditation Report

Mr. Beverly reviewed the CAJPA Accreditation report with the Board. NCCSIF has received Conditional Accreditation with Excellence and has six months, February 14, 2019, to provide CAJPA with one outstanding requirement: the York Claims Administration Contracts needs a Conflict of Interest Provision, which will be reviewed under Agenda Item I.3.

A motion was made to receive and file the CAJPA Accreditation report.

Motion: Liz Ehrenstrom **Second:** Kristine Haile **Motion Carried**
Ayes: Miller, Ancheta, Koehn, Haile, Hall, Arteaga, Kimball, McCay, Ehrenstrom, Warren, Schiltz, Springer
Nays: None

I.3. Amendment to York Risk Services' Contracts

Mr. Beverly indicated the proposed amendments (Amendment Two for Liability Claims Administration and Amendment Four to Workers' Compensation Claims Administration) to York Risk Services' Contracts is to include a conflict of interest provision as required by CAJPA Accreditation Standards.

A motion was made to approve the amendments to York Risk Services agreements for both the Workers Compensation and Liability per CAJPA Accreditation Standards as presented.

Motion: Liz Ehrenstrom **Second:** Kristina Miller **Motion Carried**
Ayes: Miller, Ancheta, Koehn, Haile, Hall, Arteaga, Kimball, McCay, Ehrenstrom, Warren, Schiltz, Springer
Nays: None

I.4. Liability Claim Settlements Above Banking Layer

Mr. Beverly updated the Board with claims from June 1, 2017 to November 20, 2018 that exceeded Member's Banking Layer to keep apprised of claims activity.

Information only, presented verbally.

I.5. Round Table Discussion

Ms. Rachel Ancheta from City of Dixon asked who handles special events at respective cities. Chair Warren shared Parks and Recreation for City of Placerville, and Kris Haile shared Legal and Community Development for the City of Folsom.



Mr. Beverly stated that location of meetings is determined by the incoming President. Ms. Liz Ehrenstrom indicated to keep the meeting location in Rocklin. Ms. Raychelle Maranan thanked the City of Rocklin for sponsoring the meeting venue for the JPA since 2015.

Ms. Kristina Miller shared that the City of Corning is a huge proponent of supporting local businesses and the City's Property insurance is placed with a local insurance broker. For that reason, she is unable to gain support to move Property insurance to APIP.

J. INFORMATION ITEMS

1. PARMA 2019 Conference (February 10-13, 2019) in Anaheim, CA
2. Glossary of Terms
3. NCCSIF Organizational Chart
4. NCCSIF 2019 Meeting Calendar
5. NCCSIF Resource Contact Guide
6. NCCSIF Travel Reimbursement Form

These items were provided as information only.

K. ADJOURNMENT

The meeting was adjourned at 3:12 p.m.

Next Meeting Date: April 25, 2019

Respectfully Submitted,

Gina Will, Secretary

Date

Company Name: NCCSIF

Report Name: NCCSIF Check Register Board Report

Created On: 12/26/2018

Check#	Date	Vendor	Account Title	Account Memo	Amount
11492	12/5/2018	CJPRMA	Prepaid Expense	13500 Lincoln Drone Model & Liab Premium	330.00
11493	12/5/2018	City of Placerville	Member Travel	52502 11.19.18 EC Mtg	41.75
11494	12/5/2018	Liz Cottrell	Member Travel	52502 11.19.18 EC Mtg	183.12
11495	12/5/2018	Liz Ehrenstrom	Member Travel	52502 11.19.18 EC Mtg	65.40
11496	12/5/2018	Sandy Ryan	Member Travel	52502 11.19.18 EC Mtg	162.41
11497	12/5/2018	Kristina Miller	Member Travel	52502 11.19.18 EC Mtg	92.65
11498	12/5/2018	Raychelle Maranan	Executive Committee	52501 Catering Reimb from 11.19.18 EC Mtg	160.36
11499	12/5/2018	Alliant Insurance Services	Program Admin Fee	52401 Monthly Consulting Services	25,798.00
11500	12/5/2018	York Risk Services Group, Inc.	Claims Admin - Liability	51135 November 2018 Liab Service Fees	24,523.49
11501	12/5/2018	Bickmore Risk Services Inc.	On Site	52204 Safety & Risk Ctrl Services - Dec 2018	14,726.66
11502	12/5/2018	James Marta & Co	Accounting Services	52403 Monthly Accounting Services	8,500.00
11503	12/5/2018	CAM, Inc.	Investment Income	44040 Nov-18	4,409.25
11504	12/5/2018	AssetWORKS	Misc Consultants	52109 Property Appraisals - fieldwork	89,600.00
11505	12/19/2018	Liz Ehrenstrom	Board Meetings	52503 12.13.18 Mtg & Reissue for 10.25.18 Mtg	130.80
11506	12/19/2018	York	Claims Admin - Monthly WC	52300 Monthly Claims Administration Fee	48,224.17
11507	12/19/2018	Dept. of Industrial Relations	State Funding/Fraud Assess.	52304 Assessment for FY 18-19	271,424.16
11508	12/19/2018	Bickmore Risk Services Inc.	Safety Grant Funds	54200 Risk Management for City of Folsom	4,500.00
11509	12/19/2018	Marcus Beverly	BOD Long Range Planning	52509 Successories Award Reimb	204.99
11510	12/19/2018	City of Placerville	Board Meetings	52503 12.13.18 BOD Mtg	41.75
11511	12/19/2018	Loree McCay	Board Meetings	52503 12.13.18 BOD Mtg	37.61
11512	12/19/2018	Rachel Ancheta	Board Meetings	52503 12.13.18 & 10.25.18 BOD Mtgs	95.92
11513	12/19/2018	Kristina Miller	Board Meetings	52503 12.13.18 BOD Mtg	92.65
11514	12/19/2018	Yvonne Kimball	Board Meetings	52503 12.13.18 BOD Mtg	56.68
11515	12/19/2018	Gail Zeigler	Risk Mgmt Comm Services	52201 12.13.18 Red Bluff Catering Reimb	205.00
11516	12/19/2018	Raychelle Maranan	Board Meetings	52503 Catering Reimb from 12.13.18 BOD Mtg	662.81
Voided - 11491	12/12/2018	Liz Ehrenstrom	Board Meetings	52503 10.25.18 RM and BOD Mtg	(65.40)

Company Name: NCCSIF

Report Name: NCCSIF Check Register Board Report

Created On: 1/23/2019

Check#	Date	Vendor	Account Title	Account	Memo	Amount
11517	1/7/2019	Gibbons and Conley	Legal Services	52103	Oct & Nov 2018 General Matters	1,649.37
11518	1/7/2019	Allied Printing Company	BOD Long Range Planning	52509	18-19 Annual Report Printing	441.66
11519	1/7/2019	Hazard Management Svcs	Risk Mgmt Comm Services	52201	Lincoln & Red Bluff abestos training	3,200.00
11520	1/7/2019	Rocklin Police Department	Safety Contingency	52209	Body and car cameras reimb	5,603.76
11521	1/7/2019	Alliant Insurance Services	Program Admin Fee	52401	Monthly Consulting Services	25,798.00
11522	1/7/2019	Bickmore Risk Services Inc.	On Site	52204	Safety and Risk Control Services - Jan 19	14,726.67
			Safety Grant Funds	54200	Risk Management for City of Folsom	4,500.00
11523	1/7/2019	CAM, Inc.	Investment Income	44040	Dec-18	4,439.52
11524	1/7/2019	James Marta & Co.	Accounting Services	52403	Dec 18 Accounting Services	8,500.00
11525	1/7/2019	Susan Walter	Seminars and PARMA	52207	2018 CalPELRA Conference	2,051.45
11526	1/7/2019	AGRIP	Associations Memberships	52504	2/19-1/20 Membership Renewal - CAJPA	2,180.43
11527	1/18/2019	City of Anderson	Seminars and PARMA	52207	12.4.18 CalPELRA Reimb	2,933.36
11528	1/18/2019	Gibbons and Conley	Legal Services	52103	December 2018 General Matters	843.06
11529	1/18/2019	York Risk Svcs Group, Inc.	Claims Admin - Liability	51135	December 2019 Liab Service Fees	20,924.40
11530	1/18/2019	York	Claims Admin - Monthly WC	52300	Monthly Claims Administration Fee	48,224.17
11531	1/18/2019	City of Oroville	Seminars and PARMA	52207	12.4.18 CalPELRA Reimb	1,400.14
11532	1/18/2019	City of Yuba City	Seminars and PARMA	52207	12.4.18 CalPELRA Reimb	2,616.65
Voided - 11404	1/22/2019	York Risk Svcs Group, Inc.	Claims Refunds	51110	June 18 returned check	(3,219.98)
Voided - 11427	1/22/2019	NONPROFIT	Claims Refunds	51110	July 18 returned check - will reissue	(3,219.98)

Company Name: NCCSIF
Report Name: NCCSIF Check Register Board Report
Created On: 2/21/2019

Check#	Date	Vendor	Account Title	Account	Memo	Amount
8867	2/6/2019	NONPROFIT	Claims Refunds	51110	Refund NPWA-559043 Debbie Patterson	3,219.98
11533	2/6/2019	City of Corning	Seminars and PARMA	52207	12.7.18 CALPelra Miller	1,132.00
11534	2/6/2019	Kristina Miller	Seminars and PARMA	52207	12.7.18 CALPelra Conference	732.16
11535	2/6/2019	Alliant Insurance Services	Program Admin Fee	52401	Monthly Consulting Svcs	25,798.00
11536	2/6/2019	Bickmore Risk Services Inc.	On Site	52204	Safety and Risk Ctrl Svcs - Feb 2019	14,726.67
11537	2/6/2019	James Marta & Co. LLP	Accounting Services	52403	Monthly Accounting Svcs - Jan 2019	8,744.27
11538	2/6/2019	CAM, Inc.	Investment Income	44040	Jan-19	4,472.98
11539	2/20/2019	VIEVU	Safety Contingency	52209	18 LE5 Cameras - Auburn Police	2,810.26
11540	2/20/2019	York Risk Services Group, Inc.	Claims Admin - Liability	51135	January 2019 Liab Service Fees	36,430.54
11541	2/20/2019	York	Claims Admin - WC	52300	Monthly Claims Administration Fee	48,224.17
11542	2/20/2019	Corning Police Department	Safety Contingency	52209	Reimb for New Firewall	2,301.12
11543	2/20/2019	City of Galt	Seminars and PARMA	52207	PARMA Conf Reimb	921.67
11544	2/20/2019	Gibbons and Conley	Legal Services	52103	January 2019 General Matters	448.43



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

MONTHLY ACCOUNT STATEMENT

DECEMBER 1, 2018 THROUGH DECEMBER 31, 2018

Chandler Team:

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

Custodian

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

CHANDLER ASSET MANAGEMENT
chandlerasset.com

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



PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.33
Average Coupon	2.00%
Average Purchase YTM	2.09%
Average Market YTM	2.76%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.59 yrs
Average Life	2.45 yrs

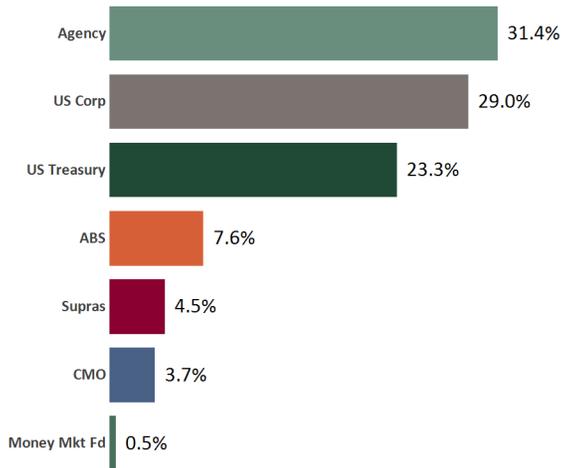
ACCOUNT SUMMARY

	Beg. Values as of 11/30/18	End Values as of 12/31/18
Market Value	25,590,218	25,832,215
Accrued Interest	119,156	126,810
Total Market Value	25,709,374	25,959,025
Income Earned	43,548	46,195
Cont/WD		0
Par	26,176,960	26,213,926
Book Value	26,109,461	26,148,002
Cost Value	26,089,157	26,126,127

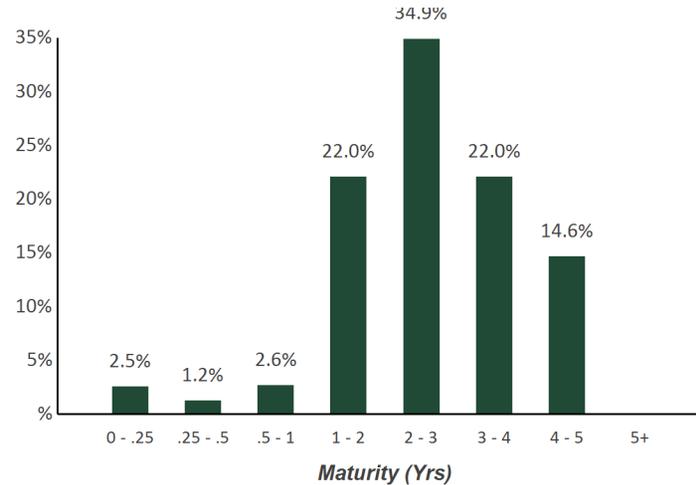
TOP ISSUERS

Government of United States	23.3%
Federal National Mortgage Assoc	17.6%
Federal Home Loan Mortgage Corp	9.8%
Federal Home Loan Bank	7.6%
Inter-American Dev Bank	3.8%
Honda ABS	2.1%
US Bancorp	1.8%
John Deere ABS	1.7%
Total	67.8%

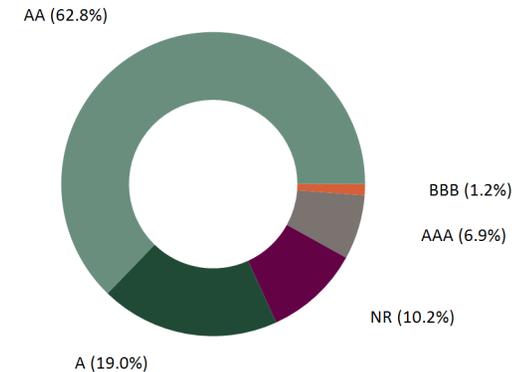
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	Annualized									
	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	12/31/1997	
Northern CA Cities Self Ins. Fund Short Term	0.97%	1.40%	1.52%	1.52%	1.30%	1.30%	1.31%	1.77%	3.80%	
ICE BAML 1-5 Yr US Treasury/Agency Index	1.10%	1.71%	1.53%	1.53%	1.10%	1.09%	1.10%	1.38%	3.48%	
ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx	1.08%	1.61%	1.47%	1.47%	1.16%	1.19%	1.20%	1.70%	3.59%	

Statement of Compliance

As of December 31, 2018



Northern California Cities Self-Insurance Fund - Short Term

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

Category	Standard	Comment
Treasury Issues	No limitation	Complies
US 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	Complied at time of purchase*
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

* General Electric (36962G7G3) rated Baa1/BBB+/BBB+ was downgraded November 2018 and October 2018; Complied at time of purchase.

Reconciliation Summary

As of December 31, 2018



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$26,109,460.92
Acquisition		
+ Security Purchases	\$0.00	
+ Money Market Fund Purchases	\$95,661.58	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$95,661.58
Dispositions		
- Security Sales	\$0.00	
- Money Market Fund Sales	\$0.00	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$58,696.19	
Total Dispositions		\$58,696.19
Amortization/Accretion		
+/- Net Accretion	\$1,575.53	
		\$1,575.53
Gain/Loss on Dispositions		
+/- Realized Gain/Loss	\$0.00	
		\$0.00
ENDING BOOK VALUE		\$26,148,001.84

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$35,085.21
Acquisition		
Contributions	\$0.00	
Security Sale Proceeds	\$0.00	
Accrued Interest Received	\$0.00	
Interest Received	\$36,036.75	
Dividend Received	\$928.64	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$58,696.19	
Total Acquisitions	\$95,661.58	
Dispositions		
Withdrawals	\$0.00	
Security Purchase	\$0.00	
Accrued Interest Paid	\$0.00	
Total Dispositions	\$0.00	
ENDING BOOK VALUE		\$130,746.79



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

MONTHLY ACCOUNT STATEMENT

DECEMBER 1, 2018 THROUGH DECEMBER 31, 2018

Chandler Team:

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

Custodian

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

CHANDLER ASSET MANAGEMENT
chandlerasset.com

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PORTFOLIO CHARACTERISTICS

Average Modified Duration	3.26
Average Coupon	2.26%
Average Purchase YTM	2.30%
Average Market YTM	2.81%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	3.57 yrs
Average Life	3.50 yrs

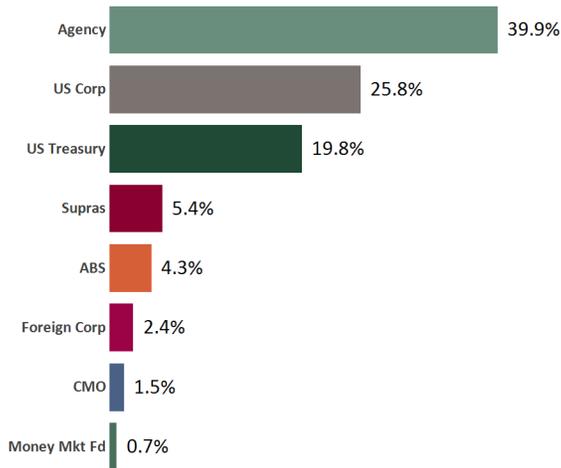
ACCOUNT SUMMARY

	Beg. Values as of 11/30/18	End Values as of 12/31/18
Market Value	26,383,330	26,702,455
Accrued Interest	139,620	159,969
Total Market Value	26,522,950	26,862,424
Income Earned	50,701	52,474
Cont/WD		0
Par	27,102,946	27,134,442
Book Value	27,029,830	27,061,954
Cost Value	27,046,119	27,077,621

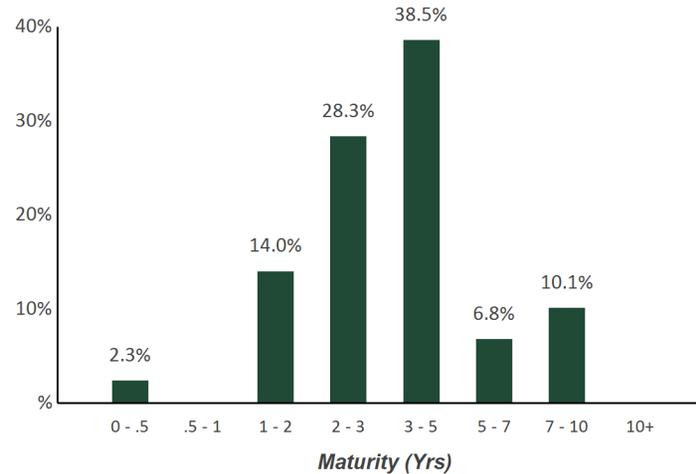
TOP ISSUERS

Government of United States	19.8%
Federal Home Loan Bank	17.2%
Federal National Mortgage Assoc	13.5%
Federal Home Loan Mortgage Corp	7.4%
Inter-American Dev Bank	4.7%
Tennessee Valley Authority	3.4%
John Deere ABS	1.9%
State Street Bank	1.5%
Total	69.3%

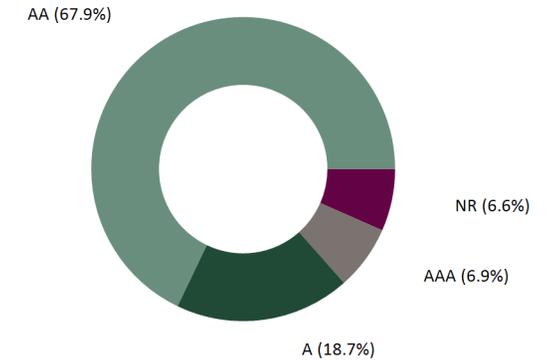
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	Annualized									
	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	5/31/2006	
Northern Cal. Cities Self Ins. Fund Long Term	1.28%	1.71%	1.34%	1.34%	1.45%	1.52%	1.87%	2.39%	3.63%	
ICE BAML 1-10 Yr US Treasury/Agency Index	1.45%	2.18%	1.44%	1.44%	1.26%	1.22%	1.53%	1.85%	3.27%	
ICE BAML 1-10 Yr US Corporate/Govt Rated AAA-A Idx	1.38%	1.91%	1.22%	1.22%	1.41%	1.45%	1.75%	2.49%	3.40%	

Statement of Compliance

As of December 31, 2018



Northern California Cities Self-Insurance Fund - Long Term

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

Category	Standard	Comment
Treasury Issues	No limitation	Complies
US 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 December 31, 2018



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$27,029,829.73
Acquisition		
+ Security Purchases	\$0.00	
+ Money Market Fund Purchases	\$92,209.02	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$92,209.02
Dispositions		
- Security Sales	\$0.00	
- Money Market Fund Sales	\$0.00	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$60,712.87	
Total Dispositions		\$60,712.87
Amortization/Accretion		
+/- Net Accretion	\$628.55	
		\$628.55
Gain/Loss on Dispositions		
+/- Realized Gain/Loss	\$0.00	
		\$0.00
ENDING BOOK VALUE		\$27,061,954.43

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$105,490.75
Acquisition		
Contributions	\$0.00	
Security Sale Proceeds	\$0.00	
Accrued Interest Received	\$0.00	
Interest Received	\$30,614.30	
Dividend Received	\$881.85	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$60,712.87	
Total Acquisitions	\$92,209.02	
Dispositions		
Withdrawals	\$0.00	
Security Purchase	\$0.00	
Accrued Interest Paid	\$0.00	
Total Dispositions	\$0.00	
ENDING BOOK VALUE		\$197,699.77



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

MONTHLY ACCOUNT STATEMENT

JANUARY 1, 2019 THROUGH JANUARY 31, 2019

Chandler Team:

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

Custodian

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

CHANDLER ASSET MANAGEMENT
chandlerasset.com

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



PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.33
Average Coupon	2.02%
Average Purchase YTM	2.10%
Average Market YTM	2.64%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.59 yrs
Average Life	2.45 yrs

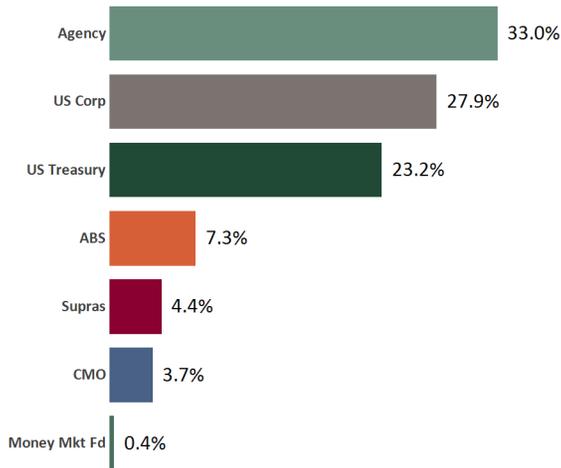
ACCOUNT SUMMARY

	Beg. Values as of 12/31/18	End Values as of 1/31/19
Market Value	25,832,215	25,978,348
Accrued Interest	126,810	109,785
Total Market Value	25,959,025	26,088,133
Income Earned	46,195	45,498
Cont/WD		-538
Par	26,213,926	26,261,577
Book Value	26,148,002	26,209,987
Cost Value	26,126,127	26,185,496

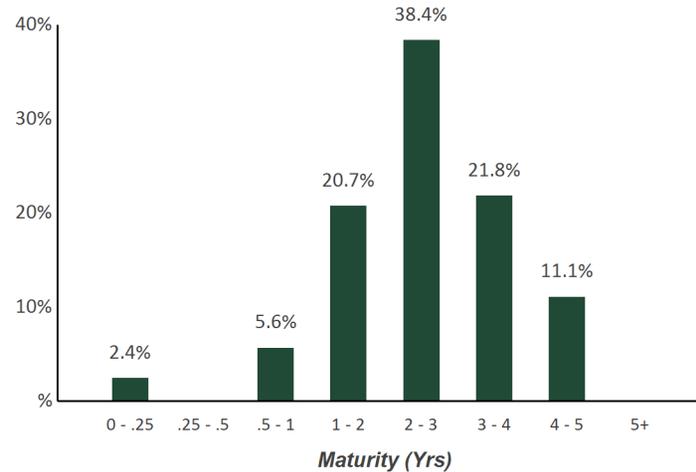
TOP ISSUERS

Government of United States	23.2%
Federal National Mortgage Assoc	17.5%
Federal Home Loan Mortgage Corp	9.8%
Federal Home Loan Bank	9.4%
Inter-American Dev Bank	3.7%
Honda ABS	2.1%
US Bancorp	1.8%
John Deere ABS	1.6%
Total	69.3%

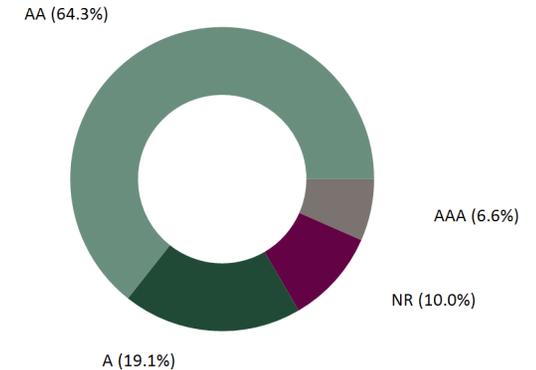
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	Annualized								
	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	12/31/1997
Northern CA Cities Self Ins. Fund Short Term	0.50%	1.87%	0.50%	2.51%	1.46%	1.15%	1.31%	1.86%	3.81%
ICE BAML 1-5 Yr US Treasury/Agency Index	0.32%	1.91%	0.32%	2.43%	1.17%	0.85%	1.08%	1.47%	3.48%
ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx	0.41%	1.93%	0.41%	2.45%	1.28%	0.99%	1.19%	1.76%	3.59%

Statement of Compliance

As of January 31, 2019



Northern California Cities Self-Insurance Fund - Short Term

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

Category	Standard	Comment
Treasury Issues	No limitation	Complies
US 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 January 31, 2019



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$26,148,001.84
Acquisition		
+ Security Purchases	\$452,843.60	
+ Money Market Fund Purchases	\$428,228.11	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$881,071.71
Dispositions		
- Security Sales	\$0.00	
- Money Market Fund Sales	\$454,452.35	
- MMF Withdrawals	\$537.50	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$305,000.00	
- Calls	\$0.00	
- Principal Paydowns	\$60,586.68	
Total Dispositions		\$820,576.53
Amortization/Accretion		
+/- Net Accretion	\$1,489.53	
		\$1,489.53
Gain/Loss on Dispositions		
+/- Realized Gain/Loss	\$0.00	
		\$0.00
ENDING BOOK VALUE		\$26,209,986.55

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$130,746.79
Acquisition		
Contributions	\$0.00	
Security Sale Proceeds	\$0.00	
Accrued Interest Received	\$0.00	
Interest Received	\$62,513.82	
Dividend Received	\$127.61	
Principal on Maturities	\$305,000.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$60,586.68	
Total Acquisitions	\$428,228.11	
Dispositions		
Withdrawals	\$537.50	
Security Purchase	\$452,843.60	
Accrued Interest Paid	\$1,608.75	
Total Dispositions	\$454,989.85	
ENDING BOOK VALUE		\$103,985.05



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

MONTHLY ACCOUNT STATEMENT

JANUARY 1, 2019 THROUGH JANUARY 31, 2019

Chandler Team:

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

Custodian

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

CHANDLER ASSET MANAGEMENT
chandlerasset.com

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PORTFOLIO CHARACTERISTICS

Average Modified Duration	3.34
Average Coupon	2.28%
Average Purchase YTM	2.32%
Average Market YTM	2.68%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	3.66 yrs
Average Life	3.59 yrs

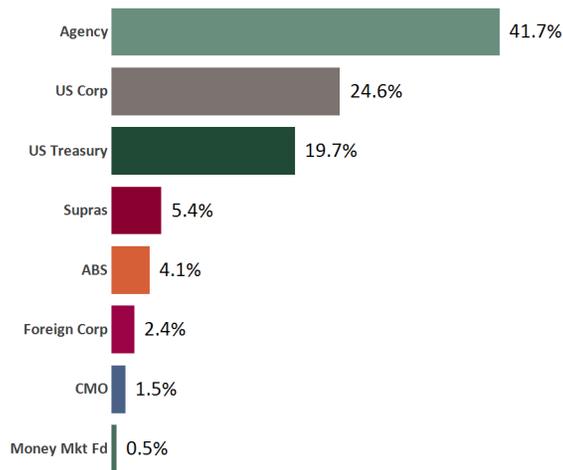
ACCOUNT SUMMARY

	Beg. Values as of 12/31/18	End Values as of 1/31/19
Market Value	26,702,455	26,879,446
Accrued Interest	159,969	157,034
Total Market Value	26,862,424	27,036,480
Income Earned	52,474	51,737
Cont/WD		0
Par	27,134,442	27,183,698
Book Value	27,061,954	27,116,626
Cost Value	27,077,621	27,129,802

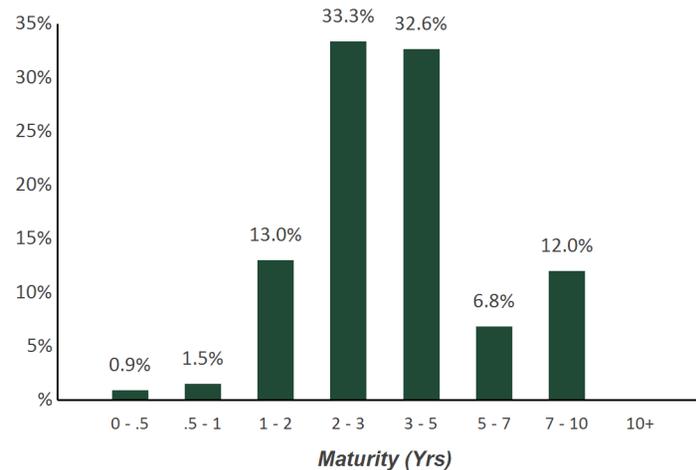
TOP ISSUERS

Government of United States	19.7%
Federal Home Loan Bank	19.0%
Federal National Mortgage Assoc	13.5%
Federal Home Loan Mortgage Corp	7.4%
Inter-American Dev Bank	4.7%
Tennessee Valley Authority	3.3%
John Deere ABS	1.8%
State Street Bank	1.5%
Total	71.0%

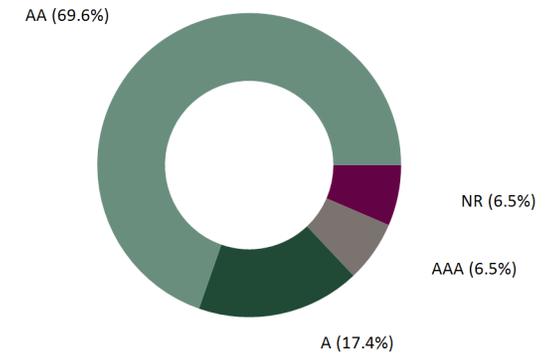
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	Annualized									
	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	5/31/2006	
Northern Cal. Cities Self Ins. Fund Long Term	0.65%	2.39%	0.65%	2.79%	1.66%	1.22%	1.79%	2.56%	3.65%	
ICE BAML 1-10 Yr US Treasury/Agency Index	0.42%	2.55%	0.42%	2.81%	1.38%	0.83%	1.43%	2.03%	3.28%	
ICE BAML 1-10 Yr US Corporate/Govt Rated AAA-A Idx	0.65%	2.61%	0.65%	2.78%	1.63%	1.19%	1.68%	2.64%	3.43%	

Statement of Compliance

As of January 31, 2019



Northern California Cities Self-Insurance Fund - Long Term

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

Category	Standard	Comment
Treasury Issues	No limitation	Complies
US 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 January 31, 2019



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$27,061,954.43
Acquisition		
+ Security Purchases	\$504,785.00	
+ Money Market Fund Purchases	\$456,740.38	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$961,525.38
Dispositions		
- Security Sales	\$0.00	
- Money Market Fund Sales	\$507,087.08	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$340,000.00	
- Calls	\$0.00	
- Principal Paydowns	\$60,397.18	
Total Dispositions		\$907,484.26
Amortization/Accretion		
+/- Net Accretion	\$630.74	
		\$630.74
Gain/Loss on Dispositions		
+/- Realized Gain/Loss	\$0.00	
		\$0.00
ENDING BOOK VALUE		\$27,116,626.29

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$197,699.77
Acquisition		
Contributions	\$0.00	
Security Sale Proceeds	\$0.00	
Accrued Interest Received	\$0.00	
Interest Received	\$56,091.97	
Dividend Received	\$251.23	
Principal on Maturities	\$340,000.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$60,397.18	
Total Acquisitions	\$456,740.38	
Dispositions		
Withdrawals	\$0.00	
Security Purchase	\$504,785.00	
Accrued Interest Paid	\$2,302.08	
Total Dispositions	\$507,087.08	
ENDING BOOK VALUE		\$147,353.07



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

MONTHLY ACCOUNT STATEMENT

FEBRUARY 1, 2019 THROUGH FEBRUARY 28, 2019

Chandler Team:

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

Custodian

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

CHANDLER ASSET MANAGEMENT
chandlerasset.com

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PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.28
Average Coupon	2.02%
Average Purchase YTM	2.11%
Average Market YTM	2.65%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.53 yrs
Average Life	2.40 yrs

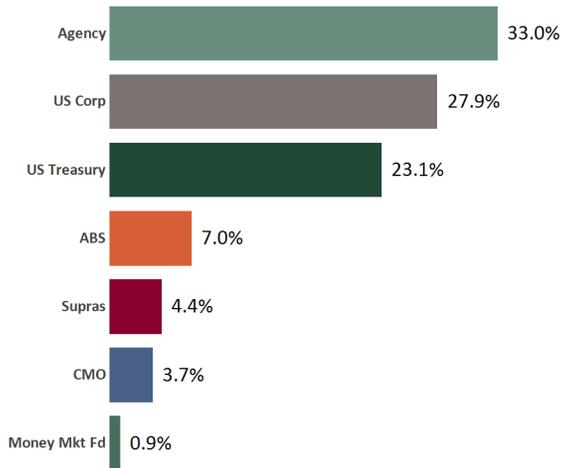
ACCOUNT SUMMARY

	Beg. Values as of 1/31/19	End Values as of 2/28/19
Market Value	25,978,348	26,018,487
Accrued Interest	109,785	109,447
Total Market Value	26,088,133	26,127,933
Income Earned	45,498	45,253
Cont/WD		0
Par	26,261,577	26,315,516
Book Value	26,209,987	26,255,546
Cost Value	26,185,496	26,227,998

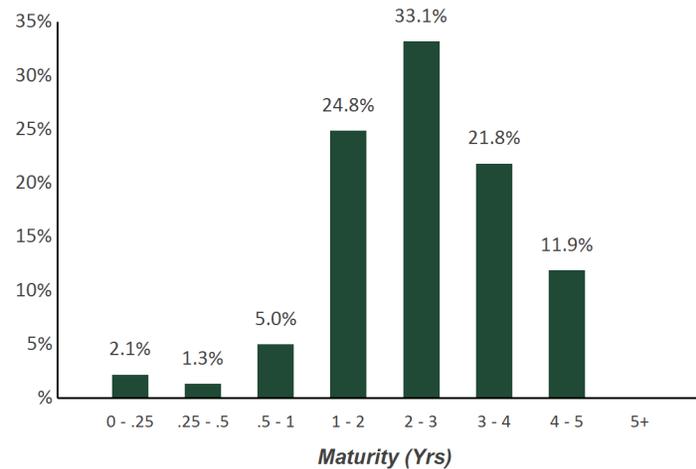
TOP ISSUERS

Government of United States	23.1%
Federal National Mortgage Assoc	17.5%
Federal Home Loan Mortgage Corp	9.8%
Federal Home Loan Bank	9.3%
Inter-American Dev Bank	3.7%
Honda ABS	2.0%
US Bancorp	1.8%
John Deere ABS	1.6%
Total	69.0%

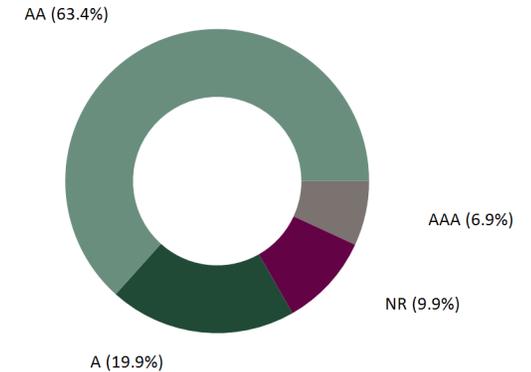
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	Annualized									
	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	12/31/1997	
Northern CA Cities Self Ins. Fund Short Term	0.15%	1.63%	0.65%	2.85%	1.44%	1.13%	1.30%	1.86%	3.80%	
ICE BAML 1-5 Yr US Treasury/Agency Index	0.04%	1.46%	0.36%	2.60%	1.12%	0.78%	1.06%	1.49%	3.47%	
ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx	0.07%	1.57%	0.48%	2.68%	1.22%	0.94%	1.17%	1.80%	3.58%	

Statement of Compliance

As of February 28, 2019



Northern California Cities Self-Insurance Fund - Short Term

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

Category	Standard	Comment
Treasury Issues	No limitation	Complies
US 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 February 28, 2019



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$26,209,986.55
Acquisition		
+ Security Purchases	\$215,003.25	
+ Money Market Fund Purchases	\$137,945.41	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$352,948.66
Dispositions		
- Security Sales	\$214,991.40	
- Money Market Fund Sales	\$0.00	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$94,006.57	
Total Dispositions		\$308,997.97
Amortization/Accretion		
+/- Net Accretion	\$1,641.01	
		\$1,641.01
Gain/Loss on Dispositions		
+/- Realized Gain/Loss	(\$32.41)	
		(\$32.41)
ENDING BOOK VALUE		\$26,255,545.84

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$103,985.05
Acquisition		
Contributions	\$0.00	
Security Sale Proceeds	\$214,991.40	
Accrued Interest Received	\$2,081.32	
Interest Received	\$42,315.67	
Dividend Received	\$256.83	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$94,006.57	
Total Acquisitions	\$353,651.79	
Dispositions		
Withdrawals	\$0.00	
Security Purchase	\$215,003.25	
Accrued Interest Paid	\$703.13	
Total Dispositions	\$215,706.38	
ENDING BOOK VALUE		\$241,930.46



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

MONTHLY ACCOUNT STATEMENT

FEBRUARY 1, 2019 THROUGH FEBRUARY 28, 2019

Chandler Team:

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

Custodian

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

CHANDLER ASSET MANAGEMENT
chandlerasset.com

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



PORTFOLIO CHARACTERISTICS

Average Modified Duration	3.35
Average Coupon	2.30%
Average Purchase YTM	2.33%
Average Market YTM	2.72%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	3.67 yrs
Average Life	3.60 yrs

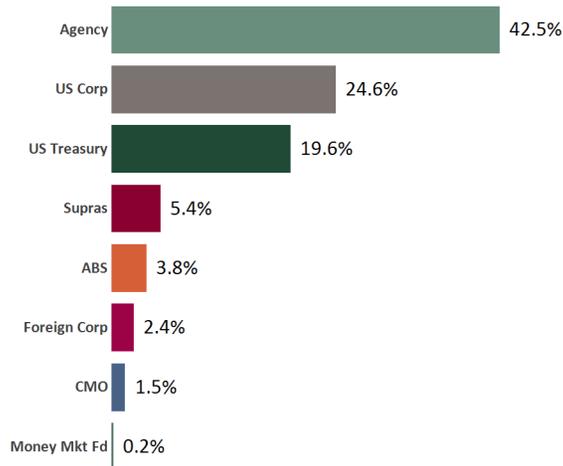
ACCOUNT SUMMARY

	Beg. Values as of 1/31/19	End Values as of 2/28/19
Market Value	26,879,446	26,911,381
Accrued Interest	157,034	154,114
Total Market Value	27,036,480	27,065,495
Income Earned	51,737	51,864
Cont/WD		0
Par	27,183,698	27,226,922
Book Value	27,116,626	27,169,213
Cost Value	27,129,802	27,191,427

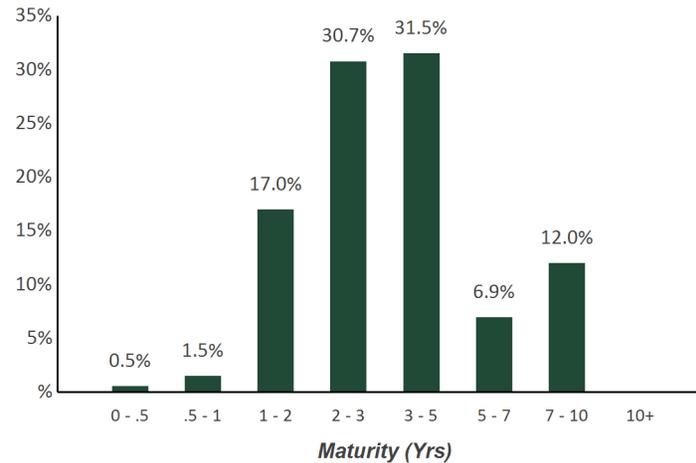
TOP ISSUERS

Government of United States	19.6%
Federal Home Loan Bank	19.0%
Federal National Mortgage Assoc	13.4%
Federal Home Loan Mortgage Corp	6.2%
Tennessee Valley Authority	5.4%
Inter-American Dev Bank	4.7%
John Deere ABS	1.8%
State Street Bank	1.5%
Total	71.5%

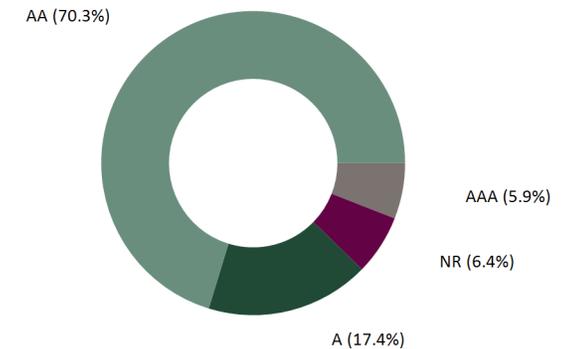
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	Annualized									
	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	5/31/2006	
Northern Cal. Cities Self Ins. Fund Long Term	0.11%	2.05%	0.76%	3.24%	1.55%	1.11%	1.76%	2.57%	3.64%	
ICE BAML 1-10 Yr US Treasury/Agency Index	-0.06%	1.82%	0.36%	3.03%	1.21%	0.65%	1.37%	2.05%	3.25%	
ICE BAML 1-10 Yr US Corporate/Govt Rated AAA-A Idx	0.04%	2.08%	0.68%	3.20%	1.46%	1.04%	1.63%	2.71%	3.41%	

Statement of Compliance

As of February 28, 2019



Northern California Cities Self-Insurance Fund - Long Term

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

Category	Standard	Comment
Treasury Issues	No limitation	Complies
US 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 February 28, 2019



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$27,116,626.29
Acquisition		
+ Security Purchases	\$556,352.50	
+ Money Market Fund Purchases	\$133,015.05	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$689,367.55
Dispositions		
- Security Sales	\$330,544.50	
- Money Market Fund Sales	\$231,470.52	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$73,320.96	
Total Dispositions		\$635,335.98
Amortization/Accretion		
+/- Net Accretion	\$752.34	
		\$752.34
Gain/Loss on Dispositions		
+/- Realized Gain/Loss	(\$2,197.68)	
		(\$2,197.68)
ENDING BOOK VALUE		\$27,169,212.52

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$147,353.07
Acquisition		
Contributions	\$0.00	
Security Sale Proceeds	\$330,544.50	
Accrued Interest Received	\$1,497.03	
Interest Received	\$59,249.99	
Dividend Received	\$444.10	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$73,320.96	
Total Acquisitions	\$465,056.58	
Dispositions		
Withdrawals	\$0.00	
Security Purchase	\$556,352.50	
Accrued Interest Paid	\$7,159.55	
Total Dispositions	\$563,512.05	
ENDING BOOK VALUE		\$48,897.60

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

www.treasurer.ca.gov/pmia-laif/laif.asp
 January 03, 2019

NORTHERN CALIFORNIA CITIES
 SELF-INSURANCE FUND
 FINANCIAL CONSULTANT
 701 HOWE AVENUE
 SUITE E3
 SACRAMENTO, CA 95825

PMIA Average Monthly Yields

Account Number:
 35-11-001

// [Tran Type Definitions](#)

December 2018 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
12/7/2018	12/6/2018	RW	1591545	JAMES MARTA	-347,000.00
12/14/2018	12/13/2018	RW	1591996	JAMES MARTA	-446,000.00
12/20/2018	12/20/2018	RW	1592478	JAMES MARTA	-89,000.00
12/27/2018	12/27/2018	RW	1592919	JAMES MARTA	-112,000.00

Account Summary

Total Deposit:	0.00	Beginning Balance:	8,321,387.94
Total Withdrawal:	-994,000.00	Ending Balance:	7,327,387.94
		4100.1-3	

NCCSIF

Northern California Cities Self Insurance Fund

c/o Alliant Insurance Services, Inc.
Corporate Insurance License No. 0C36861

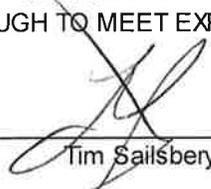
Main Location: 2180 Harvard Street, Suite 460, Sacramento, CA 95815 * (916) 643-2700 * Facsimile: (916) 643-2750
Accounting Location: Mr. James Marta, James Marta & Company, 701 Howe Avenue, Suite E3, Sacramento, CA 95825 * (916) 993-9494

NCCSIF INVESTMENT REPORT FOR THE QUARTER ENDING DECEMBER 31, 2018

	<u>MARKET VALUE</u>
CASH:	
(1) Tri Counties Checking	\$ 126,517.42
(2) Local Agency Inv Fund (LAIF)	<u>7,327,387.94</u>
Total Cash	<u>7,453,905.36</u>
INVESTMENTS (Unrestricted):	
(3) Chandler Investments	
Account no. 170	25,832,215.00
Account no. 171	<u>26,702,455.00</u>
Total Unrestricted Investments	<u>52,534,670.00</u>
TOTAL CASH AND INVESTMENTS	<u>\$ 59,988,575.36</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, 2018 2.40%
- (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 Sailsbery, Treasurer

2/11/19

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.

**CONFLICT OF INTEREST CODE
FOR THE
NORTHERN CALIFORNIA CITIES SELF-INSURANCE FUND**

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations Section 18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendices, designating positions and establishing disclosure categories, shall constitute the conflict of interest code of the **Northern California Cities Self-Insurance Fund (Authority)**.

Individuals holding designated positions shall file their statements of economic interests with the **Authority**, which will make the statements available for public inspection and reproduction. (Gov. Code Sec. 81008) Upon receipt of the statements, the Authority shall make and retain copies and forward the originals to the **Fair Political Practices Commission**. Statements may be filed electronically with the **Fair Political Practices Commission**. All statements will be retained by the **Fair Political Practices Commission**.

**CONFLICT OF INTEREST CODE
FOR THE
NORTHERN CALIFORNIA CITIES SELF-INSURANCE FUND**

Appendix A-Designated Positions

<u>Designated Position</u>	<u>Assigned Disclosure Category</u>
Program Administrator	1, 2, 3, 4, 5
Claims Administrator	1, 2, 3, 4, 5
Auditor	1, 2, 3, 4, 5
Board Counsel	1, 2, 3, 4, 5

Note: The positions of Program Administrator, Claims Administrator, Board Counsel, and Auditor are filled by outside consultants, but act in a staff capacity.

Consultants/New Positions *

*Consultants/new positions shall be included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation:

The President may determine in writing that a particular consultant or new position, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to comply fully with the disclosure requirements described in this section. Such determination shall include a description of the consultant's or new position's duties and, based upon that description, a statement of the extent of disclosure requirements. The President's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code. (Gov. Code Sec. 81008)

The following positions are not covered by the code because the positions manage public investments. Individuals holding such positions must file under Government Code Section 87200 and are listed for informational purposes only.

- Members of the Board of Directors
- Alternate Members of the Board of Directors
- Treasurer
- Consultants who manage public investments

An individual holding one of the above listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by Section 87200.

**CONFLICT OF INTEREST CODE
FOR THE
NORTHERN CALIFORNIA CITIES SELF-INSURANCE FUND**

Appendix B-Disclosure Categories

Designated positions must disclosure pursuant to the categories below.

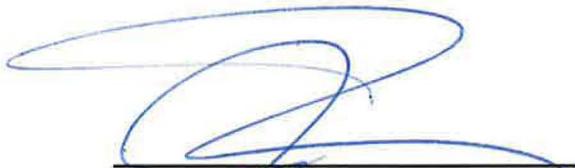
1. Investments and business positions in business entities, and income (including receipt of loans, gifts, and travel payments), from sources of the type that contract with the Authority to supply goods, services, materials, or supplies.
2. Investments and business positions in business entities, and income (including receipt of loans, gifts, and travel payments), from sources that are engaged in the performance of work or services of the type utilized by the Authority, including insurance companies, carriers, holding companies, underwriters, brokers, solicitors, agents, adjusters, claims managers, and actuaries.
3. Investments and business positions in business entities, and income (including receipt of loans, gifts, and travel payments), from sources that have filed a claim or have a claim pending that are reviewed and administered by the Authority.
4. Interests in real property located within the Authority's jurisdiction of the type purchased or leased by the Authority for its use.
5. Investments and business positions in business entities, and income (including receipt of loans, gifts, and travel payments), which are financial institutions including banks, savings and loan associations and credit unions.

This is the last page of the conflict of interest code for the **Northern California Cities Self-Insurance Fund**.



CERTIFICATION OF FPPC APPROVAL

Pursuant to Government Code Section 87303, the conflict of interest code for the **Northern California Cities Self-Insurance Fund** was approved on 1/31/ 2019. This code will become effective on 3/21 2019.



John M. Feser, Jr.
Senior Commission Counsel
Fair Political Practices Commission



NORTH BAY ASSOCIATES

WORKERS' COMPENSATION

AUDITORS • CONSULTANTS

September 2018

Workers' Compensation Claims Audit

EIA, COUNTY OF NAPA AND NORTHERN
CALIFORNIA CITIES SELF INSURANCE
FUND/ALLIANT INSURANCE

ADMINISTERED BY

YORK INSURANCE SERVICES

PO Box 994 Pioneer, CA 95666 § **PHONE (209) 295-3953** § **MOBILE (209) 256-5201**

e-mail northbayassociates@comcast.net



Workers Compensation Claims Audit

September 2018

EIA, COUNTY OF NAPA AND NORTHERN
CALIFORNIA CITIES SELF INSURANCE
FUND/ALLIANT INSURANCE

ADMINISTERED BY

YORK INSURANCE SERVICES

CONFIDENTIAL

NORTH BAY ASSOCIATES

PO Box 994 Pioneer, CA 95666 • (209) 295-3953



NORTH BAY ASSOCIATES

WORKERS' COMPENSATION

AUDITORS • CONSULTANTS

November 23, 2018

CSAC Excess Insurance Authority
Ms. Suzanne Nutter
Sr. Workers Compensation Claims Specialist

County of Napa
Mr. Kerry John Whitney
Risk and Emergency Services Manager

Northern California Cities Self Insurance Fund/Alliant Insurance
Mr. Marcus Beverly

The Workers' Compensation Claims Audit report for September 2018 for these EIA members: County of Napa and Northern California Cities Self Insurance Fund/Alliant Insurance administered by York Insurance Services is presented herewith.

We wish to acknowledge the cooperation of the administrator, York Insurance Services, for providing us with remote access to the claims data.

This report has been simultaneously provided to the administrator. Although all the data had not yet been tabulated in the form seen here, the general findings and preliminary recommendations of this audit were discussed with TPA management during an exit interview.

Since this report deals with employees' injuries, reserves on the claim files, tactics for further handling, and so on, we suggest it be kept confidential.

We hope that this report is self-explanatory; any comments or questions the reader may have are welcome. It has been a pleasure once again to serve County of Napa, Northern California Cities Self Insurance Fund/Alliant Insurance and the Excess Insurance Authority.

Respectfully submitted,

NORTH BAY ASSOCIATES

Robert N. Hoyle
Director of Auditing Services

Quick Overview

- *Executive Summary & Audit Profile (page 4)*
- *Summary of Recommendations (page 6)*

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This Report may only be reproduced in its entirety and only by County of Napa and Northern California Cities Self Insurance Fund/Alliant Insurance or the EIA. No Third Party Administrator may reproduce it or any part of it or quote from it with or without the permission of County of Napa and Northern California Cities Self Insurance Fund/Alliant Insurance.

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A. INTRODUCTION

THIS is the Workers' Compensation Claims Audit report for September 2018 for these EIA members: County of Napa and Northern California Cities Self Insurance Fund/Alliant Insurance.

1. Goals of the Claims Audit.

- ◆ Gather and present statistical data relating to the administration of the members' workers' compensation claims from 11/1/2016, to date.
- ◆ Focus on those claims constituting the bulk of the outstanding reserves, and claims involving key issues and a representative sample of each entity's files.
- ◆ Present and explain industry standards, Division of Workers' Compensation Audit Unit standards, and CSAC/EIA standards and goals.
- ◆ Compare audit findings to the standards, and to prior audits, noting strengths and weaknesses.
- ◆ Recommend ways to meet standards and to reach goals.

2. Report Organization.

This report contains twelve audit areas beginning at Section E, page 9. Each has an introduction, point-by-point discussion, and summary and recommendations. Data is presented in as many as four different ways for clarity and for different depths of detail.

First, for an overview, are the Executive Summary and Audit Profile on pages 4 and following. These summarize strengths and weaknesses in the major audit areas. The overall Audit Score is provided along with a comparison of results to the prior audit.

Second, for detailed data and explanation, each numbered paragraph delves into a particular audit item. Each point is explained and audit findings are compared to standards. Comments about any particular claim file are often amplified by "Summary Memos." These can be found in the *Addendum* at Tab Three in order by NBA number.

Third, the Audit Data numerically restates the same data shown in the text. The Audit Data is the engine that drives this audit. It is located in the *Addendum* at Tab Four.

Fourth, the Audit Profile augments key audit areas with a graphical view of the data. The audit points are explained in the audit area to which each refers and the Audit Profile can be found in Tab Four of the *Addendum* along with the Audit Score.

The *Addendum* contains statistical and other essential data. In brief, the *Addendum* includes the following:

Tab One: Full list of claims audited, sorted by NBA#. These lists may be used to identify claimants; to maintain confidentiality, the body of this report refers only to NBA#'s.

Tab Two: The Reserve Summary reports on the dollar amounts of reserve changes recommended. Reserve Work Sheets provide the detail behind the Reserve Summary report and are located here. The Excess Report shows all excess cases in the sample.

Tab Three: Individual Summary Memos. These are left on certain files for the benefit of the examiner where some issue was pending or where guidance was appropriate. Some explain a definite shortcoming in a file and offer recommendations for further handling. Others offer suggestions on files that are being correctly handled. Not every file audited has a Memo. Since many Memos detail specific recommendations for further file handling, we recommend the client follow up to be certain the administrator acts on these Memos and recommendations. We always encourage the examiners to discuss these Memos with us. In this case, the supervisor chose to discuss some of the Memos and the points raised therein.

Tab Four: The Audit Profile and Audit Data with the Audit Score are here. If this is a Group Audit a combined audit profile and combined audit data are provided as well as individual audit profiles and individual audit data for each Member.

3. Audit Sample.

The sample used to develop the data for this audit was taken from current data of open indemnity cases provided to us by York Insurance Services. The sample consisted of 102 files, or 15.0% of the total open inventory of indemnity files. The sample is a carefully selected and structured sample rather than a random sample. It is weighted in favor of claims with significant potential and claims containing certain key issues. This is called the "dollar value" sampling technique. But we

also spread the sample to include the work of all the entities and examiners, to look at files newly opened since the last audit.

Not all audit queries apply to each case in the sample. Some points apply to the beginning stages of a file, while others pertain only to the end. Claims activity during this audit period is the determining factor. Except for historical comparisons, we read but do not consider for audit purposes activity prior to the last audit.

B. EXECUTIVE SUMMARY

The September 2018 workers' compensation audit for these EIA members: County of Napa and Northern California Cities Self Insurance Fund/Alliant Insurance was begun on 9/17/2018. It covers file activity from 11/1/2016, the date of the last audit.

The Audit Data shows an overall composite score of 93%. The prior audit showed a composite score of 83.4%. Key areas showing improvement were **Case Planning** from **93.8% to 100%**, **Permanent Disability Payments** from **82.4% to 100%** and **File Balancing** from **90% to 96.4%**. Other areas that remained high were **Claims Investigation** at **100%** and **Claims Finalization** at **96.4%**. **Subsequent Excess Reporting** increased from **63.2% to 96.2%**. However, **Initial Excess Reporting** remained below the requirement with a score of **75%**. **Continued Employee Contact** decreased from **84.4% to 68.8%**. **Examiner and Supervisor Diaries** remained low at **75.5% and 58.8% respectively**. It is noted that the Examiner Diaries increased significantly in the 2nd year of the audit.

The graph below entitled "Audit Profile," lists many of the most important audit points; this graph is printed full size at Tab Four, as is a version with more data showing a performance percentage for each.

Line	Audit Point	Files	Yes %	Percent Bar
1.1	Investigated if Necessary	15	100%	
1.2	Correct Compensability Decision	15	100%	
1.4	Decision Timely	15	100%	
2.1	Prompt Contact with Employee	43	98%	
3.1	Timeliness of First Payment	34	100%	
3.4	Permanent Disability Payments	30	100%	
3.7	File Balancing	56	96%	
4.1	Case Plan Appropriate	102	100%	
4.2	Apportionment Pursuit	1	100%	
6.2	Use of Defense Atty. Appropriate	40	100%	
7.1	Continuous Finalization Efforts	84	96%	
7.2	Correct Settlement Valuation	27	100%	
8.3	Reserves Revised Appropriately	97	94%	
9.1	Prompt Excess Reporting	32	75%	
10.1	Prompt & Effective Subrogation	5	80%	

In summary, the most important strong points are:

Investigating and deciding on claim compensability. This is an examiner's prime function. This threshold series of points shows that questionable claims were recognized and investigated timely.

Paying the various workers' compensation benefits accurately and timely. This occupies the most time and requires mastery of external rules and internal procedures. Indemnity payments were routinely paid timely and accurately.

Documented case planning with timely follow up. This is crucial to keeping the current issues that need to be acted upon in focus. All claims were shown to have a consistent case plan.

Balancing file payments. This is a fiduciary responsibility and was done very consistently throughout the audit period.

Finalizing the cases. Disposing of each case fairly and with all due speed is in the interest of everyone. This audit showed that claims were consistently moved toward finalization.

Some important points that need improvement are:

Communication with the injured employees. This helps ensure a large degree of control over the claims process. The frequency of continued employee contact was below the EIA standard.

Excess Reporting. Timely reporting keeps excess carriers updated regarding their potential liability and avoids any potential penalty assessments for late reporting. Initial Excess reporting was not consistently prompt.

Claim Diaries. Both examiner and supervisor claim diaries are an essential part in not only keeping the claim up to date, but also to ensure that essential tasks are completed on a regular basis, such as excess reporting. Claim diaries continued to score low.

Summarized recommendations for further improvement begin on the next page.

C. SUMMARY OF RECOMMENDATIONS

Recommendations are compiled here to provide a summary and to provide convenient reference. To be fully understood, the recommendations should be considered in the context of the audit detail.

- We recommend that the EIA continued employee-contact standards be reviewed by the claims administrator and incorporated into the examiner's daily routine. Please see page 11.
- We recommend that mileage for med legal appointments be paid at the time the appointment is made or a diary set to ensure timely payment. Please see pages 12 and following.
- We recommend that the excess reporting requirement be reviewed and that claims are reported accordingly. Please see pages 25 and following.
- We recommend that the EIA diary guidelines be reviewed and followed. Please see page 30.

We suggest that the employer, the EIA and York Insurance Services set priorities and adopt a timetable for implementing these recommendations.

D. ORGANIZATIONAL INFORMATION

The workers' compensation claims of County of Napa and Northern California Cities Self Insurance Fund/Alliant Insurance continue to be handled by York Insurance Services. The supervisor in immediate charge of these claims is Steven Scott.

1. Claims Examiner's Caseload.

A reasonable industry standard is 150 to 165 open indemnity files based on "future medical" files counted at a ratio of 2:1 relative to other indemnity files. Examiners with a combination of too many files or too little support have no time for regular communication with their clients' injured employees, consulting with the client on significant cases and developments, and continuing their training. Therefore, the whole picture must be evaluated.

The following table shows the examiner's workload, experience, and certification as reported by York Insurance Services. Self Insurance Plans, a state agency, certifies workers' compensation examiners by a one-time test. The Insurance Education Association has an extensive certification program.

	Workload †		Experience ‡		Certification	
	This Account	All Accounts	This Account	Total	SIP	IEA
Rachelle Duesing (Napa/NCCSIF)	137	137	2 yrs	15 yrs	Y	Y
Cristal Rhea (NCCSIF)	24	124	4 yrs	34 yrs	Y	Y
Jennifer Gorgen (NCCSIF)	4	152	2 yrs	20 yrs	Y	Y
Andrew Frederickson (Napa/NCCSIF) (FM and few IND)	186	245	1.5 yrs	6 yrs	Y	N
Catherine Clark (NCCSIF) (FM and IND)	124	177	1.5 yrs	2 yrs	Y	N
Kristin Farley (NCCSIF/Napa) FM	122	280	5 yrs	10 yrs	Y	Y
Kara Kennedy (NCCSIF) (IND/FM)	98	162	2 yrs	20 yrs	Y	Y

Total	695	† All Indemnity Files	‡ As an Examiner
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1.1 Claims Assistant’s Duties.

The most common duties of the examiner’s principal assistant, whatever the actual job title, may include: doing a triage to separate MO’s from indemnity and urgent indemnity from normal indemnity files; controlling and paying ongoing temporary and permanent indemnity payments; calculating and paying Awards; paying medical bills on both indemnity and MO files; and data input.

Here, there are assistants assigned to these programs; the assistants’ duties include indemnity payments, award payments and data input.

1.2 Findings, Summary and Recommendations.

It is noted that 1 examiner has less than 2 years of claims handling experience. The supervisor should ensure that she is receiving the proper amount of training as mandated by California Code of Regulations 2592.02 (a)(1). Otherwise this program is adequately staffed with experienced personnel. Recommendations are not necessary.

E. AUDIT DETAIL

This section contains the details of this audit for: County of Napa and Northern California Cities Self Insurance Fund/Alliant Insurance. Each area discusses an important group of related points and the subsections offer specifics of narrow points and, finally, findings, a summary and any needed recommendations are offered for the group.

1. Compensability Determination.

This audit area concerns the initial decision regarding compensability of the claim at the time it is reported. Usually simple, this issue is sometimes complicated at the outset. The initial decision to accept, delay, or deny a particular claim is an important milestone. Inquiries in this area are also made to see whether adequate background investigation is made, if necessary, and if communication with the relevant department of the employer is established and maintained.

1.1 Investigated If Necessary.

This inquiry detects whether a particular file requires an investigation: either an intensive field investigation, a simple phone investigation by the examiner, or a medical investigation by a consultant and, if so, whether this investigation was done.

Investigations needed: 15
Investigations appropriately done: 15

1.2 Correct Compensability Decision.

The examiner's threshold function is to decide if a workers' compensation claim is to be accepted, delayed, or denied. This inquiry looks at the correctness of that decision.

Compensability decisions required: 15
Compensability decisions correct: 15

1.3 Basis of Decision Documented.

Any file other than those routinely accepted should be fully documented with evidence sufficient to justify the action taken and should show a clear statement of the examiner's thought processes. If the self-insured, defense attorney, or any other source of information was relied upon, then these facts and sources need to be included in the documentation. The Office of Benefit Assistance and Enforcement Audit Unit fine, payable to the state, for an "unsupported" denial is as much as \$5,000.

Cases that require documentation: 15

Cases sufficiently documented: 15

1.4 Decision Timely.

The timeliness standard is that the initial decision to accept, delay, or deny a claim be made within 14 calendar days of the filing of the claim with the employer. If an investigation is necessary and meanwhile the claim is delayed, then a final decision whether to accept or deny must be made within three days of receipt of the investigation findings. In any case, the decision should be made within the state requirement of ninety days of the employer's date of knowledge.

Cases requiring a decision: 15

Cases decided timely at each stage: 15

1.5 Employer Contact.

Critical compensability decisions should be made in consultation with the employer. This might include the employee's supervisor, the Risk Manager, or other pertinent parties to guarantee coordination of all facts.

Cases requiring contact: 49

Cases with documented contact: 49

1.6 Index Bureau.

Many claims administrators or self-insured entities use the Index Bureau. This is a private company that maintains a database of claimants with workers' compensation, bodily injury, and other types of claims. The claims person or an automated process completes a short form and sends it to the Index Bureau. If there is a match to other claims by the same person, a minimum amount of information is returned to the examiner, who then decides whether to make further use of it. Useful information is not always obtained but it is frequent enough to be cost effective.

York Insurance Services uses the Index Bureau.

1.7 Findings, Summary and Recommendations.

Questionable claims are being adequately investigated. Recommendations are not necessary.

2. Employee Contact.

The purpose of this area of inquiry is to learn if the claims examiner makes early telephone contact with each injured worker according to EIA standards and whether this telephone contact continues as appropriate. Most good administrators do this as part of “three-point contact.” The other two contact points are the treating doctor and the employer.

2.1 Prompt Contact With Employee.

It is a good standard claims practice for the examiner to personally contact every disabled claimant by telephone. Often the employee is simply the best source of information about the claim and we need to ask for his or her side of the facts. Contact is particularly critical with problematic claims or those in which information must be given to the employee that he or she may not want to hear, for instance, that his or her claim is being denied. It is generally believed that some litigation will be avoided by close telephone contact between the examiner and the injured workers. The EIA has established a reasonable standard of initial contact within 3 days of claim receipt with at least 2 additional attempts at contact if not previously established. This standard is now applicable on medical only claims in addition to lost time claims.

Files in need of initial contact: 43
Files showing initial contact: 42 (97.7%).

2.2 Employee Contact Continued.

Maintaining employee contact on non litigated claims with ongoing temporary disability is a widely accepted industry standard. The EIA standard is that such contact occur at critical points in the claim such as just after surgery and at a frequency no greater than every 45 days. While assigned nurse case managers maintain employee contact on many cases their role is not a substitute for periodic contact by the examiner.

Cases needing continuing employee contact: 16
Cases with continuing contact: 11 (68.8%).

2.3 Findings, Summary and Recommendations.

There were several claims in in which continued employee contact was not consistent. It is recommended that the EIA ongoing employee-contact standard be reviewed by the claims administrator and incorporated into the examiner’s daily routine.

3. Benefit Payments.

This area concerns itself with the timeliness and accuracy of benefit payments. Initial indemnity payments and the issuance of the first DWC notice are checked against the timeliness standards of the Administrative Director of the Division of Workers' Compensation. Subsequent indemnity payments and permanent disability payments are also reviewed for timeliness.

3.1 Timeliness of First Payment.

California administrative regulations require that initial indemnity payments (or notice, in the case of salary continuation) be issued within fourteen calendar days of knowledge of the injury and disability. Late claims are subject to a DWC Audit Unit fine of up to \$100 each. In addition, if direct payment was made to the employee (as opposed to salary continuation) and this payment was twenty-eight or more days late, then an additional automatic penalty is payable to the employee. The goal is to accomplish 100% within this time limit.

Cases on which temporary disability was paid: 34

Cases paid timely: 34

3.2 Subsequent Temporary Disability Biweekly.

Subsequent indemnity payments are required to be paid once every two weeks exactly.

Subsequent payments: 39

Subsequent payments timely: 37 (94.9%).

The Exceptions Are:

- #16843: There was late payment of TD which appears to be fault of employer communication. Notes indicate an acknowledgement that penalty is due. However, penalty has not yet been paid.
- #23579: There was a late payment of 4850, which appears to be fault of the employer. Self-imposed penalty paid by employer according to file notes.

3.3 Transportation Expense.

This inquiry looks at the speed with which employees are reimbursed upon requesting medical transportation expense and if mileage payment is provided in advance of a PQME evaluation. Mileage reimbursement

requests are to be made within 15 working days and mileage payments are to be made 10 working days in advance of PQME evaluations.

Transportation expense requests: 16

Transportation expense payments timely: 13 (81.3%).

The Exceptions Are:

- #19332: Mileage has not been paid for initial PQME.
- #26527: Mileage for travel to PQME was not prepaid to EE.
- #27400: Mileage for travel to PQME was not paid 10 days prior to appointment.

3.4 Correct Permanent Disability Payments.

This inquiry is intended to discover whether permanent disability (and advances thereon) are paid correctly by law. This requires advance payment of permanent disability between the end of temporary disability and the date a permanent disability rating is determined. Without such advance of permanent disability payments, a penalty by the Workers' Compensation Appeals Board is at risk. Further, there is an additional \$100 penalty payable to the state and the 10% automatic penalty that is payable to the claimant with the administrator's own funds. Thus, on a late or absent permanent disability payment, as many as three penalties could apply. Conversely, permanent disability payments should not be made unnecessarily simply to avoid the risk of a penalty.

Cases on which PD (or advances) were required: 30

Cases with correct PD payments: 30

3.5 Permanent Disability Rate Adjustment.

Beginning January 1, 2005, permanent disability benefit weekly payment amounts are affected up or down depending on the employer making work available to an employee with a disability. This query records whether this new section, LC§ 4658(d)(1), is applied correctly.

Cases involving a PD rate adjustment: 0

Cases on which the adjustment was correctly applied: 0

3.6 Self-Imposed 10% Penalty Paid if Required.

This query records whether the automatic penalty is paid when required. It

is automatically triggered by any of several situations. The problem is circuitous because a late or absent penalty triggers yet another penalty.

Cases involving a self-imposed penalty: 2

Cases on which such a penalty was properly paid: 1 (50.0%).

3.7 Regular File Balancing

In this area we look at the fiscal safeguards or “prevent and detect” used by York Insurance Services. Specifically, we note whether cases are balanced at regular intervals. “Balancing” means the following: On the indemnity portion of the file, the term refers to the regular reconciliation of payment liability against payments issued as shown by the manual and the data processing records. In other words, is the administrator regularly checking what it intends to pay against what is being paid? On the medical and expense portion of the case, balancing consists of reconciling bills paid against the manual and data processing records and, more important, it requires verification by a second person that each bill is correct in every way.

Cases on which balancing was expected: 56

Cases with regular balancing: 54 (96.4%).

3.8 Findings, Summary and Recommendations

Other than the 2 claims noted above, all indemnity payments were completed timely and accurately. There were 3 instances of late or unpaid medical mileage. It is recommended that mileage for med legal appointments be paid at the time the appointment is made or a diary set to ensure timely payment.

4. Case Planning & Correspondence.

Examining workers' compensation claims, like any other business activity, should include a plan of action to achieve an explicit result. Without a plan, the claims examiner merely reacts to outside stimuli and the claims administration process breaks down, to the detriment of everyone concerned. Ideally, a plan should be written and include contingencies. This is where tactics are evaluated.

4.1 Case Plan Appropriate.

The purpose of this inquiry is to learn whether initial case planning took place when the claim was reported to York Insurance Services from any source and if subsequent planning and tactics are appropriate to the case. In simple cases, action is a more than adequate substitute for a written plan.

Cases where planning should have been evident: 102

Cases where appropriate planning was seen: 102

4.2 Apportionment Pursuit.

The Labor Code has significantly changed as of April 19, 2004, in regard to apportionment of permanent disability. All cases are affected regardless of the date of injury. This major change is sharply in favor of employers but it will only be as effective as it is aggressively pursued. If the examiners do not develop information and effectively ask the doctors about this information, nothing will change. Exactly what form the examiner's efforts should take is problematic at this point. Therefore, to audit for this point we look for any efforts that seem appropriate and effective.

Cases on which apportionment is an issue: 1

Cases on which apportionment is thoroughly addressed: 1

4.3 Required Notices.

The Division of Workers' Compensation requires that many separate notices be sent to claimants. There are well over one hundred such notices. The language is largely prescribed by the state and this language constantly prompts employees to hire attorneys and appeal even insignificant developments in their cases. The lack of notice or slightly incorrect language is a major source of Division of Workers' Compensation Audit Unit fines. Sending unnecessary notices should be avoided too as unnecessary litigation will result.

Cases with notices required: 68
Cases with notices: 63 (92.6%).

The Exceptions Are:

- #14632: PD delay due 1/2018 was not sent.
- #16195: PD delay due 3/2018 was not sent.
- #21994: PD monitor / delay was not sent when TD ended.
- #23105: In 7/2018, it appears that salary continuation was being paid as checks were sent to employer. The notice indicated that checks were being sent to employee; There was not notice to EE in 7/2018 when the checks were sent directly to employee.
- #23579: There was no PD notice sent for payment of PD in 9/2018.

4.4 File Documentation.

Here, the depth of file documentation is reviewed. Each claim file, if documented well, stands on its own. A new examiner, a supervisor, the client, or an auditor should be able to read the file and determine how and why the file got to its current point.

Files sampled: 102

Files with reasonably clear and complete documentation: 102

4.5 Correspondence.

The EIA standard is that all incoming correspondence shall be date stamped. If a response is required, the accepted EIA standard is within five working days.

Files with correspondence: 102

Files with timely response: 102

4.6 Findings, Summary and Recommendations.

There were several claims that included late or unsent notices. It is recommended that upcoming notices due be tracked on diary.

5. Medical Administration.

The Labor Code requires the treating physician periodically to report to the claims administrator during treatment of an injured worker. This allows the examiner to insist on a regular flow of chart notes, X-ray reports, etc., to keep treatment focused on the industrial injury. Without sufficient reports from the doctors, the treatment can drift from the actual industrial injury. We also look at the appropriate use (or lack thereof) of additional cost containment measures such as billing review, utilization review, and nurse case management services.

5.1 Physician Contact.

The CSAC/EIA standard is that the physician's office be contacted within three working days of claim receipt.

Cases that required physician contact: 1

Cases with regular contact: 1

5.2 Appropriate Medical Consultations Obtained.

This inquiry looks for both treatment oriented consultations and appropriate initiation of the PQME process or AME process if litigated. Many cases do not need medical opinions other than the treater's.

Cases needing medical consultations: 8

Cases on which consultations were obtained: 8

5.3 Findings, Summary and Recommendations.

York Insurance Services is clearly doing an appropriate job of administering medical treatment and therefore recommendations are unnecessary.

6. Litigation.

Litigation has a major impact on any self-insured program. Although it affects only a minority of files, it uses a disproportionate amount of time and money. This audit area focuses on the efficient use of defense counsel.

6.1 Files Litigated.

This inquiry is quantitative rather than qualitative. It simply looks at the total number of files sampled with applications filed. Of the cases sampled, 49 were in litigation as of the date of the audit. That is 48.0%. The sample used by North Bay Associates for this claims review is weighted toward the high-dollar indemnity claims that tend to be litigated.

6.2 Use of Defense Attorney Appropriate.

This inquiry records whether a defense attorney was assigned as needed or used unnecessarily. This is subjective but is based on the experience level of the examiner and standard practices of other examiners and administrators. It may seem appropriate for the claims examiner to hire an attorney if the injured worker has done so, but if this is done unnecessarily, it will drastically increase the cost of handling litigated claims. On the other hand, if the defense counsel is needed because of overriding legal issues or other reasons, then it is important that the claims examiner refer the file as soon as possible and then control counsel rather than the other way around. This is not to suggest that claims examiners go to the Workers' Compensation Appeals Board and try cases against applicants' attorneys. But many experienced examiners can handle a litigated case so that no WCAB hearing is necessary and the case is equitably and speedily settled.

Litigated cases where inquiry was applied: 40

Cases where attorneys were used appropriately: 40

6.3 Legal Issue Recognition.

Here we evaluate if the examiner recognizes all relevant legal issues and proceeds accordingly.

This inquiry was directed at each litigated file: 49

Cases that showed good issue recognition: 49

6.4 Litigation Expense Control.

This inquiry is directed to each case with counsel assigned: 40

Cases that showed expected level of expense control: 40

6.5 Litigation Plan Documented.

Litigated cases: 49

Cases with documented plans: 49

6.6 Timely and Documented Referral to Counsel.

This inquiry determines whether files requiring defense counsel are referred timely and if the referral is documented with all appropriate issues identified, as opposed to merely shipping the file to an attorney blindly without any guidance. It is this initial referral document by which the examiner takes the first steps to assert control of the file and not relinquish control to counsel. The purpose of this control is to save money.

Files assigned to counsel during this audit period: 40

Files that were timely: 40

6.7 Findings, Summary and Recommendations.

Litigation is being managed effectively. Recommendations are unnecessary.

7. Finalization.

This area is probably the most important to any claims operation. It is essential to conclude every case at the earliest possible moment. This requires not only a high examiner energy level but also a case load appropriate to the claims examiner's experience and expertise to know what to do next and how to do it. It is in the interest of all parties to move cases toward resolution as quickly as possible. No case ever gets better by being aged or ignored.

Workers' compensation files that are not disposed of with all due speed can be ranked as follows: 1) those that are not being handled proactively but with no apparent ill effect by the time of this audit; 2) those in which the delays have resulted in an ill effect; and 3) those where the ill effect is workers' compensation benefits being paid needlessly.

7.1 Continuous Finalization Efforts.

The North Bay Associates standard for measuring constant finalization efforts is that there should be no time in the life of the file when these efforts lag for more than forty-five days, that is, if the file reaches a point where something needs to happen but for forty-five number of days it does not, then we consider that a finalization failing even if at some subsequent time appropriate activity on the file resumes. If at the time of the audit a file is inactive or stuck, then specific suggestions are made and left on the file for the benefit of the claims examiner. These are called Summary Memos, copies of which are found at Tab Three in the *Addendum* to this report.

Cases in which we expect constant finalization efforts: 84
Cases with constant efforts to finalize: 81 (96.4%).

The Exceptions Are:

- #11577: Settlement authority was not requested until about 2.5 months after receiving DEU rating.
- #11700: Settlement authority request was not sent to ER timely.
- #15051: Examiner should complete settlement authority request per POA.

7.2 Correct Settlement Valuation.

Here we measure the examiner's technical and tactical evaluation of the settlement value of each case that was or is in the finalization stages. Is the

examiner correctly reading the medical reports on which compromise and release or stipulations are based? Is the examiner challenging the state's permanent disability rating if appropriate? Are cases undervalued for any reason?

Cases settled or in the process of being settled: 27

Cases correctly valued: 27

7.3 Compromise and Release Offered if Appropriate.

Several methods are available to conclude a workers' compensation case. One important method is the compromise and release by which the employer is released from all further liability. This method, though, is not the preferred method in all cases. Most of the time a C&R is appropriate when the claimant is no longer an employee; conversely, a C&R is rarely a good strategy if the claimant continues to be an employee and may not be a preferred method of settlement in some cases that require a Medicare set aside. The purpose in tracking this is to provide a baseline statistic. With it, one can track if there are too many files without total settlements where it would have been appropriate. If so, it probably suggests that not enough money is being offered or not enough effort is being made. Therefore, this inquiry looks at whether a C&R is attempted if appropriate.

Compromise and release appropriate: 4

Compromise and release offered: 4

7.4 Timely Closing.

This inquiry is designed to catch any files that are open at the time of the audit but that should have been closed.

Cases that should have been closed: 3

Cases closed: 3

7.5 Findings, Summary and Recommendations.

The finalization result shown under Paragraph 7.1 above is an accomplishment at 96.4%. Recommendations are unnecessary.

8. Reserve Adequacy.

Reserve adequacy is a key area. The self-insured entity wants to know and understand what its total liability is at any given time. Reserving may seem subjective but an experienced examiner can, during any given fiscal year, set case-based aggregate reserves that will still be adequate (within a few percentage points) years later. Most individual cases will close with total costs below the reserve, but many cases will need to have their reserves sharply increased from the initial amounts. Done correctly over the years, decreases in reserves and salvage on closing will offset the increases, leaving the original fiscal year aggregate accurate.

The underlying premise is that at the end of any given year the aggregate incurred reserve should be adequate for the life of all claims opened during that year. The governing regulation¹ states: “Each indemnity claim listed on the self insurer’s annual report shall be estimated on the basis of computations which will develop the **probable total future cost** of the compensation and medical benefits due or potentially due. Future liabilities on the annual report must represent the total future cost of the claim based on the information available in the claim file at the cutoff date of the period of time covered by the annual report.” In reality, the aggregate incurred for many claims administrators does not level off for two or even three years. This is not a major flaw if it is understood, anticipated, and supplemented with actuarial studies. The findings in this report regarding reserving should be shared with client’s actuary and correlated with the actuarial reports.

North Bay Associates looks at case-based reserves at several points: initial reserves at creation, revisions up and down that are constantly necessary as more information is received into the file, and finally, reserves at the time of the audit.

8.1 Reserve Calculation Work Sheets Complete.

This query checks for sufficiently complete use of the examiner’s main reserving tool: a reserve calculation worksheet. A worksheet encourages the examiner to break down the reserves into component parts rather than quickly guessing at totals only. The California Code of Regulations “recommends” the use of a worksheet.² EIA guidelines allow for detailed rationale substantiating reserve levels in lieu of an actual worksheet.

Cases that should have sufficiently complete worksheets: 99

¹§15300 (b) Rules and Regulations.

²§15400 of the Rules and Regulations.

Cases with such worksheets: 99

8.2 Initial Reserves Appropriate.

Reserves created at the time the case is first opened should be adequate based on the information then available in the file. If newly incurred losses are under reserved, then the aggregate of all losses will be constantly understated. A properly trained examiner will recognize the gravity of a loss as the file is created; he or she does not need to wait for actual costs to push up reserves.

Files opened during this audit period: 52
Files with accurate initial reserves: 47 (90.4%).

The Exceptions Are:

- #21755: There should be a reserve for litigated claim. Recommend 5% PD.
- #22425: Indemnity should have been reserved at outset of litigated claim. Recommend 3% PD.
- #25277: Claim should have been reserved for indemnity when reported as it was a litigated file. There are now adequate reserves between the 2 related claims.
- #26608: Indemnity should have been reserved at outset of litigated claim. Recommend 3% PD.
- #27527: Initial reserve should have included indemnity reserve due to file being litigated. Indemnity was not reserved until 3 months after file opened.

8.3 Reserves Revised Appropriately.

New information is constantly received into the file and it often impacts the reserves. Here we see if the examiner reacted to the new information by addressing reserve adequacy in a timely fashion.

Files that needed their reserves revised: 97
Files with properly revised reserves: 91 (93.8%).

The Exceptions Are:

- #15051: Indemnity reserves are not adequate for recommended

settlement. Recommend increase to 24% PD (\$27,695.00).

- #20788: Large medical lien was received 9/2017. Adequate reserves were not entered until 2/13/2018.
- #20900: Expense payments were being made on claim without expense reserves during entire audit period. Sufficient reserves were set on 9/5/2018.
- #26453: There was not a timely indemnity reserve on file after claim became litigated.
- #26527: Indemnity was not timely analyzed and reserved after file became litigated.
- #29851: Now that EE is represented, indemnity should be analyzed and reserved. Recommend 5% PD.

8.4 Findings, Summary and Recommendations.

QQ

9. Excess Insurance.

This area assesses proper reinsurance reporting to the Excess Insurance Authority or other excess carriers as required, including subsequent reporting as necessary and regular requests for reimbursement as applicable.

9.1 Prompt Excess Reporting.

The basis for this query is the common reinsurance reporting requirements; the actual excess insurance policies covering these claims were not examined.

Cases requiring reporting to the reinsurer: 32

Cases reported: 24 (75.0%).

The Exceptions Are:

- #11577: Claim was reserved to over 50% of the SIR on 2/8/2018. This has not yet been reported to excess.
- #16195: Claim was reserved over 50% of the SIR on 11/22/2017. Claim has not been reported to excess.
- #17720: Claim reserved over 50% of the SIR on 11/16/2017 and is yet to be reported to excess.
- #20682: Initial excess report was not sent timely.
- #24694: Claim reserved to 50% SIR on 4/2/2018. Claim has not been reported to excess.
- #24720: Claim was not reported to excess until more than a year after increasing to 50% of the SIR.
- #24851: Claim was not reported to excess timely.
- #27400: Claim is reserved over 50% of the SIR and has not been reported to excess.

9.2 Sufficient Subsequent Reports.

Cases requiring subsequent reports: 26

Cases with subsequent reports: 25 (96.2%).

The Exception Is:

- #20721: Subsequent excess reporting was not completed every 3 months prior to settlement.

9.3 Regular Reimbursement Requested.

Cases over retention, thus entitled to periodic reimbursement: 1

Cases on which reimbursement regularly requested: 1

9.4 Findings, Summary and Recommendations.

There were 8 claims that were not initially reported timely for excess. It is recommended that the EIA excess reporting requirement be reviewed and that claims are reported accordingly.

A listing of reportable cases in the audit sample entitled "Excess Reporting" is at Tab Two in the *Addendum*.

10. Subrogation.

Subrogation is an important issue. This area usually involves few files but is unique in that it allows the administrator to recover some of the clients' funds. It is another indicator of the depth of the claims examiner's knowledge and skills.

10.1 Prompt and Effective Subrogation.

Cases with at least a potential for subrogation: 5

Cases identified and acted upon: 4 (80.0%).

The Exception Is:

- #22845: At fault carrier was not contacted until 6 months after incident.

10.2 Appropriate Follow-Up.

Actual subrogation cases: 9

Subrogation cases handled appropriately: 9

10.3 Findings, Summary and Recommendations.

There was 1 claim in which initial subrogation was not acted on timely. All applicable claims in the sample had timely follow-up with regard to subrogation. Recommendations are not necessary.

11. Penalty Summary.

This audit area is a review of any claims that fall into the penalty provisions of the Labor Code or Division of Workers' Compensation Rules and Regulations. Penalties may prove to be more fair to employers and less of an issue after 2004. In other audit areas, the Tabular Summary generally records expected results under "Yes" against undesirable results under "No." In this area, neither a "Yes" nor a "No" is desirable. A "Yes" means one or more penalties were due and paid or at risk, while a "No" means one or more penalties were due but not paid. An ideal result is all zeros.

11.1 Labor Code § 5814 Penalty.

This inquiry lists any claims at risk for the 25% penalty. This penalty must be asserted by the employee, typically through his attorney, and awarded by a judge of the Appeals Board before it is due. The audit will not concern itself with every file where a remote possibility for penalty exists or where the issue is raised by an applicant's attorney as a negotiating tactic, but only those in which it has actually and properly been raised by the employee or his attorney.

Cases with potential or actual §5814 penalties: 0

11.2 Labor Code § 4650 (Self-imposed 10% Penalty).

This inquiry is directed at those claims that may have had some benefit delayed. A delay requires that the administrator automatically penalize itself 10%, and pay that money to the claimant or medical provider.

Cases with self-imposed penalty due: 2

Cases with self-imposed penalty paid: 1 (50.0%).

11.3 Labor Code § 129.5 (DWC Audit Unit Fines).

A DWC shortcoming on a claim will remain in the file for a state Audit to ultimately find and penalize. North Bay Associates does attempt to monitor the current practices of the DWC Audit Unit to gauge if any of the files sampled are at risk for such penalties.

Cases with at least one potential Audit Unit penalty: 9

11.4 Findings, Summary and Recommendations.

The potential for penalties is insignificant. The third party administrator is correctly charging penalties to itself and should be providing its client with prompt reimbursement.

12. Diaries.

In order to maximize claims handling efficiency a good diary system is essential. A diary should include timely review of each claim in the examiner's open case load and supervisors should also maintain a diary to review all open claims under their control. The EIA standard for examiner diaries should be at a frequency of every 45 days while supervisor diaries should be at a frequency no greater than every 120 days. These can be increased once a case has settled and designated as a future medical claim. Merely maintaining a timely diary review is meaningless, however, if there are issues identified but not acted upon. An effective diary is not only timely but also includes immediate action to resolve any outstanding issue.

12.1 Timely and Effective Examiner Diary.

Cases Requiring a Diary 102
Cases With a Timely Diary 77 (75.5%).

12.2 Timely and Effective Supervisor Diary.

Cases Requiring a Diary 102
Cases With a Timely Diary 60 (58.8%).

12.3 Findings, Summary, and Recommendations

Both examiner and supervisor diaries scored below the EIA standards. It is recommended that the diary guidelines be reviewed and followed.

Audit Profile

9/28/2018

78 Claims
 York Roseville III
 Northern California Cities Self Insurance Fund/Alliant Insurance

Audit Point	Files	Yes	%
1.1 Investigated if Necessary	12	12	100 %
1.2 Correct Compensability Decision	12	12	100 %
1.4 Decision Timely	12	12	100 %
2.1 Prompt Contact with Employee	32	32	100 %
3.1 Timeliness of First Payment	25	25	100 %
3.4 Permanent Disability Payments	23	23	100 %
3.7 File Balancing	40	39	98 %
4.1 Case Plan Appropriate	78	78	100 %
4.2 Apportionment Pursuit	1	1	100 %
6.2 Use of Defense Atty. Appropriate	31	31	100 %
7.1 Continuous Finalization Efforts	64	64	100 %
7.2 Correct Settlement Valuation	20	20	100 %
8.3 Reserves Revised Appropriately	74	69	93 %
9.1 Prompt Excess Reporting	24	19	79 %
10.1 Prompt & Effective Subrogation	5	4	80 %

York Risk Services Group
P.O. Box 619058
Roseville, CA 95661-9058

January 7, 2019

Marcus Beverly, Alliant Insurance Services, via email
Suzanne Nutter – CSAC-EIA, via email

Re: Response to Audit Results for NCCSIF – North Bay Associates

Dear Mr. Beverly and Ms. Nutter,

This letter is in response to the North Bay Associates audit report dated November 23, 2018 for the EIA and its member, NCCSIF. We note the overall score of 94.1% and have reviewed the audit findings. We are pleased with the full 10% improvement since the last audit conducted in 2016. Please accept the following plan on how we intend to improve in the recommended areas as well as maintain the positive results as indicated in the audit.

The overall score is comprised of twelve audit sections encompassing all aspects of claims handling. We scored 100% in a majority of the sections. The following in blue are excerpts from the Claims Audit Report that outline the auditor's recommendations. Each section in blue is followed by our action plan, in black, in response to same:

We recommend that the EIA continued employee-contact standards be reviewed by the claims administrator and incorporated into the examiner's daily routine.

Employer contact standards have been reviewed with the team and discussed in detail with clear expectations outlined. The team understands that ongoing contact with the employee is required within a minimum every 45 days for any employee receiving temporary disability or LC 4850 benefits. We also discussed contact within three days of a scheduled surgery and to establish a contact diary when a surgery is approved.

We recommend that the examiners review the indemnity and mileage payments to ensure that they have been paid.

We have reviewed this finding and recommendation has been made for each examiner to set a diary for each of their respective claim assistants to issue mileage payments for all med legal appointments by 20 working days in advance of the appointment. This will be coordinated with the timeframe to issue a cover letter and medical records to the med legal doctor.

We recommend that the excess reporting requirement be reviewed and that claims are reported accordingly.

We have reviewed the findings and recommendations of the audit and have discussed with the claims team the importance of timely and accurate reporting to excess. The examiner and supervisor will review on diary the current total incurred, paid to date and SIR level to ensure timely initial and ongoing reporting to excess.

We recommend that the EIA diary review timelines be reviewed and followed.

We appreciate the auditor's comments that the majority of late diaries fell within the initial six months of his two year audit review period. There has been marked improvement in the consistency and quality of our diary in the last 18 months of the audit period. This improvement is a direct reflection of our continued efforts to place diary management as a priority of each claim examiners and supervisors daily duties. We do track each examiners and supervisors diary on a weekly basis to ensure that it adheres with EIA and York standards.

We sincerely appreciate working with both NCCSIF and CSAC EIA and will take all audit findings to heart and use them as a learning tool to help sharpen our claims handling skills. We are dedicated to the implemented changes and look forward to fulfilling our commitment in providing excellent service to both NCCSIF and CSAC EIA. Please let us know if you have any questions or need additional information.

Sincerely,

Steven Scott

Steven Scott
Senior Claims Manager, Workers' Compensation

cc: Bettina Hooper
Jeff Ponta
Dorienne Zumwalt



Quarterly Report for

NCCSIF Workers' Compensation

April 2019

york.

- 2018 Stats: 88 settlements with 37 C&Rs, 44 Stipulations, and 1 Dismissal (Congratulations Elk Grove!). 362 new claims received and 407 claims closed resulting in a 112% closing ratio for the calendar year!
- File reviews conducted with City of Elk Grove, City of Folsom, City of Galt, City of Rocklin, and City of Yuba City. If you would like a file review, please contact me (dorienne.zumwalt@yorkrisk.com).
- Workers' Compensation training available – Work Comp 101 designed for supervisors and Work Comp Overview designed for HR/City Attorney. Please contact Dori Zumwalt to schedule the training with your city.
- Risk Management 101 training – this four hour training session covers risk pooling and risk management, claim trends specific to your city, risk assessment best practices, claim reporting procedures, and accident investigation/root cause analysis. For more information, please contact Dori Zumwalt or Marcus Beverly.
- Claim trending reports with an overview of the last five fiscal years available upon request.

Workers' Compensation Contacts

<p>Kara Kennedy Senior Claims Examiner (916) 960-0920 kara.kennedy@yorkrisk.com Elk Grove, Folsom, Marysville, Yuba City</p>	<p>Cristal Rhea Senior Claims Examiner (916) 746-6307 cristal.rhea@yorkrisk.com Red Bluff, Willows</p>
<p>Rachelle Duesing Senior Claims Examiner (916) 960-0982 rachelle.duesing@yorkrisk.com Auburn, Galt, Gridley, Lincoln, Paradise, Placerville</p>	<p>Jennifer Gorgen Senior Claims Examiner (916) 960-0962 jennifer.gorgen@yorkrisk.com Oroville</p>
<p>Catherine Clark Claims Examiner (916) 960-0902 catherine.clark@yorkrisk.com Anderson, Colusa, Corning, Dixon, Folsom, Lone, Jackson, Lincoln (Fire), Nevada City, Rio Vista, Rocklin</p>	<p>Kristin Farley Claim Examiner (916) 580-1835 kristin.farley@yorkrisk.com Medical Only claims</p>
<p>Rebecca Summers Claim Examiner (916) 960-1029 rebecca.summers@yorkrisk.com Future Medical claims</p>	<p>Steven Scott Unit Manager (916) 960-0946 steven.scott@yorkrisk.com</p>
<p><u>Resources</u></p>	
<p>Jeff Ponta Vice President Workers' Compensation (916) 960-0965 jeff.ponta@yorkrisk.com</p>	<p>Dori Zumwalt Account Executive Client Services (916) 960-1017 dorienne.zumwalt@yorkrisk.com</p>

Workers' Compensation Program Results

Item	Measurement	Nov-18	Dec-18	Jan-19	Feb-19
Total Open Claims		531	524	527	531
1.	<i>Closing Ratio</i>	72.2%	127.6%	88.2%	89.7%
	<i>a. Cases Entered During the Period</i>				
	i. Medical Only	15	14	17	11
	ii. Indemnity	18	15	15	15
	iv. Total opened	33	29	32	26
	<i>b. Cases Closed During the Period</i>				
	i. Medical Only	9	24	13	13
	ii. Indemnity	17	13	17	13
	iv. Total closed	26	37	30	26
	<i>c. Reopened Claims</i>				
	i. Medical Only	2	-	-	-
	ii. Indemnity	1	-	2	3
	iii. Total Reopened Claims	3	-	2	3
	iv. Reopened Claims as % of Open Inventory for period	0.6%	0.0%	0.4%	0.6%
2.	<i>Conversions</i>				
	a. MO to Indemnity	1	2	1	2
	b. Indemnity to Future Medical	-	-	-	-
3.	<i>Open Claims Inventory</i>				
	a. Medical Only	50	38	43	40
	b. Indemnity	222	226	226	226
	c. Future Medical	258	258	258	265
	d. Total	530	522	527	531
	e. First Aid	1	2	-	-

Item	Measurement	Nov-18	Dec-18	Jan-19	Feb-19
4.	Settlements/Closures in Period				
a.	via Compromise & Release	3	-	2	2
b.	via Stipulated Awards	1	3	3	5
c.	Avg. Incurred Value of Indemnity Closures	\$26,450	\$18,101	\$32,088	\$35,045
5.	Litigation				
a.	Number of open litigated cases	235	234	233	234
b.	Percentage of OPEN Litigation/ OPEN Indemnity	49%	48%	48%	48%
c.	Newly Litigated Cases	1	-	1	3
d.	Total Cumulative Litigated Cases	1,755	1,755	1,756	1,759
e.	Percentage of OPEN Litigation/ TOTAL Litigation	13%	13%	13%	13%
f.	Average incurred per litigated claim	\$83,785	\$84,114	\$84,606	\$84,720
6.	Late Reported Cases				
a.	New Claims reported >5 days from DOI	9	13	18	7
b.	as % of total new reported claims	27.3%	44.8%	56.3%	26.9%
7.	Paid this Period				
a.	Medical	\$171,032	\$249,298	\$191,134	\$214,023
b.	Indemnity	\$205,551	\$310,176	\$315,898	\$207,587
c.	Expense	\$82,231	\$91,045	\$88,268	\$91,073
d.	Total	\$458,814	\$650,519	\$595,300	\$512,683
	Medical as % of total	37.3%	38.3%	32.1%	41.7%
8.	Medical Control				
a.	Open Claims treating in MPN	308	301	307	308
b.	Claims Treating in MPN as % of Total Open Claims	58%	57%	58%	58%

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

Performance vs Objectives	<u>12/31/2018</u>	<u>1/31/2019</u>	<u>2/28/2019</u>
Inventory Reduction	-	-	-
Claims Closed from Critical Listing	1	4	4
Settlements			
Compromise and Release	-	2	2
Stipulations	3	3	5
New Settlements in Period	3	5	7
Salvage on Closures			
Incurred Value of Closed Ind Files	\$235,311	\$545,493	\$455,586
Salvage on Closed Files	\$224,994	\$178,091	\$201,666
Salvage as % of Incurred Value	48.9%	24.6%	30.7%
Average Duration of Active TD Files			
Num of Claims Paying TD in Period	32	35	25
Average Duration of TD (weeks)	21.32	19.83	22.61
Litigated Inventory			
Newly Litigated Files	-	1	3
Open Litigated Files	234	233	234
Newly Litigated Files, 6 Months Rolling	16	13	10
Newly Opened Files, 6 Months Rolling	197	194	175
Newly Litigated as % of Newly Opened	8.1%	6.7%	5.7%



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>017471589/05 (Dec 04) (APIP)</u>	<u>July 1, 2018 to July 1, 2019</u>
<u>01-606-08-20 (ACIP)</u>	<u>July 1, 2018 to July 1, 2019</u>

Sincerely,

Northern California Cities Self Insurance Fund
Company Name

By: Elizabeth Ehrenstrom

Title: President

Dated: 3.28.19



Agenda Item F.

GENERAL RISK MANAGEMENT ISSUES

INFORMATION ITEM

ISSUE: The item has moved to the beginning of the agenda, rather than the usual “Roundtable” included at the end, to create ways for increased membership participation in Risk Management issue discussions. In the past, placing the item at the end of the agenda has often led to little or no discussion, likely due in part to the timing on the agenda and desire for members to avoid traffic returning to their jurisdictions.

Other pools have found this process and location on the agenda as a beneficial for topics to more thoroughly be discussed at their meetings. Members may want to bring handouts to the meeting. And if members submit topics in advance they can be included in the agenda packet. The Program Administrators may also suggest topics if none from the members.

RECOMMENDATION: Provide direction regarding the placement of the agenda item and increasing participation in discussion of risk management issues.

FISCAL IMPACT: None.

BACKGROUND: Normally titled “Round Table Discussion”, this item has historically been placed at the end of Committee and Board meetings as an *opportunity for a member to discuss a topic of interest or seek guidance and input from the group about a current issue, risk management topic or exposure the member is facing*. Often there is little or no discussion, while with other groups this item has led to very valuable discussions and interest from the members.

ATTACHMENT(S): None.

Northern CA Cities Self Insurance Fund (NCCCSIF) 2018/19 ANNUAL REPORT



Greetings,

This year marks the EIA's 39th 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 as we scale to new heights.

Benefits of Membership

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

Savings

- We're proud of the \$466 million saved by our membership in the last 5 years!
- Monies saved through volume discounts and pre-negotiated service partner contracts
- Increased investment income provided by the Excess Insurance Organization, EIA's captive insurance company
- Savings from claims, risk control, and risk management services

Success Attributable to Stability & Longevity

- 80% of county members have been participants for more than 30 years
- The volume from 95% of counties, 67% of cities and 10% of school districts has reduced costs and increased stability for all

Organization Strength

- The EIA is truly member driven
- Stability is achieved through long-term member involvement
- Nearly 2,000 public agencies are covered members
- One of the largest insurance pools in the U.S.

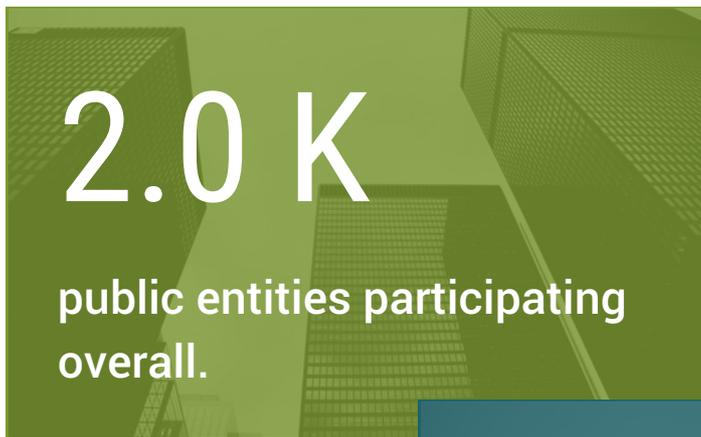
We encourage you to share this information with your governing bodies or others interested in your participation in the EIA.

Regards,

EIA



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



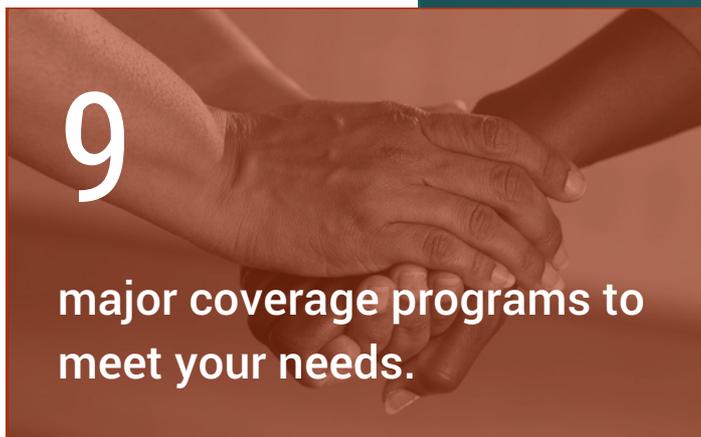
2.0 K
public entities participating overall.



55
of California's counties enjoy EIA membership.



39
years of working with you and other organizations.



9
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:**



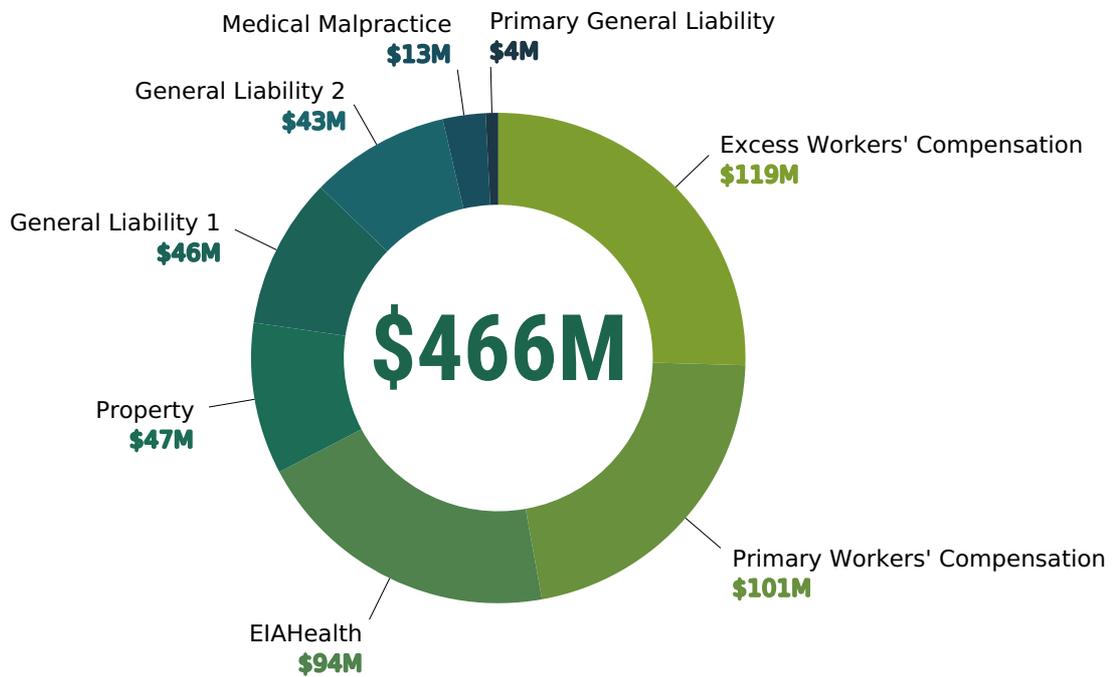
**Our innovative and
successful approach
has been noticed across
the state.**

Financial Reporting & Budgeting Awards;
CAFR 2004-2017 PAFR 1994-2016, Budget 2011-2018

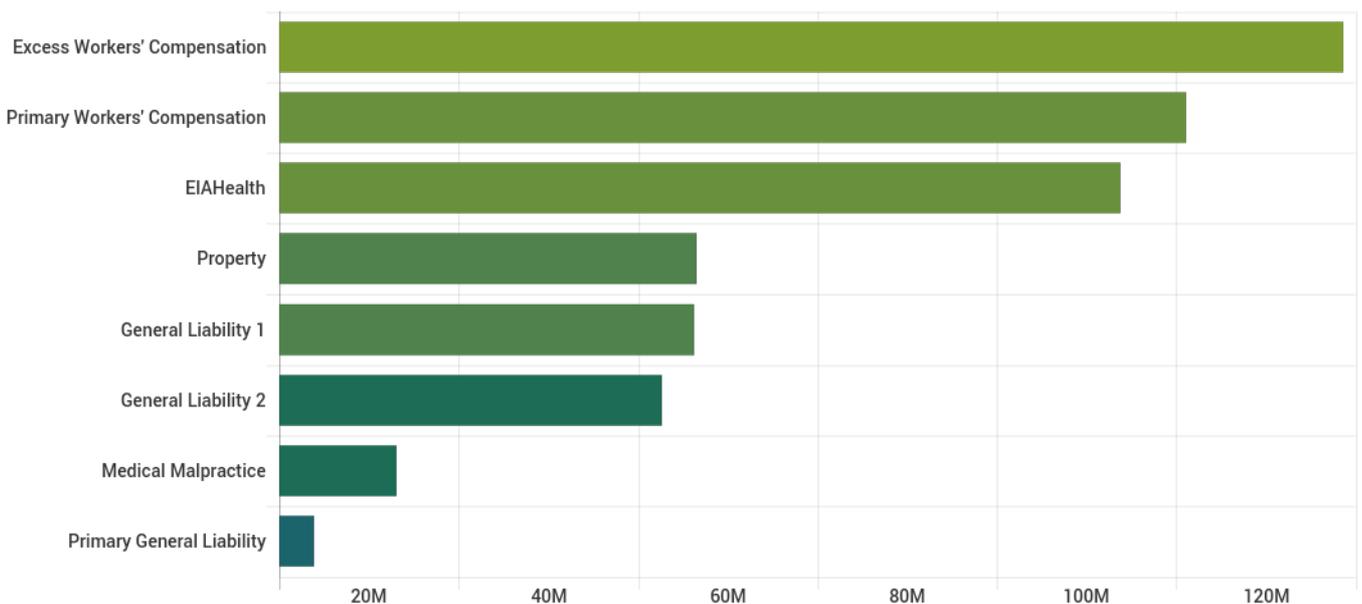
Compliance with AGRiP
Advisory Standards
2013-2019

Accredited with
Excellence
1989-2019

Over the past five years, members have saved



Let's break that down by coverage



The Primary General Liability (PGL) program was dissolved into the GL1 program effective 7/1/2018.

How are the premium comparisons computed?

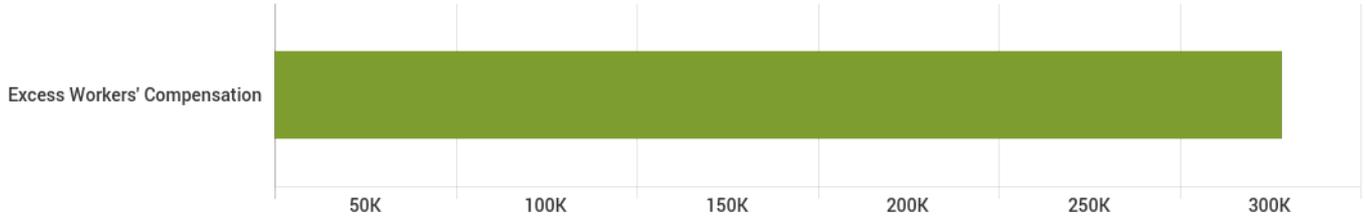
In the report, we compare the premiums your agency paid to the EIA to what it would likely cost to purchase similar coverage and services on your own, or what is referred to as the “stand-alone” premium. Except for the Primary Workers’ Compensation, the stand-alone premium estimates are market based projections. For Primary Workers’ Compensation, the program costs are compared to the cost to self-insure at various confidence levels. 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	Program premiums are compared to the cost to self-insure developed from an actuarial projection to fund at a 80% 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.
GL1	Insurance market projection based on actual quotes received by Alliant for similar public entity risks, ranging from 10 - 20% below market pricing depending on the type of exposure (county, school or other). For those members in the deductible buy down program (formerly the PGL program), the premium is compared to the cost to self-insure developed from an actuarial projection to fund at a 70% confidence level.
GL2	Insurance market projection based on actual quotes received by Alliant for similar public entity risks, at approximately 15%-20% 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, at approximately 15% 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 13 - 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 medical and pharmacy trends including insurance company margins for contingencies and profit.



Your savings with EIA in 2018/19

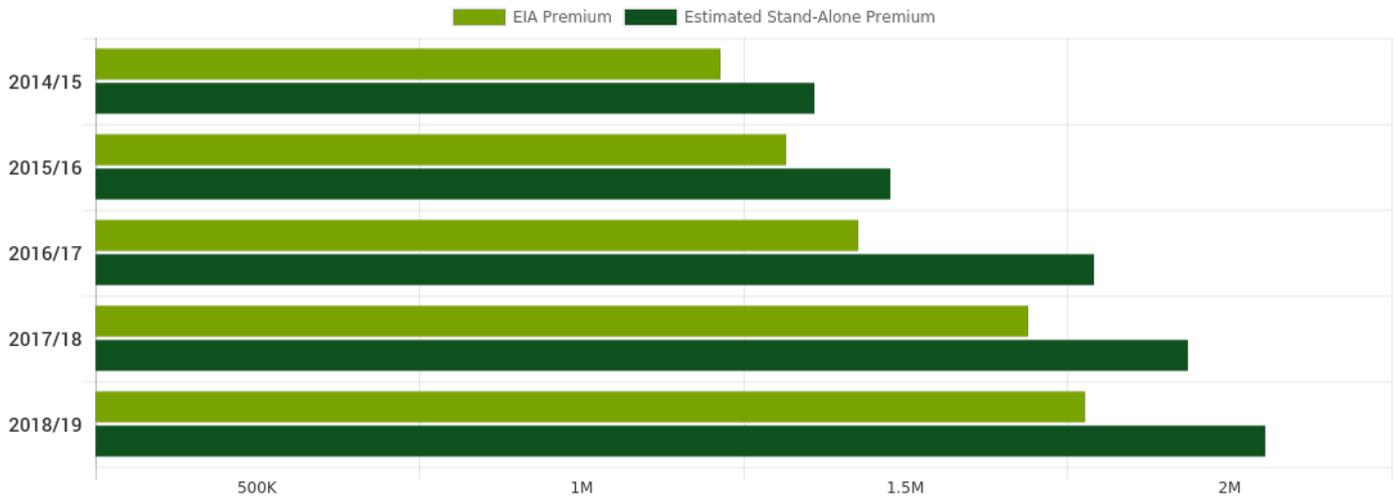
\$278,407



COVERAGE	EIA PREMIUM	EST. STAND-ALONE PREMIUM	SAVINGS
Excess Workers' Compensation	\$1,526,767	\$1,805,174	\$278,407
Total Savings	\$1,526,767	\$1,805,174	\$278,407

5 Year Savings Breakdown 2014/15 - 2018/19

Excess Workers' Compensation



YEAR	EIA PREMIUM	EST. STAND-ALONE PREMIUM	SAVINGS
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
2018/19	\$1,526,767	\$1,805,174	\$278,407
Total Savings	\$6,175,822	\$7,367,120	\$1,191,298

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

Along with the our Excess Workers' Compensation Program, our GL1 Program is an EIA flagship Program that provides excess general liability coverage on a broad coverage form. Members have the choice of self-insured retentions ranging from \$100k to \$1M. The program also offers a deductible buy-down program within the coverage structure for those members looking for lower deductibles of \$10K and higher. Members also benefit from a host of risk control, 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
- ▲ Strategic Planning Facilitation

Risk Control

- ▲ Classroom, Onsite & Regional Training
- ▲ Cyber Security
- ▲ Safety Data Sheet Management
- ▲ Risk Assessment Tool
- ▲ Incident Reporting System
- ▲ 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
- ▲ Catastrophic Claims Management



Member Spotlight: Solano County's Ergo Express

Want a great way to implement an injury prevention and reduction strategy? Solano County's EAGLE Award winning program Ergo Express is a proactive and quick approach to ergonomic injury prevention. The County developed a way to reach out to staff and do quick, 15-minute ergonomic evaluations. They were able to increase the number of people seen, and reduce the number of ergonomic claims. Yet the real benefit of Ergo Express, according to the County, is the opportunity for face to face interactions and improvement in safety culture and morale.

Learn from this innovative program. Read about this EAGLE Award winner on the [EIA blog](#).



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.





Agenda Item G.3.

SUMMARY OF THE MARCH 14, 2019 EXECUTIVE COMMITTEE MEETING

ACTIONS TAKEN:

➤ **Actuarial Studies**

- Workers' Compensation Program - reviewed and recommended the Draft study to be finalized.
- Liability Program - reviewed and recommended the Draft study to be finalized.

➤ **Workers' Compensation Program**

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

➤ **Liability Program**

- 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.
- Annual Shared Risk Plan Adjustments - recommended no refund or no assessment needed if maintain funding at 80% CL.
- FY 19/20 Deposit Premium - recommended maintain funding at the 80% CL.

➤ **Property Renewal Strategy** - agreed not to market and bring options to keep members' renewal cost down including quotes for higher deductibles and explore banking layer program.

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

1. Kristine Haile, City of Folsom
2. Cora Hall, City of Galt
3. Liz Ehrenstrom, City of Oroville
4. Gina Will, Town of Paradise
5. Tim Sailsbery, City of Willows

➤ **York Risk Services Group, Inc. Contract Renewal** - approved York WC Agreement and tabled the GL contract until Program Administrators confirms with CJPRMA that there are no impediments to switching to flat fee.



BACK TO AGENDA

Northern California Cities Self Insurance Fund
Board of Directors Meeting
April 25, 2019

Agenda Item H.1.

**QUARTERLY FINANCIAL REPORT
FOR PERIOD ENDING DECEMBER 31, 2018**

ACTION ITEM

ISSUE: The Board receives a quarterly report on the financial status of NCCSIF. Nicole Rushing from James Marta & Company will present NCCSIF's Financials for the Quarter ending December 31, 2018 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, 2018

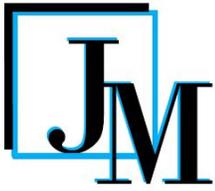
FINANCIAL REPORT

**DECEMBER 31, 2018
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, 2018

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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, 2018, and the related statement of revenues, expenses and changes in net position and statement of cash flows for the fiscal 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, 2018, 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
February 8, 2019

**Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Statement of Net Position
December 31, 2018**

Assets

Current Assets	
Cash and Cash Equivalents	\$ 7,453,905
Accounts Receivable	-
Interest Receivable	286,779
Excess Accounts Receivable	910,316
Prepaid Expense	<u>2,069,661</u>
Total Current Assets	<u>10,720,661</u>
Non-Current Assets	
Investments*	<u>52,534,672</u>
Total Assets	<u><u>\$ 63,255,333</u></u>

Liabilities & Net Position

Current Liabilities	
Accounts Payable	\$ 77,952
Unearned Revenue	<u>3,936,614</u>
Total Current Liabilities	<u>4,014,566</u>
Non-Current Liabilities	
Outstanding Liabilities*	39,750,136
ULAE*	<u>1,816,744</u>
Total Non-Current Liabilities	<u>41,566,880</u>
Total Liabilities	<u>\$ 45,581,446</u>
Net Position	
Designated for Contingency	200,000
Designated for Risk Management	342,820
Undesignated	<u>17,131,068</u>
Total Net Position	<u>17,673,888</u>
Liability & Net Position	<u><u>\$ 63,255,333</u></u>

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

**Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Statement of Revenues, Expenses and Changes in Net Position
For the Six Months Ended December 31, 2018**

Operating Income		
Administration Deposit	\$	649,018
Banking Layer Deposit		4,283,511
Shared Risk Layer		2,749,500
Excess Deposit/Premium		1,369,560
Property/Crime Insurance Income		599,174
Banking Layer Assessment		-
Shared Risk Refund		-
Banking Layer Refund		-
Risk Management Grants		-
Other Income		139,420
Total Operating Income		<u>9,790,183</u>
Operating Expenses		
Claims Paid		4,744,089
O/S Liability adj.		829,680
ULAE		42,433
Consultants		122,565
Safety Service		223,813
Claims Administration		611,368
Program Administration		232,336
Board Expenses		4,064
Excess Insurance		1,372,155
Property/Crime Insurance Expense		610,937
Member Identity Theft Protection		-
Total Operating Expenses		<u>8,800,120</u>
Operating Income (Loss)		990,063
Non-Operating Income		
Change in Fair Market Value		454,971
Investment Income		609,864
Total Non-Operating Income		<u>1,064,835</u>
Change in Net Position		2,054,898
Beginning Net Position		<u>15,618,990</u>
Ending Net Position	\$	<u>17,673,888</u>

**Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Statement of Cash Flows
For the Six Months Ended December 31, 2018**

Cash flows from operating activities:

Cash received from members	\$ 11,845,613
Cash paid for claims	(4,715,976)
Cash paid for insurance	(3,912,716)
Cash paid to vendors	(1,141,638)
Cash (paid) received for dividends	<u>1,018,974</u>

Net cash provided by (used in) operating activities	<u>3,094,257</u>
---	------------------

Cash flows from investing activities:

Investment income received	494,560
Purchases of investments	(9,803,839)
Proceeds from sale or maturity of investments	<u>9,335,048</u>

Net cash provided by (used in) investing activities	<u>25,769</u>
---	---------------

Net increase (decrease) in cash and cash equivalents	3,120,026
--	-----------

Cash and cash equivalents, beginning of year	<u>4,333,881</u>
--	------------------

Cash and cash equivalents, end of year	<u><u>\$ 7,453,907</u></u>
--	----------------------------

Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:

Operating income (loss)	\$ 990,063
-------------------------	------------

Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:

(Increase) decrease in:	
Member receivable	72,513
Excess receivable	28,112
Prepaid expense	(1,881,495)
(Decrease) increase in:	
Accounts payable	11,056
Unearned revenue	3,001,896
Unpaid claims and claim adjustment expenses	<u>872,124</u>

Net cash provided by (used in) operating activities	<u><u>\$ 3,094,269</u></u>
---	----------------------------

Supplemental information:

Noncash non-operating and investing activities	
Net change in fair value of investments	<u><u>\$ 454,971</u></u>

SUPPLEMENTARY INFORMATION

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

**Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Net Position - Liability
December 31, 2018**

	Total All Layers	Admin Layer	Shared Layer	Total Banking Layer
Current Assets				
Cash and Cash Equivalents	\$ 4,378,020	\$ 17,452	\$ 4,179,242	\$ 181,326
Accounts Receivable	-	-	-	-
Interest Receivable	75,421	2,390	41,367	31,664
Excess Accounts Receivable	581,864	-	581,864	-
Prepaid Expense	1,266,594	70,275	1,196,319	-
Total Current Assets	6,301,899	90,117	5,998,792	212,990
Non-Current Assets				
Investments*	11,060,716	442,945	4,439,312	6,178,459
Total Assets	\$ 17,362,615	\$ 533,062	\$ 10,438,104	\$ 6,391,449
Current Liabilities				
Accounts Payable	\$ 48,001	\$ 26,051	\$ 141	\$ 21,809
Unearned Revenue	3,541,976	223,237	2,251,734	1,067,005
Total Current Liabilities	3,589,977	249,288	2,251,875	1,088,814
Non-Current Liabilities				
Outstanding Liabilities*	8,856,296	-	6,277,537	2,578,759
Total Non-Current Liabilities	8,856,296	-	6,277,537	2,578,759
Total Liabilities	\$ 12,446,273	\$ 249,288	\$ 8,529,412	\$ 3,667,573
Net Position				
Designated for Contingency	100,000	100,000	-	-
Undesignated	4,816,342	183,774	1,908,692	2,723,876
Total Net Position	4,916,342	283,774	1,908,692	2,723,876
Liability & Net Position	\$ 17,362,615	\$ 533,062	\$ 10,438,104	\$ 6,391,449

*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, 2018**

	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	\$ 1,884	\$ 3,176	\$ 9,993	\$ 5,816	\$ 2,462	\$ 119,459	\$ 3,336	\$ 701	\$ 501
Accounts Receivable	-	-	-	-	-	-	-	-	-
Interest Receivable	696	1,141	182	423	900	9,556	1,745	890	141
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-
Prepaid Expense	-	-	-	-	-	-	-	-	-
Total Current Assets	2,580	4,317	10,175	6,239	3,362	129,015	5,081	1,591	642
Non-Current Assets									
Investments*	140,157	221,883	10,698	84,699	183,419	1,807,165	353,806	183,334	27,762
Total Assets	\$ 142,737	\$ 226,200	\$ 20,873	\$ 90,938	\$ 186,781	\$ 1,936,180	\$ 358,887	\$ 184,925	\$ 28,404
Current Liabilities									
Accounts Payable	\$ 275	\$ 3,006	\$ 479	\$ 546	\$ 113	\$ 6,598	\$ 307	\$ 22	\$ 23
Unearned Revenue	20,007	77,991	23,131	20,505	18,497	311,428	52,186	25,080	9,286
Total Current Liabilities	20,282	80,997	23,610	21,051	18,610	318,026	52,493	25,102	9,309
Non-Current Liabilities									
Outstanding Liabilities*	61,486	115,082	87,153	44,666	61,027	849,132	113,318	39,695	13,599
Total Non-Current Liabilities	61,486	115,082	87,153	44,666	61,027	849,132	113,318	39,695	13,599
Total Liabilities	\$ 81,768	\$ 196,079	\$ 110,763	\$ 65,717	\$ 79,637	\$ 1,167,158	\$ 165,811	\$ 64,797	\$ 22,908
Net Position									
Designated for Contingency	-	-	-	-	-	-	-	-	-
Undesignated	60,969	30,121	(89,890)	25,221	107,144	769,022	193,076	120,128	5,496
Total Net Position	60,969	30,121	(89,890)	25,221	107,144	769,022	193,076	120,128	5,496
Liability & Net Position	\$ 142,737	\$ 226,200	\$ 20,873	\$ 90,938	\$ 186,781	\$ 1,936,180	\$ 358,887	\$ 184,925	\$ 28,404

*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, 2018**

	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	\$ 3,014	\$ 4,328	\$ 1,264	\$ 3,030	\$ 3,531	\$ 5,346	\$ 5,184	\$ 2,023	\$ 2,750	\$ 3,528
Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Interest Receivable	774	2,135	1,618	1,155	1,566	1,626	278	2,834	324	3,680
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Prepaid Expense	-	-	-	-	-	-	-	-	-	-
Total Current Assets	3,788	6,463	2,882	4,185	5,097	6,972	5,462	4,857	3,074	7,208
Non-Current Assets										
Investments*	149,327	426,438	331,103	224,994	324,271	325,916	11,572	585,539	64,685	721,691
Total Assets	\$ 153,115	\$ 432,901	\$ 333,985	\$ 229,179	\$ 329,368	\$ 332,888	\$ 17,034	\$ 590,396	\$ 67,759	\$ 728,899
Current Liabilities										
Accounts Payable	\$ 698	\$ 849	\$ 1,184	\$ 333	\$ 698	\$ 672	\$ 3,356	\$ 998	\$ 350	\$ 1,302
Unearned Revenue	39,839	67,626	49,241	34,301	39,789	28,837	17,616	120,085	11,967	99,593
Total Current Liabilities	40,537	68,475	50,425	34,634	40,487	29,509	20,972	121,083	12,317	100,895
Non-Current Liabilities										
Outstanding Liabilities*	30,023	261,327	152,113	119,247	79,737	58,696	33,461	181,545	47,866	229,586
Total Non-Current Liabilities	30,023	261,327	152,113	119,247	79,737	58,696	33,461	181,545	47,866	229,586
Total Liabilities	\$ 70,560	\$ 329,802	\$ 202,538	\$ 153,881	\$ 120,224	\$ 88,205	\$ 54,433	\$ 302,628	\$ 60,183	\$ 330,481
Net Position										
Designated for Contingency	-	-	-	-	-	-	-	-	-	-
Undesignated	82,555	103,099	131,447	75,298	209,144	244,683	(37,399)	287,768	7,576	398,418
Total Net Position	82,555	103,099	131,447	75,298	209,144	244,683	(37,399)	287,768	7,576	398,418
Liability & Net Position	\$ 153,115	\$ 432,901	\$ 333,985	\$ 229,179	\$ 329,368	\$ 332,888	\$ 17,034	\$ 590,396	\$ 67,759	\$ 728,899

*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, 2018**

	Total All Layers	Admin Layer	Shared Layer	Total Banking Layer
Operating Income				
Administration Deposit	\$ 228,947	\$ 228,947	\$ -	\$ -
Banking Layer Deposit	1,067,005	-	-	1,067,005
Shared Risk Layer	1,048,001	-	1,048,001	-
Excess Deposit/Premium	604,560	-	604,560	-
Property/Crime Insurance Income	599,174	-	599,174	-
Banking Layer Assessment	-	-	-	-
Banking Layer Refund	-	-	-	-
Total Operating Income	3,687,107	368,367	2,251,735	1,067,005
Operating Expenses				
Claims Paid	1,551,963	-	852,683	699,280
O/S Liability adj.	108,131	-	(41,195)	149,326
Consultants	108,304	18,704	-	89,600
Administration-Other	-	-	-	-
Safety Service	125,270	125,270	-	-
Claims Administration	20,900	20,900	-	-
Program Administration	124,377	124,377	-	-
Board Expenses	2,032	2,032	-	-
Excess Insurance	587,400	-	587,400	-
Property/Crime Insurance Expense	610,937	-	608,918	2,019
Total Operating Expense	3,239,314	291,283	2,007,806	940,225
Operating Income (Loss)	447,793	77,084	243,929	126,780
Non-Operating Income				
Change in Fair Market Value	121,443	4,069	66,537	50,837
Investment Income	161,474	4,972	88,351	68,151
Total Non-Operating Income	282,917	9,041	154,888	118,988
Change in Net Position	730,710	86,125	398,817	245,768
Beginning Net Position	4,185,632	197,649	1,509,875	2,478,108
Ending Net Position	\$ 4,916,342	\$ 283,774	\$ 1,908,692	\$ 2,723,876

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, 2018

	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	20,007.00	77,991.00	23,131	20,505.00	18,497.00	311,428.00	52,186.00	25,080.00	9,286
Shared Risk Layer	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-
Property/Crime Insurance Income	-	-	-	-	-	-	-	-	-
Banking Layer Assessment	-	-	-	-	-	-	-	-	-
Banking Layer Refund	-	-	-	-	-	-	-	-	-
Total Operating Income	20,007	77,991	23,131	20,505	18,497	311,428	52,186	25,080	9,286
Operating Expenses									
Claims Paid	3,316	44,128	32,767	2,296	441	256,677	16,997	19,439	2,279
O/S Liability adj.	14,983	(26,938)	(527)	2,032	13,278	(17,951)	(17,847)	(6,119)	774
Consultants	4,974	3,025	3,966	-	5,512	11,628	8,805	3,966	2,151
Administration-Other	-	-	-	-	-	-	-	-	-
Safety Service	-	-	-	-	-	-	-	-	-
Claims Administration	-	-	-	-	-	-	-	-	-
Program Administration	-	-	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-	-	-
Excess Insurance	-	-	-	-	-	-	-	-	-
Property/Crime Insurance Expense	-	-	-	-	-	1,689	-	-	-
Total Operating Expense	23,273	20,215	36,206	4,328	19,231	252,043	7,955	17,286	5,204
Operating Income (Loss)	(3,266)	57,776	(13,075)	16,177	(734)	59,385	44,231	7,794	4,082
Non-Operating Income									
Change in Fair Market Value	1,129	1,883	325	703	1,464	15,297	2,816	1,412	234
Investment Income	1,491	2,501	359	872	1,858	20,545	3,680	1,950	309
Total Non-Operating Income	2,620	4,384	684	1,575	3,322	35,842	6,496	3,362	543
Change in Net Position	(646)	62,160	(12,391)	17,752	2,588	95,227	50,727	11,156	4,625
Beginning Net Position	61,615	(32,039)	(77,499)	7,469	104,556	673,795	142,349	108,972	871
Ending Net Position	\$ 60,969	\$ 30,121	\$ (89,890)	\$ 25,221	\$ 107,144	\$ 769,022	\$ 193,076	\$ 120,128	\$ 5,496

**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, 2018**

	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	39,839.00	67,626	49,241.00	34,301.00	39,789.00	28,837	17,616.00	120,085	11,967.00	99,593
Shared Risk Layer	-	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-	-
Property/Crime Insurance Income	-	-	-	-	-	-	-	-	-	-
Banking Layer Assessment	-	-	-	-	-	-	-	-	-	-
Banking Layer Refund	-	-	-	-	-	-	-	-	-	-
Total Operating Income	39,839	67,626	49,241	34,301	39,789	28,837	17,616	120,085	11,967	99,593
Operating Expenses										
Claims Paid	22,863	85,335	41,103	19,926	16,676	10,066	60,683	10,215	1,332	52,741
O/S Liability adj.	(14,066)	41,521	(27,624)	37,203	16,003	25,619	(20,487)	46,978	36,073	46,421
Consultants	-	7,125	5,243	5,915	1,681	8,469	-	10,620	-	6,520
Administration-Other	-	-	-	-	-	-	-	-	-	-
Safety Service	-	-	-	-	-	-	-	-	-	-
Claims Administration	-	-	-	-	-	-	-	-	-	-
Program Administration	-	-	-	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-	-	-	-
Excess Insurance	-	-	-	-	-	-	-	-	-	-
Property/Crime Insurance Expense	-	330	-	-	-	-	-	-	-	-
Total Operating Expense	8,797	134,311	18,722	63,044	34,360	44,154	40,196	67,813	37,405	105,682
Operating Income (Loss)	31,042	(66,685)	30,519	(28,743)	5,429	(15,317)	(22,580)	52,272	(25,438)	(6,089)
Non-Operating Income										
Change in Fair Market Value	1,241	3,287	2,571	1,863	2,494	2,572	441	4,659	540	5,906
Investment Income	1,736	4,781	3,475	2,458	3,380	3,476	609	6,084	686	7,901
Total Non-Operating Income	2,977	8,068	6,046	4,321	5,874	6,048	1,050	10,743	1,226	13,807
Change in Net Position	34,019	(58,617)	36,565	(24,422)	11,303	(9,269)	(21,530)	63,015	(24,212)	7,718
Beginning Net Position	48,536	161,716	94,882	99,720	197,841	253,952	(15,869)	224,753	31,788	390,700
Ending Net Position	\$ 82,555	\$ 103,099	\$ 131,447	\$ 75,298	\$ 209,144	\$ 244,683	\$ (37,399)	\$ 287,768	\$ 7,576	\$ 398,418
	-	-	-	-	-	-	-	-	-	-
Ending Net Position	\$ 48,536	\$ 161,716	\$ 94,882	\$ 99,720	\$ 197,841	\$ 253,952	\$ (15,869)	\$ 224,753	\$ 31,788	\$ 390,700

**Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Cash Flows - Liability
For the Six Months Ended December 31, 2018**

	Total All Layers	Admin Layer	Shared Layer	Total Banking Layer
Cash flows from operating activities:				
Cash received from members	\$ 6,668,778	\$ 591,603	\$ 4,503,468	\$ 1,573,707
Cash paid for claims	(1,551,981)	-	(852,701)	(699,280)
Cash paid for insurance	(2,343,207)	-	(2,341,188)	(2,019)
Cash paid to vendors	(339,250)	(234,776)	7	(104,481)
Cash (paid) received for dividends	330,075	-	-	330,075
Net cash provided by (used in) operating activities	<u>2,764,415</u>	<u>356,827</u>	<u>1,309,586</u>	<u>1,098,002</u>
Cash flows from investing activities:				
Investment income received	124,933	3,187	68,933	52,813
Net investment (purchases) sales	118,582	(353,154)	2,009,851	(1,538,115)
Net cash provided by (used in) investing activities	<u>243,515</u>	<u>(349,967)</u>	<u>2,078,784</u>	<u>(1,485,302)</u>
Net increase (decrease) in cash and cash equivalents	3,007,930	6,860	3,388,370	(387,300)
Cash and cash equivalents, beginning of year	1,370,092	10,591	790,872	568,629
Cash and cash equivalents, end of year	<u>\$ 4,378,020</u>	<u>\$ 17,452</u>	<u>4,179,242</u>	<u>181,326</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 447,793	\$ 77,084	243,929	126,780
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
(Increase) decrease in:				
Member receivable	-	-	-	-
Excess receivable	(18)	-	(18)	-
Prepaid expense	(1,099,418)	45,452	(1,144,870)	-
(Decrease) increase in:				
Accounts payable	(3,819)	11,055	7	(14,881)
Unearned revenue	3,311,752	223,235	2,251,734	836,783
Unpaid claims and claim adjustment expenses	108,131	-	(41,195)	149,326
Net cash provided by (used in) operating activities	<u>\$ 2,764,421</u>	<u>\$ 356,826</u>	<u>\$ 1,309,587</u>	<u>\$ 1,098,008</u>
Supplemental information:				
Noncash non-operating and investing activities				
Net change in fair value of investments	<u>\$ 121,443</u>	<u>\$ 4,069</u>	<u>\$ 66,537</u>	<u>\$ 50,837</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, 2018**

	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	\$ 40,014	\$ 155,981	\$ 46,261	\$ 20,505	\$ 36,993	\$ 622,856	\$ 35,852	\$ 50,159	\$ 18,572
Cash paid for claims	(3,316)	(44,128)	(32,767)	(2,296)	(441)	(256,677)	(16,997)	(19,439)	(2,279)
Cash paid for insurance	-	-	-	-	-	(1,689.00)	-	-	-
Cash paid to vendors	(4,760)	(3,158)	(4,768)	(1,237)	(5,972)	(16,399)	(9,325)	(4,131)	(2,325)
Cash paid for dividends	-	-	-	12,196	-	-	68,519	-	-
Net cash provided by (used in) operating activities	31,938	108,695	8,726	29,168	30,580	348,091	78,049	26,589	13,968
Cash flows from investing activities:									
Investment income received	1,123	1,713	208	637	1,460	16,074	2,879	1,536	206
Net investment (purchases) sales	(43,068)	(119,664)	(200)	(30,603)	(46,374)	(415,247)	(107,724)	(44,457)	(15,201)
Net cash provided by (used in) investing activities	(41,945)	(117,951)	8	(29,966)	(44,914)	(399,173)	(104,845)	(42,921)	(14,995)
Net increase (decrease) in cash and cash equivalents	(10,007)	(9,256)	8,734	(798)	(14,334)	(51,082)	(26,796)	(16,332)	(1,027)
Cash and cash equivalents, beginning of year	11,890	12,432	1,260	6,615	16,796	170,541	30,132	17,034	1,528
Cash and cash equivalents, end of year	\$ 1,884	\$ 3,176	\$ 9,993	\$ 5,816	\$ 2,462	\$ 119,459	\$ 3,336	\$ 701	\$ 501
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:									
Operating income (loss)	\$ (3,266)	\$ 57,776	\$ (13,075)	\$ 16,177	\$ (734)	\$ 59,385	\$ 44,231	\$ 7,794	\$ 4,082
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	215	(134)	(803)	(1,237)	(461)	(4,770)	(519)	(166)	(174)
Unearned revenue	20,007	77,991	23,131	12,196	18,497	311,428	52,186	25,080	9,286
Unpaid claims and claim adjustment expenses	14,983	(26,938)	(527)	2,032	13,278	(17,951)	(17,847)	(6,119)	774
Net cash provided by (used in) operating activities	\$ 31,939	\$ 108,695	\$ 8,726	\$ 29,168	\$ 30,580	\$ 348,092	\$ 78,051	\$ 26,589	\$ 13,968
Supplemental information:									
Noncash non-operating and investing activities									
Net change in fair value of investments	\$ 1,129	\$ 1,883	\$ 325	\$ 703	\$ 1,464	\$ 15,297	\$ 2,816	\$ 1,412	\$ 234

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, 2018**

	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	\$ 46,725	\$ 28,469	\$ 98,481	\$ 38,613	\$ 23,904	\$ (28,004)	\$ 35,231	\$ 240,169	\$ 23,934	\$ 38,992
Cash paid for claims	(22,863)	(85,335)	(41,103)	(19,926)	(16,676)	(10,066)	(60,683)	(10,215)	(1,332)	(52,741)
Cash paid for insurance	-	(330)	-	-	-	-	-	-	-	-
Cash paid to vendors	232	(8,216)	(6,727)	(5,728)	(4,513)	(8,367)	1,195	(12,968)	333	(7,647)
Cash paid for dividends	-	28,776	-	29,988	39,789	51,214	-	-	-	99,593
Net cash provided by (used in) operating activities	24,094	(36,636)	50,651	42,947	42,504	4,777	(24,257)	216,986	22,935	78,197
Cash flows from investing activities:										
Investment income received	1,286	3,990	2,788	1,903	2,678	2,854	476	4,365	479	6,158
Net investment (purchases) sales	(36,232)	(13,760)	(82,635)	(61,805)	(72,534)	(37,680)	24,547	(259,189)	(25,458)	(150,831)
Net cash provided by (used in) investing activities	(34,946)	(9,770)	(79,847)	(59,902)	(69,856)	(34,826)	25,023	(254,824)	(24,979)	(144,673)
Net increase (decrease) in cash and cash equivalents	(10,852)	(46,406)	(29,196)	(16,955)	(27,352)	(30,049)	766	(37,838)	(2,044)	(66,476)
Cash and cash equivalents, beginning of year	13,866	50,734	30,460	19,985	30,883	35,395	4,418	39,861	4,795	70,004
Cash and cash equivalents, end of year	\$ 3,014	\$ 4,328	\$ 1,264	\$ 3,030	\$ 3,531	\$ 5,346	\$ 5,184	\$ 2,023	\$ 2,750	\$ 3,528
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:										
Operating income (loss)	\$ 31,042	\$ (66,685)	\$ 30,519	\$ (28,743)	\$ 5,429	\$ (15,317)	\$ (22,580)	\$ 52,272	\$ (25,438)	\$ (6,089)
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	232	(1,091)	(1,484)	187	(2,832)	103	1,195	(2,348)	333	(1,127)
Unearned revenue	6,886	(10,381)	49,241	34,301	23,904	(5,627)	17,616	120,085	11,967	38,992
Unpaid claims and claim adjustment expenses	(14,066)	41,521	(27,624)	37,203	16,003	25,619	(20,487)	46,978	36,073	46,421
Net cash provided by (used in) operating activities	\$ 24,094	\$ (36,636)	\$ 50,652	\$ 42,948	\$ 42,504	\$ 4,778	\$ (24,256)	\$ 216,987	\$ 22,935	\$ 78,197
Supplemental information:										
Noncash non-operating and investing activities										
Net change in fair value of investments	\$ 1,241	\$ 3,287	\$ 2,571	\$ 1,863	\$ 2,494	\$ 2,572	\$ 441	\$ 4,659	\$ 540	\$ 5,906

**Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Net Position – Workers’ Compensation
December 31, 2018**

	Total			
	All Layers	Admin Layer	Shared Layer	Total Banking Layer
Current Assets				
Cash and Cash Equivalents	\$ 3,075,885	\$ 11,370	\$ 2,391,171	\$ 673,344
Accounts Receivable	-	-	-	-
Interest Receivable	211,358	2,698	98,930	109,730
Excess Accounts Receivable	328,452	-	328,452	-
Prepaid Expense	803,067	18,312	784,755	-
Total Current Assets	4,418,762	32,380	3,603,308	783,074
Non-Current Assets				
Investments*	41,473,956	478,667	18,983,220	22,012,069
Total Assets	\$ 45,892,718	\$ 511,047	\$ 22,586,528	\$ 22,795,143
Current Liabilities				
Accounts Payable	\$ 29,951	\$ 26,605	\$ 1,685	\$ 1,661
Unearned Revenue	394,638	-	93,523	301,115
Total Current Liabilities	424,589	26,605	95,208	302,776
Non-Current Liabilities				
Outstanding Liabilities*	30,893,840	-	17,141,009	13,752,831
ULAE*	1,816,744	-	1,007,995	808,749
Total Non-Current Liabilities	32,710,584	-	18,149,004	14,561,580
Total Liabilities	\$ 33,135,173	\$ 26,605	\$ 18,244,212	\$ 14,864,356
Net Position				
Designated for Contingency	100,000	100,000	-	-
Designated for Risk	342,820	342,820	-	-
Undesignated	12,314,726	41,622	4,342,316	7,930,788
Total Net Position	12,757,546	484,442	4,342,316	7,930,788
Liability & Net Position	\$ 45,892,718	\$ 511,047	\$ 22,586,528	\$ 22,795,143

*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, 2018**

	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	\$ 1,376	\$ 16,821	\$ 8,153	\$ 4,674	\$ 59,609	\$ 91,002	\$ 48,768	\$ 34,521	\$ 16,353	\$ 8,997	\$ 23,133
Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-
Interest Receivable	2,233	4,637	1,106	1,540	5,268	10,566	25,886	4,997	2,625	217	914
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-
Prepaid Expense	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	3,609	21,458	9,259	6,214	64,877	101,568	74,654	39,518	18,978	9,214	24,047
Non-Current Assets											
Investments*	443,874	941,640	167,442	296,027	1,063,144	2,115,735	5,285,506	1,006,829	536,415	37,165	174,728
Total Assets	\$ 447,483	\$ 963,098	\$ 176,701	\$ 302,241	\$ 1,128,021	\$ 2,217,303	\$ 5,360,160	\$ 1,046,347	\$ 555,393	\$ 46,379	\$ 198,775
Current Liabilities											
Accounts Payable	\$ 29	\$ 57	\$ 12	\$ 22	\$ 79	\$ 41	\$ 476	\$ 92	\$ 40	\$ 8	\$ 22
Unearned Revenue	-	4,103	47,363	26,367	39,003	-	-	38,199	-	1,093	-
Total Current Liabilities	29	4,160	47,375	26,389	39,082	41	476	38,291	40	1,101	22
Non-Current Liabilities											
Outstanding Liabilities*	315,317	743,584	114,159	126,489	286,547	1,257,413	3,056,680	742,862	112,904	60,435	101,379
ULAE*	18,543	43,727	6,713	7,438	16,851	73,943	179,751	43,685	6,639	3,554	5,962
Total Non-Current Liabilities	333,860	787,311	120,872	133,927	303,398	1,331,356	3,236,431	786,547	119,543	63,989	107,341
Total Liabilities	\$ 333,889	\$ 791,471	\$ 168,247	\$ 160,316	\$ 342,480	\$ 1,331,397	\$ 3,236,907	\$ 824,838	\$ 119,583	\$ 65,090	\$ 107,363
Net Position											
Designated for Contingency	-	-	-	-	-	-	-	-	-	-	-
Designated for Safety Grants	-	-	-	-	-	-	-	-	-	-	-
Undesignated	113,594	171,627	8,454	141,925	785,542	885,906	2,123,253	221,509	435,810	(18,711)	91,412
Total Net Position	113,594	171,627	8,454	141,925	785,542	885,906	2,123,253	221,509	435,810	(18,711)	91,412
Liability & Net Position	\$ 447,483	\$ 963,098	\$ 176,701	\$ 302,241	\$ 1,128,021	\$ 2,217,303	\$ 5,360,160	\$ 1,046,347	\$ 555,393	\$ 46,379	\$ 198,775

*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, 2018

	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	\$ 20,011	\$ 2,676	\$ 11,850	\$ 118,041	\$ 36,880	\$ 1,158	\$ 51,735	\$ 23,136	\$ 40,181	\$ 5,058	\$ 49,211
Accounts Receivable	-	-	-	0	-	-	-	-	-	-	-
Interest Receivable	5,589	2,917	957	2,871	3,535	3,461	6,179	1,383	10,442	1,427	10,980
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-
Prepaid Expense	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	25,600	5,593	12,807	120,912	40,415	4,619	57,914	24,519	50,623	6,485	60,191
Non-Current Assets											
Investments*	1,150,920	585,095	182,138	518,359	702,786	703,238	1,245,165	272,031	2,106,908	291,564	2,185,360
Total Assets	\$ 1,176,520	\$ 590,688	\$ 194,945	\$ 639,271	\$ 743,201	\$ 707,857	\$ 1,303,079	\$ 296,550	\$ 2,157,531	\$ 298,049	\$ 2,245,551
Current Liabilities											
Accounts Payable	\$ (107)	\$ 73	\$ 19	\$ 54	\$ 73	\$ 42	\$ 72	\$ 17	\$ 164	\$ 29	\$ 347
Unearned Revenue	88,609	-	-	36,257	-	-	-	59	-	20,062	-
Total Current Liabilities	88,502	73	19	36,311	73	42	72	76	164	20,091	347
Non-Current Liabilities											
Outstanding Liabilities*	494,532	434,731	267,067	531,060	583,127	455,682	1,126,668	165,829	1,221,298	27,855	1,527,213
ULAE*	29,081	25,565	15,705	31,230	34,291	26,797	66,255	9,752	71,820	1,638	89,809
Total Non-Current Liabilities	523,613	460,296	282,772	562,290	617,418	482,479	1,192,923	175,581	1,293,118	29,493	1,617,022
Total Liabilities	\$ 612,115	\$ 460,369	\$ 282,791	\$ 598,601	\$ 617,491	\$ 482,521	\$ 1,192,995	\$ 175,657	\$ 1,293,282	\$ 49,584	\$ 1,617,369
Net Position											
Designated for Contingency	-	-	-	-	-	-	-	-	-	-	-
Designated for Safety Grants	-	-	-	-	-	-	-	-	-	-	-
Undesignated	564,405	130,319	(87,846)	40,670	125,710	225,336	110,084	120,893	864,249	248,465	628,182
Total Net Position	564,405	130,319	(87,846)	40,670	125,710	225,336	110,084	120,893	864,249	248,465	628,182
Liability & Net Position	\$ 1,176,520	\$ 590,688	\$ 194,945	\$ 639,271	\$ 743,201	\$ 707,857	\$ 1,303,079	\$ 296,550	\$ 2,157,531	\$ 298,049	\$ 2,245,551

*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, 2018**

	Total All Layers	Admin Layer	Shared Layer	Total Banking Layer
Operating Income				
Administration Deposit	\$ 420,071	\$ 420,071	\$ -	\$ -
Banking Layer Deposit	3,216,506	-	-	3,216,506
Shared Risk Layer	1,701,499	-	1,701,499	-
Excess Deposit/Premium	765,000	-	765,000	-
Banking Layer Assessment	-	-	-	-
Shared Risk Refund	-	-	-	-
Banking Layer Refund	-	-	-	-
Risk Management Grants	-	-	-	-
Other Income	-	-	-	-
Total Operating Income	6,103,076	420,071	2,466,499	3,216,506
Operating Expenses				
Claims Paid	3,192,126	-	1,269,502	1,922,624
O/S Liability adj.	721,549	-	103,585	617,964
ULAE	42,433	-	6,091	36,342
Consultants	14,261	14,261	-	-
Administration-Other	6,680	6,680	-	-
Safety Service	98,543	98,543	-	-
Claims Administration	590,468	301,124	-	289,344
Program Administration	107,959	107,959	-	-
Board Expenses	2,032	2,032	-	-
Excess Insurance	784,755	-	784,755	-
Contingency Reserves	-	-	-	-
Total Operating Expenses	5,560,806	530,599	2,163,933	2,866,274
Operating Income (Loss)	542,270	(110,528)	302,566	350,232
Non-Operating Income				
Change in Fair Market Value	333,528	4,177	155,579	173,772
Investment Income	448,390	6,003	207,116	235,271
Total Non-Operating Income	781,918	10,180	362,695	409,043
Change in Net Position	1,324,188	(100,348)	665,261	759,275
Beginning Net Position	11,433,358	584,790	3,677,055	7,171,513
Ending Net Position	\$ 12,757,546	\$ 484,442	\$ 4,342,316	\$ 7,930,788

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, 2018**

	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	86,302.00	87,133.00	31,349	14,713.00	149,177.00	373,547.00	560,290.00	169,481.00	32,782	9,800.00	46,991.00
Shared Risk Layer	-	-	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-	-	-
Banking Layer Assessment	-	-	-	-	-	-	-	-	-	-	-
Shared Risk Refund	-	-	-	-	-	-	-	-	-	-	-
Banking Layer Refund	-	-	-	-	-	-	-	-	-	-	-
Risk Management Grants	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-
Total Operating Income	86,302	87,133	31,349	14,713	149,177	373,547	560,290	169,481	32,782	9,800	46,991
Operating Expenses											
Claims Paid	77,194	65,398	63,287	22,552	11,747	201,886	434,779	79,499	21,882	12,477	7,336
O/S Liability adj.	(31,237)	133,679	(53,268)	5,262	(14,987)	101,939	371,693	(35,424)	(19,575)	31,127	68,737
ULAE	(1,837)	7,861	(3,132)	309	(881)	5,995	21,858	(2,083)	(1,151)	1,830	4,042
Consultants	-	-	-	-	-	-	-	-	-	-	-
Administration-Other	-	-	-	-	-	-	-	-	-	-	-
Safety Service	-	-	-	-	-	-	-	-	-	-	-
Claims Administration	7,673	10,006	4,112	4,023	8,504	24,574	62,606	15,055	3,361	654	2,335
Program Administration	-	-	-	-	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-	-	-	-	-
Excess Insurance	-	-	-	-	-	-	-	-	-	-	-
Contingency Reserves	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	51,793	216,944	10,999	32,146	4,383	334,394	890,936	57,047	4,517	46,088	82,450
Operating Income (Loss)	34,509	(129,811)	20,350	(17,433)	144,794	39,153	(330,646)	112,434	28,265	(36,288)	(35,459)
Non-Operating Income											
Change in Fair Market Value	3,525	7,318	1,709	2,393	8,373	16,783	40,876	7,904	4,135	328	1,476
Investment Income	4,810	9,890	2,558	3,375	11,162	22,807	54,963	10,806	5,695	473	1,904
Total Non-Operating Income	8,335	17,208	4,267	5,768	19,535	39,590	95,839	18,710	9,830	801	3,380
Change in Net Position	42,844	(112,603)	24,617	(11,665)	164,329	78,743	(234,807)	131,144	38,095	(35,487)	(32,079)
Beginning Net Position	70,750	284,230	(16,163)	153,590	621,213	807,163	2,358,060	90,365	397,715	16,776	123,491
Ending Net Position	\$ 113,594	\$ 171,627	\$ 8,454	\$ 141,925	\$ 785,542	\$ 885,906	\$ 2,123,253	\$ 221,509	\$ 435,810	\$ (18,711)	\$ 91,412

**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, 2018**

	City of Lincoln	City of Marysville	City of Nevada City	City of Oroville	City of Paradise	City of Placeville	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	132,930.00	81,319.00	61,001.00	142,780	128,254.00	69,443	203,525.00	49,332	318,757	23,080.00	444,520
Shared Risk Layer	-	-	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-	-	-
Banking Layer Assessment	-	-	-	-	-	-	-	-	-	-	-
Shared Risk Refund	-	-	-	-	-	-	-	-	-	-	-
Banking Layer Refund	-	-	-	-	-	-	-	-	-	-	-
Risk Management Grants	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-
Total Operating Income	132,930	81,319	61,001	142,780	128,254	69,443	203,525	49,332	318,757	23,080	444,520
Operating Expenses											
Claims Paid	75,118	64,453	35,729	8,978	50,074	57,851	102,391	7,465	235,686	32,847	253,995
O/S Liability adj.	(31,113)	49,755	87,776	63,808	(1,620)	(21,958)	7,168	23,596	(29,494)	(29,810)	(58,090)
ULAE	(1,830)	2,926	5,162	3,752	(95)	(1,291)	422	1,388	(1,734)	(1,753)	(3,416)
Consultants	-	-	-	-	-	-	-	-	-	-	-
Administration-Other	-	-	-	-	-	-	-	-	-	-	-
Safety Service	-	-	-	-	-	-	-	-	-	-	-
Claims Administration	11,137	13,639	5,136	8,894	11,687	10,940	21,510	6,167	23,760	2,341	31,230
Program Administration	-	-	-	-	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-	-	-	-	-
Excess Insurance	-	-	-	-	-	-	-	-	-	-	-
Contingency Reserves	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	53,312	130,773	133,803	85,432	60,046	45,542	131,491	38,616	228,218	3,625	223,719
Operating Income (Loss)	79,618	(49,454)	(72,802)	57,348	68,208	23,901	72,034	10,716	90,539	19,455	220,801
Non-Operating Income											
Change in Fair Market Value	8,726	4,618	1,532	4,706	5,642	5,471	9,803	2,215	16,516	2,189	17,534
Investment Income	12,120	6,228	1,975	6,047	7,603	7,361	13,410	2,958	22,594	3,160	23,372
Total Non-Operating Income	20,846	10,846	3,507	10,753	13,245	12,832	23,213	5,173	39,110	5,349	40,906
Change in Net Position	100,464	(38,608)	(69,295)	68,101	81,453	36,733	95,247	15,889	129,649	24,804	261,707
Beginning Net Position	463,941	168,927	(18,551)	(27,431)	44,257	188,603	14,837	105,004	734,600	223,661	366,475
Ending Net Position	\$ 564,405	\$ 130,319	\$ (87,846)	\$ 40,670	\$ 125,710	\$ 225,336	\$ 110,084	\$ 120,893	\$ 864,249	\$ 248,465	\$ 628,182
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Net Position	\$ 463,941	\$ 168,927	\$ (18,551)	\$ (27,431)	\$ 44,257	\$ 188,603	\$ 14,837	\$ 105,004	\$ 734,600	\$ 223,661	\$ 366,475

Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Cash Flows – Workers’ Compensation
For the Six Months Ended December 31, 2018

	Total All Layers	Admin Layer	Shared Layer	Total Banking Layer
Cash flows from operating activities:				
Cash received from members	\$ 5,176,835	\$ 420,071	\$ 1,961,654	\$ 2,795,110
Cash paid for claims	(3,163,995)	-	(1,241,371)	(1,922,624)
Cash paid for insurance	(1,569,509)	-	(1,569,509)	-
Cash paid to vendors	(802,388)	(513,076)	16	(289,328)
Cash (paid) received for dividends	688,899	-	411,322	277,577
Net cash provided by (used in) operating activities	<u>329,842</u>	<u>(93,005)</u>	<u>(437,888)</u>	<u>860,735</u>
Cash flows from investing activities:				
Investment income received	369,627	4,979	173,322	191,326
Net investment (purchases) sales	(587,367)	60,305	1,192,546	(1,840,218)
Net cash provided by (used in) investing activities	<u>(217,740)</u>	<u>65,284</u>	<u>1,365,868</u>	<u>(1,648,892)</u>
Net increase (decrease) in cash and cash equivalents	112,102	(27,721)	927,980	(788,157)
Cash and cash equivalents, beginning of year	<u>2,963,788</u>	<u>39,091</u>	<u>1,463,193</u>	<u>1,461,504</u>
Cash and cash equivalents, end of year	<u>\$ 3,075,885</u>	<u>\$ 11,370</u>	<u>\$ 2,391,171</u>	<u>\$ 673,344</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 542,270	\$ (110,528)	\$ 302,566	350,232
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
(Increase) decrease in:				
Member receivable	72,513	-	-	72,513
Excess receivable	28,130	-	28,130	-
Prepaid expense	(782,077)	2,678	(784,755)	-
(Decrease) increase in:				
Accounts payable	14,875	14,844	16	15
Unearned revenue	(309,856)	-	(93,523)	(216,333)
Unpaid claims and claim adjustment expenses	763,993	-	109,676	654,317
Net cash provided by (used in) operating activities	<u>\$ 329,848</u>	<u>\$ (93,006)</u>	<u>\$ (437,890)</u>	<u>\$ 860,744</u>
Supplemental information:				
Noncash non-operating and investing activities				
Net change in fair value of investments	<u>\$ 333,528</u>	<u>\$ 4,177</u>	<u>\$ 155,579</u>	<u>\$ 173,772</u>

See Accompanying Accountant’s Report

**Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Cash Flows – Workers’ Compensation
For the Six Months Ended December 31, 2018**

	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	\$ 86,302	\$ 78,927	\$ 10,766	\$ (38,020)	\$ 71,172	\$ 373,547	\$ 560,290	\$ 123,403	\$ 32,782	\$ (2,804)	\$ 14,370
Cash paid for claims	(77,194)	(65,398)	(63,287)	(22,552)	(11,747)	(201,886)	(434,779)	(79,499)	(21,882)	(12,477)	(7,336)
Cash paid for insurance	-	-	-	-	-	-	-	-	-	-	-
Cash paid to vendors	(7,673)	(10,005)	(4,112)	(4,023)	(8,503)	(24,573)	(62,601)	(15,054)	(3,360)	(654)	(2,335)
Cash paid for dividends	-	4,103	47,363	26,367	39,003	-	-	7,879	-	11,511	32,621
Net cash provided by (used in) operating activities	1,435	7,627	(9,270)	(38,228)	89,925	147,088	62,910	36,729	7,540	(4,424)	37,320
Cash flows from investing activities:											
Investment income received	3,917	8,186	2,022	2,827	9,116	18,225	45,635	8,726	4,641	427	1,507
Net investment (purchases) sales	(33,695)	(62,686)	3,066	17,345	(108,572)	(212,218)	(412,835)	(78,231)	(32,369)	9,602	(26,422)
Net cash provided by (used in) investing activities	(29,778)	(54,500)	5,088	20,172	(99,456)	(193,993)	(367,200)	(69,505)	(27,728)	10,029	(24,915)
Net increase (decrease) in cash and cash equivalents	(28,343)	(46,873)	(4,182)	(18,056)	(9,531)	(46,905)	(304,290)	(32,776)	(20,188)	5,605	12,405
Cash and cash equivalents, beginning of year	29,718	63,695	12,335	22,730	69,141	137,907	353,057	67,297	36,541	3,392	10,728
Cash and cash equivalents, end of year	\$ 1,376	\$ 16,821	\$ 8,153	\$ 4,674	\$ 59,609	\$ 91,002	\$ 48,768	\$ 34,521	\$ 16,353	\$ 8,997	\$ 23,133
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:											
Operating income (loss)	\$ 34,509	\$ (129,811)	\$ 20,350	\$ (17,433)	\$ 144,794	\$ 39,153	\$ (330,646)	\$ 112,434	\$ 28,265	\$ (36,288)	\$ (35,459)
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	2	3	1	-	-	-
Unearned revenue	-	(4,103)	26,781	(26,367)	(39,002)	-	-	(38,199)	-	(1,093)	-
Unpaid claims and claim adjustment expenses	(33,074)	141,540	(56,401)	5,572	(15,868)	107,934	393,553	(37,507)	(20,725)	32,957	72,779
Net cash provided by (used in) operating activities	\$ 1,435	\$ 7,627	\$ (9,270)	\$ (38,228)	\$ 89,925	\$ 147,089	\$ 62,910	\$ 36,729	\$ 7,540	\$ (4,424)	\$ 37,320
Supplemental information:											
Noncash non-operating and investing activities											
Net change in fair value of investments	\$ 3,525	\$ 7,318	\$ 1,709	\$ 2,393	\$ 8,373	\$ 16,783	\$ 40,876	\$ 7,904	\$ 4,135	\$ 328	\$ 1,476

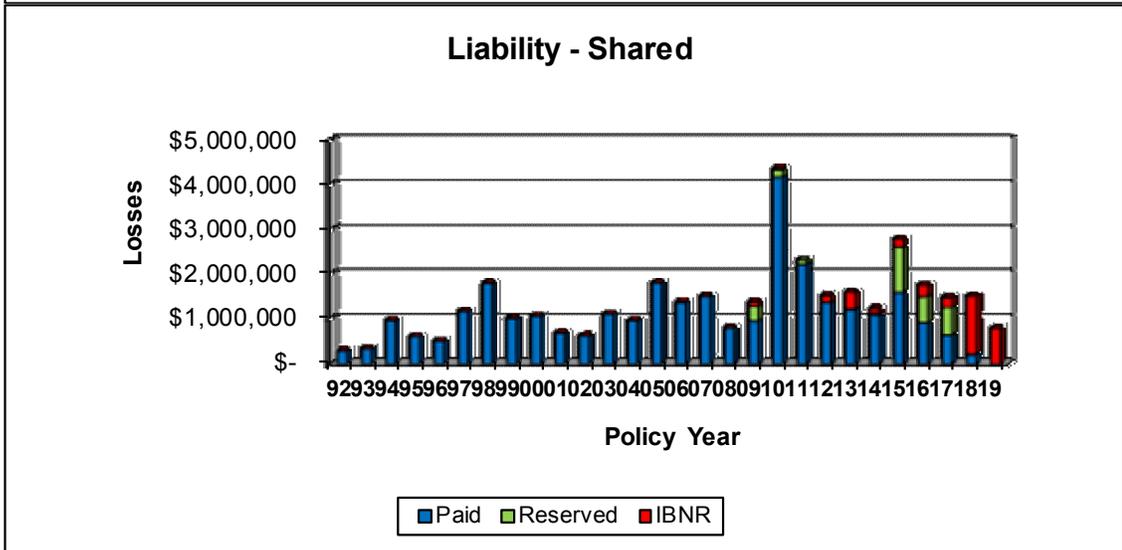
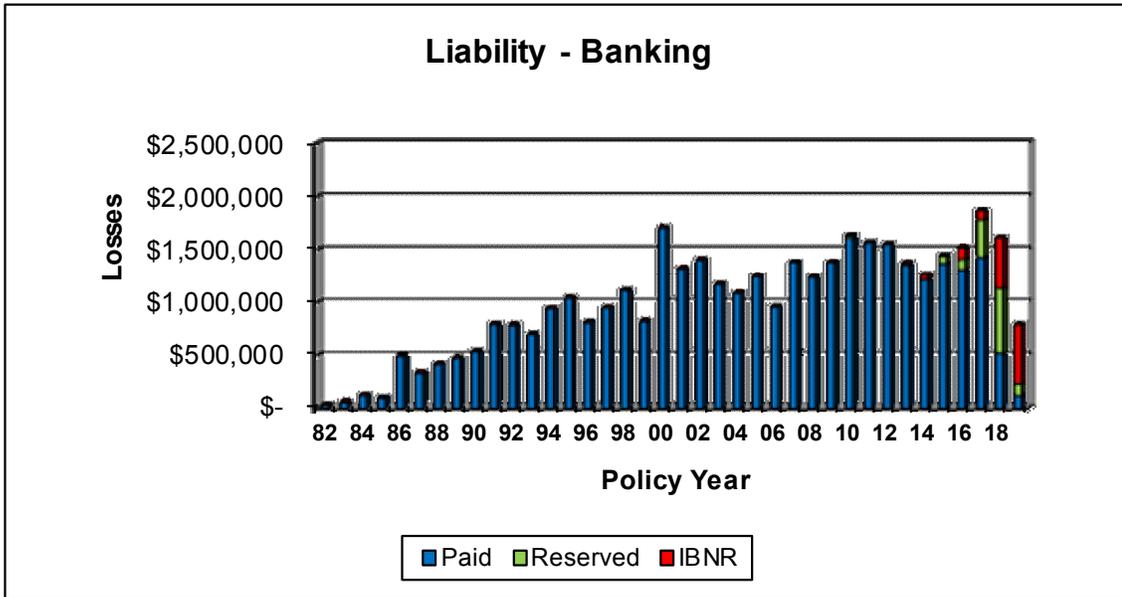
**Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Cash Flows – Workers’ Compensation
For the Six Months Ended December 31, 2018**

	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	\$ (44,288)	\$ 81,319	\$ 61,001	\$ 189,673	\$ 128,254	\$ 69,443	\$ 203,525	\$ 49,215	\$ 318,757	\$ (17,044)	\$ 444,520
Cash paid for claims	(75,118)	(64,453)	(35,729)	(8,978)	(50,074)	(57,851)	(102,391)	(7,465)	(235,686)	(32,847)	(253,995)
Cash paid for insurance	-	-	-	-	-	-	-	-	-	-	-
Cash paid to vendors	(11,136)	(13,639)	(5,136)	(8,894)	(11,687)	(10,940)	(21,509)	(6,167)	(23,758)	(2,341)	(31,228)
Cash paid for dividends	88,609	-	-	-	-	-	-	59	-	20,062	-
Net cash provided by (used in) operating activities	(41,933)	3,227	20,136	171,801	66,493	652	79,625	35,642	59,313	(32,170)	159,297
Cash flows from investing activities:											
Investment income received	10,139	5,098	1,625	4,497	6,011	6,083	10,689	2,333	18,234	2,703	18,685
Net investment (purchases) sales	(29,518)	(44,796)	(21,528)	(89,278)	(80,683)	(52,712)	(120,103)	(32,205)	(177,206)	12,463	(267,637)
Net cash provided by (used in) investing activities	(19,379)	(39,698)	(19,903)	(84,781)	(74,672)	(46,629)	(109,414)	(29,872)	(158,972)	15,166	(248,952)
Net increase (decrease) in cash and cash equivalents	(61,312)	(36,471)	233	87,020	(8,179)	(45,977)	(29,789)	5,770	(99,659)	(17,004)	(89,655)
Cash and cash equivalents, beginning of year	81,322	39,147	11,618	31,021	45,060	47,136	81,525	17,367	139,840	22,061	138,866
Cash and cash equivalents, end of year	\$ 20,011	\$ 2,676	\$ 11,850	\$ 118,041	\$ 36,880	\$ 1,158	\$ 51,735	\$ 23,136	\$ 40,181	\$ 5,058	\$ 49,211
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:											
Operating income (loss)	\$ 79,618	\$ (49,454)	\$ (72,802)	\$ 57,348	\$ 68,208	\$ 23,901	\$ 72,034	\$ 10,716	\$ 90,539	\$ 19,455	\$ 220,801
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:											
(Increase) decrease in:											
Member receivable	-	-	-	72,513	-	-	-	-	-	-	-
Excess receivable	-	-	-	-	-	-	-	-	-	-	-
Prepaid expense	-	-	-	-	-	-	-	-	-	-	-
(Decrease) increase in:											
Accounts payable	1	-	-	-	1	1	1	-	2	-	1
Unearned revenue	(88,609)	-	-	(25,620)	-	-	-	(59)	-	(20,062)	-
Unpaid claims and claim adjustment expenses	(32,943)	52,681	92,938	67,560	(1,715)	(23,249)	7,590	24,985	(31,227)	(31,563)	(61,505)
Net cash provided by (used in) operating activities	\$ (41,933)	\$ 3,227	\$ 20,136	\$ 171,801	\$ 66,494	\$ 653	\$ 79,625	\$ 35,642	\$ 59,314	\$ (32,170)	\$ 159,297
Supplemental information:											
Noncash non-operating and investing activities											
Net change in fair value of investments	\$ 8,726	\$ 4,618	\$ 1,532	\$ 4,706	\$ 5,642	\$ 5,471	\$ 9,803	\$ 2,215	\$ 16,516	\$ 2,189	\$ 17,534

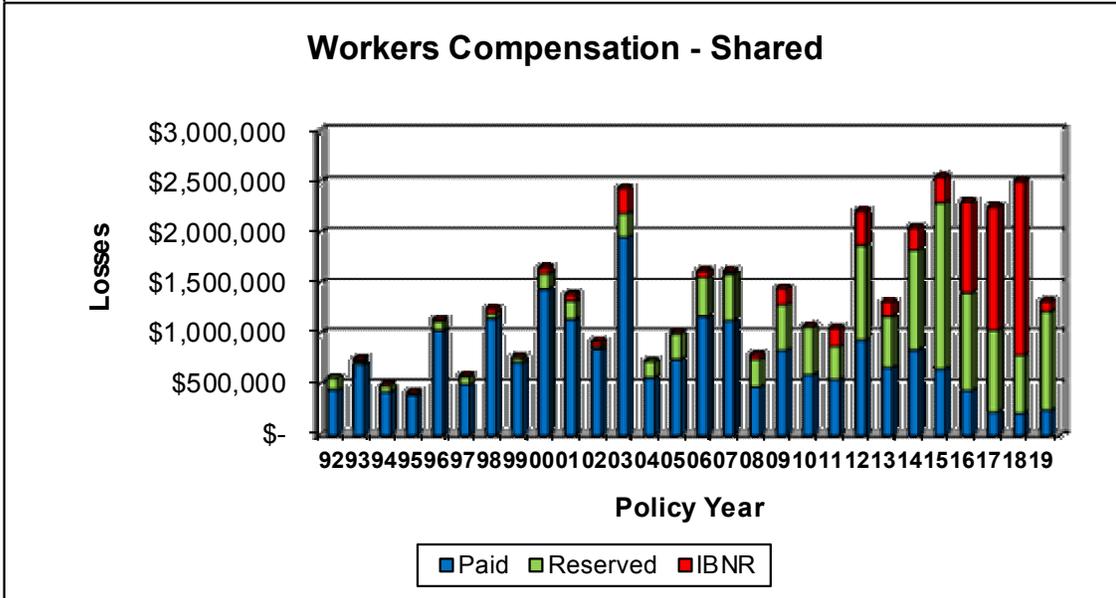
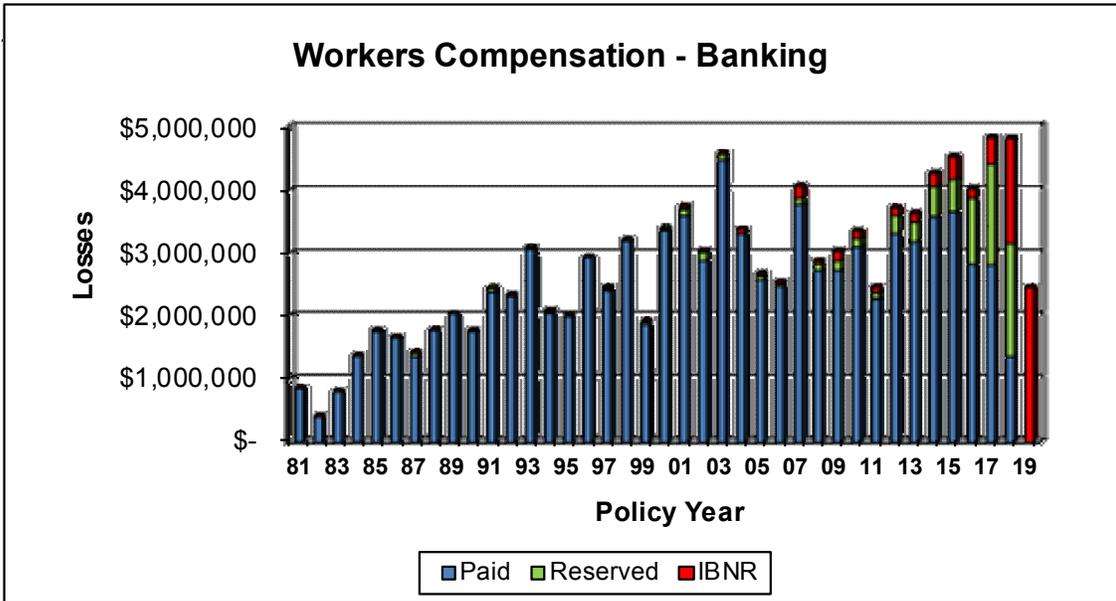
**Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Reconciliation of Claims Liability by Program
As of December 31, 2018 and June 30, 2018**

	Liability Banking 2019	Liability Shared Risk 2019	Total Liability Program		WC Banking 2019	WC Shared Risk 2019	Total WC Program		Totals	
			2019	2018			2019	2018	2019	2018
Unpaid claims and claim adjustment expenses at beginning of the fiscal year	\$ 2,429,432	\$ 6,318,732	\$ 8,748,164	\$ 7,383,303	\$ 13,907,281	\$ 18,039,328	\$ 31,946,609	\$ 30,625,946	\$ 40,694,773	\$ 38,009,249
Incurred claims and claim adjustment expenses:										
Provision for insured events of the current fiscal year	791,668	787,313	1,578,981	3,079,430	2,446,732	1,327,299	3,774,031	7,312,108	5,353,012	10,391,538
Increases (Decreases) in provision for insured events of prior fiscal years	56,936	22,117	79,053	450,293	93,852	62,690	156,542	149,917	235,595	600,210
Change in provision for ULAE in current year	-	-	-	-	36,340	6,091	42,431	87,681	42,431	87,681
Total incurred claims and claim adjustment expenses	<u>848,604</u>	<u>809,430</u>	<u>1,658,034</u>	<u>3,529,723</u>	<u>2,576,924</u>	<u>1,396,080</u>	<u>3,973,004</u>	<u>7,549,706</u>	<u>5,631,038</u>	<u>11,079,429</u>
Payments:										
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	522,355	207,838	730,193	529,712	-	250,678	250,678	996,339	980,871	1,526,051
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	176,920	642,787	819,707	1,635,149	1,922,624	1,035,727	2,958,351	5,232,706	3,778,058	6,867,855
Total Payments	<u>699,275</u>	<u>850,625</u>	<u>1,549,900</u>	<u>2,164,862</u>	<u>1,922,628</u>	<u>1,286,405</u>	<u>3,209,033</u>	<u>6,229,045</u>	<u>4,758,933</u>	<u>8,393,907</u>
Total unpaid claims and claim adjustment expenses at end of the fiscal year	<u>\$ 2,578,761</u>	<u>\$ 6,277,537</u>	<u>\$ 8,856,298</u>	<u>\$ 8,748,164</u>	<u>\$ 14,561,577</u>	<u>\$ 18,149,003</u>	<u>\$ 32,710,580</u>	<u>\$ 31,946,607</u>	<u>\$ 41,566,878</u>	<u>\$ 40,694,771</u>
Claims Liability	\$ 2,578,761	\$ 6,277,537	\$ 8,856,298	\$ 8,748,164	\$ 13,752,830	\$ 17,141,009	\$ 30,893,839	\$ 30,172,294	\$ 39,750,137	\$ 38,920,458
Claims ULAE	-	-	-	-	808,748	1,007,995	1,816,743	1,774,313	1,816,743	1,774,313
Total Claim Liabilities	<u>\$ 2,578,761</u>	<u>\$ 6,277,537</u>	<u>\$ 8,856,298</u>	<u>\$ 8,748,164</u>	<u>\$ 14,561,578</u>	<u>\$ 18,149,004</u>	<u>\$ 32,710,582</u>	<u>\$ 31,946,607</u>	<u>\$ 41,566,880</u>	<u>\$ 40,694,771</u>

Northern California Cities Self Insurance Fund
Graphical Summary of Claims
As of December 31, 2018



Northern California Cities Self Insurance Fund
Graphical Summary of Claims
As of December 31, 2018



Northern California Cities Self Insurance Fund
Budget to Actual
As of December 31, 2018

	Budget 2018-2019			YTD Expended 2018-2019			Remaining 2018-2019			
	Total	WC	Liab	Total	WC	Liab	Total \$	Total %	WC	Liab
ADMIN BUDGET										
Administrative Revenue										
41010 Administrative Deposit - See Note 1	\$ 1,298,031	\$ 840,139	\$ 457,892	\$ 649,018	\$ 420,071	\$ 228,947	\$ 649,013	50%	\$ 420,068	\$ 228,945
44030 Change in Fair Value - See Note 2	-	-	-	8,246	4,177	4,069	(8,246)		(4,177)	(4,069)
44040 Interest Income - See Note 2	-	-	-	10,974	6,003	4,971	(10,974)		(6,003)	(4,971)
44080 Risk Management Grants - See Note 6	-	-	-	-	-	-	-		-	-
Total Admin Revenue	\$ 1,298,031	\$ 840,139	\$ 457,892	\$ 668,238	\$ 430,251	\$ 237,987	\$ 629,793	49%	\$ 409,888	\$ 219,905
Administrative Expenses										
52101 Claims Audit	\$ 11,000	\$ 11,000	\$ -	\$ -	\$ -	\$ -	\$ 11,000	100%	\$ 11,000	\$ -
52102 Financial Audit	27,154	13,577	13,577	27,154	13,577	13,577	-	0%	-	-
52103 Legal Services	17,000	2,000	15,000	5,810	683	5,127	11,190	66%	1,317	9,873
52104 Actuarial Services	12,700	5,350	7,350	-	-	-	12,700	100%	5,350	7,350
52106 CAJPA Accreditation	-	-	-	-	-	-	-	0%	-	-
52109 Misc Consulting / Contingency	5,000	2,500	2,500	-	-	-	5,000	100%	2,500	2,500
Total Admin Expenses	\$ 72,854	\$ 34,427	\$ 38,427	\$ 129,244	\$ 20,940	\$ 18,704	\$ (56,390)	-77%	\$ 13,487	\$ 19,723
Safety Services										
52201 Outside Training	\$ 30,000	\$ 15,000	\$ 15,000	\$ 4,222	\$ 2,111	\$ 2,111	\$ 25,778	86%	\$ 12,889	\$ 12,889
52202 Risk Mgmt Comm Mtg Expense	1,500	750	750	779	390	389	721	48%	360	361
52203 Police Risk Mgmt Comm Training	12,400	6,200	6,200	1	1	-	12,399	100%	6,199	6,200
52204 Bickmore Risk Management Services	164,320	82,160	82,160	88,360	44,180	44,180	75,960	46%	37,980	37,980
52207 Member Training and Risk Management	88,000	50,000	38,000	8,434	4,792	3,642	79,566	90%	45,208	34,358
52208 Lexipol Police Manual Updates & DTBs	136,267	136,267	-	79,553	10,383	69,170	56,714	42%	125,884	(69,170)
52209 Police Risk Management Funds	50,000	25,000	25,000	11,554	5,777	5,777	38,446	77%	19,223	19,223
54200 Safety Grant Fund - See Note 3	-	-	-	30,910	30,910	-	(30,910)		(30,910)	-
Total Safety Services Expenses	\$ 482,487	\$ 315,377	\$ 167,110	\$ 223,813	\$ 98,544	\$ 125,269	\$ 258,674	54%	\$ 216,833	\$ 41,841

Northern California Cities Self Insurance Fund
Budget to Actual
As of December 31, 2018

	Budget 2018-2019			YTD Expended 2018-2019			Remaining 2018-2019			
	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	245,524	245,524	-	271,424	271,424	-	(25,900)	-11%	(25,900)	-
Total Claims Admin Expenses	\$ 296,124	\$ 275,224	\$ 20,900	\$ 322,024	\$ 301,124	\$ 20,900	\$ (25,900)	-9%	\$ (25,900)	\$ -
Program Administration										
52401 Program Administration and Brokerage Fee	\$ 309,576	\$ 140,716	\$ 168,860	\$ 180,586	\$ 82,084	\$ 98,502	\$ 128,990	42%	\$ 58,632	\$ 70,358
52403 Accounting Services	102,690	51,345	51,345	51,750	25,875	25,875	50,940	50%	25,470	25,470
Total Program Admin Expenses	\$ 412,266	\$ 192,061	\$ 220,205	\$ 232,336	\$ 107,959	\$ 124,377	\$ 179,930	44%	\$ 84,102	\$ 95,828
Board Expenses										
52500 Board of Directors Long Range Planning Session	\$ 4,000	\$ 2,000	\$ 2,000	\$ 1	\$ 1	\$ -	\$ 3,999	100%	\$ 1,999	\$ 2,000
52501 Executive Committee	2,500	1,250	1,250	378	189	189	2,122	85%	1,061	1,061
52502 Executive Committee Member Travel	4,000	2,000	2,000	(94)	(47)	(47)	4,094	102%	2,047	2,047
52503 Board of Directors Meetings (includes Travel)	8,000	4,000	4,000	2,758	1,379	1,379	5,242	66%	2,621	2,621
52504 Association Memberships	4,000	2,000	2,000	376	188	188	3,624	91%	1,812	1,812
Total Board Expenses	\$ 22,500	\$ 11,250	\$ 11,250	\$ 3,419	\$ 1,710	\$ 1,709	\$ 19,081	85%	\$ 9,540	\$ 9,541
Other Administration Expenses - Not identified with above budget line items										
52001 Administration Expense - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
52900 Member Identity Theft Protection	11,800	11,800	-	-	-	-	11,800	100%	11,800	-
Total Other Admin	\$ 11,800	\$ 11,800	\$ -	\$ -	\$ -	\$ -	\$ 11,800	100%	\$ 11,800	\$ -
Total Admin Expenses	\$ 1,298,031	\$ 840,139	\$ 457,892	\$ 910,836	\$ 530,277	\$ 290,959	\$ 387,195	30%	\$ 309,862	\$ 166,933
TOTAL ADMIN REVENUE OVER EXPENSES	\$ -	\$ -	\$ -	\$ (242,598)	\$ (100,026)	\$ (52,972)	\$ 242,598		\$ 100,026	\$ 52,972

Northern California Cities Self Insurance Fund
Budget to Actual
As of December 31, 2018

	Budget 2018-2019			YTD Expended 2018-2019			Remaining 2018-2019				
Banking Layer Revenue											
41020 Banking Layer Deposit - See Note 1	\$ 8,567,000	\$ 6,433,000	\$ 2,134,000	\$ 4,283,499	\$ 3,216,500	\$ 1,066,999	\$ 4,283,501	50%	\$ 3,216,500	\$ 1,067,001	
44030 Change in Fair Value - See Note 2	-	-	-	224,611	173,772	50,839	(224,611)		(173,772)	(50,839)	
44040 Interest Income - See Note 2	-	-	-	303,432	235,271	68,161	(303,432)		(235,271)	(68,161)	
Total Banking Layer Revenue	<u>\$ 8,567,000</u>	<u>\$ 6,433,000</u>	<u>\$ 2,134,000</u>	<u>\$ 4,950,962</u>	<u>\$ 3,625,543</u>	<u>\$ 1,325,419</u>	<u>\$ 3,616,038</u>	42%	<u>\$ 2,807,457</u>	<u>\$ 808,581</u>	
Banking Layer Expenses											
51100 Claims Expense - See Note 4	\$ 6,734,020	\$ 5,108,020	\$ 1,626,000	\$ 2,471,471	\$ 1,922,623	\$ 548,848	\$ 4,262,549	63%	\$ 3,185,397	\$ 1,077,152	
51135 Claims Admin - Liability - See Note 4	-	-	-	150,431	-	150,431	(150,431)		-	(150,431)	
51400 OS Liability Adjustment - See Note 4	-	-	-	767,288	617,962	149,326	(767,288)		(617,962)	(149,326)	
51800 ULAE Adjustment - See Note 4	-	-	-	36,340	36,340	-	(36,340)		(36,340)	-	
52300 Claims Admin - Monthly WC Only - See Note 4	706,000	706,000	-	289,345	289,345	-	416,655	59%	416,655	-	
Total Banking Layer Expenses	<u>\$ 7,440,020</u>	<u>\$ 5,814,020</u>	<u>\$ 1,626,000</u>	<u>\$ 3,714,875</u>	<u>\$ 2,866,270</u>	<u>\$ 848,605</u>	<u>\$ 3,725,145</u>	50%	<u>\$ 2,947,750</u>	<u>\$ 777,395</u>	
TOTAL BANKING REVENUE OVER EXPENSES	\$ 1,126,980	\$ 618,980	\$ 508,000	\$ 1,236,087	\$ 759,273	\$ 476,814	\$ (109,107)		\$ (140,293)	\$ 31,186	

Northern California Cities Self Insurance Fund
Budget to Actual
As of December 31, 2018

	Budget 2018-2019			YTD Expended 2018-2019			Remaining 2018-2019				
Shared Layer Revenue											
41030 Shared Risk Layer Deposit - See Note 1	\$ 5,499,000	\$ 3,403,000	\$ 2,096,000	\$ 2,749,500	\$ 1,701,499	\$ 1,048,001	\$ 2,749,500	50%	\$ 1,701,501	\$ 1,047,999	
41040 Excess Deposit/Premium - See Note 1	2,739,119	1,530,000	1,209,119	1,369,560	765,000	604,560	1,369,559	50%	765,000	604,559	
44020 Excess Insurance Refund - See Note 3	-	-	-	-	-	-	-	-	-	-	
44030 Change in Fair Value	-	-	-	222,116	155,579	66,537	(222,116)		(155,579)	(66,537)	
44040 Interest Income	-	-	-	295,470	207,117	88,353	(295,470)		(207,117)	(88,353)	
44060 Property Premium - See Note 1	778,381	-	778,381	573,450	-	573,450	204,931	26%	-	204,931	
44070 Crime Premium - See Note 1	51,448	-	51,448	25,724	-	25,724	25,724	50%	-	25,724	
Total Shared Layer Revenue	\$ 9,067,948	\$ 4,933,000	\$ 4,134,948	\$ 5,235,820	\$ 2,829,195	\$ 2,406,625	\$ 3,832,128	42%	\$ 2,103,805	\$ 1,728,323	
Shared Layer Expenses											
51100 Claims Expense	\$ 4,374,000	\$ 2,749,000	\$ 1,377,000	\$ 2,190,666	\$ 1,379,178	\$ 811,488	\$ 2,183,334	50%	\$ 1,369,822	\$ 565,512	
54100 Excess Deposit/Premium Exp - See Note 5	2,739,119	1,530,000	1,209,119	1,372,155	784,755	587,400	1,366,964	50%	745,245	621,719	
54150 Member Property Coverage - See Note 5	1,146,899	-	1,146,899	583,194	-	583,194	563,705	49%	-	563,705	
54150 Member Crime Coverage - See Note 5	51,448	-	51,448	25,724	-	25,724	25,724	50%	-	25,724	
Total Shared Layer Expenses	\$ 8,311,466	\$ 4,279,000	\$ 3,784,466	\$ 4,171,739	\$ 2,163,933	\$ 2,007,806	\$ 4,139,727	50%	\$ 2,115,067	\$ 1,776,660	
TOTAL SHARED REVENUE OVER EXPENSES	\$ 756,482	\$ 654,000	\$ 350,482	\$ 1,064,081	\$ 665,262	\$ 398,819	\$ (307,599)		\$ (11,262)	\$ (48,337)	
OTHER INCOME/(EXPENSE)											
Rounding	-	-	-	(3)	3	(6)	3		(3)	6	
Total Other Income/(Expense)	\$ -	\$ -	\$ -	\$ (326)	\$ 3	\$ (329)	\$ 326		\$ (3)	\$ 329	
TOTAL INCOME/(EXPENSE)	\$ 1,883,462	\$ 1,272,980	\$ 858,482	\$ 2,057,244	\$ 1,324,512	\$ 822,332	\$ (173,782)		\$ (51,532)	\$ 36,150	

Northern California Cities Self Insurance Fund
Notes to Budget to Actual
As of December 31, 2018

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, 2018**

Member	ADA Grants Declared in FY 2009 Board Meeting 4/24/2009		Risk Management Reserve Fund elected to be retained in WC admin by members from their WC shared refund							Total funds available FY 2009 - FY 2018 for Risk Management	Total Disbursements Paid through Last Update	Risk Management Reserve Funds Available
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2017	FY 2018				
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	15,672.47	11,900.53	
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	388,297.37	21,790.63	
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	\$ 884,760.64	\$ 264,275.36	

Schedule includes payments made through December 31, 2018

**Northern California Cities Self Insurance Fund
Police Risk Management Grants Historic Usage Report
As of December 31, 2018**

Member	Police Risk Management Grant Funds				Total funds granted FY 2015 - FY 2018 for Police Risk Management	Total Disbursements Paid through Last Update	Police Risk Management Grant Funds Available
	FY 2015	FY 2016	FY 2017	FY 2018			
Anderson	\$1,515.00	\$1,515.00	\$ 1,515.00	\$ 1,515.00	\$6,060.00	\$ -	\$ 6,060.00
Auburn	3,030.00	3,030.00	3,030.00	3,030.00	\$12,120.00	9,309.74	2,810.26
Colusa	1,515.00	1,515.00	1,515.00	1,515.00	\$6,060.00	3,030.00	3,030.00
Corning	1,515.00	1,515.00	1,515.00	1,515.00	\$6,060.00	3,291.26	2,768.74
Dixon	3,030.00	3,030.00	3,030.00	3,030.00	\$12,120.00	8,994.38	3,125.62
Elk Grove	3,030.00	3,030.00	3,030.00	3,030.00	\$12,120.00	9,090.00	3,030.00
Folsom	3,787.50	3,787.50	3,788.00	3,787.50	\$15,150.50	7,576.00	7,574.50
Galt	3,030.00	3,030.00	3,030.00	3,030.00	\$12,120.00	-	12,120.00
Gridley	1,515.00	1,515.00	1,515.00	1,515.00	\$6,060.00	4,543.26	1,516.74
Ione	1,515.00	1,515.00	1,515.00	1,515.00	\$6,060.00	4,626.01	1,433.99
Jackson	1,515.00	1,515.00	1,515.00	1,515.00	\$6,060.00	-	6,060.00
Lincoln	3,030.00	3,030.00	3,030.00	3,030.00	\$12,120.00	6,548.50	5,571.50
Marysville	2,272.50	2,272.50	2,273.00	2,272.50	\$9,090.50	4,919.87	4,170.63
Nevada City	1,515.00	1,515.00	1,515.00	1,515.00	\$6,060.00	4,545.00	1,515.00
Oroville	3,030.00	3,030.00	3,030.00	3,030.00	\$12,120.00	12,120.00	-
Placerville	2,272.50	2,272.50	2,273.00	1,515.00	\$8,333.00	3,970.32	4,362.68
Paradise	1,515.00	1,515.00	1,515.00	2,272.50	\$6,817.50	4,545.00	2,272.50
Red Bluff	2,272.50	2,272.50	2,273.00	2,272.50	\$9,090.50	4,545.00	4,545.50
Rio Vista	1,515.00	1,515.00	1,515.00	1,515.00	\$6,060.00	4,241.15	1,818.85
Rocklin	3,030.00	3,030.00	3,030.00	3,030.00	\$12,120.00	12,120.00	-
Willows	1,515.00	1,515.00	1,515.00	1,515.00	\$6,060.00	1,065.00	4,995.00
Yuba City	3,030.00	3,030.00	3,030.00	3,030.00	\$12,120.00	6,060.00	6,060.00
	\$ 49,995.00	\$ 49,995.00	\$ 49,997.00	\$ 49,995.00	\$ 199,982.00	\$ 115,140.49	\$ 84,841.51

Schedule includes payments made through December 31, 2018

Designated for Risk Management	
Risk Management Reserves	\$ 264,275
Police Risk Management Grants	84,842
Total	<u>\$ 349,117</u>



BACK TO AGENDA

Northern California Cities Self Insurance Fund
Board of Directors Meeting
April 25, 2019

Agenda Item H.2.

BUDGET TO ACTUAL AS OF DECEMBER 31, 2018

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 18/19 Budget. The one item over budget in the report, the annual State Workers' Compensation Assessment, will end up coming in under budget after we book a refund for an overcharge.

RECOMMENDATION: None.

FISCAL IMPACT: None.

BACKGROUND: None.

ATTACHMENT(S): Please refer to pages 26 to 30 of the Quarterly Financial Report for Period Ending December 31, 2018 - Budget to Actual as of December 31, 2018.



Agenda Item I.1.

FY 19/20 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 and expenses provided by NCCSIF's accountant are used in creating the FY 19/20 budget.

Administrative Expenses

1. Claim Audits - every year either the Liability or Workers' Compensation (WC) claims are audited. The WC Claims audit was budgeted in FY 18/19 at \$11,000 and was just recently completed in March 2019. A budgeted expense of \$8,500 is allocated for a Liability Claims audit in FY 19/20.
2. The Financial Audit increased by 2% based on the current three-year contract.
3. Actuarial Services are expected to increase 2.8%.
4. Accounting Services are contracted to increase 3%.
5. York's Risk Control services are the same as last year based on the current contract, and the rest of the risk control budget is expected to be flat as well.
6. State Funding/Fraud Assessment has been estimated to increase by 25% from the actual *corrected* expense for FY 18/19, to essentially remain flat for next year.
7. Total Program Administration costs have increased 9.5% based on the fee schedules in the current program administration and accounting services agreements.

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

FISCAL IMPACT: Total administrative expenses are estimated to be \$1,312,988, an increase of \$13,398 (1%) over FY 18/19. 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): Preliminary FY 19/20 NCCSIF Budget

**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
PRELIMINARY ADMIN BUDGET
July 1, 2019 to June 30, 2020**

EXPENSES:	WORK COMP	LIABILITY	2019-20 TOTAL	2018-19 PRIOR YEAR	\$ CHANGE	% CHANGE	
Administrative Expenses:							
Consultants							
52101	Claims Audit	\$8,500	\$8,500	\$11,000	(\$2,500)	-22.7%	18/19 WC audit last year more than GL (17/18 GL cost \$7,500)
52102	Financial Audit	\$13,850	\$13,850	\$27,700	\$546	2.0%	Per 2017-19 contract
52103	Legal Services	\$2,000	\$15,000	\$17,000	\$0	0.0%	
52104	Actuarial Review	\$5,530	\$7,530	\$13,060	\$360	2.8%	Per engagement letter including 6/30 Updates
52105	Computer Services			n/a	n/a	n/a	Moved as part of Accounting Services
52106	CAJPA Accreditation (not until 2021)			n/a	n/a	n/a	recent accreditation 2018, occurs every 3 years
52109	Misc. Consulting/Contingency	\$2,500	\$2,500	\$5,000	\$0	0.0%	
	Total Consultant Expenses	\$23,880	\$47,380	\$71,260	(\$1,594)	-2.2%	
Safety Services:							
52204	Risk Control Services Agreement	\$89,240	\$89,240	\$178,480	\$0	0.0%	Per 2019-22 contract
52201	Outside Training	\$15,000	\$15,000	\$30,000	\$0	0.0%	
52202	Risk Mgmt Comm Mtg Expense	\$750	\$750	\$1,500	\$0	0.0%	
52207	Member Training and Risk Management	\$50,000	\$38,000	\$88,000	\$0	0.0%	\$4,000 per member annual allocation for training/conferences
52208	Lexipol Police Manual Updates & DTBs	\$140,234		\$140,234	\$136,267	2.9%	
52209	Police Risk Management Funds	\$25,000	\$25,000	\$50,000	\$0	0.0%	RMC recommendation
	Total Safety Services Expenses	\$320,224	\$167,990	\$488,214	\$3,967	0.8%	
Claims Administration							
52302	Claims Administration Fee (Reports, etc.) Annual	\$0	\$0	\$0	(\$50,600)	-100.0%	Annual Admin Fee will be lumped into the new proposed flat fee pricing
	Claims Adjustment Fee*						
52304	State Funding/Fraud Assessment	\$267,699		\$267,699	\$22,175	9.0%	Actual 18/19 = \$214,159 + 25% Est. increase
	Total Claims Administration Expenses	\$267,699	\$0	\$267,699	(\$28,425)	-9.6%	
Program Administration							
52401	Program Administration and Brokerage Fee	\$154,084	\$184,902	\$338,986	\$29,410	9.5%	Per 2019-24 contract
52403	Accounting Services	\$53,085	\$53,085	\$106,170	\$3,480	3.4%	Per 2018-22 contract
	Total Program Administration Expenses	\$207,169	\$237,987	\$445,156	\$32,890	8.0%	

**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
PRELIMINARY ADMIN BUDGET
July 1, 2019 to June 30, 2020**

EXPENSES:		WORK COMP	LIABILITY	2019-20 TOTAL	2018-19 PRIOR YEAR	\$ CHANGE	% CHANGE	
Board Expenses								
52501	Executive Committee	\$1,250	\$1,250	\$2,500	\$2,500	\$0	0.0%	
52502	Executive Committee Member Travel	\$2,000	\$2,000	\$4,000	\$4,000	\$0	0.0%	
52503	Board of Directors Meetings (includes Travel)	\$4,000	\$4,000	\$8,000	\$8,000	\$0	0.0%	
XXXX	Board of Directors Long Range Planning (@3 years, last LRP Dec. 2017)	\$4,000	\$4,000	\$8,000	\$4,000	\$4,000	100.0%	Doubled for 40th Anniversary Celebration in October 2019 and LRP in January 2020
52504	Association Memberships (PARMA, CAJPA, AGRIP)	\$2,400	\$2,400	\$4,800	\$4,000	\$800	20.0%	projected increase to CAJPA membership fee
	Total Board Expenses	\$13,650	\$13,650	\$27,300	\$22,500	\$4,800	21.3%	
OTHER Administration Expenses (Not identified with above budget line items)								
52000	Administrative Expense	\$0	\$0	\$0	\$0	\$0	0.0%	
52001	Administration Expense - Other	\$0	\$0	\$0	\$0	\$0	0.0%	
52900	Member Identity Theft Protection	\$13,359	0	\$13,359	\$13,359	\$0	0.0%	Increase dependent on Employee Count
	Total Other Admin	\$13,359	\$0	\$13,359	\$13,359	\$0	0.0%	
Total Admin Expenses		\$845,981	\$467,007	\$1,312,988	\$1,299,590	\$13,398	1.0%	
Net Loss/Admin Surplus Offset					TBD		0.0%	Possible offset TBD

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



BACK TO AGENDA

Northern California Cities Self Insurance Fund
Board of Directors Meeting
April 25, 2019

Agenda Item I.2.a.

**ACTUARIAL SERVICES TRANSITION TO “BICKMORE ACTUARIAL”
INFORMATION ITEM**

ISSUE: Mike Harrington will be in attendance to discuss the change of services from York Risk Services Group, Inc. to “Bickmore Actuarial” effective April 1, 2019.

RECOMMENDATION: None. Information only.

FISCAL IMPACT: None

BACKGROUND: Bickmore Risk Services has been providing actuarial services to NCCSIF for over twenty years. York Risk Services Group, Inc. purchased Bickmore Risk Services in 2017 and re-branded from Bickmore to York in December, 2018. The actuarial services traditionally provided by Bickmore are transitioning from York to a new entity with the Bickmore name. The same team of actuaries, led by Mike Harrington, are expected to form the new company.

ATTACHMENT(S): Bickmore Actuarial Group Special Announcement

➤ **Bickmore Actuarial Group Special Announcement**

Effective April 1, 2019, the Bickmore Actuarial Group will become a wholly independent entity and will no longer be part of York. They will continue to operate under the Bickmore brand with the company name Bickmore Actuarial. All existing actuarial clients and actuarial staff will transfer over to Bickmore Actuarial. Given the unique nature of their business, having the actuarial team operate as an independent group will eliminate any perceived conflicts by current and future York clients. York will continue to partner with them moving forward.

Please note that we will communicate this news to clients beginning March 1.

Why is this change taking place?

Some clients may perceive a potential conflict with one division of York setting the client's case reserves and another division of York setting the client's actuarial reserves. This change makes those functions independent while still maintaining the high quality of service currently provided by York's adjusters and actuaries.

Will York have an ownership interest in Bickmore Actuarial?

Effective April 1, Bickmore Actuarial will be a separate entity with no York ownership. However, York supports the transition and will work with Bickmore Actuarial on a collaborative basis moving forward so we can continue providing clients with the same level of exceptional service.

How will Bickmore Actuarial operations and contact information change?

There will be minimal changes to current actuarial operations and contacts. Bickmore Actuarial is a California Corporation and will continue to maintain offices in both Sacramento, California and Medford, Oregon. All existing phone numbers for actuarial staff will be maintained for consistency. The former @bickmore.net email addresses for actuarial staff will change to @bickmoreactuarial.net with the same prefixes as before.

Does this have an impact on clients that York and Bickmore Actuarial share?

This transition should have no impact on our joint clients. All actuarial services will continue to be provided on previously agreed upon scope and timelines by the same actuarial team that has provided those services historically.

How will actuarial clients with active projects on April 1 be handled?

On April 1, all York clients will be transitioned to the Bickmore Actuarial team. All projects in progress at the transition date will be completed by the same team that performed them under the York contracted work prior to April 1.



Agenda Item I.2.b.

ACTUARIAL STUDY FOR WORKERS' COMPENSATION PROGRAM

ACTION ITEM

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

FY 19/20 Funding

Total recommended funding for the Banking and Shared Risk Layers is \$10,061,000 at the current 80% Confidence Level (CL). *Overall the rates have decreased 2.9%, from \$4.475 to \$4.346, with a 4% decrease in the Banking Layer and a 1.4% decrease for the Shared Layer.*

Outstanding Liabilities at June 30th

The actuary estimates that NCCSIF will have total assets of approximately \$46,258,000 on June 30, 2019, compared to \$44,489,000 last year. The estimated total Outstanding Liability at June 30 is \$38,721,000 at the 90% Confidence Level (CL), compared to \$38,057,000 last year. *This results in an estimated \$7,537,000 in net position above the 90% CL, compared to \$6,432,000 last year.*

Assets for the Banking Layer are estimated at \$23,353,000 as of June 30, 2019, \$1,095,000 above the estimate of \$22,258,000 in 2018. Banking Layer liabilities are \$17,594,000 at the 90% CL, compared to \$17,388,000 last year. *This means the Banking Layer net position above the 90% CL is estimated at \$5,759,000 compared to \$4,870,000 last year.*

Assets for the Shared Risk Layer are estimated to be \$22,905,000 at June 30, 2019, compared to \$22,231,000 in 2018. Liabilities are estimated at \$21,127,000 at the 90% CL, compared to \$20,669,000 last year. *The net position in excess of the 90% CL is estimated to be \$1,778,000, compared to \$1,562,000 last year.*

RECOMMENDATION: Accept and file the report.

FISCAL IMPACT: T.B.D.; while rates are decreasing the overall funding is increasing due to an increase in payroll of 5.3%, from \$220 to \$231 million. No change is expected to the CL of 80%.

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

ATTACHMENT(S): Workers' Compensation Program Actuarial Study for FY 19/20 - *Summary*



Actuarial Review of the Self-Insured Workers' Compensation Program

Outstanding Liabilities as of June 30, 2019

Forecast for Program Year 2019-20

Presented to

Northern California Cities Self-Insurance Fund

March 2019



Friday, March 1, 2019

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

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

Dear Mr. Beverly:

As you requested, we have completed our review of Northern California Cities Self Insurance Fund's self-insured workers' compensation program. Assuming an SIR of \$500,000 per occurrence, we estimate the ultimate cost of claims and expenses for claims incurred during the 2019-20 program year to be \$8,426,000. 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, \$5,683,000 is for the banking layer (\$0 – \$100,000 per occurrence) and \$2,743,000 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 2019-20 claims translates to a rate of \$3.640 per \$100 of payroll, \$2.455 for the banking layer and \$1.185 for the shared layer (assuming \$231,495,000 in rated payroll).

In addition, we estimate the program's liability for outstanding claims to be \$30,804,000 as of June 30, 2019 again including ALAE and ULAE, and discounted for anticipated investment income, but excluding 4850 TD and 4850 SC benefits. Given estimated program assets of \$46,258,000 as of June 30, 2019, 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 \$30,804,000 estimate is the minimum liability to be booked by NCCSIF at June 30, 2019 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, 2019 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, 2019
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	\$30,753,000					
ULAE	1,809,000					
Investment Income Offset	(1,758,000)					
Discounted Loss and LAE	\$30,804,000	\$33,330,000	\$34,316,000	\$35,486,000	\$36,872,000	\$38,721,000
Assets	46,258,000					
Surplus or (Deficit)	\$15,454,000	\$12,928,000	\$11,942,000	\$10,772,000	\$9,386,000	\$7,537,000

Northern California Cities Self Insurance Fund
Self-Insured Workers' Compensation Program
Estimated Liability for Unpaid Loss and LAE
Banking Layer
at June 30, 2019
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	\$13,899,000					
ULAE	1,809,000					
Investment Income Offset	(848,000)					
Discounted Loss and LAE	\$14,860,000	\$15,811,000	\$16,153,000	\$16,524,000	\$17,000,000	\$17,594,000
Assets	23,353,000					
Surplus or (Deficit)	\$8,493,000	\$7,542,000	\$7,200,000	\$6,829,000	\$6,353,000	\$5,759,000

Northern California Cities Self Insurance Fund
Self-Insured Workers' Compensation Program
Estimated Liability for Unpaid Loss and LAE
Shared Layer
at June 30, 2019
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	\$16,854,000					
ULAE	0					
Investment Income Offset	(910,000)					
Discounted Loss and LAE	\$15,944,000	\$17,519,000	\$18,163,000	\$18,962,000	\$19,872,000	\$21,127,000
Assets	22,905,000					
Surplus or (Deficit)	\$6,961,000	\$5,386,000	\$4,742,000	\$3,943,000	\$3,033,000	\$1,778,000

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 2019-20 fiscal year.

Northern California Cities Self Insurance Fund
Self-Insured Workers' Compensation Program
Loss and LAE Funding Guidelines for 2019-20
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	\$8,026,000					
ULAE	749,000					
Investment Income Offset	(349,000)					
Discounted Loss and LAE	\$8,426,000	\$9,311,000	\$9,656,000	\$10,061,000	\$10,549,000	\$11,215,000
Rate per \$100 of 2019-20 Payroll	\$3.640	\$4.022	\$4.171	\$4.346	\$4.557	\$4.844

Northern California Cities Self Insurance Fund
Self-Insured Workers' Compensation Program
Loss and LAE Funding Guidelines for 2019-20
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	\$5,169,000					
ULAE	749,000					
Investment Income Offset	(235,000)					
Discounted Loss and LAE	\$5,683,000	\$6,149,000	\$6,314,000	\$6,501,000	\$6,729,000	\$7,024,000
Rate per \$100 of 2019-20 Payroll	\$2.455	\$2.656	\$2.727	\$2.808	\$2.907	\$3.034

Northern California Cities Self Insurance Fund
 Self-Insured Workers' Compensation Program
 Loss and LAE Funding Guidelines for 2019-20
 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	\$2,857,000					
ULAE	0					
Investment Income Offset	(114,000)					
Discounted Loss and LAE	\$2,743,000	\$3,162,000	\$3,342,000	\$3,560,000	\$3,820,000	\$4,191,000
Rate per \$100 of 2019-20 Payroll	\$1.185	\$1.366	\$1.444	\$1.538	\$1.650	\$1.810

The funding recommendations shown in the table above do not include any recognition of the existing funding margin (surplus or deficit) at June 30, 2019. 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.

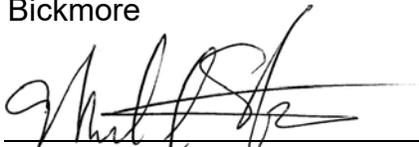
The ultimate impact on loss costs of legislated benefit adjustments are generally difficult to forecast in advance because the changes typically take place over a period of several years following enactment. Furthermore, actuarially derived benefit level evaluations often underestimate actual future 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,

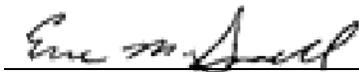
Bickmore



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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 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%
2018-19	80%	80%
2019-20	80%	80%

The purpose of this review is to provide a guide to NCCSIF to determine reasonable funding levels for its self-insurance program according to the funding policy NCCSIF has adopted and to comply with Governmental Accounting Standards Board Statements #10 and #30. The specific objectives of the study are to estimate NCCSIF's liability for outstanding claims as of June 30, 2019, project ultimate loss costs for 2019-20, 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, 2019. 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, 2019.

Our best estimate of the full value of NCCSIF's liability for outstanding claims within its pool limit is \$32,562,000, \$15,708,000 is for the banking layer and \$16,854,000 is for the shared layer as of June 30, 2019. 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).

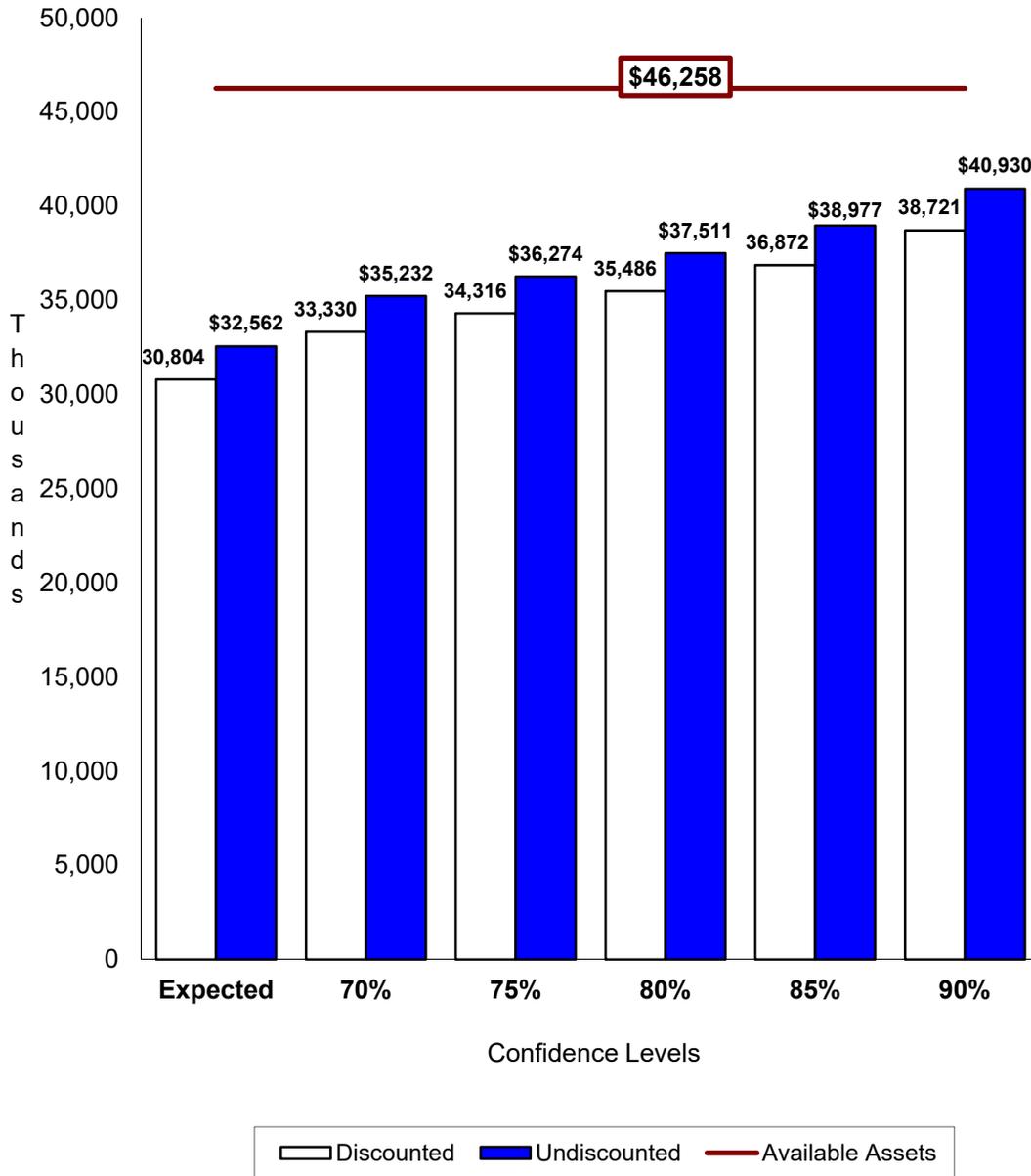
There is some measure of uncertainty associated with our best estimate because of the random nature of much of the process that determines ultimate claims costs. For this reason, we generally recommend that a program such as this include some funding margin for the possibility that actual loss costs 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 \$30,804,000, \$14,860,000 for the banking layer and \$15,944,000 for the shared layer as of June 30, 2019.

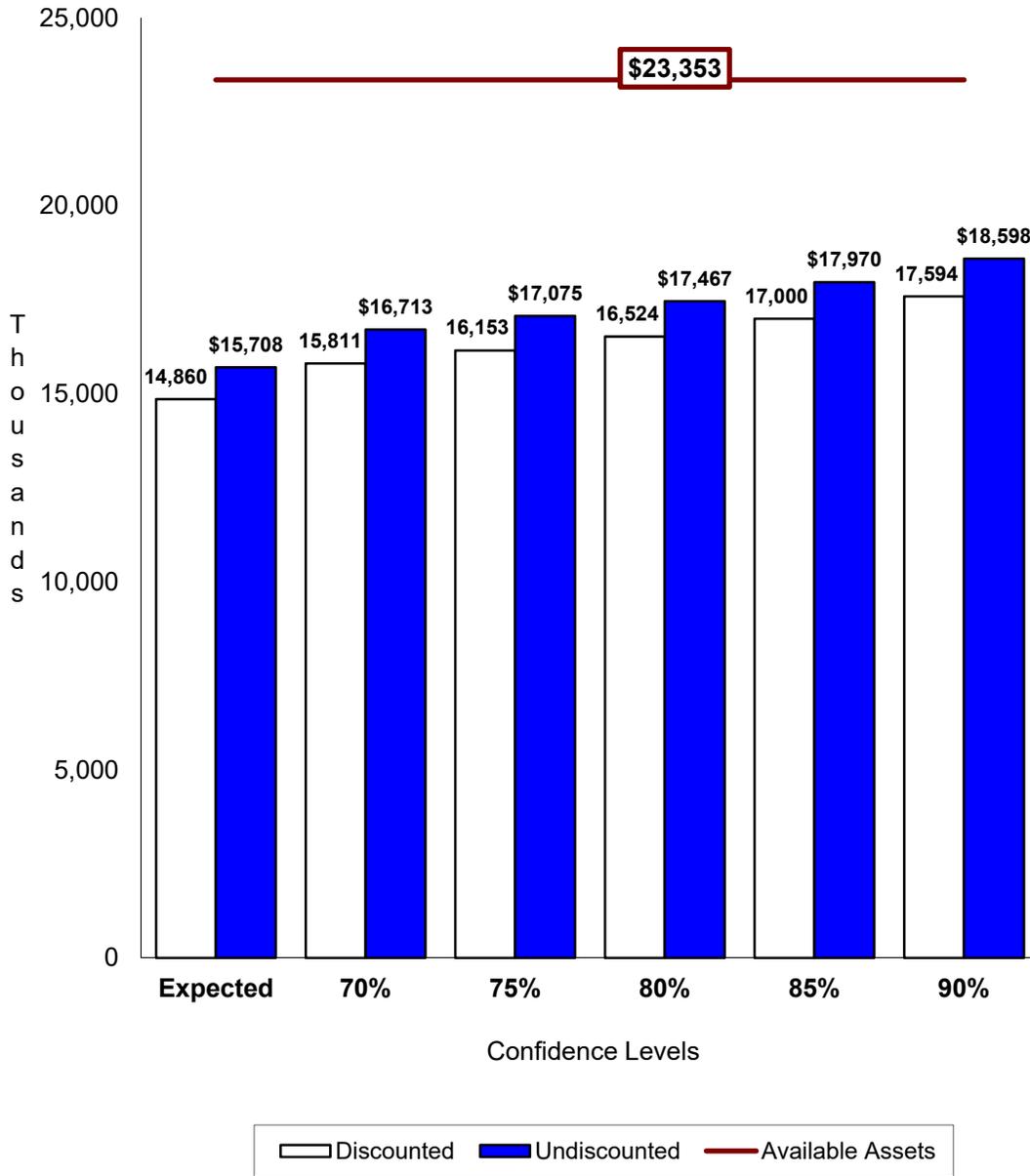
Investment income earnings will be less than this when the program does not maintain sufficient funding, and more when there is excess funding. Thus, thinking in terms of liabilities discounted for investment income can actually mask funding deficiencies and redundancies that might otherwise be obvious. 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

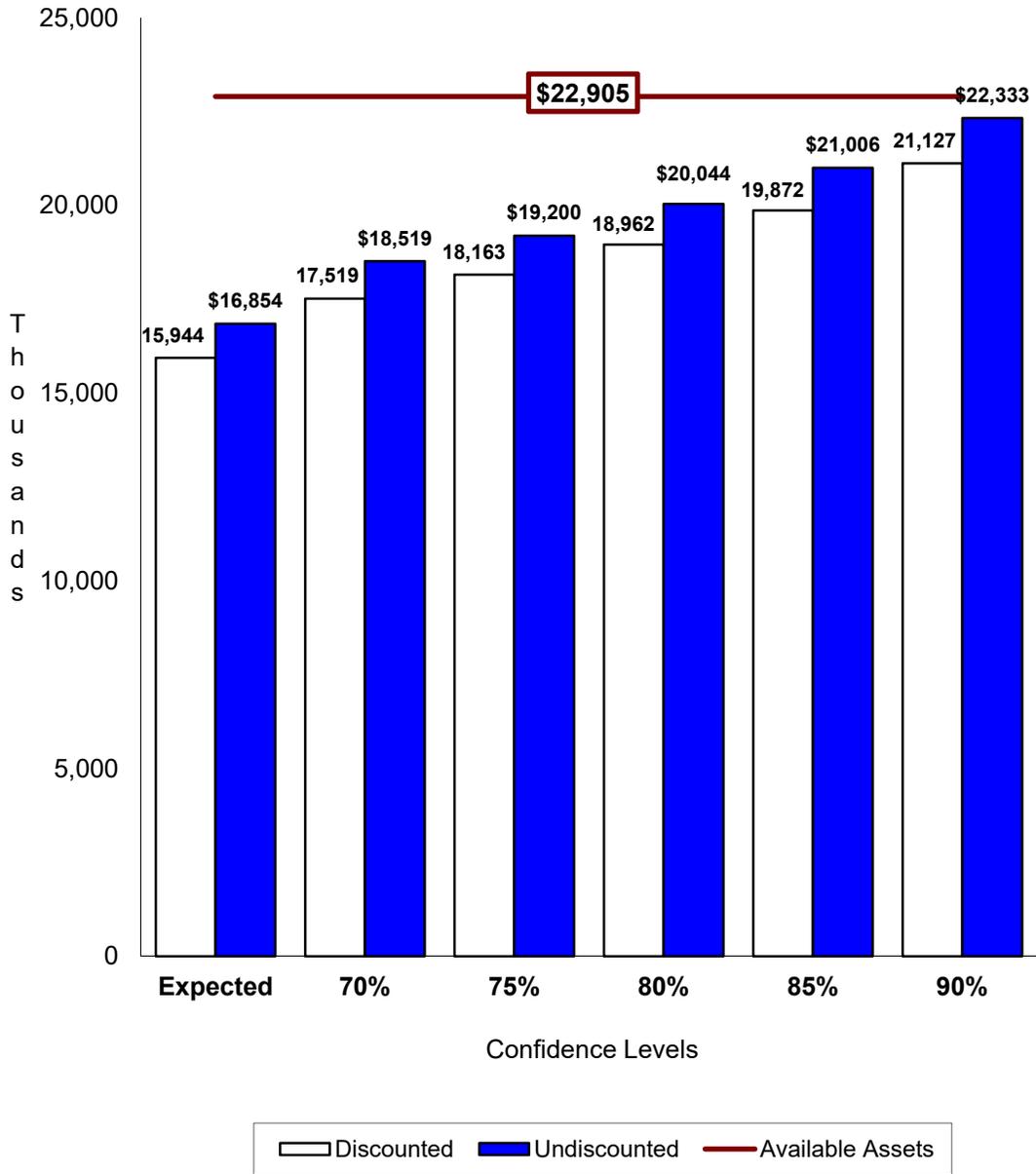
NCCSIF - Workers' Compensation
Available Assets vs Outstanding Liability (\$000's)
at June 30, 2019
Banking and Shared Layers Combined
Net of 4850 TD and 4850 SC



NCCSIF - Workers' Compensation
 Available Assets vs Outstanding Liability (\$000's)
 at June 30, 2019
 Banking Layer
 Net of 4850 TD and 4850 SC



NCCSIF - Workers' Compensation
 Available Assets vs Outstanding Liability (\$000's)
 at June 30, 2019
 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, 2019, 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, 2019
 Banking and Shared Layers Combined
 Net of 4850 TD and 4850 SC

Year	Case Reserves	IBNR Reserves	Total Outstanding
Prior	\$789,061	\$39,307	\$828,368
1998-99	75,947	7,947	83,894
1999-00	188,147	23,365	211,512
2000-01	283,903	38,612	322,515
2001-02	168,998	42,705	211,703
2002-03	329,494	91,408	420,902
2003-04	167,007	73,315	240,322
2004-05	331,417	74,042	405,459
2005-06	448,622	87,118	535,740
2006-07	590,762	142,940	733,702
2007-08	386,290	115,257	501,547
2008-09	613,530	143,237	756,767
2009-10	604,556	190,058	794,614
2010-11	421,616	197,510	619,126
2011-12	1,220,124	268,217	1,488,341
2012-13	812,195	226,778	1,038,973
2013-14	1,452,217	275,521	1,727,738
2014-15	2,052,496	407,357	2,459,853
2015-16	1,859,093	951,065	2,810,158
2016-17	2,108,230	1,385,900	3,494,130
2017-18	2,349,821	2,310,925	4,660,746
2018-19	1,666,524	4,740,704	6,407,228
Loss and ALAE	\$18,920,050	\$11,833,288	\$30,753,338
ULAE		1,808,820	1,808,820
Total	\$18,920,050	\$13,642,108	\$32,562,158

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.

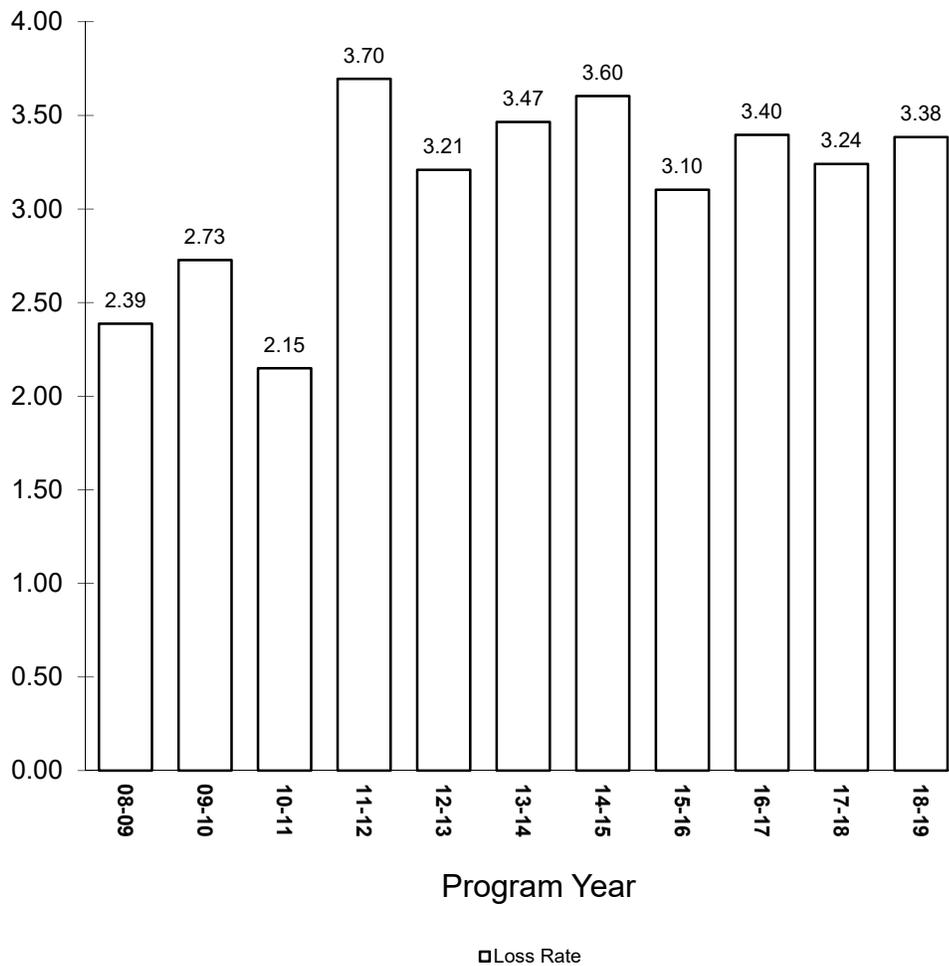
It is estimated that program assets will be \$46,258,000 at June 30, 2019, \$23,353,000 for the banking layer and \$22,905,000 for the shared layer, resulting in the program being funded above the 90% confidence level on a combined basis and for both the banking layer and shared layer separately

C. HISTORICAL TRENDS IN THE SELF-INSURANCE PROGRAM

The program's loss rate per \$100 payroll has been relatively flat during the last seven years. We selected a loss rate of \$3.38 per \$100 of payroll for the 2018-19 program year based on the assumption that this trend will continue. See Graph 2a below.

Graph 2a

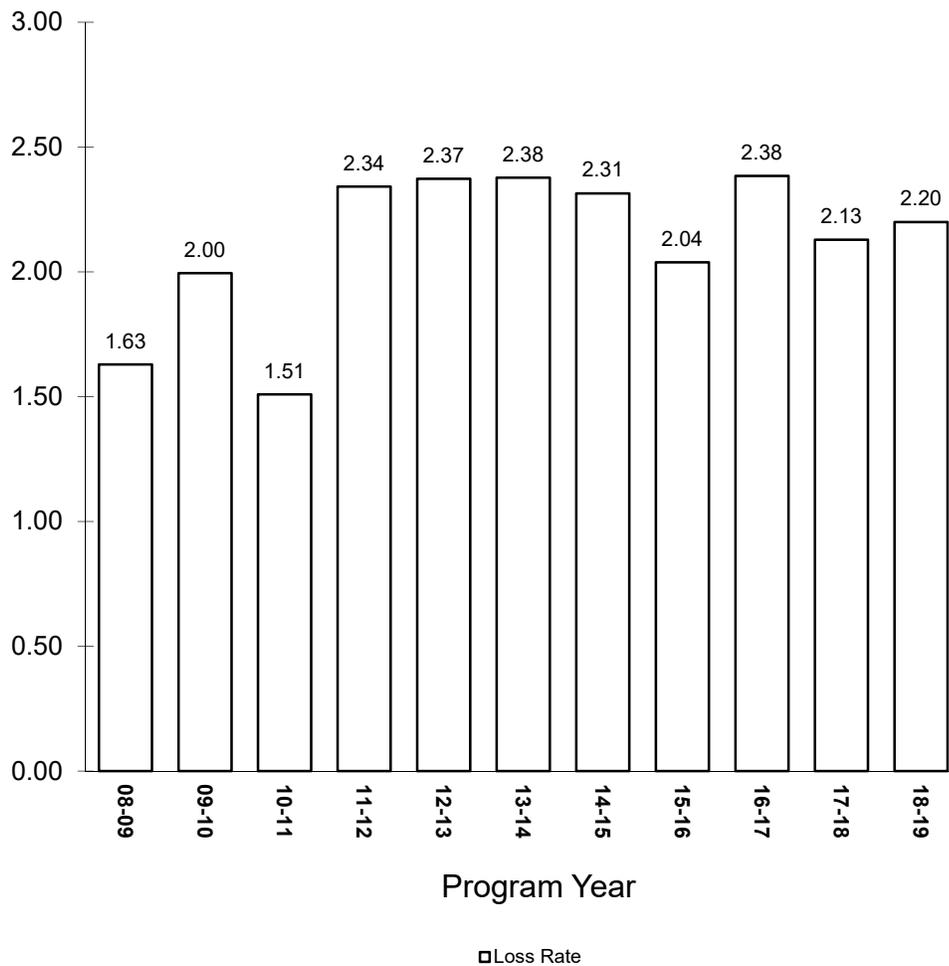
NCCSIF - Workers' Compensation
Banking and Shared Layers Combined
Dollars of Loss per
\$100 of Payroll
Net of 4850 TD and 4850 SC



The banking layer loss rate per \$100 payroll has been generally decreasing during the last seven years. Our projected 2018-19 loss rate of \$2.20 per \$100 of payroll reflects this trend. See Graph 2b below.

Graph 2b

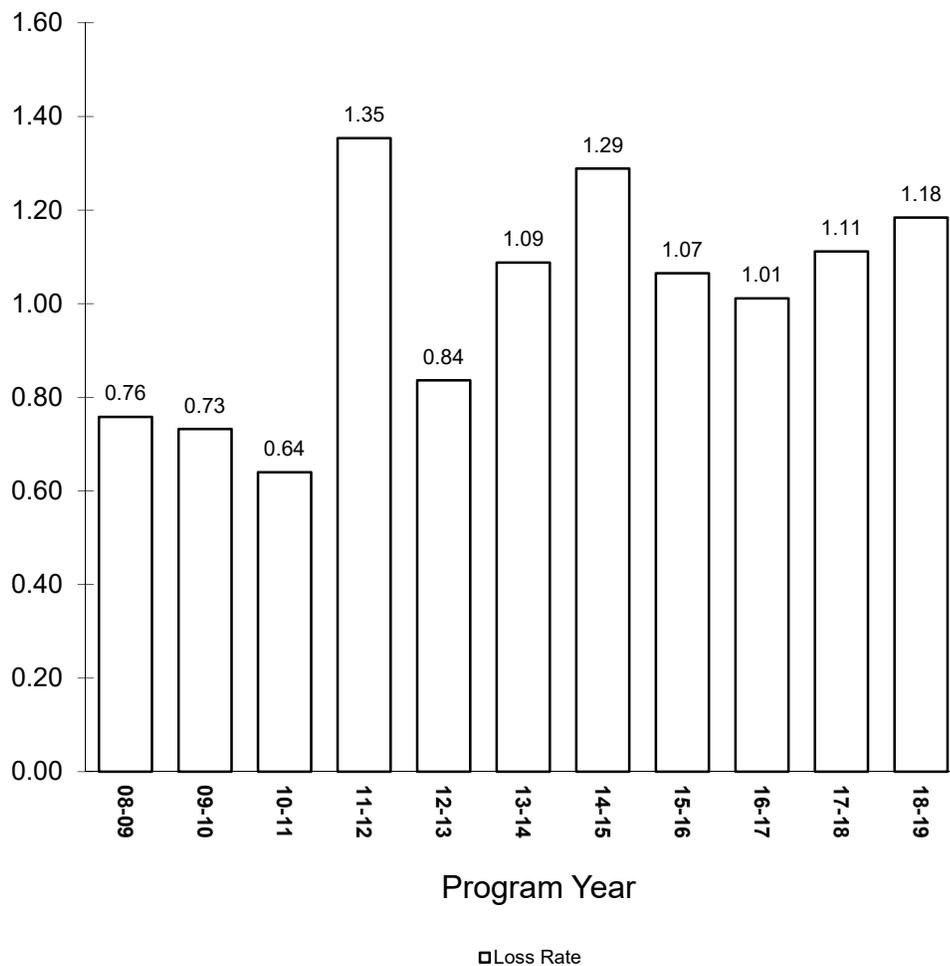
NCCSIF - Workers' Compensation
Banking Layer
Dollars of Loss per
\$100 of Payroll
Net of 4850 TD and 4850 SC



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 eight years. We projected 2018-19 loss rate of \$1.18 based on this trend. See Graph 2c below.

Graph 2c

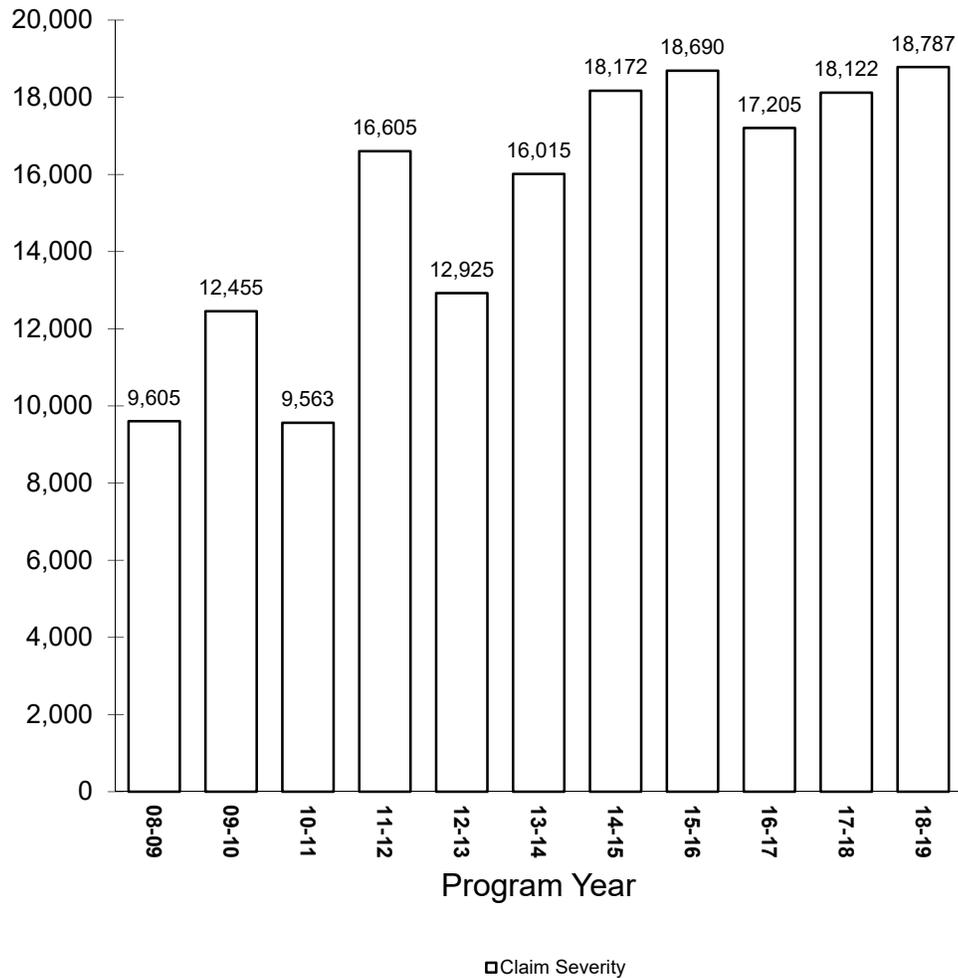
NCCSIF - Workers' Compensation
Shared Layer
Dollars of Loss per
\$100 of Payroll
Net of 4850 TD and 4850 SC



The program's average cost per claim has been following a generally increasing trend over the past ten years. The program's average cost per claim has ranged from a low of \$9,563 to a high of \$18,690. Our projected 2018-19 average cost of \$18,787 per claim reflects this upward trend. See Graph 3a below.

Graph 3a

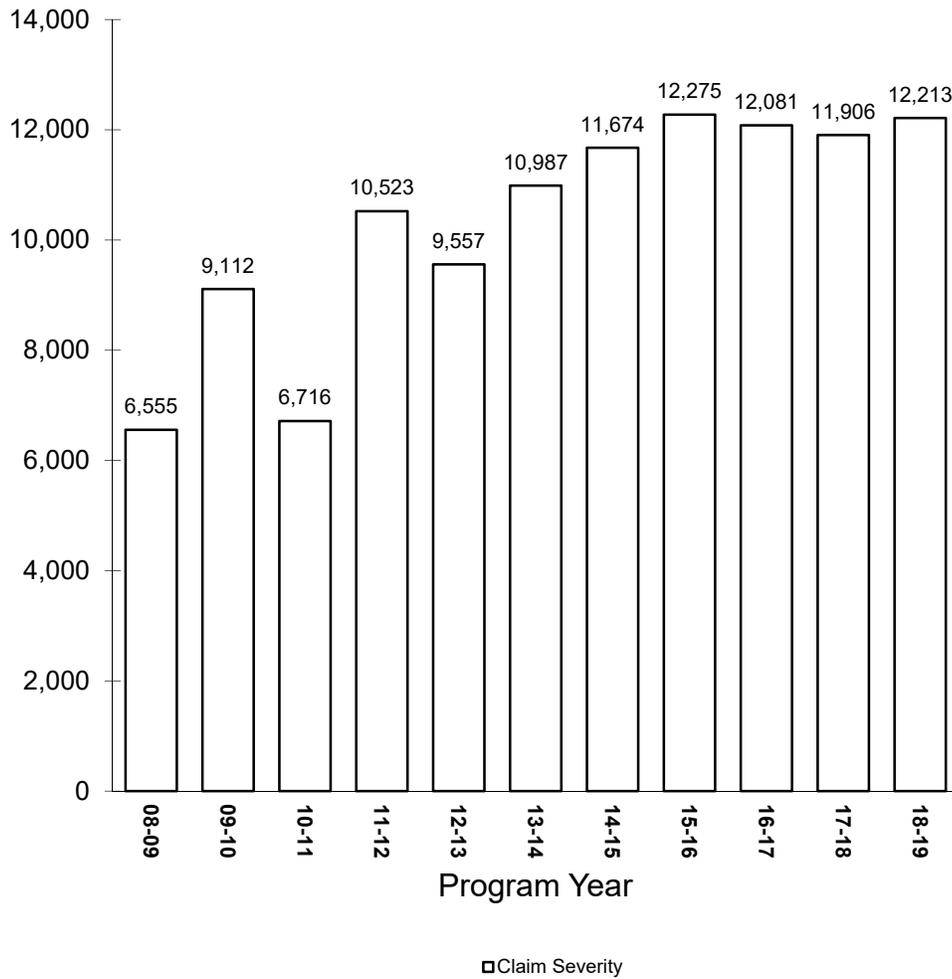
NCCSIF - Workers' Compensation
Banking and Shared Layers Combined
Dollars of Loss per Claim
Net of 4850 TD and 4850 SC



The banking layer's average cost per claim has varied considerably, ranging from a low of \$6,555 to a high of \$12,275. Our projected 2018-19 average cost is \$12,213 based on the average of recent years. See Graph 3b below.

Graph 3b

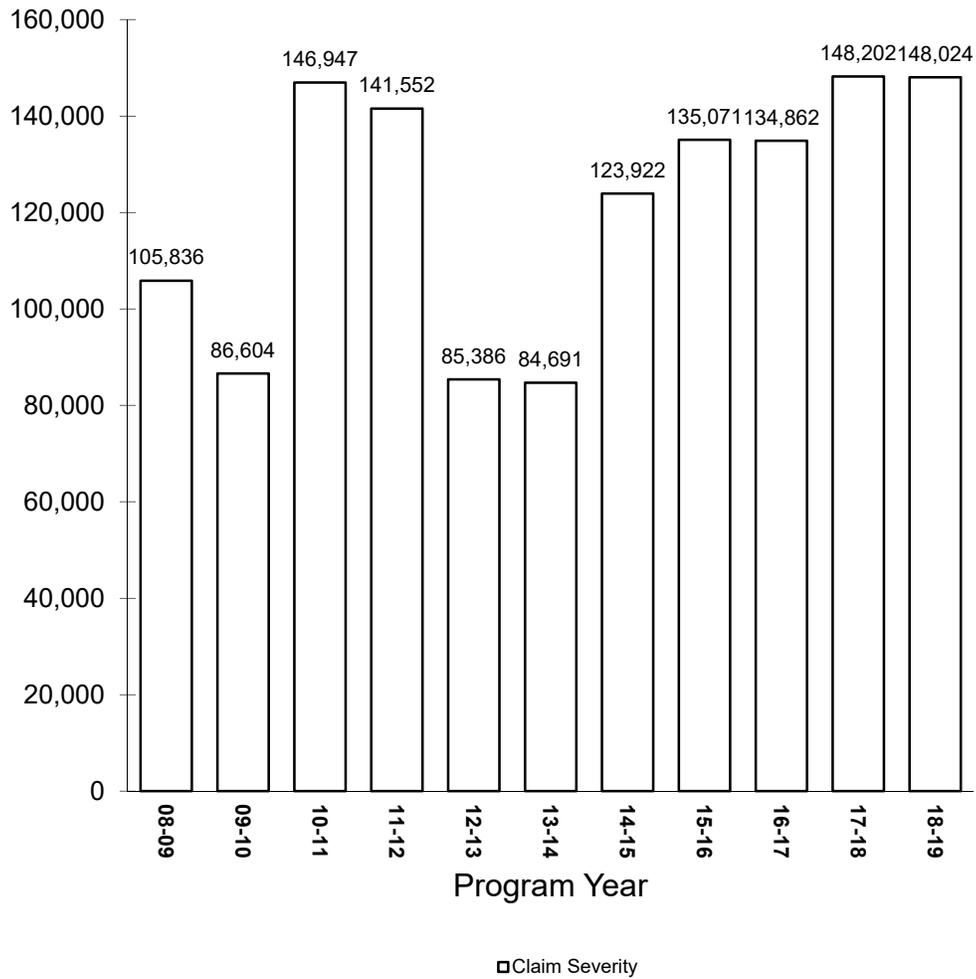
NCCSIF - Workers' Compensation
Banking Layer
Dollars of Loss per Claim
Net of 4850 TD and 4850 SC



The shared layer average cost per claim has been volatile over the period shown below but has been generally increasing. We project the 2018-19 shared layer severity to be \$148,024 per claim. See Graph 3c Below.

Graph 3c

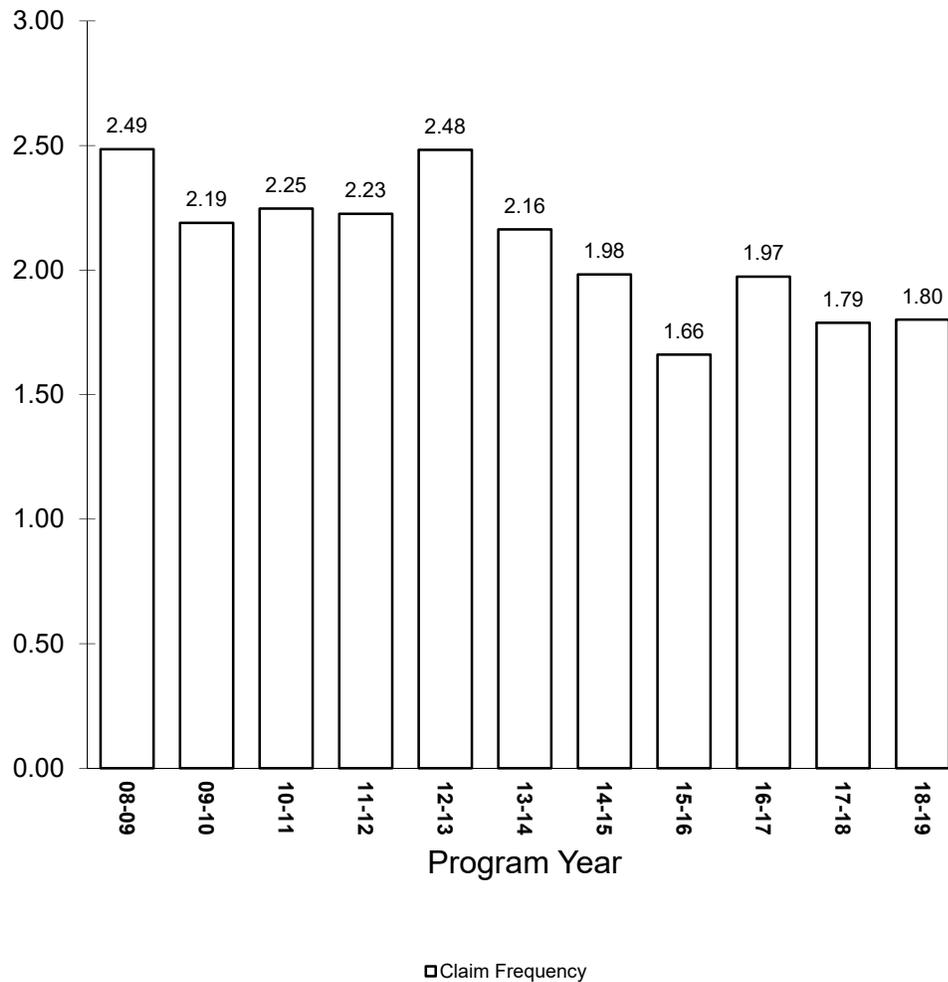
NCCSIF - Workers' Compensation
 Shared Layer
 Dollars of Loss per Claim
 Net of 4850 TD and 4850 SC



The program's frequency of claims per \$1 million payroll has been generally trending downward. The projected 2018-19 frequency of 1.80 is based on that decreasing trend. See Graph 4a below. (Note that banking layer frequency is the same as shown below for the program.)

Graph 4a

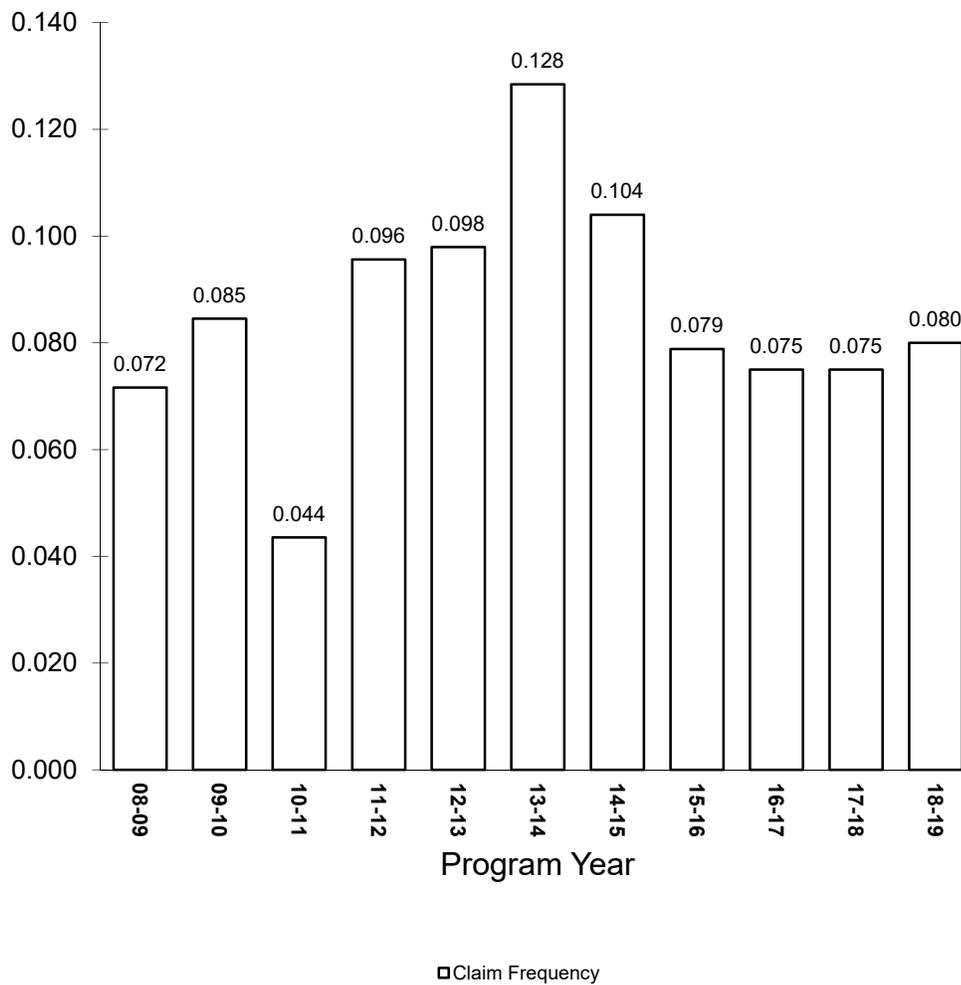
NCCSIF - Workers' Compensation
Number of Claims per
\$1 Million of Payroll



The shared layer frequency of claims per \$1 million payroll has been 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 2018-19 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



D. COMPARISON WITH PREVIOUS RESULTS

The prior report for Northern California Cities Self Insurance Fund was dated March 9, 2018. In the table below we display actual versus expected development of incurred losses and ALAE by accident year between the 12/31/2017 evaluation date of the prior report and the 12/31/2018 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	\$43,000	\$42,000	(\$1,000)
1998-99	7,000	(9,000)	(16,000)
1999-00	14,000	1,000	(13,000)
2000-01	14,000	(47,000)	(61,000)
2001-02	11,000	21,000	10,000
2002-03	19,000	(148,000)	(167,000)
2003-04	13,000	56,000	43,000
2004-05	11,000	31,000	20,000
2005-06	11,000	(12,000)	(23,000)
2006-07	22,000	55,000	33,000
2007-08	18,000	112,000	94,000
2008-09	41,000	(138,000)	(179,000)
2009-10	42,000	123,000	81,000
2010-11	56,000	(15,000)	(71,000)
2011-12	78,000	156,000	78,000
2012-13	50,000	(56,000)	(106,000)
2013-14	91,000	1,000	(90,000)
2014-15	112,000	138,000	26,000
2015-16	446,000	986,000	540,000
2016-17	1,116,000	1,057,000	(59,000)
2017-18	3,100,000	2,341,000	(759,000)
Total	\$5,315,000	\$4,695,000	(\$620,000)

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 \$5,315,000 between the two evaluation dates. However, actual development was approximately \$4,695,000; or about \$620,000 less than expected. Most accident years have developed lower than expected, however, 2015-16 is emerging much greater than expected.

In the table below we display actual versus expected development of paid losses and ALAE by accident year between the 12/31/2017 evaluation date of the prior report and the 12/31/2018 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	\$132,000	\$157,000	\$25,000
1998-99	17,000	11,000	(6,000)
1999-00	33,000	22,000	(11,000)
2000-01	54,000	86,000	32,000
2001-02	22,000	8,000	(14,000)
2002-03	59,000	53,000	(6,000)
2003-04	21,000	54,000	33,000
2004-05	38,000	28,000	(10,000)
2005-06	57,000	46,000	(11,000)
2006-07	90,000	126,000	36,000
2007-08	64,000	35,000	(29,000)
2008-09	181,000	54,000	(127,000)
2009-10	161,000	146,000	(15,000)
2010-11	138,000	82,000	(56,000)
2011-12	306,000	394,000	88,000
2012-13	223,000	184,000	(39,000)
2013-14	493,000	285,000	(208,000)
2014-15	805,000	804,000	(1,000)
2015-16	1,074,000	838,000	(236,000)
2016-17	1,584,000	1,421,000	(163,000)
2017-18	1,935,000	1,270,000	(665,000)
Total	\$7,487,000	\$6,104,000	(\$1,383,000)

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 \$7,487,000 between the two evaluation dates. However, actual development was approximately \$6,104,000; or about \$1,383,000 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	\$39,503,000	\$39,538,000	\$35,000
1998-99	2,693,000	2,677,000	(16,000)
1999-00	5,050,000	5,037,000	(13,000)
2000-01	5,152,000	5,090,000	(62,000)
2001-02	3,951,000	3,961,000	10,000
2002-03	7,061,000	6,892,000	(169,000)
2003-04	4,093,000	4,136,000	43,000
2004-05	3,727,000	3,749,000	22,000
2005-06	4,226,000	4,202,000	(24,000)
2006-07	5,650,000	5,682,000	32,000
2007-08	3,647,000	3,742,000	95,000
2008-09	4,564,000	4,380,000	(184,000)
2009-10	4,488,000	4,571,000	83,000
2010-11	3,570,000	3,500,000	(70,000)
2011-12	5,798,000	5,878,000	80,000
2012-13	5,037,000	4,989,000	(48,000)
2013-14	6,468,000	6,310,000	(158,000)
2014-15	7,046,000	7,069,000	23,000
2015-16	6,067,000	6,448,000	381,000
2016-17	7,287,000	7,209,000	(78,000)
2017-18	7,589,000	6,959,000	(630,000)
Total	\$142,667,000	\$142,019,000	(\$648,000)

As shown, overall we have decreased our estimated ultimates by \$648,000 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, 2018 to be \$30,252,000 at the discounted, expected level. Our current estimate as of June 30, 2019, is \$30,804,000, 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, 2018	Current Report at June 30, 2019	Change
(A) Case Reserves:	\$19,207,000	\$18,920,000	(\$287,000)
(B) IBNR Reserves:	10,993,000	11,833,000	840,000
(C) Claims Administration Reserves:	1,779,000	1,809,000	30,000
(D) Total Reserves:	\$31,979,000	\$32,562,000	\$583,000
(E) Offset for Investment Income:	(1,727,000)	(1,758,000)	(31,000)
(F) Total Outstanding Claim Liabilities:	\$30,252,000	\$30,804,000	\$552,000

As shown, our estimate of outstanding claims liabilities at the discounted, expected level has increased between June 30, 2018 and June 30, 2019 as reflected in our prior and current reports respectively.

At the time of the prior report, available assets were estimated to be \$44,489,000 as of June 30, 2018, which corresponded to the then-estimated discounted liability for outstanding claims above the 90% confidence level. Available assets are currently estimated to be \$46,258,000 as of June 30, 2019, 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, 2018	Current Report at June 30, 2019	Change
(A) Outstanding Liability at the Discounted Expected Level:	\$30,252,000	\$30,804,000	\$552,000
(B) Estimated Assets At June 30:	44,489,000	46,258,000	1,769,000
(C) Surplus/(Deficit):	\$14,237,000	\$15,454,000	\$1,217,000

At the time of the prior report, our funding estimate for the 2018-19 year was \$8,259,000 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 2019-20 year is \$8,426,000 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 2018-19 Pool Limit = \$500,000	Current Report 2019-20 Pool Limit = \$500,000	Change
(A) Ultimate Loss and ALAE:	\$7,857,000	\$8,026,000	\$169,000
(B) Ultimate Claims Administration (ULAE):	740,000	749,000	9,000
(C) Total Claim Costs:	\$8,597,000	\$8,775,000	\$178,000
(D) Offset for Investment Income:	(338,000)	(349,000)	(11,000)
(E) Total Recommended Funding:	\$8,259,000	\$8,426,000	\$167,000
(F) Funding per \$100 of Payroll:	\$3.76	\$3.64	(\$0.12)

As you can see, our funding recommendations at the discounted, expected level have increased between 2018-19 and 2019-20, 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 2018-19 and 2019-20 (See Appendix K).
- We estimated the 6/30/2018 asset balance by beginning with the 12/31/2018 asset balance, and adjusting for anticipated revenue and expense for the second half of 2018-19 (see Appendix L).
- We received loss data evaluated as of 12/31/2018 (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 2019-20 will be \$231,495,324 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 \$46,258,000 as of June 30, 2019 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.)



Agenda Item I.2.c.

ACTUARIAL STUDY FOR LIABILITY PROGRAM

ACTION ITEM

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

FY 19/20 Funding

Total recommended funding for the Banking and Shared Risk Layers is \$4,585,000 at the current 80% Confidence Level (CL), compared to \$4,230,000 for FY 18/19. Payroll accounts for 7.8% of the increase in total funding, from \$166,878,805 last year to \$179,739,280. The rate at the 80% CL is \$2.551 per \$100 of payroll, compared to \$2.494 last year, an **increase of 2.3%**. The total increase reflects a *decrease of 2.2% in the Banking Layer but a 7% increase in the Shared Layer*, based on favorable and unfavorable loss development in those layers, respectively.

Outstanding Liabilities at June 30th

The Actuary estimates the Liability Program will have approximately \$13,958,000 in assets on June 30, 2019 compared to \$13,132,000 last year. The estimated total Outstanding Liability at June 30 is \$10,653,000 at the 90% Confidence Level (CL), compared to \$10,031,000 last year. *This results in an estimated net position of \$3,305,000 above the 90% CL – as \$200,000 increase last year.*

Banking Layer Assets are estimated at \$5,660,000 as of June 30, 2019, compared to \$5,320,000 in 2018. Banking Layer liabilities are \$3,049,000 at the 90% CL, compared to \$3,212,000 last year. *The Banking Layer net position above the 90% CL is estimated at \$2,611,000 – a \$500,000 increase from prior.*

Shared Risk Layer Assets are estimated to be \$8,298,000 at June 30, 2019, compared to \$7,812,000 in 2018. Liabilities are estimated at \$7,604,000 at the 90% CL, compared to \$6,819,000 last year. *This results in an estimated net position of \$694,000 above the 90% CL, compared to \$993,000 last year.*

RECOMMENDATION: Accept and file the report.

FISCAL IMPACT: T.B.D.; the rate increase of 2.4% will be in addition to the increase in payroll. No change is expected in the 80% CL and no assessment is necessary to meet the group’s benchmarks.

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

ATTACHMENT(S): Liability Program Actuarial Study for FY 19/20 - *Summary*



Actuarial Review of the Self-Insured Liability Program

*Outstanding Liabilities as of June 30, 2019
Forecast for Program Year 2019-20*

Presented to
Northern California Cities Self-Insurance Fund

March 2019



Friday, March 1, 2019

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 2019-20 program years to be \$3,422,000. Of this amount, \$1,652,000 is for the banking layer (\$0 – \$50,000 per occurrence) and \$1,770,000 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 2019-20 claims translates to rates of \$1.904 per \$100 payroll, \$0.919 for the banking layer and \$0.985 for the shared layer (assuming \$179,739,280 in rated payroll).

In addition, we estimate the program's liability for outstanding claims to be \$7,653,000 as of June 30, 2019, again including ALAE and ULAE, and discounted for anticipated investment income. Of this amount, \$2,279,000 is for the banking layer and \$5,374,000 is for the shared layer. Given estimated program assets of \$13,958,000 as of June 30, 2019, the program is expected to be funded above the 90% confidence levels on a combined basis. The banking layer is expected to be funded above the 90% confidence level. The shared layer is expected to be funded above the 90% confidence level. (See Graphs 1a, 1b and 1c on pages 13, 14, and 15.)

The \$7,653,000 estimate is the minimum liability to be booked by NCCSIF at June 30, 2019 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, 2019 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, 2019

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$7,865,000					
ULAE*	0					
Investment Income Offset	(212,000)					
Discounted Loss and LAE	\$7,653,000	\$8,518,000	\$8,900,000	\$9,352,000	\$9,911,000	\$10,653,000
Assets	13,958,000					
Surplus or (Deficit)	\$6,305,000	\$5,440,000	\$5,058,000	\$4,606,000	\$4,047,000	\$3,305,000

* 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, 2019

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$2,342,000					
ULAE*	0					
Investment Income Offset	(63,000)					
Discounted Loss and LAE	\$2,279,000	\$2,505,000	\$2,603,000	\$2,717,000	\$2,860,000	\$3,049,000
Assets	5,660,000					
Surplus or (Deficit)	\$3,381,000	\$3,155,000	\$3,057,000	\$2,943,000	\$2,800,000	\$2,611,000

* 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, 2019

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$5,523,000					
ULAE*	0					
Investment Income Offset	(149,000)					
Discounted Loss and LAE	\$5,374,000	\$6,013,000	\$6,297,000	\$6,635,000	\$7,051,000	\$7,604,000
Assets	8,298,000					
Surplus or (Deficit)	\$2,924,000	\$2,285,000	\$2,001,000	\$1,663,000	\$1,247,000	\$694,000

* 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 2019-20 fiscal year.

Northern California Cities Self Insurance Fund
Self-Insured Liability Program
Loss and LAE Funding Guidelines for 2019-20
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	\$3,537,000					
ULAE	0					
Investment Income Offset	(115,000)					
Discounted Loss and LAE	\$3,422,000	\$3,993,000	\$4,264,000	\$4,585,000	\$4,986,000	\$5,520,000
Rate per \$100 of 2019-20 Payroll	\$1.904	\$2.222	\$2.372	\$2.551	\$2.774	\$3.071

* ULAE is included with Loss and ALAE

Northern California Cities Self Insurance Fund
Self-Insured Liability Program
Loss and LAE Funding Guidelines for 2019-20
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	\$1,686,000					
ULAE	0					
Investment Income Offset	(34,000)					
Discounted Loss and LAE	\$1,652,000	\$1,927,000	\$2,057,000	\$2,211,000	\$2,402,000	\$2,659,000
Rate per \$100 of 2019-20 Payroll	\$0.919	\$1.072	\$1.144	\$1.230	\$1.336	\$1.479

* ULAE is included with Loss and ALAE

Northern California Cities Self Insurance Fund
 Self-Insured Liability Program
 Loss and LAE Funding Guidelines for 2019-20
 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	\$1,851,000					
ULAE	0					
Investment Income Offset	(81,000)					
Discounted Loss and LAE	\$1,770,000	\$2,066,000	\$2,207,000	\$2,374,000	\$2,584,000	\$2,861,000
Rate per \$100 of 2019-20 Payroll	\$0.985	\$1.149	\$1.228	\$1.321	\$1.438	\$1.592

* 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, 2019. 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 table below shows our funding recommendations for Northern California Cities Self Insurance Fund for the 2019-20 fiscal year, assuming a \$750,000 pool limit.

Northern California Cities Self Insurance Fund
Self-Insured Liability Program
Loss and LAE Funding Guidelines for 2019-20
Banking and Shared Layers Combined
Banking Layer: \$0 to \$50,000
Shared Layer: \$50,000 to \$750,000

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$4,138,000					
ULAE	0					
Investment Income Offset	(135,000)					
Discounted Loss and LAE	\$4,003,000	\$4,676,000	\$5,000,000	\$5,380,000	\$5,856,000	\$6,493,000
Rate per \$100 of 2019-20 Payroll	\$2.227	\$2.602	\$2.782	\$2.993	\$3.258	\$3.612

* ULAE is included with Loss and ALAE

Northern California Cities Self Insurance Fund
Self-Insured Liability Program
Loss and LAE Funding Guidelines for 2019-20
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	\$1,686,000					
ULAE	0					
Investment Income Offset	(34,000)					
Discounted Loss and LAE	\$1,652,000	\$1,927,000	\$2,057,000	\$2,211,000	\$2,402,000	\$2,659,000
Rate per \$100 of 2019-20 Payroll	\$0.919	\$1.072	\$1.144	\$1.230	\$1.336	\$1.479

* ULAE is included with Loss and ALAE

Northern California Cities Self Insurance Fund
 Self-Insured Liability Program
 Loss and LAE Funding Guidelines for 2019-20
 Shared Layers
Shared Layer: \$50,000 to \$750,000

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$2,452,000					
ULAE	0					
Investment Income Offset	(101,000)					
Discounted Loss and LAE	\$2,351,000	\$2,749,000	\$2,943,000	\$3,169,000	\$3,454,000	\$3,834,000
Rate per \$100 of 2019-20 Payroll	\$1.308	\$1.529	\$1.637	\$1.763	\$1.922	\$2.133

* ULAE is included with Loss and ALAE

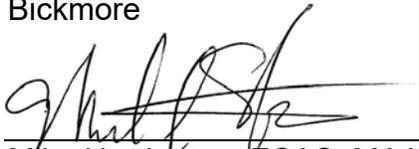
The funding recommendations shown in the table above do not include any recognition of the existing funding margin (surplus or deficit) at June 30, 2019. They are for losses and loss adjustment expenses only, and do not include a provision for loss control, overhead, excess insurance premiums, and other 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.

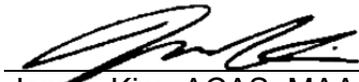
We appreciate the opportunity to be of service to Northern California Cities Self Insurance Fund in preparing this report. Please feel free to call Mike Harrington at (916) 244-1162, James Kim at (916) 290-4644 or Eric Small at (916) 244-1165 with any questions you may have concerning this report.

Sincerely,

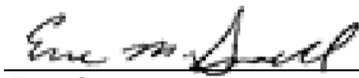
Bickmore



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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, 2019, NCCSIF is expected to have assets of \$13,958,000 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	80%	80%
2019-20	80%	80%

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

The purpose of this review is to provide a guide to NCCSIF to determine reasonable funding levels for its self-insurance program according to the funding policy NCCSIF has adopted and to comply with Governmental Accounting Standards Board Statements #10 and #30. The specific objectives of the study are to estimate NCCSIF's liability for outstanding claims as of June 30, 2019, project ultimate loss costs for 2019-20, 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, 2019. 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, 2019.

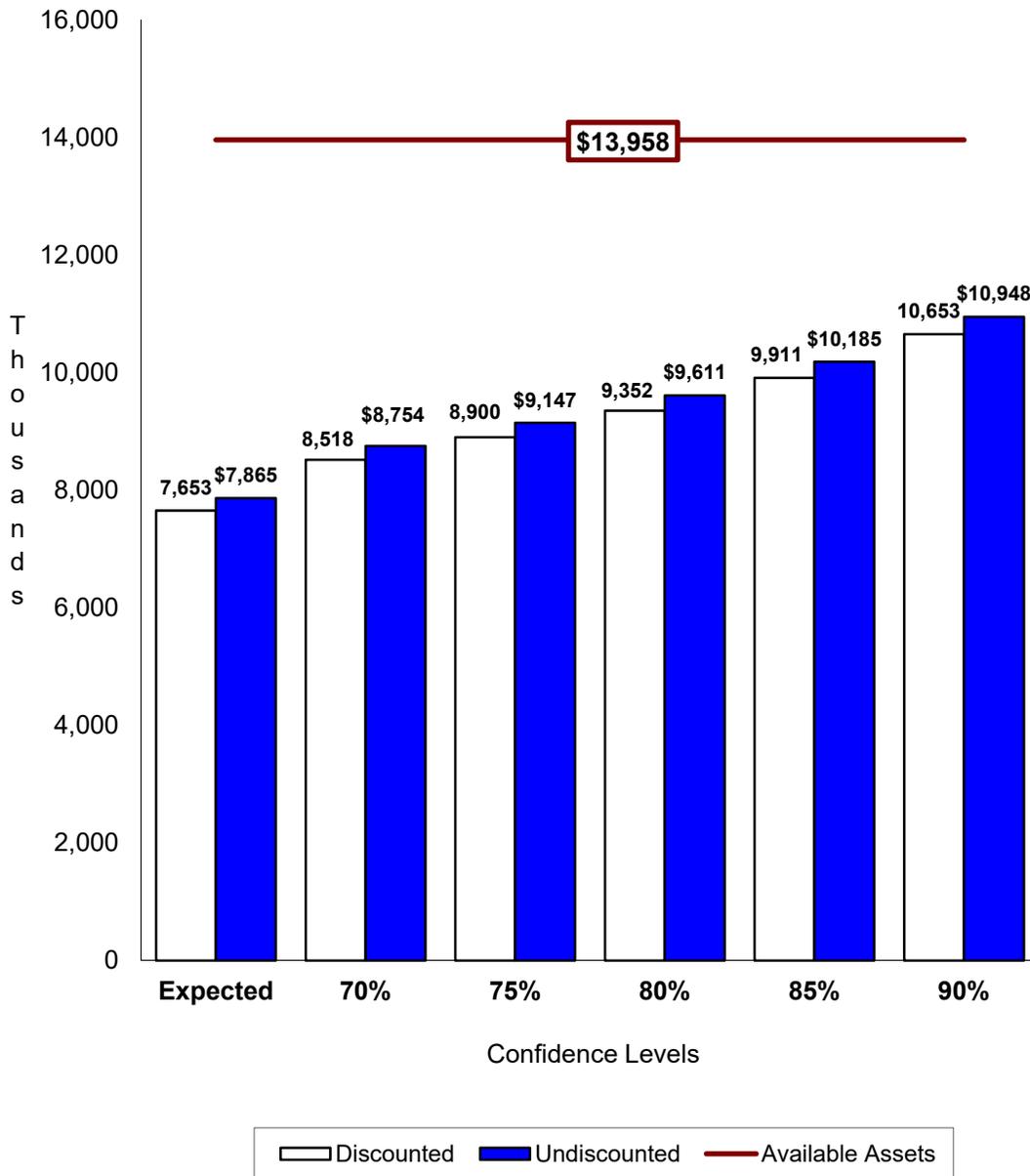
Our best estimate of the full value of NCCSIF's liability for outstanding claims within its pool limit is \$7,865,000, \$2,342,000 for the banking layer and \$5,523,000 for the shared layer as of June 30, 2019. These amounts include losses, allocated loss adjustment expenses (ALAE), and unallocated loss 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.

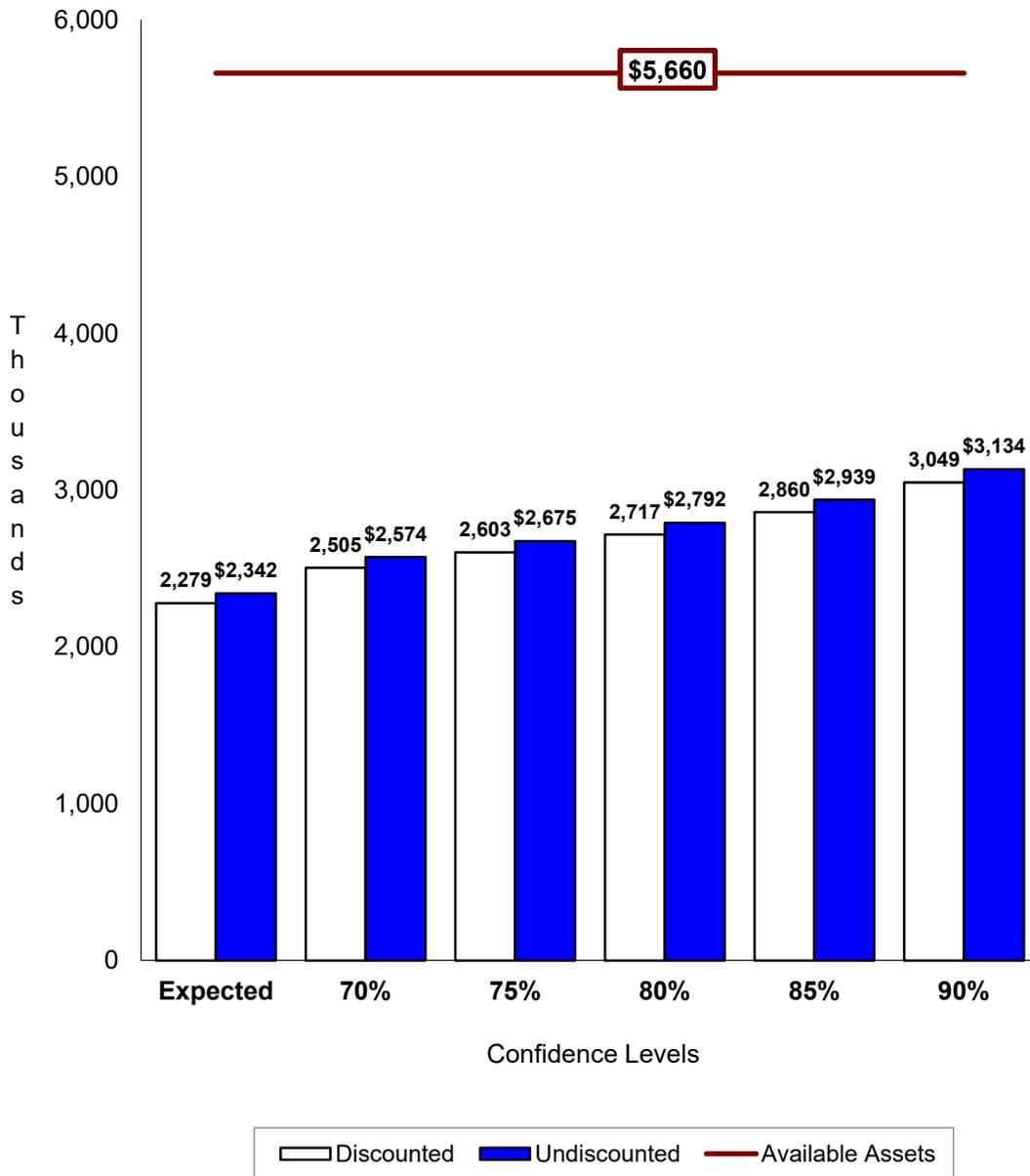
NCCSIF can earn investment income on the assets it holds until claims payments come due. Assuming a long-term average annual return on investments of 1.5%, we estimate the impact of investment income earnings to be about 2.7% if the program is funded within the range indicated in the graphs, resulting in a discounted liability for outstanding claims of \$7,653,000, \$2,279,000 for the banking layer, and \$5,374,000 for the shared layer as of June 30, 2019.

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

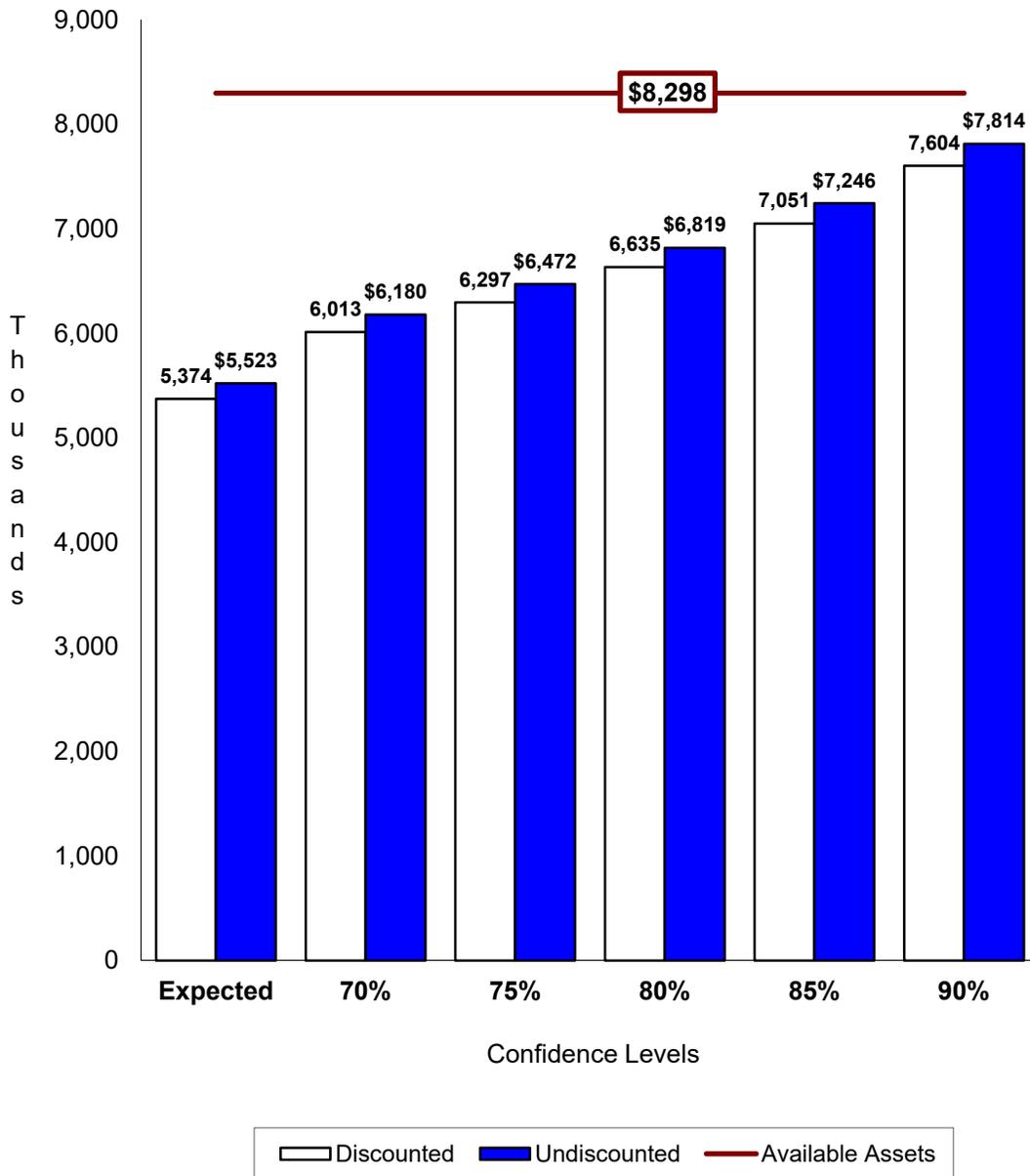
NCCSIF - Liability
 Available Assets vs Outstanding Liability (\$000's)
 at June 30, 2019
 Banking and Shared Layers Combined



NCCSIF - Liability
 Available Assets vs Outstanding Liability (\$000's)
 at June 30, 2019
 Banking Layer



NCCSIF - Liability
 Available Assets vs Outstanding Liability (\$000's)
 at June 30, 2019
 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, 2019, 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, 2019

Year	Case Reserves	IBNR Reserves	Total Outstanding
Prior	\$0	\$0	\$0
2008-09	252,533	5,450	257,983
2009-10	138,249	13,466	151,715
2010-11	72,859	17,933	90,792
2011-12	0	0	0
2012-13	10,475	32,069	42,544
2013-14	32,469	52,645	85,114
2014-15	898,860	124,374	1,023,234
2015-16	487,862	206,183	694,045
2016-17	752,450	327,852	1,080,302
2017-18	694,944	831,266	1,526,210
2018-19	635,110	2,277,708	2,912,818
Loss and ALAE	\$3,975,811	\$3,888,946	\$7,864,757
ULAE		0	0
Total	\$3,975,811	\$3,888,946	\$7,864,757

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.

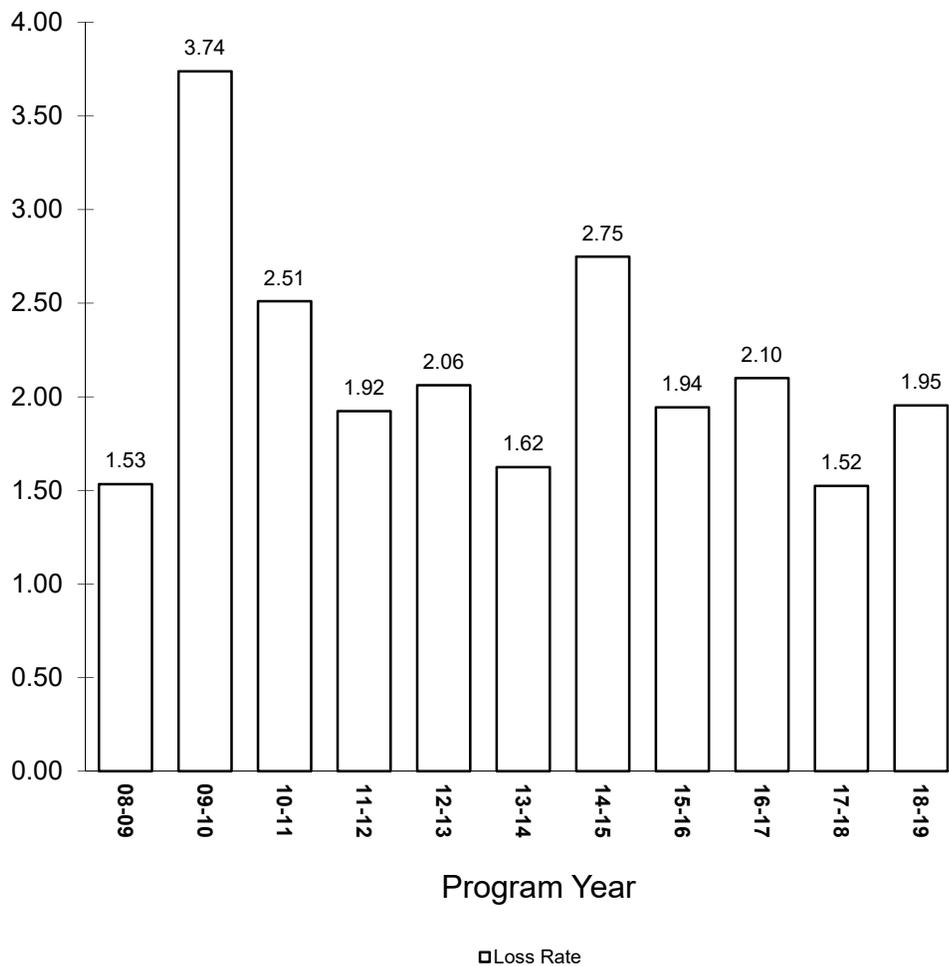
It is estimated that program assets will be \$13,958,000 at June 30, 2019, \$5,660,000 for the banking layer and \$8,298,000 for the shared layer, resulting in the program being funded above the 90% confidence level on a combined basis and for both the banking and shared layer separately.

C. HISTORICAL TRENDS IN THE SELF-INSURANCE PROGRAM

The program's loss rate per \$100 payroll has varied during the past ten years, but has been somewhat flat during the most recent seven years. Losses during the 2008-09 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

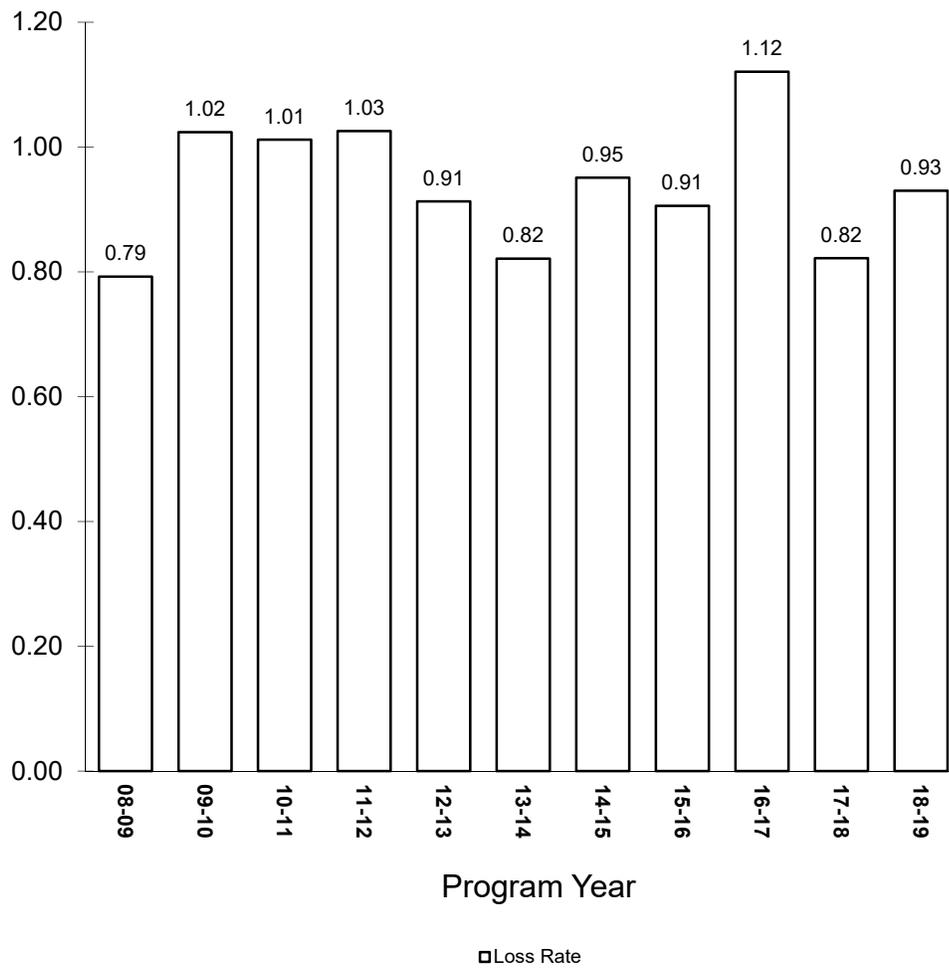
NCCSIF - Liability
Banking and Shared Layers Combined
Dollars of Loss per \$100 of Payroll



The banking loss rate per \$100 payroll has been gradually decreasing over the past nine years. Losses for 2008-09 and after reflect the new higher banking limit of \$50,000. See Graph 2b below.

Graph 2b

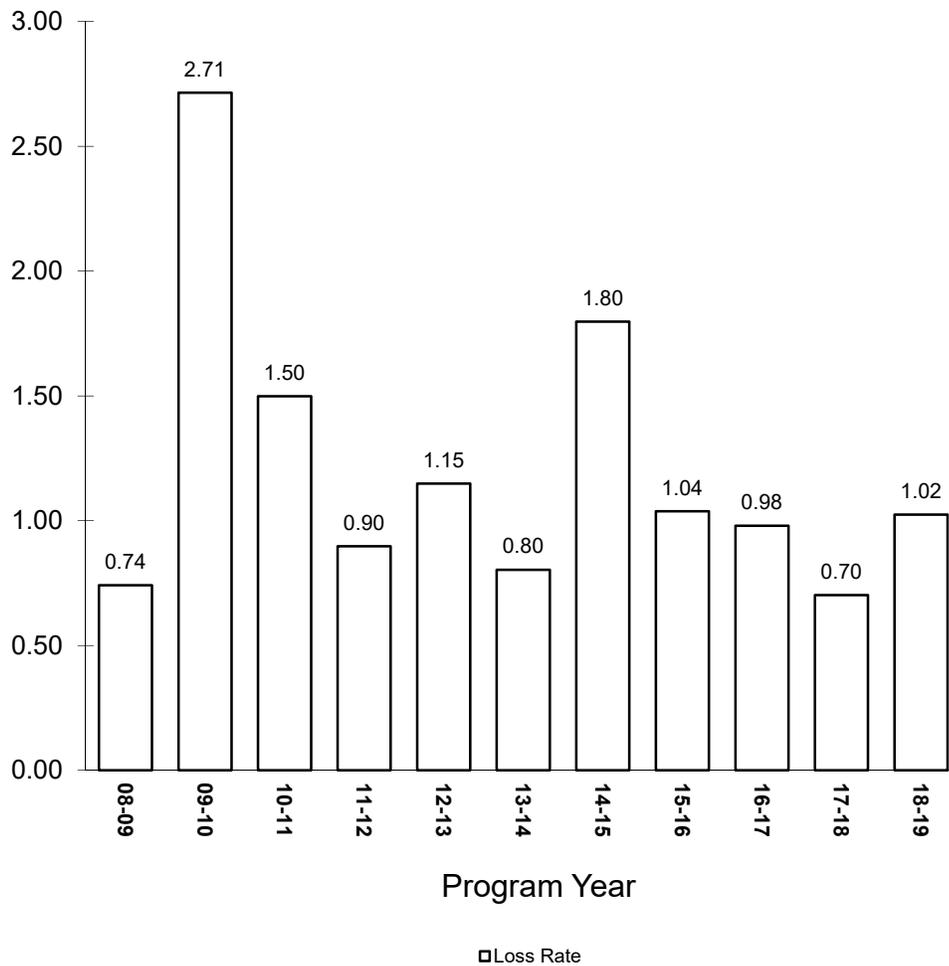
NCCSIF - Liability
Banking Layer
Dollars of Loss per \$100 of Payroll



The shared layer loss rate per \$100 payroll has varied over the past ten years, typical for excess layers, with no apparent trend. The 2008-09 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

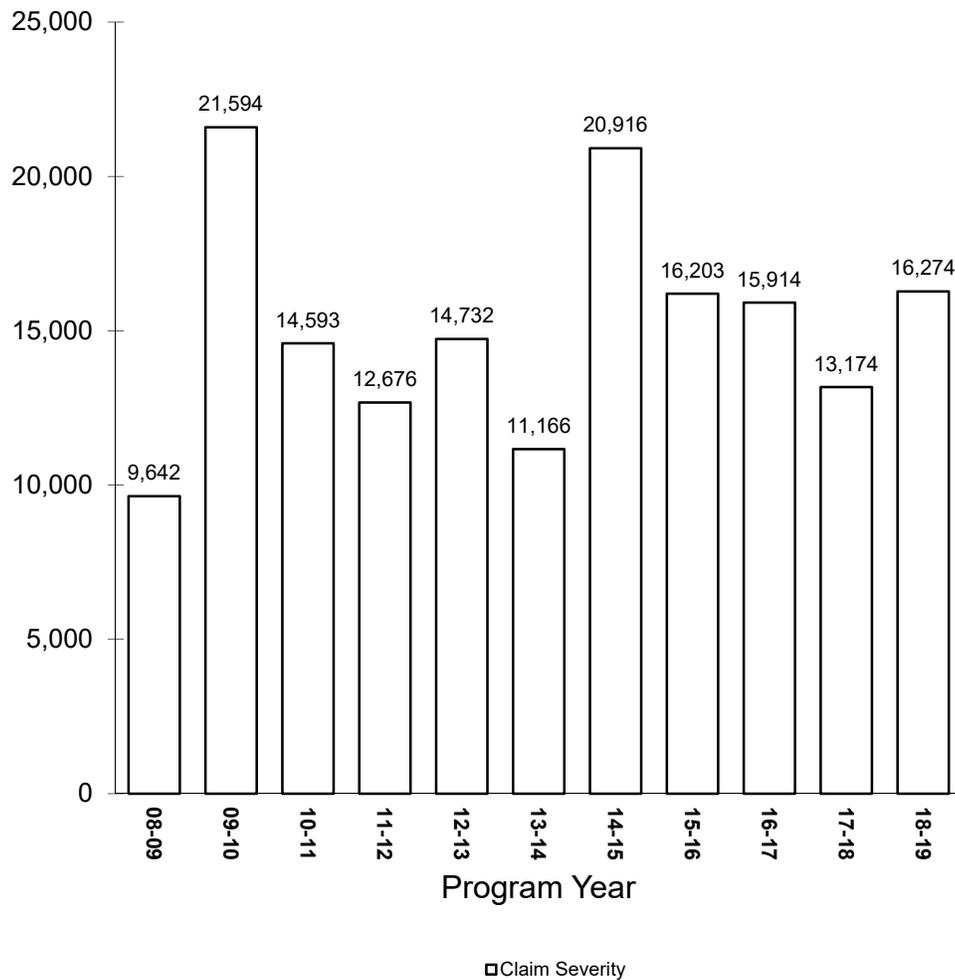
NCCSIF - Liability
Shared Layer
Dollars of Loss per \$100 of Payroll



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 2018-19 severity reflects that increasing trend. See Graph 3a below.

Graph 3a

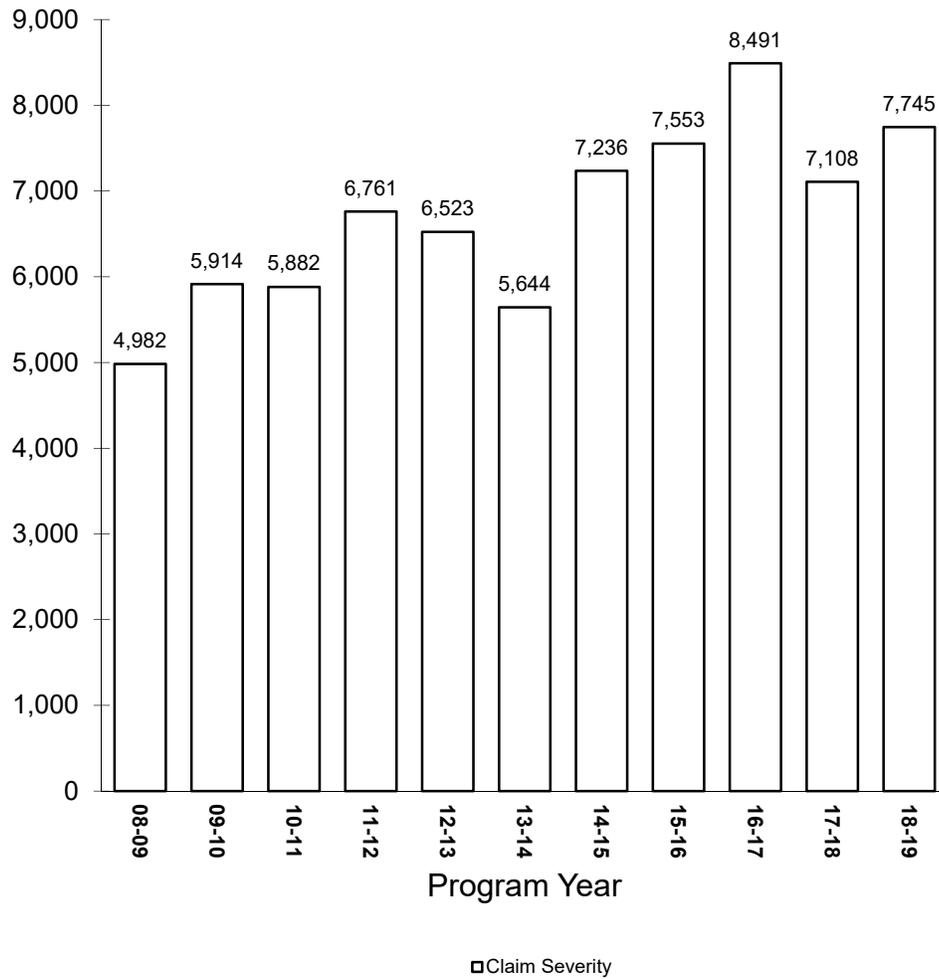
NCCSIF - Liability
Banking and Shared Layers Combined
Dollars of Loss per Claim



The banking layer average cost per claim, or severity, has followed a generally increasing trend over the past ten years. The projected 2018-19 severity reflects that increasing trend. See Graph 3b below.

Graph 3b

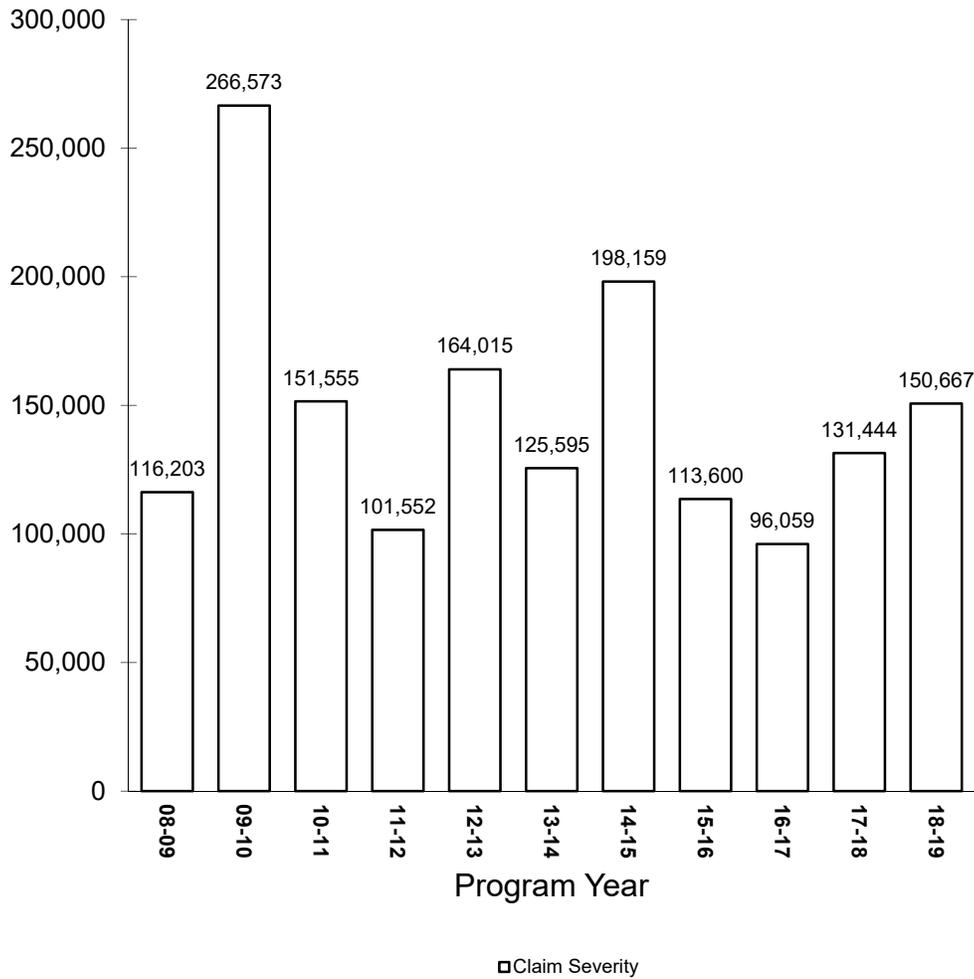
NCCSIF - Liability
Banking Layer
Dollars of Loss per Claim



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

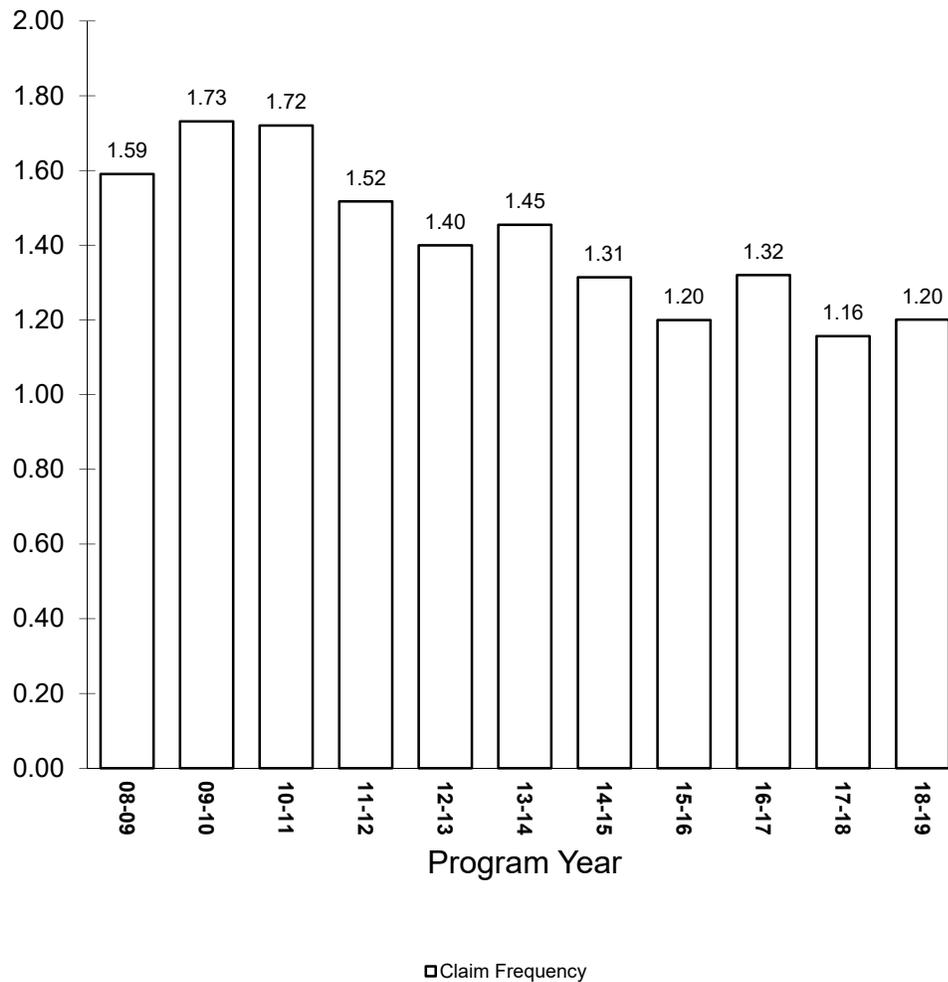
NCCSIF - Liability
Shared Layer
Dollars of Loss per Claim



The program's frequency of claims per \$1 million payroll has been generally decreasing over the past nine years. The projected 2018-19 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

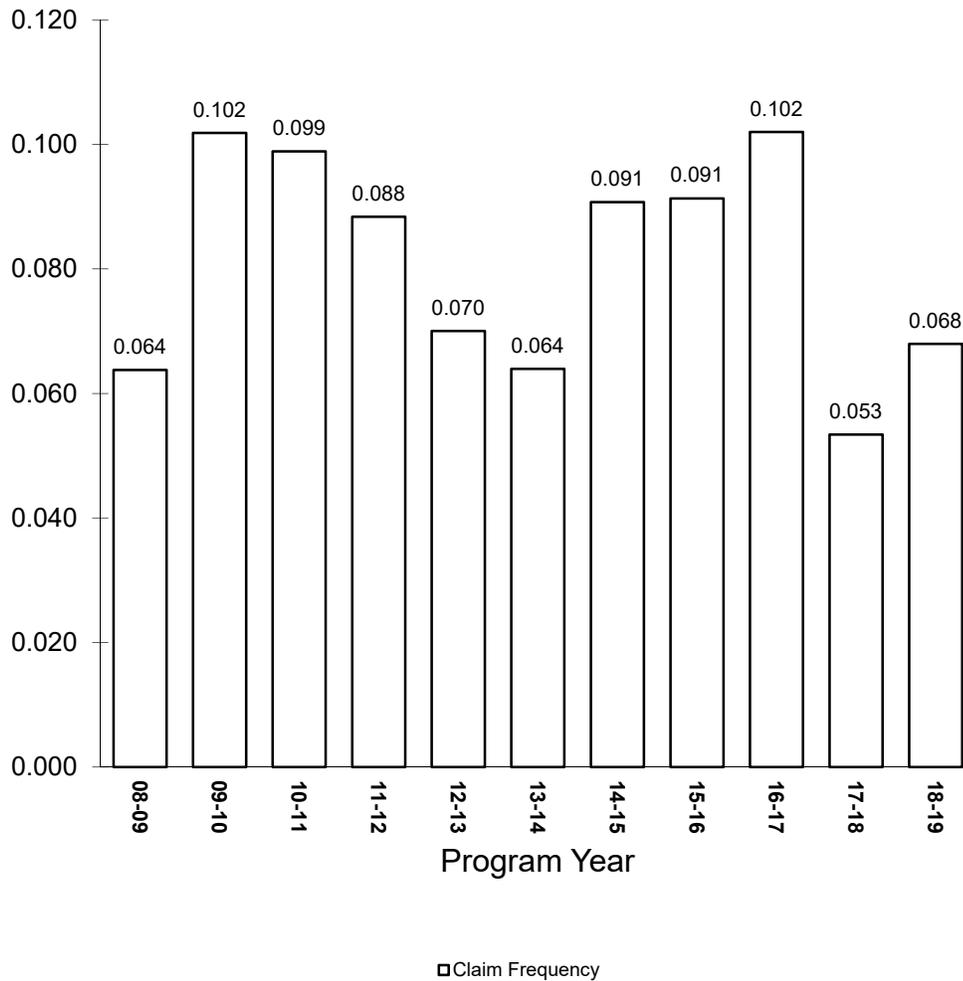
NCCSIF - Liability
Banking and Shared Layers Combined
Number of Claims per \$1 Million of Payroll



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

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



D. COMPARISON WITH PREVIOUS RESULTS

The prior report for Northern California Cities Self Insurance Fund was dated March 9, 2018. In the table below we display actual versus expected development of incurred losses and ALAE for the years shown by accident year between the 12/31/2017 evaluation date of the prior report and the 12/31/2018 evaluation date of the current report.

Actual Versus Expected Incurred Loss and ALAE Development

Banking and Shared Layers Combined

Accident Year	Expected Incurred Development	Actual Incurred Development	Actual Minus Expected
Prior	\$0	\$0	\$0
1998-99	0	0	0
1999-00	0	0	0
2000-01	0	0	0
2001-02	0	0	0
2002-03	0	0	0
2003-04	0	0	0
2004-05	0	0	0
2005-06	0	0	0
2006-07	0	0	0
2007-08	0	0	0
2008-09	3,000	94,000	91,000
2009-10	9,000	0	(9,000)
2010-11	10,000	150,000	140,000
2011-12	15,000	(160,000)	(175,000)
2012-13	44,000	(67,000)	(111,000)
2013-14	52,000	(19,000)	(71,000)
2014-15	79,000	403,000	324,000
2015-16	216,000	880,000	664,000
2016-17	702,000	803,000	101,000
2017-18	1,600,000	896,000	(704,000)
Total	\$2,730,000	\$2,980,000	\$250,000

* ULAE is included with Loss and ALAE

As shown, actual incurred development was greater than anticipated since the prior report. Based on the assumptions from the prior report, it was expected that incurred losses would increase by \$2,730,000 between the two evaluation dates. However, actual development was approximately \$2,980,000; or about \$250,000 more than expected.

In the table below we display actual versus expected development of paid losses and ALAE for the years shown by accident year between the 12/31/2017 evaluation date of the prior report and the 12/31/2018 evaluation date of the current report.

Actual Versus Expected Paid Loss and ALAE Development

Banking and Shared Layers Combined

Accident Year	Expected Paid Development	Actual Paid Development	Actual Minus Expected
Prior	\$0	\$0	\$0
1998-99	0	0	0
1999-00	0	0	0
2000-01	0	0	0
2001-02	0	0	0
2002-03	0	0	0
2003-04	0	0	0
2004-05	0	0	0
2005-06	0	0	0
2006-07	0	0	0
2007-08	0	0	0
2008-09	110,000	5,000	(105,000)
2009-10	103,000	28,000	(75,000)
2010-11	48,000	126,000	78,000
2011-12	49,000	(79,000)	(128,000)
2012-13	152,000	153,000	1,000
2013-14	80,000	18,000	(62,000)
2014-15	676,000	277,000	(399,000)
2015-16	572,000	893,000	321,000
2016-17	782,000	985,000	203,000
2017-18	759,000	644,000	(115,000)
Total	\$3,331,000	\$3,050,000	(\$281,000)

* ULAE is included with Loss and ALAE

As shown, actual paid development was less than anticipated since the prior report. Based on the assumptions from the prior report, it was expected that paid losses would increase by \$3,331,000 between the two evaluation dates. However, actual development was approximately \$3,050,000; or about \$281,000 less than expected.

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

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

Accident Year	Prior Report	Current Report	Change In Ultimate
Prior	\$15,504,000	\$15,504,000	\$0
1998-99	1,842,000	1,842,000	0
1999-00	2,774,000	2,774,000	0
2000-01	2,020,000	2,020,000	0
2001-02	2,038,000	2,038,000	0
2002-03	2,291,000	2,291,000	0
2003-04	2,054,000	2,054,000	0
2004-05	3,058,000	3,058,000	0
2005-06	2,338,000	2,338,000	0
2006-07	2,898,000	2,898,000	0
2007-08	2,050,000	2,050,000	0
2008-09	2,599,000	2,690,000	91,000
2009-10	6,011,000	6,003,000	(8,000)
2010-11	3,770,000	3,911,000	141,000
2011-12	3,132,000	2,928,000	(204,000)
2012-13	3,191,000	3,079,000	(112,000)
2013-14	2,497,000	2,423,000	(74,000)
2014-15	3,926,000	4,246,000	320,000
2015-16	2,533,000	3,192,000	659,000
2016-17	3,395,000	3,501,000	106,000
2017-18	3,161,000	2,569,000	(592,000)
Total	\$73,082,000	\$73,409,000	\$327,000

* ULAE is included with Loss and ALAE

As shown, overall we have increased our estimated ultimates by \$327,000 since our prior report. The greater than anticipated incurred loss development mentioned above translates to an increase in our estimates of ultimate losses. The changes by accident year generally track well with the actual versus expected incurred loss development.

At the time of the prior report, we estimated the liability for outstanding claims as of June 30, 2018 to be \$7,165,000 at the discounted, expected level. Our current estimate as of June 30, 2019, is \$7,653,000, an increase in our assessment of NCCSIF's outstanding liabilities, as shown below:

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

	Prior Report at June 30, 2018	Current Report at June 30, 2019	Change
(A) Case Reserves:	\$3,908,000	\$3,976,000	\$68,000
(B) IBNR Reserves:	3,456,000	3,889,000	433,000
(C) Claims Administration (ULAE*):	0	0	0
(D) Total Reserves:	\$7,364,000	\$7,865,000	\$501,000
(E) Offset for Investment Income:	(199,000)	(212,000)	(13,000)
(F) Total Outstanding Claim Liabilities:	\$7,165,000	\$7,653,000	\$488,000

* ULAE is included with Loss and ALAE

As shown, our estimate of outstanding claims liabilities at the discounted, expected level has increased between June 30, 2018 and June 30, 2019 as reflected in our prior and current reports respectively.

The increase in claim reserves (case and IBNR) is driven primarily by greater than expected claims experience as previously discussed. Reserves for future claims administration expenses are included with Loss and ALAE, resulting in a \$501,000 increase in total claim reserves. This increase in reserves leads to a larger offset for investment income. The net change due to the above factors is an overall increase of \$488,000 in our estimate of outstanding claim liabilities for loss and LAE.

At the time of the prior report, available assets were estimated to be \$13,132,000 as of June 30, 2018, which corresponded to the then-estimated discounted liability for outstanding claims above the 90% confidence levels. Available assets are currently estimated to be \$13,958,000 as of June 30, 2019, 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, 2018	Current Report at June 30, 2019	Change
(A) Outstanding Liability at the Discounted Expected Level:	\$7,165,000	\$7,653,000	\$488,000
(B) Estimated Assets At June 30:	13,132,000	13,958,000	826,000
(C) Surplus/(Deficit):	\$5,967,000	\$6,305,000	\$338,000

As you can see, our estimate of the program's funding margin at the discounted, expected level has increased by \$338,000 between June 30, 2018 (as previously estimated) and June 30, 2019 (as currently estimated). This is driven by an increase in the estimated fund assets between the two points, partially offset by an increase in the estimated outstanding liability.

At the time of the prior report, our funding estimate for the 2018-19 year was \$3,147,000 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 2019-20 year is \$3,422,000 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 2018-19 Pool Limit = \$500,000	Current Report 2019-20 Pool Limit = \$500,000	Change
(A) Ultimate Loss and ALAE:	\$3,251,000	\$3,537,000	\$286,000
(B) Ultimate Claims Administration (ULAE):	0	0	0
(C) Total Claim Costs:	\$3,251,000	\$3,537,000	\$286,000
(D) Offset for Investment Income:	(104,000)	(115,000)	(11,000)
(E) Total Recommended Funding:	\$3,147,000	\$3,422,000	\$275,000
(F) Funding per \$100 of Payroll:	\$1.856	\$1.904	\$0.048

* ULAE is included with Loss and ALAE

As you can see, our funding recommendations at the discounted, expected level have increased between 2018-19 and 2019-20, as shown in our prior and current reports respectively.

Our estimates of ultimate loss and ALAE have increased by \$286,000, driven primarily by adverse loss experience as previously discussed and an increase in exposure. Investment income is expected to be higher, driven by the higher loss estimate. The net change due to the above factors is an overall increase of \$275,000 in our annual funding estimate for loss and LAE.

E. DATA PROVIDED FOR THE ANALYSIS

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

Comments and issues regarding the data are as follows:

- We have assumed that the program's self-insured retention will remain at \$500,000 per occurrence for 2018-19 and 2019-20 (See Appendix K).
- We estimated the 6/30/2018 asset balance by beginning with the 12/31/2018 asset balance, and adjusting for anticipated revenue and expense for the last six months of 2018-19 (see Appendix L).
- We received loss data evaluated as of 12/31/2018 (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 2019-20 will be \$179,739,280, 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 \$13,958,000 as of June 30, 2019 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.)



Agenda Item I.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 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 \$888,546 with assessments of \$245,862. (*For comparison, last year's dividend was \$1,562,520 with assessments of \$188,760.*)

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 12/31/18

	Adjusted Net Position Equity at 12/31/18 A	O/S @ Exp times 90% Factor B 5530.1 1.184	margin to 90% claims C	10 x SIR \$1M Layer Allocated D	Net Margin above (below) 90% and 10xSIR E A-C-D	Members above target Amount Available F	Limited Amount Available Above target G <i>Limited to the net margin above target should equal col E</i>	35% Net Equity above pool 10xsir and 90% conf. level H	\$10,000 or less assess 100%, else 20% Expected Assessment I
ANDERSON	137,563	344,956	53,608	18,632	65,323	65,323	44,157	15,455	-
AUBURN	78,335	990,861	153,985	52,261	(127,911)	-	-	-	(25,582)
COLUSA	(15,436)	163,450	25,401	8,031	(48,868)	-	-	-	(10,000)
CORNING	120,256	175,419	27,261	10,666	82,329	82,329	55,653	19,479	-
DIXON	790,432	333,482	51,825	22,187	716,420	716,420	484,290	169,502	-
ELK GROVE	663,957	1,751,564	272,202	109,344	282,411	282,411	190,906	66,817	-
FOLSOM	1,679,892	4,144,049	644,008	214,753	821,131	821,131	555,073	194,276	-
GALT	104,177	1,030,309	160,115	55,654	(111,592)	-	-	-	(22,318)
GRIDLEY	383,985	195,038	30,310	14,198	339,477	339,477	229,482	80,319	-
IONE	(44,565)	102,166	15,877	4,779	(65,221)	-	-	-	(13,044)
JACKSON	38,825	182,296	28,330	10,324	171	171	116	41	-
LINCOLN	504,326	656,660	102,049	35,430	366,847	366,847	247,983	86,794	-
MARYSVILLE	79,462	574,935	89,348	28,780	(38,666)	-	-	-	(10,000)
NEVADA CITY	(147,903)	387,315	60,191	17,523	(225,617)	-	-	-	(45,123)
OROVILLE	35,967	634,343	98,580	32,088	(94,701)	-	-	-	(18,940)
PARADISE	87,873	735,222	114,257	34,839	(61,223)	-	-	-	(12,245)
PLACERVILLE	167,696	607,773	94,451	32,188	41,057	41,057	27,754	9,714	-
RED BLUFF	(109,367)	1,593,805	247,686	85,996	(443,049)	-	-	-	(88,610)
RIO VISTA	62,794	265,132	41,203	19,630	1,961	1,961	1,326	464	-
ROCKLIN	831,822	1,484,411	230,686	90,012	511,124	511,124	345,513	120,930	-
WILLOWS	263,717	14,921	2,318	1,496	259,903	259,903	175,691	61,492	-
YUBA CITY	646,257	1,786,819	277,681	101,189	267,387	267,387	180,750	63,263	-
<hr/>									
	6,360,065	18,154,926	2,821,372	1,000,000	2,538,693	3,755,541	2,538,694	888,546	(245,862)
<hr/>									
	Total								
	Margin to 90%				2,821,372				
	Plus 10x SIR				1,000,000				
	Total Target Margin				3,821,372				
	Amount above (below) Margin				2,538,693				



Agenda Item I.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 \$1,778,000 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 \$889,000, 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 2019 Distribution

Estimated Available Assets as of June 30, 2019				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-E or A-F
\$22,905,000				\$15,944,000	\$18,962,000	\$21,127,000	\$2,000,000	\$1,778,000
	Net Position/NP over 5x SIR =			\$6,961,000	\$3,943,000	\$1,778,000	\$4,961,000	
						Recommended Refund 50% =		\$889,000
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%	\$40,229		\$20,115			
Auburn	\$901,812	3.44%	\$61,239		\$30,619			
Colusa	\$369,841	1.41%	\$25,115		\$12,557			
Corning	\$427,532	1.63%	\$29,032		\$14,516			
Dixon	\$1,185,118	4.53%	\$80,477		\$40,238			
Elk Grove	\$1,244,374	4.75%	\$84,501		\$42,250			
Folsom	\$5,851,643	22.35%	\$397,363		\$198,682			
Galt	\$1,366,538	5.22%	\$92,796		\$46,398			
Gridley	\$612,917	2.34%	\$41,621		\$20,810			
Ione	\$120,440	0.46%	\$8,179		\$4,089			
Jackson	\$346,389	1.32%	\$23,522		\$11,761			
Lincoln	\$1,650,441	6.30%	\$112,075		\$56,038			
Maysville	\$692,108	2.64%	\$46,998		\$23,499			
Nevada City	\$329,879	1.26%	\$22,401		\$11,200			
Oroville	\$1,069,055	4.08%	\$72,596		\$36,298			
Placerville	\$1,001,985	3.83%	\$68,041		\$34,021			
Paradise	\$928,469	3.55%	\$63,049		\$31,524			
Red Bluff	\$1,155,394	4.41%	\$78,458		\$39,229			
Rio Vista	\$469,749	1.79%	\$31,899		\$15,949			
Rocklin	\$2,793,455	10.67%	\$189,693		\$94,847			
Willows	\$343,430	1.31%	\$23,321		\$11,661			
Yuba City	\$2,730,168	10.43%	\$185,395		\$92,698			
Total	\$26,183,158	100.00%	\$1,778,000		\$889,000			



WORKERS' COMPENSATION PROGRAM FY 19/20 DEPOSIT PREMIUM CALCULATIONS

ACTION ITEM

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

Total funding at an 80% Confidence Level (CL) is estimated at \$12,581,981, an **increase of 3.1%** over current funding at the 80% CL. This compares favorably to the *total payroll increase of 5.3%*. The individual funding increase cap of 40% applies to Jackson, with a total of \$43,419 allocated to the remaining members. Other member changes vary from (-30%) to as much as a 31% increase. However, these two extremes are driven by 1) Willows outsourcing their police and, 2) Ione increasing payroll by 25%. The average funding change for the group is 3.1% with an average payroll change of 5.3%.

The excess coverage estimate as of March 2019 used in the budget is \$1,670,547, or \$0.72 per \$100 of payroll, a 2.9% increase in the current rate of \$0.70. All excess rates are down, with the high safety group down 3.9% on average.

RECOMMENDATION: The Executive Committee recommends maintain funding at the 80% Confidence Level for FY 19/20.

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

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

ATTACHMENTS:

1. Preliminary FY 19/20 Workers' Compensation Deposit Calculations, 80% CL
2. EIA FY 19/20 Excess Workers' Compensation Premium Estimate
3. Preliminary FY 19/20 Net Funding

FY 19/20 NCCSIF Workers' Compensation Allocation PRELIMINARY

80% Confidence Level

Total Admin Expense = \$845,981

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	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 19/20 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%	Preliminary FY 19/20 DEPOSIT 80% CL	FY 18/19 DEPOSIT 80% CL	% Change DEPOSIT	Total FY 19/20 Deposit With Cap of 40%	Payroll Change from FY 18/19
Rate/Amount	Exposure Base	\$6,501,000	\$3,560,000	\$1,675,000	\$549,888	\$296,093	80% CL	80% CL		\$ 43,419	
Anderson	\$3,839,020	\$140,196	\$70,388	\$28,180	\$11,187	\$13,459	\$263,410	\$302,177	-12.8%	\$264,137	2.1%
Auburn	\$6,321,069	\$205,238	\$119,333	\$53,695	\$17,724	\$13,459	\$409,448	\$355,645	15.1%	\$410,645	-3.7%
Colusa	\$2,146,602	\$81,912	\$39,781	\$23,379	\$6,797	\$13,459	\$165,329	\$136,632	21.0%	\$165,735	-5.5%
Corning	\$2,819,170	\$34,210	\$51,853	\$15,025	\$4,736	\$13,459	\$119,283	\$111,185	7.3%	\$119,817	-0.8%
Dixon	\$11,079,329	\$303,042	\$166,259	\$94,185	\$26,402	\$13,459	\$603,347	\$579,311	4.1%	\$605,445	17.4%
Elk Grove	\$41,758,130	\$929,497	\$562,474	\$211,822	\$79,831	\$13,459	\$1,797,083	\$1,461,262	23.0%	\$1,804,993	2.2%
Folsom	\$44,508,834	\$1,056,101	\$573,083	\$312,841	\$90,993	\$13,459	\$2,046,477	\$2,111,727	-3.1%	\$2,054,908	9.4%
Galt	\$12,508,328	\$333,322	\$181,452	\$82,934	\$28,005	\$13,459	\$639,172	\$633,115	1.0%	\$641,542	5.7%
Gridley	\$3,779,000	\$66,924	\$62,201	\$22,181	\$7,089	\$13,459	\$171,854	\$168,226	2.2%	\$172,570	-0.7%
Ione	\$1,366,956	\$33,843	\$22,515	\$9,199	\$3,072	\$13,459	\$82,087	\$62,434	31.5%	\$82,346	25.1%
Jackson	\$2,276,617	\$155,647	\$41,173	\$61,403	\$12,099	\$13,459	\$283,780	\$171,687	40.0%	\$240,361	0.5%
Lincoln	\$12,637,876	\$268,188	\$174,750	\$84,166	\$24,697	\$13,459	\$565,260	\$553,744	2.1%	\$567,654	-0.9%
Marysville	\$3,615,073	\$136,166	\$60,878	\$28,108	\$10,549	\$13,459	\$249,161	\$276,650	-9.9%	\$249,846	0.7%
Nevada City	\$2,754,411	\$159,384	\$53,603	\$27,413	\$11,264	\$13,459	\$265,122	\$211,087	25.6%	\$265,644	6.8%
Oroville	\$6,151,597	\$286,255	\$143,283	\$55,496	\$22,726	\$13,459	\$521,220	\$539,922	-3.5%	\$522,385	-3.4%
Paradise	\$4,375,778	\$245,433	\$98,322	\$36,314	\$17,808	\$13,459	\$411,336	\$421,795	-2.5%	\$412,165	4.1%
Placerville	\$7,243,503	\$143,733	\$94,787	\$47,581	\$13,405	\$13,459	\$312,965	\$296,371	5.6%	\$314,337	7.4%
Red Bluff	\$6,657,908	\$363,290	\$146,775	\$68,119	\$27,091	\$13,459	\$618,733	\$667,884	-7.4%	\$619,994	6.3%
Rio Vista	\$5,031,278	\$79,702	\$58,495	\$35,144	\$8,122	\$13,459	\$194,922	\$209,677	-7.0%	\$195,875	20.9%
Rocklin	\$26,439,316	\$625,808	\$339,232	\$173,860	\$53,363	\$13,459	\$1,205,721	\$1,187,065	1.6%	\$1,210,729	8.8%
Willows	\$1,229,607	\$20,890	\$29,230	\$7,614	\$2,705	\$13,459	\$73,898	\$105,279	-29.8%	\$74,131	4.6%
Yuba City	\$22,955,922	\$832,221	\$470,131	\$196,342	\$70,221	\$13,459	\$1,582,373	\$1,643,263	-3.7%	\$1,586,722	3.4%
Total:	\$231,495,324	\$6,501,000	\$3,560,000	\$1,675,000	\$549,888	\$296,093	\$12,581,981	\$12,206,139	3.1%	\$ 12,581,981	5.3%

Actuary/Verification

\$6,501,000

\$3,560,000

est. 3/19



CSAC Excess Insurance Authority
2019/20 Early Budget Estimates, March 2019

Northern California Cities Self Insurance Fund (NCCSIF)

This third round of early estimates have been prepared to further aid you in budgeting for the 2019/20 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 contain a range if there are still outstanding items specific to the program. The estimates are intended to be conservative, however there may be a chance that final numbers will come in higher than the assumptions currently in place. For this reason we recommend continuing to budget toward the high end of the estimate range if one is provided.

Excess Workers' Compensation Program

Premium

17/18 Premium:	\$1,440,433	2017/18 Estimated Payroll:	\$211,897,739
18/19 Premium:	\$1,526,767	2018/19 Estimated Payroll:	\$219,785,114
19/20 Estimated Premium:	\$1,671,000	2019/20 Estimated Payroll:	\$231,495,323
Premium Audit:	(\$453)		
Collectible Amount:	\$1,670,547		

The EWC premium projections have been updated to reflect your entity's estimated 2019/20 exposure, as provided on your renewal application, as well as losses based on the June 30, 2018 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 5.1% on average
- Low Safety rates are down 3.3% on average
- **High Safety rates are down 3.9% on average**
- School rates are down 2.2% on average

Reinsurance Premiums changed from last year as follows:

- Ace layer \$45m x \$5M - 5.5% increase
- Liberty Mutual layer \$50M to Statutory - Pending proposals, estimated 7% 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 19/20 NCCSIF Net Program Funding Summary - Preliminary

Member Entity	Work Comp Funding 80% CL					
	Work Comp Deposit	DIVIDEND		Assessment		NET AMOUNT
		Banking Layer	Shared Layer	Banking Layer	Shared Layer	
Anderson	\$264,137	\$15,455	\$20,115			\$228,568
Auburn	\$410,645		\$30,619	\$25,582		\$405,608
Colusa	\$165,735		\$12,557	\$10,000		\$163,178
Corning	\$119,817	\$19,479	\$14,516			\$85,822
Dixon	\$605,445	\$169,502	\$40,238			\$395,705
Elk Grove	\$1,804,993	\$66,817	\$42,250			\$1,695,925
Folsom	\$2,054,908	\$194,276	\$198,682			\$1,661,951
Galt	\$641,542		\$46,398	\$22,318		\$617,461
Gridley	\$172,570	\$80,319	\$20,810			\$71,441
Ione	\$82,346		\$4,089	\$13,044		\$91,301
Jackson	\$240,361	\$41	\$11,761			\$228,559
Lincoln	\$567,654	\$86,794	\$56,038			\$424,822
Marysville	\$249,846		\$23,499	\$10,000		\$236,346
Nevada City	\$265,644		\$11,200	\$45,123		\$299,567
Oroville	\$522,385		\$36,298	\$18,940		\$505,027
Paradise	\$412,165		\$31,524	\$12,245		\$392,886
Placerville	\$314,337	\$9,714	\$34,021			\$270,602
Red Bluff	\$619,994		\$39,229	\$88,610		\$669,375
Rio Vista	\$195,875	\$464	\$15,949			\$179,461
Rocklin	\$1,210,729	\$120,930	\$94,847			\$994,953
Willows	\$74,131	\$61,492	\$11,661			\$978
Yuba City	\$1,586,722	\$63,263	\$92,698			\$1,430,761
Total:	\$12,581,981	\$888,546	\$889,000	\$245,862	\$0	\$11,050,297

Please don't include the dividend or net amount in your annual deposit budget!



Agenda Item I.4.a.

**LIABILITY PROGRAM
ANNUAL BANKING PLAN ADJUSTMENTS**

ACTION ITEM

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

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

FISCAL IMPACT: Total recommended dividend is \$336,065 with assessments of \$101,785. (*For comparison, last year's dividend was \$506,483 with assessments of \$79,760*).

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



Agenda Item I.4.b.

**LIABILITY PROGRAM
ANNUAL SHARED RISK PLAN ADJUSTMENTS**

ACTION ITEM

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

Based on the most recent actuary report, the Fund is estimated to have available assets of \$8,298,000 as of June 30, 2019. This is \$2,924,000 above Outstanding Liabilities at the Expected Confidence Level (CL) and \$694,000 over Liabilities at the 90% CL. This is down from \$993,000 last year but still represents a significant improvement over 2017, when the Fund was (\$1,525,000) *below* the 90% CL and had remained below the benchmark for at least five years. The Fund has also maintained assets above its other target benchmark of Net Position at least 5 times the SIR of \$450,000 (\$2,250,000).

Given that the Fund just recently exceeded its goals after years of assessments, the Program Managers do not recommend a refund or assessment, especially if the members continue to agree to fund at the 80% CL for FY 19/20 (next agenda item).

RECOMMENDATION: The Executive Committee recommends no refunds or assessments if maintain 80% CL FY 19/20.

FISCAL IMPACT: None.

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

ATTACHMENT(S): Liability Shared Risk Layer Plan Adjustments

NCCSIF Shared Risk Layer Plan Fund Adjustments - LIABILITY for 2019 Distribution

Estimated Available Assets as of June 30, 2019		Outstanding Liabilities @ Expected 6/30/19	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)
\$8,298,000		\$5,374,000	\$6,013,000	\$6,635,000	\$7,604,000	Net Position minus 5X SIR	\$694,000
	Surplus/Deficit	\$2,924,000	\$2,285,000	\$1,663,000	\$694,000	\$2,924,000 - \$2,250,000	\$674,000
		-\$					No refund recommended
Members	Historical Shared Layer Contributions FY 05/06 to FY 15/16	Total %	Available Refund	Assessment	Less CJPRMA Refund	Total	No assessment needed
			\$ -	\$ -	\$ -		
Anderson	\$448,753	2.61%		\$0	0	\$0	
Auburn	\$945,212	5.50%		\$0	0	\$0	
Colusa	\$284,690	1.66%		\$0	0	\$0	
Corning	\$426,439	2.48%		\$0	0	\$0	
Dixon	\$892,109	5.19%		\$0	0	\$0	
Elk Grove	N/A						
Folsom	\$2,846,711	16.58%		\$0	0	\$0	
Galt	\$1,140,979	6.64%		\$0	0	\$0	
Gridley	\$458,569	2.67%		\$0	0	\$0	
Ione	\$71,389	0.42%		\$0	0	\$0	
Jackson	\$325,473	1.90%		\$0	0	\$0	
Lincoln	\$1,396,708	8.13%		\$0	0	\$0	
Marysville	\$679,694	3.96%		\$0	0	\$0	
Nevada City	N/A						
Oroville	\$1,059,847	6.17%		\$0	0	\$0	
Paradise	\$760,768	4.43%		\$0	0	\$0	
Placerville	N/A						
Red Bluff	\$973,379	5.67%		\$0	0	\$0	
Rio Vista	\$380,549	2.22%		\$0	0	\$0	
Rocklin	\$1,786,838	10.41%		\$0	0	\$0	
Willows	\$218,492	1.27%		\$0	0	\$0	
Yuba City	\$2,076,093	12.09%		\$0	0	\$0	
Total	\$17,172,692	100.00%		\$0	0	\$0	

* Missing data from 2001/02 and 2004/05

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



**LIABILITY PROGRAM
FY 19/20 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 an 80% Confidence Level (CL) is estimated at \$6,490,858, an increase of 10.1% over FY 18/19 funding at the 80% CL. A payroll increase of 3%, excess coverage increase of 19%, and an increase of 7% in the Shared Layer rate account for the total. Three members exceeded the 25% cap, with the total of \$5,356 reallocated to the remaining members as indicated in the attached preliminary funding allocation.

RECOMMENDATION: The Executive Committee recommends maintain funding at the 80% Confidence Level for FY 19/20.

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

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

ATTACHMENTS:

1. Preliminary FY 19/20 Liability Deposit Calculations, 80% CL
2. Preliminary FY 19/20 Net Funding

FY 19/20 NCCSIF General Liability Funding Allocation PRELIMINARY

80% Confidence Level

Total Admin Expense = \$467,007

A	B	C	D	E	F	G	H	I	J	K	L	S
Formula/Allocation	Payroll (P)	Weighted Share Last 5 Years 25% Payroll, 75% Losses	Share of EX MOD Adjusted Payroll X Total	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		H-I	J/I	Member % of Total Uncapped Payroll X Capped Amount	
Member	2018 Calendar Year Payroll (DE 9)	BANKING LAYER \$0 to \$50K (*Folsom	SHARED LAYER \$50K to \$500K	CJPRMA EXCESS LAYER \$500k to \$40M	ADMIN EXPENSE 50%	ADMIN EXPENSE 50%	Preliminary FY 19/20 TOTAL DEPOSIT	FY 18/19 TOTAL DEPOSIT	\$ Change Overall	% Change Overall	Total FY 19/20 Deposit With Cap of 25%	Payroll Increase from 2017
Rate/Amount	Exposure Base	\$2,211,000	\$2,374,000	\$1,438,852	\$233,503	\$233,503	80% CL	80% CL			\$5,356	
Anderson	\$4,213,453	\$39,428	\$52,139	\$29,273	\$5,726	\$12,290	\$ 138,855	\$128,161	\$10,695	8.3%	\$138,993	8%
Auburn	\$6,660,680	\$155,679	\$138,652	\$71,048	\$9,051	\$12,290	\$ 386,720	\$357,697	\$29,023	8.1%	\$386,938	1%
Colusa	\$2,367,799	\$62,801	\$41,420	\$26,468	\$3,218	\$12,290	\$ 146,196	\$114,397	\$31,799	27.8%	\$142,996	3%
Corning	\$3,378,660	\$50,052	\$49,875	\$29,410	\$4,591	\$12,290	\$ 146,218	\$122,582	\$23,636	19.3%	\$146,329	6%
Dixon	\$8,147,696	\$31,671	\$79,223	\$51,066	\$11,072	\$12,290	\$ 185,322	\$175,449	\$9,873	5.6%	\$185,589	8%
Elk Grove												
Folsom*	\$39,112,288	\$686,845	\$629,892	\$380,671	\$53,150	\$12,290	\$ 1,762,847	\$1,533,064	\$229,784	15.0%	\$1,764,128	-4%
Galt	\$11,466,918	\$113,029	\$138,094	\$83,721	\$15,582	\$12,290	\$ 362,716	\$312,040	\$50,676	16.2%	\$363,091	7%
Gridley	\$4,166,176	\$38,871	\$64,828	\$35,582	\$5,661	\$12,290	\$ 157,231	\$163,707	-\$6,475	-4.0%	\$157,368	7%
Ione	\$1,470,238	\$26,319	\$21,025	\$13,466	\$1,998	\$12,290	\$ 75,098	\$59,942	\$15,156	25.3%	\$74,928	11%
Jackson	\$2,541,472	\$51,457	\$41,586	\$24,165	\$3,454	\$12,290	\$ 132,952	\$160,630	-\$27,678	-17.2%	\$133,035	7%
Lincoln	\$14,440,531	\$148,137	\$167,886	\$106,176	\$19,623	\$12,290	\$ 454,112	\$397,783	\$56,329	14.2%	\$454,585	5%
Marysville	\$3,379,108	\$114,226	\$60,528	\$43,135	\$4,592	\$12,290	\$ 234,770	\$197,195	\$37,575	19.1%	\$234,881	2%
Nevada City												
Oroville	\$5,929,991	\$86,496	\$108,548	\$57,635	\$8,058	\$12,290	\$ 273,027	\$231,741	\$41,286	17.8%	\$273,221	4%
Paradise	\$4,656,446	\$61,272	\$67,585	\$37,198	\$6,328	\$12,290	\$ 184,672	\$199,387	-\$14,714	-7.4%	\$184,825	15%
Placerville												
Red Bluff	\$6,665,463	\$45,796	\$67,483	\$42,793	\$9,058	\$12,290	\$ 177,419	\$182,374	-\$4,955	-2.7%	\$177,637	8%
Rio Vista	\$4,356,061	\$45,097	\$52,752	\$31,337	\$5,919	\$12,290	\$ 147,395	\$116,327	\$31,068	26.7%	\$145,409	10%
Rocklin	\$22,042,000	\$234,990	\$324,082	\$178,574	\$29,953	\$12,290	\$ 779,888	\$727,207	\$52,681	7.2%	\$780,610	7%
Willows	\$1,200,632	\$27,859	\$29,810	\$17,140	\$1,632	\$12,290	\$ 88,730	\$80,513	\$8,217	10.2%	\$88,769	-29%
Yuba City	\$25,635,916	\$190,976	\$238,593	\$179,993	\$34,837	\$12,290	\$ 656,689	\$636,816	\$19,872	3.1%	\$657,528	2%
Total:	\$171,831,528	\$2,211,000	\$2,374,000	\$1,438,852	\$233,503	\$233,503	\$ 6,490,858	\$5,897,011	\$593,847	10.1%	\$6,490,858	3%

Actuary/Verification

\$2,211,000 \$2,374,000

Don't Participate In GL Program

FY 19/20 NCCSIF Net Program Funding Summary - Preliminary

Member Entity	Liability Funding 80% CL					NET AMOUNT
	Liability Deposit	DIVIDEND		Assessment		
		Banking Layer	Shared Layer	Banking Layer	Shared Layer	
Anderson	\$138,993	\$5,480				\$133,513
Auburn	\$386,938			\$10,000		\$396,938
Colusa	\$142,996			\$30,788		\$173,784
Corning	\$146,329			\$10,000		\$156,329
Dixon	\$185,589	\$12,781				\$172,808
<i>Elk Grove</i>						
Folsom	\$1,764,128	\$37,017				\$1,727,111
Galt	\$363,091	\$16,168				\$346,923
Gridley	\$157,368	\$29,111				\$128,257
Ione	\$74,928			\$4,841		\$79,769
Jackson	\$133,035	\$20,131				\$112,904
Lincoln	\$454,585			\$15,869		\$470,454
Marysville	\$234,881	\$3,634				\$231,247
<i>Nevada City</i>						
Oroville	\$273,221			\$10,243		\$283,464
Paradise	\$184,825	\$50,757				\$134,068
<i>Placerville</i>						
Red Bluff	\$177,637	\$50,002				\$127,635
Rio Vista	\$145,409			\$9,446		\$154,855
Rocklin	\$780,610	\$56,754				\$723,856
Willows	\$88,769			\$10,598		\$99,367
Yuba City	\$657,528	\$54,230				\$603,298
Total:	\$6,490,858	\$336,065	\$0	\$101,785	\$0	\$6,256,578

Do not Participate In GL Program

Please don't include the dividend or net amount in your annual deposit budget!



Agenda Item I.5.

FY 19/20 PROPERTY PROGRAM RENEWAL

ACTION ITEM

ISSUE: The Program Administrators have been notified by insurance carrier(s) to expect a significant increase in the rate for NCCSIF member property coverage. While the rates are not expected to be released for the next several weeks, this item has been placed on the agenda to enable discussion of the options for the upcoming renewal.

Options for marketing the coverage to other insurers are slim to none, given the general market conditions and the group's loss history. The Executive Committee agreed that it is not the appropriate time to market the coverage while we have a significant claim still under negotiation with the current insurer.

Given the expected rate increase, and the general pressure from the APIP underwriters to move to a deductible above \$5,000, members will face pressure to increase the property deductible to at least \$10,000. One option to consider is allowing members to use their banking layer or risk management reserve funds to make up the increase in the deductible.

The Program Administrators expect to have further discussions with the underwriters prior to the meeting and will have the latest update for consideration and discussion.

RECOMMENDATION: Discuss options for property renewal and provide direction.

FISCAL IMPACT: TBD.

BACKGROUND: Fifteen NCCSIF members participate in the group purchase of property, cyber liability, and pollution coverage through the Alliant Property Insurance Program (APIP). Property rates overall are increasing due to increasing losses, with NCCSIF expecting significantly greater increases due to its recent loss history and most notably the Camp Fire in Paradise.

In addition, a number of members have significantly increased their Total Insured Values (TIV) based on recent appraisals, further increasing member premiums.

ATTACHMENT(S): None.



Agenda Item I.6.

**CSAC-EIA ENDORSEMENT NO. U-6:
OFF-DUTY PEACE OFFER INJURY (AB 1749)**

ACTION ITEM

ISSUE: A recent addition to CA Labor Code Section 3600.2(b) allows employers to provide Workers' Compensation benefits to peace officers for injuries sustained outside CA "*by reason of engaging in the apprehension or attempted apprehension of law violators or suspected law violators, or protection or preservation of life or property, or the preservation of the peace*". To provide this benefit the employer must pass a resolution accepting liability for such compensation.

NCCSIF's excess Workers' Compensation coverage provider, CSAC-EIA, has developed an endorsement to provide such coverage, but only if the injury qualifies and the employer has passed the appropriate resolution. Please see the attached letter and proposed endorsement from them.

The NCCSIF coverage follows form for most but not all of the coverage provided by the EIA. If the members *as a group* choose they could agree not to accept such claims, though it is the Program Administrator's recommendation to include the endorsement when issued for FY 19/20 and allow individual members to decide if they want to pass a resolution themselves.

RECOMMENDATION: Incorporate the endorsement to the NCCSIF Memorandum of Coverage and advise members of need for resolution if they want to cover.

FISCAL IMPACT: TBD. Incidents that qualify for this extended coverage should be rare but with greater severity than average.

BACKGROUND: This change was created by Assembly Bill 1749 that passed the legislature in 2018 and is the direct result of injuries sustained by off-duty CA police officers responding to the mass shooting in Las Vegas on October 1, 2017. Because they were out of state at the time and not "on duty" Workers' Compensation benefits were generally denied.

ATTACHMENT(S):

1. CSAC EIA Letter dated January 11, 2019 re: Proposed Endorsement U-6
2. CSAC EIA Draft Endorsement No. U-6



January 11, 2019

To: Members, Excess Workers' Compensation Program
From: Michael Pott, Chief Claims Officer
Subject: Proposed Endorsement U-6, Off-Duty Peace Officer (AB 1749) Endorsement

California Labor Code Section 3600.2(a) provides workers' compensation coverage for injuries sustained by peace officers while off duty within the State. Assembly Bill 1749 was introduced during the 2018 legislative session to address the concerns of some legislators that workers' compensation claims filed by California peace officers who were injured during the October 2017 Las Vegas Route 91 Harvest Festival were being denied. In September 2018, Governor Jerry Brown signed the bill into law with an effective date of January 1, 2019.

The new addition to Labor Code Section 3600.2(b) provides as follows:

(b) Nothing in this section shall be deemed to:

(4) Preclude an employer, at its discretion or in accordance with written policies adopted by resolution of the employer's governing body, from accepting liability for compensation under this division for an injury sustained by a peace officer, as defined in Section 50920 of the Government Code, by reason of engaging in the apprehension or attempted apprehension of law violators or suspected law violators, or protection or preservation of life or property, or the preservation of the peace, outside the state of California, but who was not at the time acting under the immediate direction of his or her employer, including any claims for injuries sustained by peace officers during the October 1, 2017, mass shooting in Las Vegas, Nevada, if the employer determines that providing compensation serves the public purposes of the employer. For claims filed pursuant to this paragraph by peace officers for injuries sustained during the October 1, 2017, mass shooting in Las Vegas, Nevada, the date of injury for purposes of subdivision (a) of Section 5405 shall be deemed the operative date of the act adding this paragraph. Acceptance of liability under this subdivision shall not affect the determination of whether or not the peace officer acted within the scope of his or her employment for any other purpose.

This amendment allows an entity to decide whether to accept a workers' compensation claim filed by a peace officer who, while out-of-state, is injured while engaging in the apprehension or attempted apprehension of law violators or suspected law violators, or protection or preservation of life or property, or the preservation of the peace. An employer entity can choose to accept compensability and provide benefits:

- *At its discretion or in accordance with a resolution*, as long as the employer decides that providing compensation serves the public purposes of the employer
- The entity can also determine whether to make such coverage retroactive to individuals injured during the Harvest Festival





Proposed Endorsement U-6

The EIA has created proposed Endorsement U-6 based on input from the EIA's Underwriting and Executive Committees. The endorsement provides that the EWC memorandum of coverage (MOC) does not provide coverage for injuries that occur to off-duty peace officers while outside the state of California when the officer is not acting under the immediate direction of his or her employer **unless**:

1. The peace officer was engaging in the apprehension or attempted apprehension of law violators or suspected law violators, or in protection or preservation of life or property, or the preservation of the peace; **and**
2. Prior to the occurrence, the Governing Board of the member has adopted a resolution, as provided for in California Labor Code Section 3600.2, subdivision (b)(4), accepting liability for such injury.

In other words, the endorsement will provide coverage for such claims if the member has adopted a resolution describing the circumstances under which the member will accept liability for such claims. The member does not need to provide the resolution to the EIA upon adoption. Instead, if a claim arises that the member chooses to accept pursuant to its resolution, then the member at that time will provide the EIA with a copy of the resolution. If approved, the endorsement will be in effect for any claims that arise after the date the endorsement is approved by the EIA's Board of Directors.

As for claims arising out of the Las Vegas shooting, if a member decides to accept the claim, then the EIA will provide coverage under the 2017/18 EWC MOC unless some other MOC exclusion or condition precludes coverage.

Review and Comment Period: Ends on Wednesday, February 20, 2019.

We will incorporate suggestions received, if any, and present final amendments for consideration by the EIA's Underwriting Committee at its meeting on February 27, 2019. If we receive feedback during the review and comment period and determine that circulation of a revision to the endorsement might be helpful, we will circulate such a revision and provide additional time for review and comment.

Please submit all comments to Jen Hamelin at jhamelin@csac-eia.org.

Attachments: Draft Endorsement U-6 Off-Duty Peace Officer (AB 1749)

cc: Alliant Insurance Services



ENDORSEMENT NO. U-6

**CSAC EXCESS INSURANCE AUTHORITY
EXCESS WORKERS' COMPENSATION**

OFF-DUTY PEACE OFFICER INJURY (AB 1749) ENDORSEMENT

It is understood and agreed that this Memorandum shall not apply to **bodily injury** or **occupational disease** sustained by a peace officer who was at the time of the **occurrence**:

- a. off-duty,
- b. not acting under the immediate direction of his or her employer, and
- c. outside the state of California.

However, this exclusion shall not apply to **bodily injury** or **occupation disease** sustained by a peace officer under such circumstances if:

- a. the peace officer was engaging in the apprehension or attempted apprehension of law violators or suspected law violators, or protection or preservation of life or property, or the preservation of the peace; and
- b. prior to the **occurrence**, the Governing Board of the **Covered Party** has adopted a resolution, as provided for in California Labor Code Section 3600.2, subdivision (b)(4), accepting liability for such injury under the **Workers' Compensation Act**.

"Peace officer" for purposes of this Endorsement has the definition stated in Section 50920 of the California Government Code.

It is further agreed that nothing herein shall act to increase the Authority's limit of indemnity.

This endorsement is part of the Memorandum of Coverage and takes effect on the effective date of the Memorandum of Coverage unless another effective date is shown below. All other terms and conditions remain unchanged.

Effective Date:

Memorandum No.:

Issued to: ALL MEMBERS

Issue Date: _____

Authorized Representative
CSAC Excess Insurance Authority



**YORK RISK SERVICES GROUP, INC.
CLAIMS AGREEMENT RENEWALS**

ACTION ITEM

ISSUE: The contracts for claims administration for both the Liability and Workers' Compensation Programs are expiring as of 6/30/19. York has prepared the attached contract amendments for the Board to review and approve as presented or revised.

Workers' Compensation: York has offered a three-year contract term keeping the annual fee flat at the current amount of \$608,392 per year. This is longer than the one-year extension planned by the Board per the attached schedule of contracts, but the expiration date of 2022 can be accommodated and the Executive Committee agreed based on the flat contract pricing.

Liability: York is offering a two-year extension per the contract schedule but is changing from an hourly rate for time and expenses to a flat fee of \$247,934 for FY 19/20 and \$254,132 for FY 20/21 with an hourly rate only for scene inspections, plus expenses for those and other outside expenses. Total expenses for FY 17/18 were \$429,722, with the average since FY 14/15 at \$416,000 per year. To address concerns that members will not get credit toward the CJPRMA SIR, York has provided analysis and options for capturing that information that will be discussed at the meeting.

RECOMMENDATION: Review and approve contracts as presented or amended per discussion.

FISCAL IMPACT: The Workers' Compensation pricing will remain flat for three years while the total liability expense should decrease.

BACKGROUND: York Risk Services and its predecessor Bragg & Associates have been providing claims administration services to NCCSIF since the inception of the Workers' Compensation and Liability Programs. The Board previously agreed with the Executive Committee's recommendation to extend the current Workers' Compensation agreement for one year and the Liability claims administration agreement for two years. The recommendation is partly due to the desire to stagger the expiration dates of the contracts to provide ample time to conduct a request for proposals if needed.

ATTACHMENT(S):

1. Proposed Amendment Five to the NCCSIF Workers' Compensation Claims Administration Agreement dated July 1, 2010
2. Proposed Amendment Three to the NCCSIF Liability Claims Administration Agreement dated July 1, 2013
3. Current Schedule of NCCSIF Contracts

AMENDMENT FIVE TO THE WORKERS' COMPENSATION SELF-INSURANCE CLAIMS ADMINISTRATION AGREEMENT

This Amendment Five to that certain Workers' Compensation Self-Insurance Claims Administration Agreement dated as of July 1, 2010 and as subsequently amended (collectively the "Agreement") by and between Northern California Cities Self Insurance Fund ("NCCSIF") and York Risk Services Group, Inc. ("York").

WITNESSETH

WHEREAS, the parties wish to extend the term of their Agreement; and

WHEREAS, the parties wish to amend the fee schedule of the Agreement as set forth herein.

NOW, THEREFORE, in consideration of the mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Section 1 of the Agreement entitled "Term of Agreement" shall be revised to include the following contract period:

"The term of this Agreement has been extended to include the period from July 1, 2019 through June 30, 2022."

2. Effective July 1, 2019, the provisions set forth in Section 2. a. of the Agreement shall no longer apply. From and after such date, the provisions set forth in the attached Exhibit A shall apply instead.
3. All other terms of the Agreement shall remain in force and unchanged. Any conflicts between this amendment and the original Agreement, including any prior executed amendments, shall be superseded by the terms provided herein.

In Witness Whereof, the parties have executed this amendment to be effective as of July 1, 2019.

NORTHERN CALIFORNIA CITIES
SELF INSURANCE FUND

YORK RISK SERVICES GROUP, INC.

By: _____

By: _____

Name: _____

Jody A. Moses

Title: _____

Executive Vice President

EXHIBIT A

Claims Services

York will provide claims handling at the following rates:

Workers Compensation (Includes the per member administration fee)	
Term	Annual Fee
07/01/2019 – 06/30/20	\$608,392
07/01/2020 – 06/30/21	\$608,392
07/01/2021 – 06/30/22	\$608,392

Annual Fee: York’s Annual Fee quotation is a guaranteed flat annual fee and applies to claims administration services provided during the 12-month contract term. Any additional administration beyond the initial 12-month contract term will be subject to an additional negotiated flat annual fee or other mutually agreed upon rate structure. If there is a significant increase in claims volume, York may propose additional charges. If NCCSIF agrees to such additional charges, the fees will be adjusted accordingly. If NCCSIF does not agree to such charges, York will have the right to terminate services on 60 days’ notice.

Services of the Account Executive, along with phone claim reviews, are provided at no additional charge.

Managed Care Fees:

Medical Bill Review

Workers’ Compensation

Detail	Fee
Fee Per Bill	\$12.00 per Bill
California WellComp MPN Access*	Add \$5.00 per Bill

*California WellComp MPN rate includes network savings achieved through the MPN network. PPO savings achieved outside the network are charged at the PPO percentage of savings rate.

Case Management

Detail	Fee
Virtual Case Management	\$99.00 per Hour
Field Case Management	\$99.00 per Hour, Plus Mileage (IRS Reimbursement Rate & Expenses)

Utilization Review/Certification

Detail	Fee
Procedure Rate	\$67.00 per Review
Physician Review (additional fee when applicable)	\$149.00 per Review
Appeal Reviews	\$149.00 per Review

Peer Review

Detail	Fee
Peer Review	\$195.00 - \$400.00 per Review Depending on Specialty
Physician Intervention Review (Pharmacy Review w/P2P)	\$295.00 per Review

Medicare Secondary Payer Services (MSA)

Detail	Fee
Mandatory CMS MMSEA Reporting	No Charge
Standard MSA	\$2,950.00 per Referral
Complex/Catastrophic MSA	\$3,500.00 per Referral
Rush MSA Additional	\$525.00 per Referral
MSA CMS Submission	\$525.00 per Referral
Medical Cost Projections	\$1,750.00 per Referral
Conditional Payment Request	\$250.00 per Inquiry

Conditional Payment Dispute Resolution	\$500.00 per Referral
Final Settlement Document Submission	\$155.00 per Referral
Medicare / Medicaid Investigation	\$100.00 per Inquiry
Social Security Investigation	\$100.00 per Referral
Rated Age	\$25.00 per Referral
Medical Cost Projection to MSA Conversion	\$1,200.00 per Referral

York's medical management services include a complete suite of all ancillary medical services, using multiple networks that address our clients' needs – including, but not limited to, pharmacy benefit management, diagnostics, durable medical equipment, transportation and translation, home health, physical therapy and independent medical exams. These services are subject to the bill review rates as quoted above, plus the applicable percentage of network savings achieved below the fee schedule or usual and customary charges.

General Fees, Services, Terms and Conditions

- Outside Activity/Field Investigations will be billed at time and expense.
- Billing: York will issue an electronic invoice monthly, via email. Payments shall be due and payable no later than thirty days from the invoice date.
- Pricing has been developed based on provided loss data. In the event that the loss data is erroneous or otherwise incorrect both parties agree to discuss an equitable adjustment of service fees.
- NCCSIF may request that the services York performs be rendered in a particular or different way or additional services be provided, and York will make all reasonable efforts to comply. If such request increases York's cost of providing the services, York shall be entitled to an equitable adjustment in its compensation.
- York's fee per feature pricing includes placing parties that it deems responsible on notice. Pursuit of subrogation beyond this point can be performed at 25% of recovery** (exclusive of attorney fees and expenses related to litigation as well as expenses, such as locate searches, skip traces, cost and origin reports, copy service, etc. or any agreed upon contingency fees). ** York uses an external business partner to pursue third party WC claim recoveries.
- York's fee per feature pricing includes placing parties that it deems responsible on notice. Pursuit of subrogation beyond this point can be performed at 20% of recovery, plus costs, such as locate searches, skip traces, collection counsel fees and expenses, etc.

- Claims and Allocated Loss Adjustment Expenses (ALAE) may be handled in two ways:
 - NCCSIF may elect to fund an account established and maintained by York. In this case, NCCSIF will maintain and provide timely replenishment of funds to pay all Claims and ALAE and to avoid penalties and late payments. York will electronically provide a monthly recap of all deposits as well as Claims and ALAE payments. NCCSIF will be responsible for bank fees with respect to the account.
 - NCCSIF may elect to maintain and fund a NCCSIF-owned account from which York will issue all Claim and ALAE payments. In this case, NCCSIF will provide York with the facsimile signature of an officer, director, partner or employee of NCCSIF to print digitally on the checks. NCCSIF will be responsible for bank fees with respect to the account.

Allocated Loss Adjustment Expenses

York will arrange for various services and other costs as agent for our client. These costs are referred to as Allocated Loss Adjustment Expenses (ALAE). A list of these expenses follows. Payment of ALAE is the responsibility of NCCSIF. York's fees do not cover ALAE, and York is under no obligation to pay ALAE with its own funds.

- Fees of outside counsel for claims in suit, coverage opinions and litigation and for representation at hearings or pretrial conferences
- Fees of court reporters
- All court costs, court fees and court expenses
- Fees for service of process
- Costs of undercover operatives and detectives
- Costs for employing experts for the preparation of maps, professional photographs, accounting, chemical or physical analysis, diagrams
- Costs for employing experts for the advice, opinions or testimony concerning claims under investigation or in litigation or for which a declaratory judgment is sought
- Costs for independent medical examination or evaluation for rehabilitation
- Costs of legal transcripts of testimony taken at coroner's inquests, criminal or civil proceeding
- Costs for copies of any public records or medical records
- Costs of depositions and court reported or recorded statements
- Costs and expenses of subrogation
- Costs of engineers, handwriting experts or any other type of expert used in the preparation of litigation or used on a one-time basis to resolve disputes

- Witness fees and travel expenses
- Costs of photographers and photocopy services
- Costs of appraisal fees and expenses (not included in flat fee or performed by others)
- Costs of indexing claimants
- FROI/SROI Submission
- Services performed outside York’s normal geographical regions
- Costs of outside investigation, signed or recorded statements
- Out of the ordinary expenses incurred in connection with an individual claim or requiring meeting with NCCSIF
- Any other extraordinary services performed by York at NCCSIF’s request
- Investigation of possible fraud including SIU services and related expenses
- Any other similar cost, fee or expense reasonably chargeable to the investigation, negotiation, settlement or defense of a claim or loss or to the protection or perfection of the subrogation rights of NCCSIF.

York may, but need not, elect to utilize its own staff or affiliated entities to perform any of these services. Associated fees and costs will be charged as ALAE.

IT/RMIS Fees:

(Services outlined below are only billed if utilized)

Service	Description	Fee
FOCUS (RMIS)	RMIS Licensing (Includes loading of 10 years of closed claims history, if requested, and all open claims, regardless of age, into FOCUS)	6 Licenses Included Additional Licenses @ \$725 per License per Year

**AMENDMENT THREE TO THE LIABILITY SELF-INSURANCE CLAIMS
ADMINISTRATION AGREEMENT**

This Amendment Three to that certain Liability Self-Insurance Claims Administration Agreement dated as of July 1, 2013 and as subsequently amended (collectively the "Agreement") by and between Northern California Cities Self Insurance Fund ("NCCSIF") and York Risk Services Group, Inc. ("York").

WITNESSETH

WHEREAS, the parties wish to extend the term of their Agreement; and

WHEREAS, the parties wish to amend the fee schedule of the Agreement as set forth herein.

NOW, THEREFORE, in consideration of the mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Section 1 of the Agreement entitled "Term of Agreement" shall be revised to include the following contract period:

"The term of this Agreement has been extended to include the period from July 1, 2019 through June 30, 2021."

2. Effective July 1, 2019, the provisions set forth in Section 2. b. of the Agreement shall no longer apply. From and after such date, the provisions set forth in the attached Exhibit A shall apply instead.
3. All other terms of the Agreement shall remain in force and unchanged. Any conflicts between this amendment and the original Agreement, including any prior executed amendments, shall be superseded by the terms provided herein.

In Witness Whereof, the parties have executed this amendment to be effective as of July 1, 2019.

NORTHERN CALIFORNIA CITIES
SELF INSURANCE FUND

YORK RISK SERVICES GROUP, INC.

By: _____

By: _____

Name: _____

Jody A. Moses

Title: _____

Executive Vice President

EXHIBIT A

Claims Services

York will provide claims handling at the following rates:

General Liability (Includes the per member administration fee)Desk Adjusting	
Term	Annual Fee
07/01/2019 – 06/30/20	\$247,934
07/01/2020 – 06/30/21	\$254,132
General Liability Field Adjusting	
Term	Time & Expense Rate
07/01/2019 – 06/30/20	\$89.00 per hour
07/01/2020 – 06/30/21	\$89.50 per hour

Annual Fee: York’s Annual Fee quotation is a guaranteed flat annual fee and applies to claims administration services provided during the 12-month contract term. Any additional administration beyond the initial 12-month contract term will be subject to an additional negotiated flat annual fee or other mutually agreed upon rate structure. If there is a significant increase in claims volume, York may propose additional charges. If NCCSIF agrees to such additional charges, the fees will be adjusted accordingly. If NCCSIF does not agree to such charges, York will have the right to terminate services on 60 days’ notice.

Services of the Account Executive, along with phone claim reviews, are provided at no additional charge.

General Fees, Services, Terms and Conditions

- Outside Activity/Field Investigations will be billed at time and expense.
- Billing: York will issue an electronic invoice monthly, via email. Payments shall be due and payable no later than thirty days from the invoice date.
- Pricing has been developed based on provided loss data. In the event that the loss data is erroneous or otherwise incorrect both parties agree to discuss an equitable adjustment of service fees.
- NCCSIF may request that the services York performs be rendered in a particular or different way or additional services be provided, and York will make all reasonable efforts to comply. If such request increases York’s cost

of providing the services, York shall be entitled to an equitable adjustment in its compensation.

- York's fee per feature pricing includes placing parties that it deems responsible on notice. Pursuit of subrogation beyond this point can be performed at 25% of recovery** (exclusive of attorney fees and expenses related to litigation as well as expenses, such as locate searches, skip traces, cost and origin reports, copy service, etc. or any agreed upon contingency fees). ** York uses an external business partner to pursue third party WC claim recoveries.
- York's fee per feature pricing includes placing parties that it deems responsible on notice. Pursuit of subrogation beyond this point can be performed at 20% of recovery, plus costs, such as locate searches, skip traces, collection counsel fees and expenses, etc.
- Claims and Allocated Loss Adjustment Expenses (ALAE) may be handled in two ways:
 - NCCSIF may elect to fund an account established and maintained by York. In this case, NCCSIF will maintain and provide timely replenishment of funds to pay all Claims and ALAE and to avoid penalties and late payments. York will electronically provide a monthly recap of all deposits as well as Claims and ALAE payments. NCCSIF will be responsible for bank fees with respect to the account.
 - NCCSIF may elect to maintain and fund a NCCSIF-owned account from which York will issue all Claim and ALAE payments. In this case, NCCSIF will provide York with the facsimile signature of an officer, director, partner or employee of NCCSIF to print digitally on the checks. NCCSIF will be responsible for bank fees with respect to the account.

Allocated Loss Adjustment Expenses

York will arrange for various services and other costs as agent for our client. These costs are referred to as Allocated Loss Adjustment Expenses (ALAE). A list of these expenses follows. Payment of ALAE is the responsibility of NCCSIF. York's fees do not cover ALAE, and York is under no obligation to pay ALAE with its own funds.

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- Fees of court reporters
- All court costs, court fees and court expenses
- Fees for service of process
- Costs of undercover operatives and detectives
- Costs for employing experts for the preparation of maps, professional photographs, accounting, chemical or physical analysis, diagrams

- Costs for employing experts for the advice, opinions or testimony concerning claims under investigation or in litigation or for which a declaratory judgment is sought
- Costs for independent medical examination or evaluation for rehabilitation
- Costs of legal transcripts of testimony taken at coroner's inquests, criminal or civil proceeding
- Costs for copies of any public records or medical records
- Costs of depositions and court reported or recorded statements
- Costs and expenses of subrogation
- Costs of engineers, handwriting experts or any other type of expert used in the preparation of litigation or used on a one-time basis to resolve disputes
- Witness fees and travel expenses
- Costs of photographers and photocopy services
- Costs of appraisal fees and expenses (not included in flat fee or performed by others)
- Costs of indexing claimants
- FROI/SROI Submission
- Services performed outside York's normal geographical regions
- Costs of outside investigation, signed or recorded statements
- Out of the ordinary expenses incurred in connection with an individual claim or requiring meeting with NCCSIF
- Any other extraordinary services performed by York at NCCSIF's request
- Investigation of possible fraud including SIU services and related expenses
- Any other similar cost, fee or expense reasonably chargeable to the investigation, negotiation, settlement or defense of a claim or loss or to the protection or perfection of the subrogation rights of NCCSIF.

York may, but need not, elect to utilize its own staff or affiliated entities to perform any of these services. Associated fees and costs will be charged as ALAE.

IT/RMIS Fees:

(Services outlined below are only billed if utilized)

Service	Description	Fee
FOCUS (RMIS)	RMIS Licensing (Includes loading of 10 years of closed claims history, if requested, and all open claims, regardless of age, into FOCUS)	2 Licenses Included Additional Licenses @ \$725 per License per Year

NCCSIF SCHEDULE OF CONTRACTS

SERVICE PROVIDER	TYPE OF SERVICE	TYPE	ACTION	DURATION	EXPIRATION	FY 19/20
ACI	Employee Assistance Program	Contract	Renewal	2-Year	7/1/2018 to 6/30/2020	direct bill to participating members
Alliant Insurance Services, Inc.	Brokerage, Risk Management and Program Administration	Agreement	Renewal	5-Year with 2 optional one-year terms	7/1/2019 to 6/30/2024 <i>can be extended through 6/30/2026</i>	\$338,986
Bickmore Risk Services	Actuarial	Engagement Letter	Renewal	3-Year	FY 18/19 FY 19/20 FY 20/21	\$13,060
Chandler Asset Management	Investment Management	Agreement	Renewal	Indefinite	U/C	0.12 of 1% First \$20M 0.09 of 1% Next \$40M 0.06 of 1% >\$60M
Crowe Horwath	Financial Auditing	Agreement	Renewal	3-Year	FYE Audit 6/30/2017 FYE Audit 6/30/2018 FYE Audit 6/30/2019	\$27,154
Gibbons & Conley, Attorneys at Law	Legal	Contract	Renewal	1-Year	7/1/2012 - U/C	time and expense billed
James Marta and Company	Financial Accounting & Consulting	Agreement	Renewal	3-Year with 2 optional one-year terms	1/1/2018 - 6/30/2020 <i>can be extended through 6/30/2022</i>	\$102,840 + monthly Intaact + \$ annual e-check
Lexipol	Fire Subscription Services	MOU	MOU	1-Year	7/1/2018 - 6/30/2019	\$27,098 direct bill to participating members
Lexipol	Law Enforcement Policy	MOU	Renewal	2-Year	7/1/2018 - 6/30/2020	\$136,267
TBD	Claims Auditors - Liability (odd-numbered years)	<i>new contract every audit</i>	tbd	tbd	tbd	Budgeted \$8,000
n/a	Claims Auditors - WC (even-numbered years)	<i>new contract every audit</i>	Tim Farley 2018 fee \$11,200	n/a	n/a	n/a
York Risk Control (formerly Bickmore)	Safety & Risk Control	Agreement	Renewal	3-Year with 2 optional one-year terms	7/1/2019 - 6/30/2022 <i>can be extended through 6/30/2024</i>	\$178,480
York Risk Services Group, Inc.	Claims Administration - Liability*	Agreement	Amendment Three to 7/1/2013	2-Year	7/1/2019 - 6/30/2021	Flat Fee \$247,934 + Time & Expense Rate \$89 per hour <i>renewal under negotiation</i>
York Risk Services Group, Inc.	Claims Administration - WC	Agreement	Amendment Five to 7/1/2010 Agreement	3-Year	7/1/2019 - 6/30/2022	\$608,392 <i>renewal under negotiation</i>

*Only Administrative Costs Shown. Claims adjusting is included in claims costs.
U/C = Until Cancelled



BACK TO AGENDA

Northern California Cities Self Insurance Fund
Board of Directors Meeting
April 25, 2019

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 2019 Meeting Calendar
4. NCCSIF Resource Contact Guide
5. York Who's Who in Claims - WC and Liability Contacts
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

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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.

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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.

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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

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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.

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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
2019 Organizational Chart
Updated as of 4/19/2019

MEMBER ENTITY	BOARD OF DIRECTORS	BOARD ALTERNATES	RISK MANAGEMENT COMMITTEE	POLICE RISK MANAGEMENT COMMITTEE
City of ANDERSON	Liz Cottrell	Jeff Kiser	Liz Cottrell	Chief Michael Johnson
City of AUBURN	Cristina Shafer	Vacant	Shari Harris	Chief Ryan L. Kinnan
City of COLUSA	Toni Benson	Vacant	Toni Benson	Chief Josh Fitch
City of CORNING	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 Julie Rucker - Alternate Rep.	Lieutenant Jeff Scott
City of FOLSOM	*VP / *EC / *CC Jim Francis	*Kristine Haile	Kristine Haile	Vacant
City of GALT	EC / CC Cora Hall	Eugene Palazzo	Cora Hall	Chief Tod Sockman (Vice-Chair)
City of GRIDLEY	*EC Vacant	*Elisa Arteaga	Elisa Arteaga	Interim Chief Allen Byers
City of IONE	Jon Hanken	Lori McGraw	Jon Hanken	Chief Tracy Busby
City of JACKSON	Yvonne Kimball	Dalacie Blankenship	Yvonne Kimball	Interim Chief Chris Mynderup
City of LINCOLN	EC Veronica Rodriguez	Ruthann Codina	Veronica Rodriguez	Chief Doug Lee
City of MARYSVILLE	Vacant	Jennifer Styczynski	Jennifer Styczynski	Chief Chris Sachs
City of NEVADA CITY	EC Loree' McCay	Catrina Olson	Loree' McCay	Chief James Leal
City of OROVILLE	P / EC / CC Liz Ehrenstrom (Chair)	Vacant	Liz Ehrenstrom (Chair)	Vacant
Town of PARADISE	S / EC / CC CJPRMA Rep Gina Will	Crystal Peters	Crystal Peters	Chief Eric Reinbold
City of PLACERVILLE	Dave Warren	Cleve Morris	Dave Warren	Chief James Ortega
City of RED BLUFF	Sandy Ryan	Anita Rice	Sandy Ryan	Chief Kyle Sanders (Chair)
City of RIO VISTA	*EC Jose Jasso	*Jen Lee, CPA	Jose Jasso	Chief Dan Dailey
City of ROCKLIN	Kimberly Sarkovich	Andrew Schiltz, CPA	Kimberly Sarkovich	Chief Chad Butler
City of WILLOWS	T / EC / CC Tim Sailsbery, CPA	Vacant	Wayne Peabody	N/A
City of YUBA CITY	Natalie Springer	Robin Bertagna, CPA	Sheleen Loza	Chief Robert Landon

OFFICERS		
		Term of Office
President (P)	Liz Ehrenstrom	1/1/2019 - 12/31/2020
Vice President (VP)	Kristine Haile	1/1/2019 - 12/31/2020
Treasurer (T)	Tim Sailsbery	1/1/2019 - 12/31/2019
Secretary (S) CJPRMA Board Representative	Gina Will	9/27/2018 - 12/31/2020

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

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

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

CLAIMS ADMINISTRATORS (York Risk Services)
Dorienne Zumwalt
Steven Scott (Workers' Comp)
Jill Petrarca (Liability)

RISK CONTROL CONSULTANTS (Bickmore)
Enriqueta (Henri) Castro
Tom Kline
Dave Beal

ADVISORS
Byrne Conley (Board Counsel)
James Marta, CPA (Accounting)
Nicole Rushing (Accounting)



2019 MEETING CALENDAR

- Thursday, February 21, 2019 **Police Risk Management Committee** at 10:00 a.m.
- Thursday, March 14, 2019 *Executive Committee* at 10:00 a.m.
Claims Committee at 11:30 a.m.
- Thursday, April 25, 2019 **Risk Management Committee** at 10:00 a.m.
Board of Directors at 12 noon
- Thursday, May 2, 2019..... **Police Risk Management Committee** at 10:00 a.m.
- Thursday, May 16, 2019..... **Claims Committee** at 10:00 a.m.
Executive Committee at 11:30 a.m.
- Thursday, June 13, 2019..... **Board of Directors** at 10:00 a.m.
- Thursday, August 1, 2019 **Police Risk Management Committee** at 10:00 a.m.
- Thursday, September 26, 2019..... **Claims Committee** at 10:00 a.m.
Executive Committee at 11:30 a.m.
- Thursday, October 24, 2019** **Risk Management Committee** at 9:30 a.m.
40th Anniversary Luncheon at 11:00 a.m.
Board of Directors at 1:30 p.m.
- Thursday, November 7, 2019 **Police Risk Management Committee** at 10:00 a.m.
- Thursday, January 16, 2020 Long-Range Planning and **Board of Directors** at 10:00 a.m.

Meeting Location: **Rocklin Event Center - Garden Room**

2650 Sunset Boulevard, Rocklin, CA 95677
(**Ballroom** for February, March and June meetings)

**Rocklin Police Department Emergency Operations Center
4080 Rocklin Road, Rocklin, CA 95677

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

RESOURCE CONTACT GUIDE

SERVICE PROVIDERS AND VENDOR MATRIX



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As a member of NCCSIF, your City/Town has many risk management resources available. This Services Matrix is designed to assist you with identifying and locating these resources.

CONTACT INFORMATION										
Pg. 1-2	Program Service Providers									
Pg. 3	Other Coverage Providers									
Pg. 4-6	Contracted Vendor Services (additional member cost)									
RISK MANAGEMENT SERVICE CATEGORY		BICKMORE	CSAC-EIA	TARGET SOLUTIONS	OCCU - MED	APIP	LEXIPOL	ACI EAP	CAL-TIP	DKF SOLUTIONS GROUP
Pg. 7	Telephone Hotline - Questions & Guidance	X								
Pg. 7	Hazard & Safety Assessment	X								X
Pg. 8	Program/Policy Development	X	X				X			X
	Safety Materials/Web-based Courses/Videos	X	X	X						X
Pg. 8	On-Site Training	X	X							X
Pg. 8	Ergonomic Evaluations	X								
Pg. 9	Risk Management Webinars	X	X			X				
Pg. 9	Employer Pull Notice Program		X							
Pg. 10	Pre-Employment Medical Services				X					
Pg. 10	Employee Assistance Program - Health & Wellness						X			
Pg. 11	Transit Resources (available to CalTIP members)								X	

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

PROGRAM SERVICE PROVIDERS

SERVICE PROVIDERS	CONTACT INFORMATION	SERVICES PROVIDED	
<p>PROGRAM ADMINISTRATION</p> <p>Alliant Insurance Services, Inc. 2180 Harvard Street, Suite 460 Sacramento, CA 95815 Main: (916) 643-2700 Fax: (916) 643-2750 www.alliant.com</p>	<p>Marcus Beverly Office: (916) 643-2704 Cell: (916) 660-2725 Marcus.Beverly@alliant.com</p> <p>Michael Simmons Office: (415) 403-1425 Cell: (925) 708-3374 msimmons@alliant.com</p> <p>Raychelle Maranan Office: (916) 643-2712 Raychelle.Maranan@alliant.com</p>	<p><i>JPA MANAGEMENT ISSUES</i></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>MAIN CONTACT Marcus Beverly Michael Simmons Raychelle Maranan</p>
		<p><i>JPA ADMINISTRATIVE ISSUES</i></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>MAIN CONTACT Raychelle Maranan Marcus Beverly</p>

PROGRAM SERVICE PROVIDERS

SERVICE PROVIDERS	CONTACT INFORMATION	SERVICES PROVIDED
<p>ACCOUNTING SERVICES</p> <p>James Marta & Company LLP 701 Howe Avenue, Suite E3 Sacramento, CA 95825 Main: (916) 993-9494 Fax: (916) 993-9489 www.jpmpcpa.com</p>	<p>Jim Marta, CPA jmarta@jpmpcpa.com</p> <p>David Becker, CPA</p>	<ul style="list-style-type: none"> ▪ Billing, accounting and financial managements
<p>SAFETY AND RISK CONTROL SERVICES</p> <p>York Risk Services Group, Inc. <i>formerly Bickmore</i> 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833 Main: (800) 541-4591 Fax: (855) 242-8919 www.yorkrisk.com</p>	<p>Enriqueta Castro Office: (916) 244-1107 enriqueta.castro@yorkrisk.com</p> <p>Dave Beal Office: (916) 244-1127 David.beal@yorkrisk.com</p> <p>Tom Kline - Police Risk Management Office: (916) 244-1121 thomas.kline@yorkrisk.com</p>	<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
<p>CLAIMS ADMINISTRATION</p> <p>York Risk Services Group, Inc. P.O. Box 619079 Roseville, CA 95661-9058 Main: (916) 783-0100 Fax: (866) 548-2637 www.yorkrisk.com</p>	<p>Dorienne Zumwalt Office: (916) 960-1017 dorienne.zumwalt@yorkrisk.com</p> <p>Steven Scott - WC Senior Manager Office: (916) 960-0946 steven.scott@yorkrisk.com</p> <p>Jill Petrarca - Liability Senior Manager Office: (916) 746-8849 jill.petrarca@yorkrisk.com</p>	<p>Third-Party Workers' Compensation (WC) and Liability Claims Administrator --refer to York's <i>Who's Who in Claims for specific Claim Adjuster's contact information.</i></p> <p>Report New Liability Claims to: NCalYorkLiabilityClaims@yorkrsg.com</p>

RESOURCE CONTACT GUIDE

SERVICE PROVIDERS AND VENDOR MATRIX

OTHER COVERAGE PROVIDERS		
SERVICE PROVIDERS	CONTACT INFORMATION	SERVICES PROVIDED
CSAC-EIA Excess Workers' Compensation Coverage	Travis Clemmer Kristen Calderon (video library) Office: (916) 850-7300 Email: tclemmer@csac-eia.org 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	http://www.targetsolutions.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	Tony Giles - General Manager Office: (925) 290-1316 Email: tony@cjprma.org http://www.cjprma.org/	<ul style="list-style-type: none"> ▪ Regional Training provided on a variety of Liability-related Topics
APIP - Alliant Property Insurance Program	Contact Marcus Beverly, Alliant Insurance Services, for questions.	<ul style="list-style-type: none"> ▪ Webinars - Property Risk Management Topics <p>In addition, Boiler and Machinery coverage is provided through your participation in APIP.</p> <ul style="list-style-type: none"> ➤ For resources with your boiler, electrical, mechanical, and HVAC equipment, visit www.hsb.com/calc/ENG and use the online tools and calculators developed by Hartford Steam Boiler's engineering staff. ➤ Useful information specific to equipment care, operating logs and maintenance fact sheets on the website www.hsb.com which has several resources available under the 'Knowledge Center' tab.

RESOURCE CONTACT GUIDE

SERVICE PROVIDERS AND VENDOR MATRIX

<p>Lexipol Law Enforcement and Fire risk management</p> <p>Website: www.lexipol.com</p>	<p>David Espinosa Office: (949) 292-4874 Email: despinosa@alexipol.com</p>	<ul style="list-style-type: none"> ▪ Police Risk Management Policies and Procedures ▪ Fire Training (*additional member cost)
<p>CalTIP - California Transit Insurance Pool Self-insurance program for public transit operators</p>	<p>Lee Sorenson, Bickmore Risk Services Office: (800) 541-4516 ext. 1168 Email: lsorenson@bickmore.net Website: http://www.caltiponline.org/</p>	<ul style="list-style-type: none"> ▪ Transit Specific Risk Management Resources for Member Cities (Auburn, Dixon, and Folsom)

CONTRACTED VENDOR SERVICES (additional member cost)		
VENDOR SERVICES	CONTACT INFORMATION	SERVICES PROVIDED
<p>EMPLOYEE ASSISTANCE PROGRAM</p> <p>ACI Specialty Benefits Corporation 6480 Weathers Place, Suite 300 San Diego, CA 92121 Main: (800) 932-0034 Fax: (858) 452-7819 www.acieap.com</p>	<p>Colleen Shuster, Account Manager Office: (858) 529-0171 Email: cshuster@acispecialtybenefits.com</p>	<ul style="list-style-type: none"> ▪ Employee Assistance Program
<p>Pre-employment Medical Services</p> <p>Occu-Med</p>	<p>Bill Vogeler Office: (559) 435-2800, ext. 101 Email: bvogeler@occu-med.com Website: www.occu-med.com</p>	<ul style="list-style-type: none"> ▪ Review of Pre-placement Medical Exams ▪ Job Analysis
<p>Sewer Risk Management</p> <p>DKF Solutions Group, LLC</p>	<p>David Patzer Office: 707.373.9709 Email: dpatzer@dkfsolutions.com Website: http://www.dkfsolutions.com</p>	<ul style="list-style-type: none"> ▪ Sewer Risk Management
<p>Aquatics Risk Management</p> <p>Total Aquatic Management www.totalaquaticmanagement.webs.com</p>	<p>Jim Wheeler Office: (510) 523-3155 Email: jim@totalaquaticmanagement.com swimnjim@hotmail.com</p>	<ul style="list-style-type: none"> ▪ Aquatic Safety services ▪ Certified Pool Operator (CPO) Trainings
<p>Sidewalk Repair Services</p> <p>Precision Concrete Cutting Main: (866) 792-8006 Fax: (650) 240-3866 www.dontgrind.com</p>	<p>Katrina Lynch (916) 847-7346 Klynch@dontgrind.com</p> <p>Joseph Ortega jortega@DontGrind.com</p>	<ul style="list-style-type: none"> ▪ Sidewalk cutting to repair defects ▪ Will inspect to your specifications ▪ Map defects ▪ Repairs @ \$35 to \$50 per location

CONTRACTED VENDOR SERVICES (additional member cost)		
VENDOR SERVICES	VENDOR CONTACT INFORMATION	SERVICES PROVIDED
ADA Compliance	<p>City Consulting Engineer - CEC Inc. Yuba City 1110 Civic Center Blvd. Ste. 404 Yuba City, CA 95993 Email: Swartz@cecusa.net (530) 751-0952</p>	
ADA Compliance	<p>Sally Swanson Architects 220 Sansome Street. STE 800 San Francisco, CA 94104 (415) 445-3045 ext. 118</p>	
ADA Compliance	<p>SZC Consulting Group</p> <p>Sacramento Office 2377 Gold Meadow Way, # 100 Gold River, CA 95670 (916) 669-8750</p> <p>Silicon Valley Office 228 Hamilton Avenue, 3rd Floor Palo Alto, CA 94301 (866) 694-7637</p>	
<p>Arborist</p> <p>ASCA Registered Consulting Arborist #480 ISA Certified Arborist & Municipal Specialist #WE-0151 AM ISA TRAQ Risk Assessment Qualified</p>	<p>Gordon Mann - Consulting Arborist California Tree and Landscape Consulting, Inc. & Mann Made Resources 10556 Combie Road Auburn, CA 95602 Cell: (650) 740-3461 Email: gordon@mannandtrees.com website: https://mannandtrees.com/</p>	<ul style="list-style-type: none"> ▪ Contract Preparation and Supervision ▪ Diagnosis of Tree and Landscape Problems ▪ Insect and Disease Identification and Management ▪ Municipal Ordinance Development ▪ Training and Education, Tree, Landscape, and Nursery Appraisals ▪ Tree Plant Inventories ▪ Tree Protection for Construction Projects ▪ Tree Risk Assessments and Surveys

CONTRACTED VENDOR SERVICES (additional member cost)		
VENDOR SERVICES	VENDOR CONTACT INFORMATION	SERVICES PROVIDED
Arborist	Professional Landscape Solutions 6108 27th Street, Ste. C Sacramento, CA 95822 (916) 424-3815	
Drug & Alcohol Testing	Datco Services Corporation 2280 Grass Valley Highway Suite 232 Auburn, CA 95603 530-268-8101 (800) 95-DATCO (32826)	
Drug & Alcohol Testing	Feather River Hospital 5974 Pentz Road Paradise, CA 95969 (530) 876-7919	
Janitorial Services	City Wide 6108 27th Street STE C Sacramento, CA 95822 (916) 424-3815	
Janitorial Services	Peerless Building Maintenance 4665 Mountain Lakes Blvd. Redding, CA 96003 (530) 222-6369	
Janitorial Services	Ultimate Building Maintenance Inc 598 Garden Hwy Suite 5 Yuba City, CA 95591 (530) 671-1564	

RISK MANAGEMENT SERVICE CATEGORY

Telephone Hot Line Questions/Guidance	<p>BICKMORE</p> <p>Bickmore is NCCSIF’s risk control services provider. Gail is your point of contact for risk management questions and guidance.</p>			
Hazard & Safety Assessment	<p>BICKMORE</p> <p>A comprehensive Hazard & Safety Assessment is completed for each city to help identify risk management strengths and improvement opportunities. The assessment is used as a tool to help prioritize risk management efforts. It includes best practices in the following areas:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> <ol style="list-style-type: none"> 1. Risk Management Program Overview 2. Aerial Lift Operations 3. Aerosol Transmissible Diseases (ATD) Control 4. ADA Compliance 5. Animal Control Services 6. Automobile & Fleet Liability 7. Blood Borne Pathogens ECP 8. Business Continuity Plan 9. Confined Space Entry Program 10. Contractor Selection & Control 11. Contractual Transfer of Risk </td> <td style="width: 33%; vertical-align: top;"> <ol style="list-style-type: none"> 12. Emergency Response & Management 13. Employment Practices Liability 14. Ergonomic Injury Management 15. Fire Department Operations 16. Fire Prevention Program 17. Forklifts & Powered Industrial Trucks 18. Hazard Communication Program 19. Hearing Conservation Program 20. Heat Illness Prevention Program 21. Information Technology 22. Injury & Illness Prevention Program </td> <td style="width: 33%; vertical-align: top;"> <ol style="list-style-type: none"> 23. Lockout-Tagout 24. Parks & Recreation Operations 25. Personal Protection Equipment 26. Police Department Operations 27. Respiratory Protection Program 28. Return-to-Work & Transitional Duty 29. Sewers Liability Management 30. Sidewalks Liability Management 31. Traffic Engineering 32. Trenching & Excavation Operations 33. Urban Forest Management 34. Work Zone Safety </td> </tr> </table>	<ol style="list-style-type: none"> 1. Risk Management Program Overview 2. Aerial Lift Operations 3. Aerosol Transmissible Diseases (ATD) Control 4. ADA Compliance 5. Animal Control Services 6. Automobile & Fleet Liability 7. Blood Borne Pathogens ECP 8. Business Continuity Plan 9. Confined Space Entry Program 10. Contractor Selection & Control 11. Contractual Transfer of Risk 	<ol style="list-style-type: none"> 12. Emergency Response & Management 13. Employment Practices Liability 14. Ergonomic Injury Management 15. Fire Department Operations 16. Fire Prevention Program 17. Forklifts & Powered Industrial Trucks 18. Hazard Communication Program 19. Hearing Conservation Program 20. Heat Illness Prevention Program 21. Information Technology 22. Injury & Illness Prevention Program 	<ol style="list-style-type: none"> 23. Lockout-Tagout 24. Parks & Recreation Operations 25. Personal Protection Equipment 26. Police Department Operations 27. Respiratory Protection Program 28. Return-to-Work & Transitional Duty 29. Sewers Liability Management 30. Sidewalks Liability Management 31. Traffic Engineering 32. Trenching & Excavation Operations 33. Urban Forest Management 34. Work Zone Safety
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<p>Program & Policy Development</p>	<p>BICKMORE Our risk control service includes assistance with the development and implementation of Cal/OSHA required written programs such as Injury & Illness Prevention Program, Hazard Communication Program, Aerosol Transmissible Diseases Procedures for fire and police, Bloodborne Pathogens Exposure Control Plan, etc. Our website also includes sample programs and guides.</p> <p>CSAC-EIA (Additional Cost) CSAC-EIA loss prevention specialists are available to provide assistance with program development at an additional cost to NCCSIF members. Contact CSAC-EIA directly for assistance.</p> <p>LEXIPOL NCCSIF members have access to the police risk management policies offered through Lexipol.</p>
<p>On-Site Training</p>	<p>BICKMORE On-site training is available to members on a variety of workers’ compensation, liability, and EPL exposures. Training topics include, but are not limited to, Cal/OSHA program requirements, hazard inspections, accident investigation, forklift certification, driver training, sexual harassment, CPR certification, various workplace safety topics, and more. Contact Gail to discuss and schedule on-site training.</p> <p>CSAC-EIA CSAC-EIA is available to conduct a variety of workers’ compensation related safety training at an additional cost to members. Contact Travis Clemmer to discuss available topics and scheduling.</p> <p>CJPRMA Every year CJPRMA conducts up to five regional training workshops throughout California. In the past, topics have included contractual risk transfer, police liability, parks and recreation liability, and sidewalk liability controls. CJPRMA will send the training announcement to Alliant, who will then forward to all NCCSIF members.</p>
<p>Ergonomic Evaluations</p>	<p>BICKMORE Bickmore is available to conduct office and industrial ergonomic evaluations for all members. Contact Gail Zeigler to discuss and schedule ergonomic evaluations.</p>

<p>Risk Management Webinars</p>	<p>BICKMORE Throughout the year, Bickmore risk control staff conducts webinars on a wide range of safety topics such as heat illness prevention, scaffold safety, disaster management, and new safety regulations. Our goal is to communicate relevant safety information in an all-inclusive and cost-effective way. NCCSIF members will receive webinar announcements via email. The one-hour webinars are recorded and available to view at any time on the Bickmore Risk Control website.</p> <p>CSAC-EIA CSAC-EIA conducts several workers’ compensation related webinars throughout the year, which are available to all NCCSIF members. Contact Travis Clemmer to ensure your city is included in the announcement distribution.</p> <p>APIP NCCSIF members have access to all APIP property related webinars. Contact Marcus Beverly to ensure your city is included in the announcement distribution. Recorded webinars are also available on the Bickmore Risk Control website.</p>
<p>Employer Pull Notice Program</p>	<p>CSAC-EIA & TARGET SOLUTIONS (Additional cost to members) CSAC-EIA and Target Solutions have partnered with A-Check America to automate your Employer Pull Notice (EPN) program. Using this program, you can electronically monitor your employees’ driving records and receive notification within hours of a reportable incident.</p> <p>You can access your driver roster and key data from a dashboard within Target Solutions. This data is accessible only to you and A-Check America and features a summary of the number of drivers added and removed from the system, an overview of the violations and accidents that have occurred, and a breakdown of your employees’ license renewal status. For additional information go to www.CSAC-EIA-eia.org, Services/Loss Prevention/Target Solutions Platform.</p>

<p>Pre-Employment Medical Services</p>	<p>OCCU-MED Services offered at an additional cost:</p> <ul style="list-style-type: none"> ▪ Review of Pre-Placement Medical Exams ▪ Job Analysis ▪ Maintaining a network of qualified and trained medical providers and medical specialists for necessary exams ▪ Conducting job analyses and preparing job profiles and medical examination profiles ▪ Providing orientation of client staff in the legal/medical/risk management and human resources aspects of our service ▪ Scheduling and harvesting of pre-placement medical exams ▪ Organizing and managing return-to-work and fitness-for-duty exams ▪ Evaluating medical information in relation to the essential duties of jobs in a legally defensible manner (EXAMQA®) ▪ Communicating directly with applicants to obtain the confidential medical information that is needed for clearance for a particular job (RDQA) ▪ Developing “Occu-Panels” with a national laboratory that allows for the selection of only those tests for the blood chemistry panel that are compliant with state law for each job class ▪ Performing bill review for the medical exams performed by clinics ▪ Providing customized services such as OSHA Respirator Questionnaire Evaluations, Bloodborne Pathogen Programs, and clinic trainings
<p>Employee Assistance Program</p>	<p>ACI Services offered at an additional cost:</p> <ul style="list-style-type: none"> ▪ Employee Assistance Program (Additional cost to members) Employees and their family members can receive up to three counseling visits per year. The family members do not need to be within the same residence. The visits are considered short-term resolution. If the person needs additional counseling, ACI will help them transition into their private insurance plan. ▪ Legal and Financial Services (Additional cost to members) Employees and their family members have unlimited access to telephonic legal and financial services.

<p>Transit Resources</p>	<p>CalTIP - California Transit Insurance Pool Self-insurance program for public transit operators. Member cities include Auburn, Dixon, and Folsom.</p> <p>Programs and Safety Materials</p> <ul style="list-style-type: none"> ▪ System Safety Program Plan (SSPP) Development ▪ SSPP Implementation Assessment & Follow-up Process ▪ SAMPA Fleet Watch Paperless DMV EPN Program ▪ Bus Operator Selection Survey (BOSS) ▪ CalTIP Risk Profile ▪ APTA Membership ▪ Bus Stop Location & Design Evaluation Program ▪ Digital Video Event Recorder System ▪ Mobility Device Marking & Tethering Program ▪ APTA Safety Standards ▪ Best Practices ▪ Bus Stop Toolkit ▪ Pedestrian Safety Guide for Transit Agencies ▪ Safety Posters and Flyers
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**York Risk Services Group, Inc.
Who's Who in Claims
Workers' Compensation Contacts**

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Auburn, Galt, Gridley, Lincoln, Paradise,
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Oroville

Catherine Clark
Claims Examiner
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Anderson, Colusa, Corning, Dixon, Folsom,
Ione, Jackson, Lincoln (Fire), Nevada City,
Rio Vista, Rocklin

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<http://www.yorkrisk.com>



York Risk Services Group, Inc. Who's Who in Claims Liability Contacts

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Handles All Cities As Needed

Erica Nichols

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Auburn, Dixon, Folsom, Lincoln, Rio Vista, Rocklin
Handles All Cities As Needed

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Property & Casualty Adjuster
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Paradise, Red Bluff, Willows, Yuba City

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Galt, Ione, Jackson

Bernadette Haas

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Summer Simpson

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Handles All Cities As Needed

Kathy Greene

Administrative Assistant
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kathryn.greene@yorkrisk.com

Jill Petrarca

Senior Manager
Property and Casualty
(916) 746-8849

jill.petrarca@yorkrisk.com

To File a New Claim: NCalYorkLiabilityClaims@Yorkrsg.com

Office Hours Emergency (916) 960-0981

After Hours Emergency Call-Out (916) 971-2701

Resources

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Vice President
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Dori Zumwalt

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dorienne.zumwalt@yorkrisk.com

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

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 _____