



President
Ms. Liz Ehrenstrom
City of Oroville

Treasurer
Mr. Tim Sailsbery
City of Willows

**NCCSIF
EXECUTIVE COMMITTEE
MEETING (REVISED)**

Vice President
Mr. Russell Hildebrand
City of Rocklin

Secretary
Ms. Paula Islas
City of Galt

Date: Thursday, March 13, 2014
Time: 10:30 a.m.

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

A – Action
I – Information

1 – Attached
2 – Hand Out
3 – Separate Cover
4 – Verbal
5 – Previously Mailed

MISSION STATEMENT

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

AGENDA

A. CALL TO ORDER

B. PUBLIC COMMENTS

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

C. APPROVAL OF AGENDA AS POSTED

A 1

pg. 01 **D. CONSENT CALENDAR**

A 1

All matters listed under the consent calendar are considered routine with no separate discussion necessary. Any member of the public or the Executive Committee may request any item to be considered separately.

- pg. 02 1. Executive Committee Meeting Minutes – November 14, 2013
- pg. 11 2. Executive Committee Teleconference Meeting Minutes – February 18, 2014
- 3. Investment Reports
 - pg. 14 a. Chandler Asset Management Short/Long Term – February 2014
 - pg. 22 b. LAIF Report as of December 31, 2013



pg. 23	E. COMMITTEE REPORTS	I	1
pg. 24	1. Training Day/Board of Directors Meeting Minutes – Dec 12, 2013 (Draft)		
pg. 32	2. Risk Management Committee Meeting Minutes – Jan 16, 2013 (Draft)		
	F. FINANCIAL REPORTS		
pg. 36	1. Quarterly Financial Report for Period Ending December 31, 2013 <i>James Marta Company will present the quarterly financial report ending December 31, 2013 for the Committee to Accept and File.</i>	A	1
pg. 55	2. Budget to Actual as of December 31, 2013 Update <i>The Committee will receive an update on the Budget to Actual as of December 31, 2013.</i>	I	1
	G. JPA BUSINESS		
pg. 61	1. FY 2014/15 Actuarial Studies – Draft financial pages only	A	1
pg. 123	a. <i>The Committee will be asked to review and approve the Draft 2013/14 Actuarial Study for the Workers’ Compensation program.</i>		
	b. <i>The Committee will be asked to review and approve the Draft 2013/14 Actuarial Study for the Liability program.</i>		
pg. 132	2. 4850 Compensation Options Discussion <i>The Committee will be asked to discuss NCCSIF’s 4850 policies and how these numbers are used in NCCSIF’s calculations and losses.</i>	I	1
pg. 134	3. Review and Approval of the 2013 Banking Plan Adjustment Calculation Sheets	A	1
pg. 136	a. <i>The Committee will be asked to review the redistribution of the Banking Layer funds calculations for the Workers’ Compensation program.</i>		
	b. <i>The Committee will be asked to review the redistribution of the Banking Layer funds calculations for the Liability program.</i>		
pg. 138	4. Review and Approval of the 2013 Shared Risk layer Plan Fund Adjustments	A	2
pg. 139	a. <i>The Committee will be asked to review the redistribution of the Banking Layer funds calculations for the Workers’ Compensation program.</i>		
	b. <i>The Committee will be asked to review the redistribution of the Banking Layer funds calculations for the Liability program.</i>		



	5. 2013/14 Safety Grant Funds Utilization and Consideration of 2014/15 Safety Grant Funds program continuation		1
pg. 140	<i>a. The Committee will receive an update on the current usage of the 203/14 Safety Grant Utilization by members.</i>	I	
pg. 147	<i>b. The Committee will be asked to approve the continuation of the Safety Grant Funds for the 2014/15 policy year.</i>	A	
pg. 150	6. Distribution of CJPRMA Refund <i>The Committee will be asked to review and approve the Distribution of the CJPRMA Refund to be applied to the Liability Program as a credit.</i>	A	2
pg. 151	7. Preliminary 2014/15 NCCSIF Budget <i>The Committee will be asked to review and approve the preliminary 2014/15 NCCSIF Budget.</i>	A	1
pg. 154	8. Preliminary 2014/15 Deposit Calculations <i>a. The Committee will be asked to review the Preliminary 2014/15 Deposit Premium Calculations for the Workers' Compensation program.</i>	A	1
pg. 157	<i>b. The Committee will be asked to review the Preliminary 2014/15 Deposit Premium Calculations for the Liability program.</i>		
pg. 160	9. 2014/15 Property Renewal Update <i>The Committee will receive an update on the 2014/15 Property Premiums.</i>	I	1
pg. 161	10. Property Appraisals Update <i>The Committee will receive and update on the NCCSIF Property Appraisals to be completed this year.</i>	I	1
pg. 162	11. 2014 Workers' Compensation Claims Auditor Selection <i>The Committee will be asked to approve the selection of or RFP for the 2014 Workers' Compensation Claims Auditor.</i>	A	1
pg. 174	12. NCCSIF JPA Crime Policy Renewal <i>The Committee will be asked to review and approve NCCSIF's Crime Program Renewal.</i>	I	1
pg. 175	13. Recommended Hold Harmless Indemnification Clause <i>The Committee will be asked to review and approve the recommended Hold Harmless Indemnification Clause.</i>	A	1
pg. 177	14. Round Table Discussion <i>The floor will be open to Executive Committee members for any topics or ideas that members would like to address.</i>	A	4



H. INFORMATION ITEMS

I 1

- pg. 178 1. NCCSIF Organizational Chart
- pg. 179 2. NCCSIF Travel Reimbursement Form
- pg. 180 3. NCCSIF Resource Contact Guide

I. ADJOURNMENT

UPCOMING MEETINGS

Risk Management Committee Meeting – April 24, 2014

Board of Directors Meeting – April 24, 2014

Executive Committee Meeting – May 29, 2014

Claims Committee Meeting – May 29, 2014

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

The Agenda packet will be posted on the NCCSIF website at www.nccsif.org. Documents and material relating to an open session agenda item that are provided to the NCCSIF Executive Committee less than 72 hours prior to a regular meeting will be available for public inspection and copying at 1792 Tribute Road, Suite 450, Sacramento, CA 95815.

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



CONSENT CALENDAR

ACTION ITEM

ISSUE: Items on the Consent Calendar should be reviewed by the Executive Committee 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 Executive Committee. *Items pulled from the Consent Calendar by a member will be placed in order, back on the agenda, by the President.*

FISCAL IMPACT: None.

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

ATTACHMENT(S):

1. Executive Committee Meeting Minutes – November 14, 2013
2. Executive Committee Teleconference Meeting Minutes – January 13, 2014
3. Investment Reports
 - a. Chandler Asset Management Short/Long Term – February 2014
 - b. LAIF Report as of December 31, 2013
4. Treasurer's Report as of December 31, 2013



**MINUTES OF THE
NCCSIF EXECUTIVE COMMITTEE MEETING
NOVEMBER 14, 2013**

MEMBERS PRESENT

John Lee, City of Lincoln
Liz Ehrenstrom, City of Oroville
Gina Will, Town of Paradise
Russell Hildebrand, City of Rocklin
Tim Sailsbery, City of Willows

MEMBERS ABSENT

Catrina Olson, City of Nevada City
Shari Conley, City of Auburn
Karin Helvey, City of Gridley

GUESTS & CONSULTANTS

Marylin Kelley, Alliant Insurance Services
Johnny Yang, Alliant Insurance Services
Marcus Beverly, York Risk Services
Ben Burg, York Risk Services
Lela Casey, York Risk Services
Robin Zane, James Marta & Company

A. CALL TO ORDER

The meeting was called to order at 10:02 a.m.

B. PUBLIC COMMENTS

There were no public comments made.

C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

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

D. CONSENT CALENDAR

1. Executive Committee Meeting Minutes – September 19, 2013
2. Executive Committee Meeting Minutes – October 17, 2013
3. Investment Reports
 - a. Chandler Asset Management Short/Long Term – October 2013



b. LAIF Report as of September 30, 2013

A motion was made to approve the Consent Calendar.

MOTION: Russell Hildebrand **SECOND:** John Lee **MOTION CARRIED**

E. COMMITTEE REPORTS

1. Board of Directors Meeting Minutes – October 10, 2013
2. Clams Committee Meeting Minutes – September 4, 2013

There was no discussion on the Committee Reports.

F. FINANCIAL REPORTS

F1. Quarterly Financial Report for Period Ending September 30, 2013

Ms. Robin Zane, James Marta & Company, provided the Committee with a presentation on the Quarterly Financial Report for Period Ending September 30, 2013.

A motion was made to receive and file the Quarterly Financial Report for Period Ending September 30, 2013 and the Financial Reports provided by James Marta & Company.

MOTION: Russell Hildebrand **SECOND:** John Lee **MOTION CARRIED**

G. JPA BUSINESS

G1. MPN Services

Ms. Marilyn Kelley explained that NCCSIF currently has a non-functioning MPN through Professional Dynamics (PDI) with a contract that has expired on June 30, 2013. Currently NCCSIF has access to their Healthsmart Provider Network, but it is not being utilized.

She explained the history of NCCSIF's MPN Services and added that there had been poor match ups with the physicians and service providers in the smaller cities and those in the network. This has always been problematic but due to the claims adjusting staff and an effective Utilization and Bill Review program provided by York, the impacts to NCCSIF of not having an active MPN were minimal.

The current agreement with PDI is a \$1,000 monthly fee for maintenance of the Medical Provider Network. The alternative provider, WellCOMP would charge a one-time \$1,500 fee for the MPN filings with the State of California. She mentioned that the new agreement with WellCOMP has two fee options which were as follows:



Option 1: A fee of \$60 per claim for the MPN Notification. NCCSIF has had an average of 390 claims per year over the past five years. This would be an additional cost of \$23,400 which would be charged against the claims file as an expense if every claim was directed to the MPN.

Additionally, WellCOMP would charge 50% of savings below the fee schedule. For the past two years, the PPO saving shown on the Bill Review Summaries are about 2-3% of the savings to the regular costs and would result in additional costs (through reduction of savings) of \$60,000 - \$80,000 annually, again if all claims were directed to the MPN.

Option 2: A \$5 per bill fee. This works better with claims that have less than 12 bills. Plus 15% of the contract discount for the network not WellCOMP. This is the same way the Bill Review program works, but we pay \$10.50 per bill for that service. Marcus Beverly advises that the average number of bills per claims is 13. So this may or may not be of benefit to NCCSIF. This would still have the additional charge of 5% of savings below the fee schedule.

The fees proposed from PDI are \$50 per first report of injury and \$1,000 per month for network maintenance. There is no fee for savings below the fee schedule.

Mr. Ben Burg advised that the program is currently being utilized by Folsom explaining that the MPN physicians are less available in the more rural areas.

Ms. Kelley explained that Ms. Susan Adams has received poor responses from PDI in an attempt to obtain additional information and utilization reports. Currently NCCSIF is paying \$1,000 per month for the MPN Maintenance. Ms. Kelley has since been able to obtain the requested information from PDI to perform a pricing comparison between PDI and WellCOMP. She advised that moving to a new MPN program will likely cost NCCSIF more per claim. This would be due to the additional costs in shared savings.

Ms. Tim Sailsbery asked that the NCCSIF members double check the list of physicians and noted that the City of Willows did not find any physicians in their area in reviewing WellCOMP's list of physicians.

Ms. Kelley recommends that NCCSIF enters into a 1-year agreement with WellCOMP.

Mr. Hildebrand asked that if NCCSIF moves over to WellCOMP, would members be expected to use the MPN or would members still have the option to use their own doctors as what's being currently done. Ms. Kelley explained that members would still have the option to use the MPN or their own doctors.

Mr. Hildebrand then asked how the expected additional costs would be incurred by NCCSIF. Ms. Kelley explained that the expected additional costs would be due to the 50% share of the savings that NCCSIF would have received per claim. Mr. Beverly added that these savings are calculated using the actual costs vs. a fee schedule on file with the MPN.



Upon further discussion, the Committee noted that the annual \$12,000 to maintain the current MPN Services with PDI is shared by all members regardless of their usage. With respects to WellCOMP, there will be an initial set up fee will be \$1,500 shared by all members but any expenses incurred going forward will be toward each member's individual losses. The Committee agreed on a consensus to move to WellComp.

Mr. Beverly advised that all that is needed is to add an addendum to the current Workers' Compensation Claims Administration Contract in place. Staff was directed to ask NCCSIF Legal Counsel, Russell Hildebrand and Liz Ehrenstrom for review of the addendum to the contract.

A motion was made to approval a 1-year contract with WellCOMP pending contract review by NCCSIF Legal Counsel and signature by NCCSIF President and Vice President.

MOTION: Gina Will

SECOND: John Lee

MOTION CARRIED

G2. Status of 2013 Liability Claims Audit

Ms. Kelley advised that the Liability Claims Audit was requested late this year and as a result, a verbal report has been provided for this meeting. The details of the verbal report per Marylin's conversation with Mr. Ken Maiolini were listed in the Background description of the Agenda Item write up. She advised that NCCSIF's claims are handled in a manner that meets and exceeds the reporting standards. Ms. Kelley also explained that there were no comments on the Property Loss Notice programs and that Mr. Maiolini found no adverse affects in utilizing paperless systems.

Mr. Marcus Beverly explained that York will also be audited by CJPRMA in the Spring of 2014.

G3. Approval of Changes to Terms of Officers and Changes to the Executive Committee Rotation Schedule

Ms. Kelley explained that a Notice of Intent to Amend the Bylaws has been sent to NCCSIF members. NCCSIF Bylaws would need to be amended to change the term of officers to allow the number of members on the Executive Committee to fluctuate between six and seven depending on the regions, as well as amend the number of regions for the Executive Committee service rotation from the current six to seven. Ms. Liz Ehrenstrom has agreed to serve an additional year as President, and Mr. Russell Hildebrand agrees to serve the additional 2 years as President, thereafter. She also mentioned that a Quorum for the Executive Committee is currently 4 members.

The recommendation of the Program Administrators is that the NCCSIF Bylaws be amended so that the Office of Past President is eliminated, and that the terms of the office for the President, Vice President and Secretary be changed from one year to two years. The number of the Executive Committee would be amended from 7 to 6-8.



The President, a Member of the green region that would have transitioned to Past President will instead serve a second year as President. The Vice President will begin service as President as his Pink region rotates off the Executive Committee. Program Administration also recommends approval of the revised rotation schedule with 7 regions.

This would mean the Executive Committee would be comprised of 6-8 members plus the NCCSIF President.

A motion was made to approve the proposed amendment to the NCCSIF Bylaws regarding the Terms of Officers and changes to the Executive Committee Rotation Schedule.

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

G4. 2014 Nominating Committee and Nomination of Officers

Ms. Kelley advised that the Executive Committee rotates annually and each member serves for a two-year term. There are two motions that would need to be taken for this item regarding electing the 2014 Nominating Committee and the Nomination of Officers.

A motion was made to approve the NCCSIF Executive Committee as the Nominating Committee for the 2014 NCCSIF Nomination of Officers.

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

Ms. Kelley then explained that the 2014 Slate of Officers is recommended as follows:

- Liz Ehrenstrom, President
- Russell Hildebrand, Vice President
- Tim Sailsbery, Treasurer
- Gina Will, Secretary
- Paula Islas, CJPRMA Representative

A motion as made to approve the 2014 Slate of Officers as proposed above.

MOTION: John Lee **SECOND:** Gina Will **MOTION CARRIED**



G5. Resolution 14-01 Authorizing Investment of Monies of LAIF

This resolution must be approved by the Board of Directors on an annual basis authorizing the newly elected President, Vice President and Treasurer, authority to order the deposits or withdrawal of monies in LAIF.

A motion was made to approve Resolution 14-01 Authorizing Investment of Monies in LAIF.

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

G6. NCCSIF Administrative Surplus

Ms. Kelley advised that the Financial Report Ending June 30, 2013 shows an administrative equity of \$477,525 has been built up. She explained that historically NCCSIF has a tendency to build up an administrative surplus. Usually, when this has occurred, a portion of the administrative surplus is used to offset some of the next year's administrative fiscal costs.

Staff recommends that 50% of the administrative surplus, not including funds for 2013-2014 and not otherwise allocated, be utilized for the 2014/2015 fiscal year to offset the administrative costs proposed for that year. Staff would be directed to verify that the declared equity does not have outstanding potential costs associated with it and if so to verify the unrestricted equity funds.

Mr. Hildebrand suggested that this item be brought to the full board for their direction and approval.

A motion was made to bring this item to the Board of Directors for direction and approval.

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

G7. 2014 NCCSIF Meeting Calendar

The Program Administrator recommends that the Executive Committee review and approve the proposed 2014 NCCSIF Meeting Calendar.

A motion was made to approve the 2014 NCCSIF Meeting Calendar.

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



G8. 2014 NCCSIF Service Calendar

Ms. Kelley advised that the 2014 NCCSIF Service Calendar is provided to the Executive Committee showing a timeline of the annual activities to be completed on behalf of the organization.

A motion was made to approve the 2014 NCCSIF Service Calendar.

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

G9. 2014/15 Insurance Market Update and Renewal Marketing Plan

Ms. Kelley explained that, annually, staff provides an insurance market update as well as proposes a renewal marketing plan for the upcoming policy year. She explained that the market update will be given during the December 12, 2013 Board of Directors meeting and that at the present time, the Program Administrators believe the following should occur with the NCCSIF programs:

Workers' Compensation: Renew coverage with CSAC EIA. Traditional Excess WC Insurance carriers in California are still not competitive with our program through CSAC EIA.

Liability: Continue participation in CJPRMA; this has been a strong partner and a valuable alternative to traditional excess insurance.

Property: The PEPiP program re-evaluates carriers annually, with carriers being added or deleted depending on market conditions. The program renews in July for all members. Two years ago Alliant marketed the Property program and found that the current program provided members with the broadest coverage's and the lowest cost; this continues in today's environment.

Crime: We have remained with AIG, in part, because the Alliant Crime program (ACIP), would not provide an alternative. We are going to approach at similar program through CSAC EIA this year for competitive pricing and higher limits.

G10. December 12, 2013 Training Day Itinerary

Ms. Kelley explained that staff has reached out to members for Training Day topics to be discussed on December 12, 2013 and have proposed the attached Training Day Itinerary.

Ms. Gina Will asked that staff provide a short presentation of all the resources available through NCCSIF.



Mr. Hildebrand also asked that a discussion be held on pool exposures common amongst NCCSIF members. The committee suggested this topic be discussed during General Discussion.

Mr. Hildebrand then brought up the topic of Volunteer Programs explaining that Mr. Michael Simmons discussed the idea of a Volunteer Programs Joint Document Pool of various sample waivers and release of liability forms that may be shared amongst NCCSIF members.

A motion was made to approve the December 12, 2013 Training Day Itinerary with the addition of a List of Various Resources provided by NCCSIF and a demonstration by Mr. Russell Hildebrand on the City of Rocklin’s Volunteer portal website.

MOTION: Gina Will **SECOND:** John Lee **MOTION CARRIED**

G11. Discussion of Lunchtime Presentations for 2014

Ms. Kelley advised that staff is looking for recommendations, explaining that York would like to give a presentation on their Property Recovery Program.

Mr. Russell Hildebrand also wanted a different Comprehensive Fitness for Duty Training to address what should be and what can be done regarding Fit for Duty Evaluations mentioning specific employment law that will address a city’s obligation regarding bringing an injured employee back to work. This led to the discussion regarding a returning an employee to work and the challenges a member city faces.

A motion was made to approve the list of recommended Lunchtime Presentations for 2014 as listed below:

- Risk Management topics
 - Defensive Driving
 - First Line Supervisor Training
 - Comprehensive Fitness for Duty Training
 - Frustrations of 4850
- Funding / Cost Effectiveness
 - How does NCCSIF continue to keep premiums down during time of “hard” and/or volatile markets?
 - Property Recovery Program by York Risk Services
- Value Propositions/Services
 - What are the benefits to Members of staying with NCCSIF and not another insurance pool?
 - Could/Should smaller cities share a rotating, dedicated Risk Management professional for a few hours a month?



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

The Committee also discussed the option of body cameras for NCCSIF members' police department for which Liz noted that she would like to explore discussion on the cameras and their effectiveness.

G12. NCCSIF Service Provider Evaluations Update

Mr. Johnny Yang explained that staff has received 8 – 9 responses to the NCCSIF Service Provider Evaluations sent out to members via Survey Monkey. Results were anonymous and provided in the Agenda Packet.

Staff was directed to bring NCCSIF Service Provider Evaluations forms to the December 12, 2013 Training Day/Board of Directors meeting to be completed.

H. INFORMATION ITEMS

1. Weekly Law Resume: Torts – Public Entities – Immunity for Natural Conditions
2. CIO Economic Commentary – Third Quarter
3. TargetSolutions' Hazard Communication Course (OSHA GHS Standard)
4. NCCSIF Organizational Chart
5. NCCSIF Travel Reimbursement Form

I. ADJOURNMENT

The meeting was adjourned at 12:30 p.m.



**MINUTES OF THE
NCCSIF SPECIAL EXECUTIVE COMMITTEE MEETING
TELECONFERENCE
FEBRUARY 18, 2014**

MEMBERS PRESENT

Steve Johnson, City of Dixon
Paula Islas, City of Galt
Corey Shaver, City of Nevada City
Tim Chapa, City of Rio Vista
Tim Sailsbery, City of Willows

MEMBERS ABSENT

Russell Hildebrand, City of Rocklin
John Lee, City of Lincoln

GUESTS & CONSULTANTS

Mike Simmons, Alliant Insurance Services
Johnny Yang, Alliant Insurance Services
Marcus Beverly, York Risk Services

A. CALL TO ORDER

The meeting was called to order at 11:05 a.m.

B. PUBLIC COMMENTS

There were no public comments made.

C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

MOTION: Steve Johnson **SECOND:** Tim Chapa **MOTION CARRIED**

D1. Introduction of 2014 Executive Committee and Review of their Responsibilities

Mr. Simmons explained that this item has already been discussed at the prior Executive Committee meeting and the Executive Committee has already been established. Mr. Tim Chapa advised that staff has scheduled a new member orientation for the City of Rio Vista.



D2. Selection of 2014 Claims Committee Members

Ms. Ehrenstrom advised that Mr. Russell Hildebrand is already selected to serve on the Claims Committee. Mr. Corey Shaver has volunteered to serve of the Claims Committee. Ms. Ehrenstrom made the elected Mr. John Lee to serve and Mr. Chapa has volunteered to serve on the Claims Committee as well.

A motion was made to elect the following members to serve on the 2014 Claims Committee.

Russell Hildebrand, City of Rocklin, Claims Committee Chair
Liz Ehrenstrom, City of Oroville
Corey Shaver, City of Nevada City
John Lee, City of Lincoln
Tim Chapa, City of Rio Vista

MOTION: Steve Johnson **SECOND:** Corey Shaver **MOTION CARRIED**

D3. City of San Luis Obispo Potential Interest in NCCSIF membership

Mr. Marcus Beverly explained that the City of San Luis Obispo has reached out to NCCSIF to entertain the idea of joining NCCSIF. He then advised that the City of San Luis Obispo is unhappy with CJPIA's pool changes as well as an increased premium. Mr. Beverly then advised that the one drawback to their membership to NCCSIF is their location and how that would affect their attendance to meetings. Mr. Johnny Yang explained that with respects to their payroll and their losses the City of San Luis Obispo is very similar to the City of Folsom. Mr. Simmons asked the Committee determine if they would like to try to provide an indication to the City of San Luis Obispo explaining that the geographic location would definitely affect their participation to the meetings.

Ms. Ehrenstrom agrees that their location does not match the fit for the NCCSIF organization. Mr. Chapa then suggested that other potential membership should be reviewed in the future.

A motion was made to decline the City of San Luis Obispo's membership to NCCSIF due to their geographical location.

MOTION: Tim Chapa **SECOND:** Steve Johnson **MOTION CARRIED**

D4. Amendment to City of Elk Grove 13-14 Workers' Compensation Deposit

Mr. Simmons explained that staff has revised the funding allocation for the City of Elk Grove's participation in the Workers' Compensation program for 2013-14 due to the inclusion of 4850 benefits in the original calculation. Giving a brief history of how NCCSIF handles 4850 he advised that these benefits are not covered by NCCSIF and should not have been included in the calculation. He then noted that at a later time, staff recommends that the organization re-visit how it handles the 4850 benefits.



Mr. Beverly noted the importance of tracking the 4850 benefits specifically the 4850 and TTD portion to accurately reflect losses in the future.

D5. Amendment to current Alliant Program Administration Agreement

Mr. Simmons in successfully having the City of Elk Grove join the NCCSIF Workers' Compensation program, program administration collected administration fees according the Program Administration agreement which led the collection of \$8,766 which exceeds the Not-to-Exceed agreement amount of \$357,500.

D6. Renewal of Program Administration Agreement

Mr. Simmons explained that program administration cannot negotiate their own agreement with a decision making body but needs either the Executive Committee or an Ad Hoc committee to act as a Significant Intervening Review and then they make recommendation for approval. Mr. Simmons provided a history of Alliant's relationship with NCCSIF and asked that the Committee determine whether to appoint an Ad Hoc committee to negotiate with Alliant and make a recommendation back to them, or to address the terms of the contract with Alliant and have the approval by the full Board at their next meeting on April 24, 2014.

Ms. Ehrenstrom suggested appointing an Ad Hoc committee to meet with Alliant in person to discuss the terms of the renewal agreement. She would also like to include Steve Kroeger, Bruce Cline, Tim Sailsbery and Paula Islas to serve on the Ad Hoc committee.

Mr. Simmons then gave a brief explanation of how the compensation section of the Program Administration Agreement and how that affects members.

A motion was made to approve the appointment of an Ad Hoc committee to discuss the Amendment to the current Alliant Program Administration Agreement and the Renewal of the Program Administration Agreement. This Ad Hoc will then report back to the Executive Committee with their recommendations.

MOTION: Steve Johnson **SECOND:** Tim Chapa **MOTION CARRIED**

H. INFORMATION ITEMS

1. NCCSIF Organizational Chart
2. NCCSIF Resource Contact Guide

I. ADJOURNMENT

The meeting was adjourned at 11:44 a.m.

Monthly Account Statement

Northern CA Cities Self Ins. Fund Short Term

February 1, 2014 through February 28, 2014

Chandler Team

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

Custodian

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

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



PORTFOLIO CHARACTERISTICS

Average Duration	2.38
Average Coupon	1.48 %
Average Purchase YTM	1.24 %
Average Market YTM	0.75 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.55 yrs
Average Life	2.41 yrs

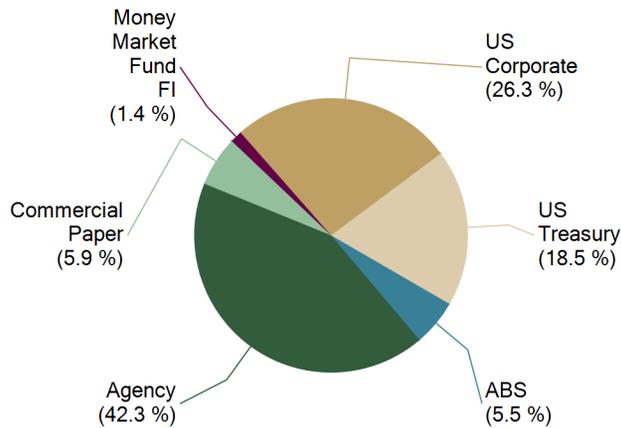
ACCOUNT SUMMARY

	Beg. Values as of 1/31/14	End Values as of 2/28/14
Market Value	20,291,004	20,333,001
Accrued Interest	80,152	74,097
Total Market Value	20,371,156	20,407,099
Income Earned	21,348	21,134
Cont/WD		0
Par	20,138,523	20,169,454
Book Value	20,183,114	20,210,303
Cost Value	20,348,505	20,359,449

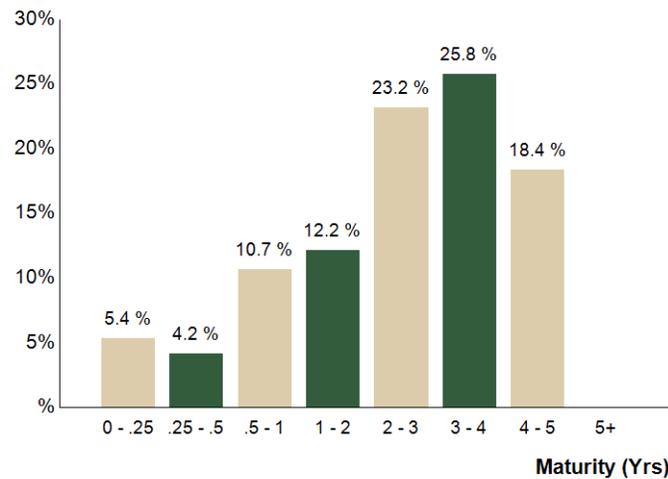
TOP ISSUERS

Issuer	% Portfolio
Government of United States	18.5 %
Federal Home Loan Bank	11.8 %
Federal National Mortgage Assoc	11.2 %
Federal Farm Credit Bank	9.1 %
Federal Home Loan Mortgage Corp	8.4 %
JP Morgan Chase & Co	2.5 %
Honda Motor Corporation	2.2 %
General Electric Co	2.0 %
Total	65.7 %

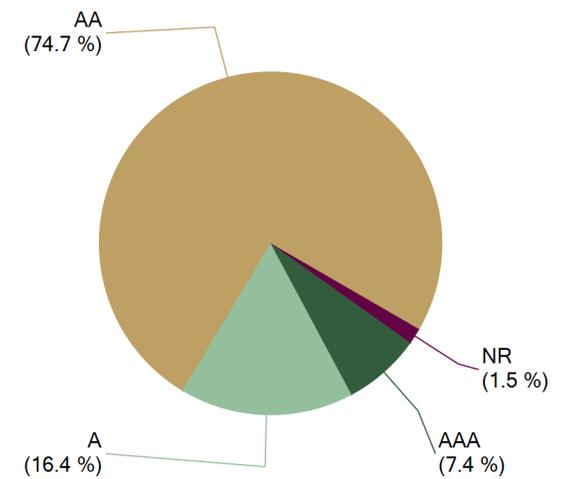
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 2/28/2014	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized				Since 12/31/1997
					3 Yrs	5 Yrs	10 Yrs	12/31/1997	
Northern CA Cities Self Ins. Fund Short Term	0.18 %	0.26 %	0.68 %	0.63 %	1.76 %	2.42 %	3.41 %	4.58 %	106.34 %
1-5 yr Govt	0.14 %	0.10 %	0.57 %	0.30 %	1.49 %	1.92 %	3.08 %	4.23 %	95.38 %
1-5 Year Govt/A Rated or better Corporate	0.18 %	0.20 %	0.66 %	0.57 %	1.84 %	2.67 %	3.20 %	4.41 %	100.95 %



Northern California Cities Self-Insurance Fund - Short Term

February 28, 2014

COMPLIANCE WITH INVESTMENT POLICY

The portfolio complies with State law and with the Authority's investment policy.

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



Reconciliation Summary

As of 2/28/2014

BOOK VALUE RECONCILIATION		
Beginning Book Value		\$20,183,114.27
Acquisition		
+ Security Purchases	\$434,756.70	
+ Money Market Fund Purchases	\$655,852.01	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$1,090,608.71
Dispositions		
- Security Sales	\$0.00	
- Money Market Fund Sales	\$434,920.82	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$624,716.50	
- Calls	\$0.00	
- Principal Paydowns	\$0.00	
Total Dispositions		\$1,059,637.32
Amortization/Accretion		
+/- Net Accretion	(\$3,782.74)	
		(\$3,782.74)
Gain/Loss on Dispositions		
+/- Realized Gain/Loss	\$0.00	
		\$0.00
Ending Book Value		\$20,210,302.92

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$68,523.29
Acquisition		
Contributions	\$0.00	
Security Sale Proceeds	\$0.00	
Accrued Interest Received	\$0.00	
Interest Received	\$30,852.01	
Dividend Received	\$0.00	
Principal on Maturities	\$624,716.50	
Interest on Maturities	\$283.50	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$0.00	
Total Acquisitions	\$655,852.01	
Disposition		
Withdrawals	\$0.00	
Security Purchase	\$434,756.70	
Accrued Interest Paid	\$164.12	
Total Dispositions	\$434,920.82	
Ending Book Value		\$289,454.48

Monthly Account Statement

Northern Cal. Cities Self Ins. Fund Long Term

February 1, 2014 through February 28, 2014

Chandler Team

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

Custodian

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

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



PORTFOLIO CHARACTERISTICS

Average Duration	3.60
Average Coupon	2.62 %
Average Purchase YTM	2.11 %
Average Market YTM	1.27 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	3.95 yrs
Average Life	3.84 yrs

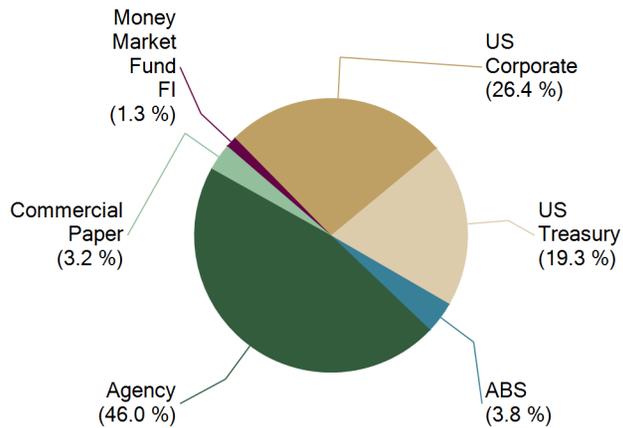
ACCOUNT SUMMARY

	Beg. Values as of 1/31/14	End Values as of 2/28/14
Market Value	20,762,669	20,834,863
Accrued Interest	123,790	107,230
Total Market Value	20,886,459	20,942,093
Income Earned	37,043	36,799
Cont/WD		0
Par	20,209,919	20,270,635
Book Value	20,421,954	20,475,744
Cost Value	20,799,501	20,859,864

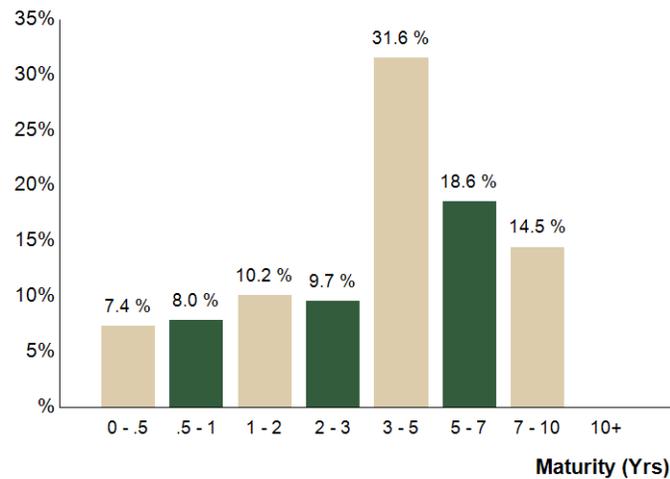
TOP ISSUERS

Issuer	% Portfolio
Government of United States	19.3 %
Tennessee Valley Authority	11.2 %
Federal National Mortgage Assoc	10.6 %
Federal Home Loan Mortgage Corp	8.9 %
Federal Farm Credit Bank	8.4 %
Federal Home Loan Bank	6.9 %
JP Morgan Chase & Co	2.9 %
Wal-Mart Stores	2.4 %
	70.7 %

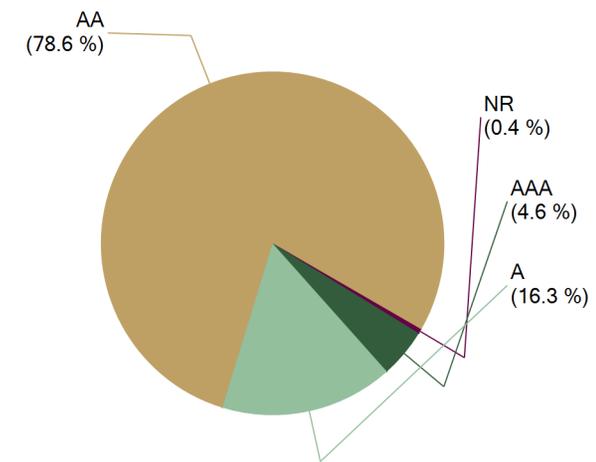
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 2/28/2014	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			Since 5/31/2006	Since 5/31/2006
					3 Yrs	5 Yrs	10 Yrs		
Northern Cal. Cities Self Ins. Fund Long Term	0.27 %	0.52 %	1.30 %	-0.24 %	2.78 %	3.38 %	N/A	4.87 %	44.54 %
1-10 yr Govt	0.22 %	0.29 %	1.16 %	-0.43 %	2.54 %	2.74 %	N/A	4.49 %	40.51 %
1-10 Year Govt/A Rated or better Corporate	0.29 %	0.49 %	1.26 %	-0.05 %	2.94 %	3.80 %	N/A	4.57 %	41.40 %



Northern California Cities Self-Insurance Fund - Long Term

February 28, 2014

COMPLIANCE WITH INVESTMENT POLICY

The portfolio complies with State law and with the Authority's investment policy.

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



Reconciliation Summary

As of 2/28/2014

BOOK VALUE RECONCILIATION		
Beginning Book Value		\$20,421,953.55
Acquisition		
+ Security Purchases	\$419,681.73	
+ Money Market Fund Purchases	\$680,397.33	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$1,100,079.06
Dispositions		
- Security Sales	\$224,953.31	
- Money Market Fund Sales	\$419,681.73	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$394,723.50	
- Calls	\$0.00	
- Principal Paydowns	\$0.00	
Total Dispositions		\$1,039,358.54
Amortization/Accretion		
+/- Net Accretion	(\$7,361.34)	
		(\$7,361.34)
Gain/Loss on Dispositions		
+/- Realized Gain/Loss	\$431.06	
		\$431.06
Ending Book Value		\$20,475,743.79

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$14,919.15
Acquisition		
Contributions	\$0.00	
Security Sale Proceeds	\$224,953.31	
Accrued Interest Received	\$1,038.29	
Interest Received	\$59,405.73	
Dividend Received	\$0.00	
Principal on Maturities	\$394,723.50	
Interest on Maturities	\$276.50	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$0.00	
Total Acquisitions	\$680,397.33	
Disposition		
Withdrawals	\$0.00	
Security Purchase	\$419,681.73	
Accrued Interest Paid	\$0.00	
Total Dispositions	\$419,681.73	
Ending Book Value		\$275,634.75



JOHN CHIANG

California State Controller

LOCAL AGENCY INVESTMENT FUND
REMITTANCE ADVICE

Agency Name	NO CAL CITIES SELF INSUR FUND
Account Number	35-11-001

As of 01/15/2014, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 12/31/2013.

Earnings Ratio		.00000700426120353
Interest Rate		0.26%
Dollar Day Total	\$	339,383,809.16
Quarter End Principal Balance	\$	3,215,494.25
Quarterly Interest Earned	\$	2,377.13



COMMITTEE REPORTS

INFORMATION ITEM

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

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

FISCAL IMPACT: None.

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

ATTACHMENT(S):

1. Training Day/Board of Directors Meeting Minutes – December 12, 2013 (Draft)
2. Risk Management Committee Meeting Minutes – January 16, 2013 (Draft)



**MINUTES OF THE
NCCSIF TRAINING DAY/BOARD OF DIRECTORS MEETING
THE WESTIN, SACRAMENTO, CA
DECEMBER 12, 2013**

MEMBERS PRESENT

Jeff Kiser, City of Anderson
Brad Koehn, City of Elk Grove
Paula Islas, City of Galt
Elisa Arteaga, City of Gridley
Ed Pattison, City of Ione
Michael Daly, City of Jackson
John Lee, City of Lincoln
Matt Michaelis, City of Marysville
Corey Shaver, City of Nevada City
Liz Ehrenstrom, City of Oroville
Dave Warren, City of Placerville
Russell Hildebrand, City of Rocklin (left at 11:52 a.m.)
Natalie Walter, City of Yuba City
Gina Will, Town of Paradise

MEMBERS ABSENT

Shari Conley, City of Auburn
Shelly Kittle, City of Colusa
John Brewer, City of Corning
Steve Johnson, City of Dixon
Bruce Cline, City of Folsom
Sandy Ryan, City of Red Bluff
Joe Tanner, City of Rio Vista

GUESTS & CONSULTANTS

George Silva, City of Dixon
Catrina Olson, City of Nevada City
CarolAnn Whiteman, City of Rocklin
Ronda Rivera, City of Citrus Heights
Stefani Daniell, City of Citrus Heights
Michael Simmons, Alliant Insurance Services, Inc.
Johnny Yang, Alliant Insurance Services, Inc.
James Marta, James Marta & Company
Marcus Beverly, York Risk Services
Jennifer Nogosek, York Risk Services



A. CALL TO ORDER

The meeting was called to order at 8 a.m.

B. PUBLIC COMMENTS

There were no public comments made.

C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

MOTION: Tim Sailsbery **SECOND:** Steve Johnson **MOTION CARRIED**

D. TRAINING DAY PRESENTATIONS

D1. Introductions/Expectations

Mr. Liz Ehrenstrom asked that all in attendance introduce themselves.

D2. History of NCCSIF

Mr. Michael Simmons hosted the NCCSIF Family Feud.

D3. Board Governance and Leadership

Mr. Marcus Beverly provided a presentation on Board Governance and Leadership.

D4. NCCSIF Program Services and Resources

Mr. Johnny Yang provided a presentation on NCCSIF Program Services and Resources.

D5. The Importance of Risk Pool Policies and Procedures

Mr. Yang provided a presentation on The Importance of Risk Pool Policies and Procedures.

D6. Understanding Pool Equity and Funding

Mr. James Marta provided a presentation on Understand Pool Equity and Funding.

D7. Volunteer Programs (City of Rocklin Portal Demo)

Ms. CarolAnn Whiteman provided a demonstration of the City of Rocklin's Volunteer web portal.



D7. Rating Plan Options – To CAP or Not to CAP’

Mr. Simmons provided a presentation on Rating Plan Options – To CAP or Not to CAP.

D8. General Discussion

Ms. Ehrenstrom explained that during the Police Risk Management Committee meeting they discussed the severity and frequency of Civil Rights/Excessive Force and False Arrest. She suggested the funding for cameras for the police department. Ms. Islas agreed and explained that the use of cameras for the Police department has been helpful with respects to the losses. There was further discussion on the process of having the records securely saved which amounts to an added cost.

Mr. Beverly advised that Police departments tend to dislike settling nuisance claims for a low amount. He then added that as a risk management standpoint, cameras have a great value to help avoid frequency and severity of claims.

Ms. Ehrenstrom also advised that Auto claims are also a frequency cause of loss for the police department. This led to the discussion of driver training and the different vehicle development of standard police vehicles.

Ms. Ehrenstrom then reminded members to take advantage of the Training Matrix provided by Bickmore as it is a great resource to NCCSIF. She also mentioned the My Safety Officer service provided by David Patzer which keeps track of the training needed for Safety Officers.

There was discussion on assessing which members needs more risk management consultation from Bickmore. Mr. Simmons suggested that during the budgeting process, NCCSIF discuss how much more NCCSIF is willing to pay for additional consultation from Henri Castro as Bickmore.

Members expressed satisfaction with a round table item to be included on the Agenda and staff was advised to continue adding a round table discussion item of Agendas going forward.

E. CONSENT CALENDAR

1. Board of Directors Meeting Minutes – October 13, 2013
2. Check Register at September 30, 2013
3. Investment Report
 - a. Chandler Asset Management Short/Long Term – November 2013
 - b. Treasurer’s Report as of September 30, 2013
4. Utilization Report for Safety Grant Funds as of September 30, 2013

A motion was made to approve the Consent Calendar.

MOTION: Gina Will **SECOND:** Dave Warren **MOTION CARRIED**

F. MINUTES AND COMMITTEE REPORTS

1. Executive Committee Meeting Minutes – November 13, 2013 (Draft)
2. Claims Committee Meeting Minutes – November 13, 2013 (Draft)
3. Risk Management Committee Meeting Minutes – October 10, 2013 (Draft)
4. Police Risk Management Committee Meeting Minutes – August 15, 2013

This item was provided as information only. There was no discussion on these items.

G. ADMINISTRATION REPORTS

G1. President's Report

Ms. Ehrenstrom had no items to report.

G2. Program Administration's Report

Program Administration had no items to report.

G3. CJPRMA Report

Ms. Paula Islas asked for direction regarding two items being addressed by CJPRMA which are Fireworks and Settlement recommendations as described in the agenda packet. CJPRMA is planning to amend the Memorandum of Coverage to require \$5 million minimum in coverage with respects to fireworks. CJPRMA is also is looking to amend language in the bylaws allowing members to litigate a claim but CJPRMA will only pay the amount of their recommended settlement amount. Currently CJPRMA can take control of claims if a determination is made that the member is handling a claim in such a manner that would pose an adverse financial impact to the organization.

The Board agrees to direct Ms. Islas to vote no on both the items and Mr. Simmons agrees to attend the upcoming CJPRMA meeting to address NCCSIF's concerns.

G4. Executive Committee Reportable Actions

Ms. Ehrenstrom advised that at the last Executive Committee meeting the Committee discussed the a new MPN service provider through WellComp which is a subsidiary of York.

Mr. Simmons advised that program administration is recommending a one year agreement with WellComp. Ms. Ehrenstrom also advised it is not mandatory that members utilize the new Medical Provider Network through WellComp.

Mr. Beverly advised that the biggest benefit to an MPN is the exclusion of a "problem doctors". Members are also able to request certain physicians be added to the MPN as well.



H. FINANCIAL REPORT

H1. Quarterly Financial Report for Period Ending September 30, 2013

Mr. Michael Simmons provided an update on the Quarterly Financial Report for Period Ending September 30, 2013.

A motion was made to accept and file the Quarterly Financial Report for Period Ending September 30, 2013.

MOTION: Michael Daly **SECOND:** Dave Warren **MOTION CARRIED:**

H2. NCCSIF Budget to Actual Report as of September 30, 2013

Mr. Simmons provided an update on the Budget to Actual explaining that nothing is out of the ordinary.

A motion was made to approve the NCCSIF Budget to Actual Report as of September 30, 2013.

MOTION: Gina Will **SECOND:** Michael Daly **MOTION CARRIED**

I. JPA BUSINESS

I1. 2013 Liability Claims Audit

Mr. Simmons explained that every other year a claims audit is done. A workers' compensation claims audit is performed on even years and a liability claims audit is performed on odd years. The claims audit was completed by Mr. Ken Maiolini and there were no outstanding recommendations found from the audit.

A motion was made to approve the 2013 Liability Claims Audit.

MOTION: Dave Warren **SECOND:** Corey Shaver **MOTION CARRIED**

I2. Terms of Officers and Executive Committee Rotation Schedule

Mr. Simmons provide a brief explanation of the Executive Committee Rotation schedule and advised the recommended amendments to eliminate the office of Past President and the extension of terms of office for President, Vice President and Secretary from one year to two years.

Mr. Dave Warren brought up, on behalf of Mr. Bruce Cline, a concern regarding the City of Rio Vista's lack of attendance and how that may affect the Executive Committee as they would be



rotating onto the Committee. Ms. Islas advised that Mr. Tim Chapa is now the new City Manager for the City of Rio Vista. Staff will reach out to Mr. Chapa on behalf of NCCSIF.

A motion was made to approve the proposed changes to the Terms of Officers and Executive Committee Rotation Schedule.

MOTION: Michael Daly **SECOND:** Andy Heath **MOTION CARRIED**

I3. Resolution 14-02 Amendment to the NCCSIF Bylaws

Mr. Simmons explained that Resolution 14-02 is needed to amend the NCCSIF Bylaws reflecting the language to the Terms of Officers section.

A motion was made to approve Resolution 14-02 Amendment to the NCCSIF Bylaws.

MOTION: Gina Will **SECOND:** Dave Warren **MOTION CARRIED**

I4. 2014 Slate of Officers

Ms. Gina Will explained an error on the item as she will be coming off as NCCSIF Secretary. Ms. Catrina Olson advised that Ms. Corey Shaver will now be the Board member on behalf of the City of Nevada City and will also sit on the Executive Committee instead of Ms. Olson.

A motion was made to approve the 2014 Slate of Officers with the correction of the removal of Gina Will and correction of Paula Islas as Secretary.

MOTION: Andy Heath **SECOND:** Gina Will **MOTION CARRIED**

I5. Resolution 14-01 Authorizing Investment of Monies in LAIF

Mr. Simmons advised that annually the Board is asked to approve Resolution 14-01 allowing the officers and the financial consultant the ability to move monies within NCCSIF's LAIF account.

A motion was made to approve Resolution 14-01 Authorizing Investment of Monies in LAIF.

MOTION: Gina Will **SECOND:** Robin Bertagna **MOTION CARRIED**



I6. NCCSIF Administrative Surplus

Mr. Simmons explained that the 2012-2013 year-end report advises that the year-end administrative equity of \$477,525. A potential credit of up to \$238,763 could be applied to next year's budget to offset some of the administrative budget costs. The administrative surplus would be reduced by 50% leaving \$238,763 of unrestricted equity.

A motion was made to approve to use 50% the Administrative Surplus to offset next year's administrative budget costs.

MOTION: Michael Daly **SECOND:** Dave Warren **MOTION CARRIED**

I7. 2014 NCCSIF Meeting Calendar

Mr. Simmons explained that the Executive Committee has reviewed the 2014 NCCSIF Meeting Calendar.

A motion was made to approve the 2014 NCCSIF Meeting Calendar.

I8. 2014 NCCSIF Service Calendar

Mr. Simmons advised that NCCSIF Service Calendar is provided to members for their information showing the ongoing deadlines and project throughout the year. The service calendar will be made available on the NCCSIF website.

A motion was made to approve the 2014 NCCSIF Service Calendar.

MOTION: Michael Daly **SECOND:** Gina Will **MOTION CARRIED**

I9. 2014/15 Insurance Market Update and Renewal Marketing Plan

Mr. Simmons explained that the Board of Directors annually review the insurance market update and approves or amends the renewal marketing plan for the coming fiscal year. He then provided a presentation on the State of Marketplace for 2014. He advised that staff recommends that NCCSIF renew coverage with CSAC-EIA for excess Workers' Compensation coverage as traditional Excess WC Insurance care in California are still not competitive with CSAC-EIA's program. With respects to Liability staff recommends continued participation in CJPRMA who has been a strong partner and a valuable alternative to traditional excess insurance.

He then explained that two years ago Alliant marketed the Property program and found that the current program provided members with the broadest coverages and the lowest cost which continues in today's environment.



And for Crime, NCCSIF has remained with AIG, in part, because the Alliant Crime program (ACIP), would not provide an alternative. Staff will approach CSAC EIA this year for competitive pricing and higher limits.

I10. 2013 NCCSIF Annual Report

Mr. Simmons advised that the NCCSIF Annual Report is provided to members as a resource showing NCCSIF's financial stability of the programs ending June 30, 2013. Copies are made available via electronic copies or hardcopies if requested.

I11. CAPPING EXPERIENCE MODIFICATION FACTORS OR CONTRIBUTIONS

Mr. Simmons explained that at the last Board of Directors meeting, no formal action was ever taken on this item. He then proceeded to provide a presentation on Rating Plan Options. He advised that staff recommends formal action be taken to stay with status quo, continuing to use Five Years of Losses and Total Incurred to determine the calculations. He noted that staff will continue to examine capping the experience medication rather than the final deposit.

A motion was made to approve using Five Years of Losses, Total Incurred Losses and continue examining capping the experience modification rather than the final deposit.

MOTION: Andy Heath **SECOND:** Dave Warren **MOTION CARRIED**

This meeting was adjourned at 3:43 p.m.



**MINUTES OF THE
NCCSIF RISK MANAGEMENT COMMITTEE MEETING
LINCOLN CITY HALL, LINCOLN, CA
JANUARY 16, 2014**

MEMBERS PRESENT

George Silva, City of Dixon
Jim Ramsey, City of Elk Grove
Michael Daly, City of Jackson
John Lee, City of Lincoln
Matt Michaelis, City of Marysville
Corey Shaver, City of Nevada City
Liz Ehrenstrom, City of Oroville
Crystal Peters, Town of Paradise
Tom Watson, City of Placerville
Sandy Ryan, City of Red Bluff
Russell Hildebrand, City of Rocklin

MEMBERS ABSENT

City of Anderson
City of Auburn
City of Colusa
City of Corning
City of Folsom
City of Galt
City of Ione
City of Jackson
City of Rio Vista
City of Willows
City of Yuba City

GUESTS & CONSULTANTS

Johnny Yang, Alliant Insurance Services, Inc.
Henri Castro, Bickmore

A. CALL TO ORDER

The meeting was called to order at 10:37 a.m.



B. PUBLIC COMMENTS

There were no public comments made.

C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

MOTION: Michael Daly **SECOND:** Russell Hildebrand **MOTION CARRIED**

D. CONSENT CALENDAR

1. Minutes of the Risk Management Committee Meeting – October 10, 2013

A motion was made to approve the consent calendar.

MOTION: Russell Hildebrand **SECOND:** Jim Ramsey **MOTION CARRIED**

E. RISK MANAGEMENT BUSINESS

E1. Risk Control Service as of December 31, 2013

Ms. Henri Castro provided the Committee with an update on the services Bickmore has provided NCCSIF members during the 2013/2014 program year to date. She explained that this year has been very busy with many IIPP reviews and great process with respects to the Member Assessments and Action Plans being implemented. She noted that Bickmore has hired additional staff to assist in the increased projects received from all pools they service and asked the feedback be provided with respects to their additional staff. Bickmore currently has seven total trainers to assist their pools.

Ms. Castro advised that there is an upcoming Confined Space Rescue Training being scheduled which is an eight hour class and if any members have interest in this training to contact her for a copy of the flyer. She is also working to host a Regional Training on February 24th, 2014 regarding Flagger Safety which will most likely be held at Lincoln and/or Red Bluff.

Another project she is working on is a safety communication on electronic cigarettes. Some counties have drafted their own laws on electronic cigarettes. She advised that California Senate Bill 648 is attempting to include electronic cigarettes within the existing tobacco law. There has been no progress as the FDA has still not made a decision on this item. There has been no study suggesting second hand exposure contains nicotine so CalOSHA has still not yet made any suggestions regarding the use of electronic cigarettes in the workplace.

E2. Police Risk Management Committee Meeting Summary

Ms. Liz Ehrenstrom provided the Committee with a summary of the August 15, 2013 Police Risk Management Committee meeting. She explained that the Police Risk Management Committee had an officer involved shootings training session with discussion on lessons learned from cases in the past. The Police Risk Management Committee also requested to have training on a Physical Fitness for Duty. She advised there was also discussion on the most frequent causes of losses within the Police Department which were Civil Rights Violations, False Arrest and Officer Involved Shootings. This led to the discussion of the purchasing cameras for members' police departments. She also advised that there has been an increase in small property loss claims and mentioned that auto liability was also a large loss leader.

Mr. Jim Ramsey expressed his interest in obtaining cameras for members' police departments. Ms. Ehrenstrom advised that staff was directed to look into the costs of cameras which will be brought back to the Police Risk Management Committee for discussion. Mr. George Silva advised that the City of Dixon has some cameras being utilized and their officers have expressed a lot of satisfaction in the usage of these cameras.

Henri discussion regarding CalOSHA has sent out enforcement officers to review ATD regulations.

E3. Discussion of Police Risk Management Budget for 2014/2015

Mr. Johnny Yang explained that the Police Risk Management Committee did address the idea of the purchase of cameras in the past but the item was never brought to the Board of Directors for approval. Mr. Yang suggested the appointment of an Ad Hoc committee to discuss and draft a budget for approval by the Risk Management Committee.

Ms. Ehrenstrom then recommended that the Risk Management Committee appoint an ad hoc committee to discuss, review and submit a Budget for the Police Risk Management committee for 2014/2015. Ms. Liz Ehrenstrom and Mr. John Lee volunteered to be on the Ad Hoc committee. Ms. Ehrenstrom suggested Mr. John Ruffcorn, Chair of the Police Risk Management Committee, is asked to participate in the Ad Hoc committee as well as Mr. Tom Kline.

Ms. Castro explained that Bickmore is currently working on an analysis for all the pools serviced by Bickmore which will be compared to one another relative to their size. Bickmore is also working on a series of best practices specific to the police department exposure.

A motion was made to appoint those mentioned above on an Ad Hoc committee to discuss and develop a Police Risk Management Committee budget to be brought back to the Risk Management Committee for approval.

MOTION: Russell Hildebrand **SECOND:** George Silva **MOTION CARRIED**

E4. Use of Risk Management Training Funds Request

Ms. Castro explained that in prior years NCCSIF had funds to assist individual members for training. There have been three members requesting reimbursement for CPR training for their city. Mr. Yang explained that there has been \$25,000 remaining in a Risk Management Fund designed for Regional Training Sessions for NCCSIF members. As there was not a plan to include individual member trainings, staff wanted to reach out to the Risk Management Committee for direction. Mr. Yang explained that with respects to Training Sessions which are opened up to all members, the expenses of the training session are reimbursements through the Risk Management Fund. Ms. Ehrenstrom expressed concern that in approving these reimbursements it will open up the floor for other cities to request reimbursement for their individual trainings.

Mr. Hildebrand suggested the idea of a training fund going towards a trainer that will be made available to all NCCSIF members. Ms. Ehrenstrom also suggested sending an e-mail out to members requesting if they have specific trainers they would like.

Mr. Hildebrand also suggested the idea of training trainers for the NCCSIF organization that can made available upon member requests.

Staff was directed to deny the reimbursement of the use of Risk Management Funds for individual member training sessions and to research the ideas discussed above.

F. INFORMATION ITEMS

F1. Parma Conference

F2. NCCSIF Travel Reimbursement Form

G. ADJOURNMENT

The meeting was adjourned at 11:45 p.m.



**QUARTERLY FINANCIAL REPORT FOR PERIOD ENDING
DECEMBER 31, 2013**

ACTION ITEM

ISSUE: The Executive Committee receives quarterly a report on the financial status of NCCSIF. James Marta & Company will present NCCSIF's Financials for Quarter ending December 31, 2013 to the Executive Committee for their review.

RECOMMENDATION: Receive and file the Quarterly Financials as presented.

FISCAL IMPACT: Unknown.

BACKGROUND: Each quarter the Executive Committee 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, 2013

FINANCIAL REPORT

DECEMBER 31, 2013

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, 2013

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James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Tax, and Consulting

ACCOUNTANT'S REPORT

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

We have compiled the accompanying statement of net position of Northern California Cities Self Insurance Fund as of December 31, 2013, and the related statement of revenues, expenses and changes in net position for the six months then ended, and the supplementary information on pages 4 through 18 are presented for purposes of additional analysis and has been compiled from information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplementary information and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America

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

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

A statement of cash flows for the six months ended December 31, 2013 has not been presented. Accounting principles generally accepted in the United States of America require that such a statement be presented when financial statements purport to present financial position and results of operations.

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

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

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
March 7, 2014

**Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Statement of Net Position
December 31, 2013**

Assets

Current Assets	
Cash	\$ 3,395,418
Accounts Receivable	49,423
Interest Receivable	202,998
Excess Accounts Receivable	1,184,863
Prepaid Expense	<u>1,342,622</u>
Total Current Assets	<u>6,175,324</u>
Non-Current Assets	
Investments*	<u>40,741,117</u>
Total Assets	<u><u>\$ 46,916,441</u></u>

Liabilities & Net Position

Current Liabilities	
Accounts Payable	\$ 100,268
Deferred Revenue	<u>3,116,789</u>
Total Current Liabilities	<u>3,217,057</u>
Non-Current Liabilities	
Outstanding Liabilities*	35,316,447
ULAE*	<u>1,993,744</u>
Total Non-Current Liabilities	<u>37,310,191</u>
Total Liabilities	40,527,248
Net Position	<u>6,389,193</u>
Liability & Net Position	<u><u>\$ 46,916,441</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, 2013

Operating Income		
Administration Deposit	\$	543,863
Banking Layer Deposit		3,040,958
Shared Risk Layer		1,731,456
Excess Deposit/Premium		942,001
Property/Crime Insurance Income		462,580
Risk Management Grants		145,635
Other Income		919
Total Operating Income		<u>6,867,412</u>
Operating Expenses		
Claims Paid		3,829,855
O/S Liability adj.		1,772,777
ULAE		75,893
Consultants		40,100
Administration-Other		8,009
Safety Service		318,480
Claims Administration		448,490
Program Administration		192,240
Board Expenses		3,233
Excess Insurance		902,649
Property/Crime Insurance Expense		434,583
Total Operating Expenses		<u>8,026,309</u>
Operating Income (Loss)		(1,158,897)
Non-Operating Income		
Change in Fair Market Value		(327,124)
Interest Income		481,709
Total Non-Operating Income		<u>154,585</u>
Change in Net Position		(1,004,312)
Beginning Net Position		<u>7,393,505</u>
Ending Net Position	\$	<u>6,389,193</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, 2013**

	L Shar	L Admin	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	\$ 757,581	\$ 248,785	\$ 87,200	\$ 100,126	\$ 16,874	\$ 4,009	\$ 88,345	\$ 250,235	\$ 128,693	\$ 45,117	\$ 20,660
Accounts Receivable	-	-	-	-	-	-	-	-	-	-	1,283
Interest Receivable	22,064	2,095	686	591	221	83	844	7,509	944	775	112
Assessments Receivable	-	-	-	-	-	-	-	-	-	-	-
Excess Accounts Receivable	625,909	-	-	-	-	-	-	-	-	-	-
Prepaid Expense	935,017	-	-	-	-	-	-	-	-	-	-
Total Current Assets	2,340,571	250,880	87,886	100,717	17,095	4,092	89,189	257,744	129,637	45,892	22,055
Non-Current Assets											
Investments*	4,039,523	206,841	61,914	28,425	31,233	14,306	95,327	1,382,509	76,483	123,370	3,527
Total Assets	\$ 6,380,094	\$ 457,721	\$ 149,800	\$ 129,142	\$ 48,328	\$ 18,398	\$ 184,516	\$ 1,640,253	\$ 206,120	\$ 169,262	\$ 25,582
Current Liabilities											
Accounts Payable	\$ 1,390	\$ 43,971	\$ 336	\$ 757	\$ 192	\$ 175	\$ 40	\$ 7,135	\$ 7,227	\$ 214	\$ 388
Deferred Revenue	1,571,345	255,328	18,792	32,352	15,081	9,505	19,987	218,057	49,824	17,939	6,401
Total Current Liabilities	1,572,735	299,299	19,128	33,109	15,273	9,680	20,027	225,192	57,051	18,153	6,789
Non-Current Liabilities											
Outstanding Liabilities*	5,504,158	-	8,181	43,298	45,690	118,846	24,451	808,502	233,875	114,134	27,900
Total Non-Current Liabilities	5,504,158	-	8,181	43,298	45,690	118,846	24,451	808,502	233,875	114,134	27,900
Total Liabilities	7,076,893	299,299	27,309	76,407	60,963	128,526	44,478	1,033,694	290,926	132,287	34,689
Net Position	(696,799)	158,422	122,491	52,735	(12,635)	(110,128)	140,038	606,559	(84,806)	36,975	(9,107)
Liability & Net Position	\$ 6,380,094	\$ 457,721	\$ 149,800	\$ 129,142	\$ 48,328	\$ 18,398	\$ 184,516	\$ 1,640,253	\$ 206,120	\$ 169,262	\$ 25,582

*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, 2013**

	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	Total
Current Assets											
Cash	\$ 15,024	\$ 82,440	\$ 40,289	\$ 60,212	\$ 88,541	\$ 72,892	\$ 32,805	\$ 72,545	\$ 25,630	\$ 82,080	\$ 2,320,083
Accounts Receivable	-	-	-	-	-	-	-	-	-	-	1,283
Interest Receivable	71	1,734	897	786	995	889	337	2,180	380	2,706	46,899
Assessments Receivable	-	-	-	-	-	-	-	-	-	-	-
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-	-	625,909
Prepaid Expense	-	-	-	-	-	-	-	-	-	-	935,017
Total Current Assets	15,095	84,174	41,186	60,998	89,536	73,781	33,142	74,725	26,010	84,786	3,929,191
Non-Current Assets											
Investments*	492	294,590	154,663	110,398	127,862	120,346	40,556	401,377	56,781	506,461	7,876,984
Total Assets	\$ 15,587	\$ 378,764	\$ 195,849	\$ 171,396	\$ 217,398	\$ 194,127	\$ 73,698	\$ 476,102	\$ 82,791	\$ 591,247	\$ 11,806,175
Current Liabilities											
Accounts Payable	\$ 178	\$ 1,316	\$ 2,011	\$ 141	\$ 797	\$ 199	\$ 921	\$ 1,369	\$ 13	\$ 3,401	\$ 72,171
Deferred Revenue	7,871	61,629	29,754	40,100	33,829	51,528	10,538	60,739	4,142	77,671	2,592,412
Total Current Liabilities	8,049	62,945	31,765	40,241	34,626	51,727	11,459	62,108	4,155	81,072	2,664,583
Non-Current Liabilities											
Outstanding Liabilities*	95,119	172,044	243,601	22,770	317,351	151,157	54,976	285,266	42,103	315,491	8,628,913
Total Non-Current Liabilities	95,119	172,044	243,601	22,770	317,351	151,157	54,976	285,266	42,103	315,491	8,628,913
Total Liabilities	103,168	234,989	275,366	63,011	351,977	202,884	66,435	347,374	46,258	396,563	11,293,496
Net Position	(87,581)	143,775	(79,517)	108,385	(134,579)	(8,757)	7,263	128,728	36,533	194,684	512,679
Liability & Net Position	\$ 15,587	\$ 378,764	\$ 195,849	\$ 171,396	\$ 217,398	\$ 194,127	\$ 73,698	\$ 476,102	\$ 82,791	\$ 591,247	\$ 11,806,175

*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, 2013

	L Shar	L Admin	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	\$ -	\$ 255,328	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Banking Layer Deposit	-	-	18,792	32,352	15,081	9,505	19,987	218,057	49,824	17,939	6,401
Shared Risk Layer	552,530	-	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	556,235	-	-	-	-	-	-	-	-	-	-
Property/Crime Insurance Income	462,580	-	-	-	-	-	-	-	-	-	-
Total Operating Income	1,571,335	255,328	18,792	32,352	15,081	9,505	19,987	218,057	49,824	17,939	6,401
Operating Expenses											
Claims Paid	1,169,223	-	-	4,631	26,437	38,022	770	222,616	23,758	8,323	2,817
O/S Liability adj.	(206,688)	-	2,904	13,783	(6,028)	74,843	8,808	83,292	133,507	61,358	3,133
Consultants	-	19,050	-	-	-	-	-	-	-	-	-
Administration-Other	-	6	-	-	-	-	-	-	-	-	-
Safety Service	-	189,025	-	-	-	-	-	-	-	-	-
Claims Administration	-	-	-	-	-	-	-	-	-	-	-
Program Administration	-	102,870	-	-	-	-	-	-	-	-	-
Board Expenses	-	1,634	-	-	-	-	-	-	-	-	-
Excess Insurance	500,434	-	-	-	-	-	-	-	-	-	-
Property/Crime Insurance Expense	434,583	-	-	-	-	-	-	-	-	-	-
Total Operating Expense	1,897,552	312,585	2,904	18,414	20,409	112,865	9,578	305,908	157,265	69,681	5,950
Operating Income (Loss)	(326,217)	(57,257)	15,888	13,938	(5,328)	(103,360)	10,409	(87,851)	(107,441)	(51,742)	451
Non-Operating Income											
Change in Fair Market Value	(14,484)	(1,400)	(1,294)	(2,079)	(534)	(582)	(3,272)	(19,086)	(3,595)	(1,759)	(347)
Interest Income	(2,625)	(6,880)	1,388	(1,158)	147	470	5,065	14,778	3,734	3,188	768
Total Non-Operating Income	(17,109)	(8,280)	94	(3,237)	(387)	(112)	1,793	(4,308)	139	1,429	421
Change in Net Position	(343,326)	(65,537)	15,982	10,701	(5,715)	(103,472)	12,202	(92,159)	(107,302)	(50,313)	872
Beginning Net Position	(353,473)	223,959	106,509	42,034	(6,920)	(6,656)	127,836	698,718	22,496	87,288	(9,979)
Ending Net Position	\$ (696,799)	\$ 158,422	\$ 122,491	\$ 52,735	\$ (12,635)	\$ (110,128)	\$ 140,038	\$ 606,559	\$ (84,806)	\$ 36,975	\$ (9,107)

**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, 2013**

	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	Total
Operating Income											
Administration Deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	255,328
Banking Layer Deposit	7,871	61,629	29,754	40,100	33,829	51,528	10,538	60,739	4,142	77,671	765,739
Shared Risk Layer	-	-	-	-	-	-	-	-	-	-	552,530
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-	-	556,235
Property/Crime Insurance Income	-	-	-	-	-	-	-	-	-	-	462,580
Total Operating Income	7,871	61,629	29,754	40,100	33,829	51,528	10,538	60,739	4,142	77,671	2,592,402
Operating Expenses											
Claims Paid	9,831	31,299	19,091	83	15,662	28,891	12,599	53,161	320	51,426	1,718,960
O/S Liability adj.	20,531	(9,243)	176,508	9,402	63,010	38,575	9,518	146,121	10,954	122,604	756,892
Consultants	-	-	-	-	-	-	-	-	-	-	19,050
Administration-Other	-	-	-	-	-	-	-	-	-	-	6
Safety Service	-	-	-	-	-	-	-	-	-	-	189,025
Claims Administration	-	-	-	-	-	-	-	-	-	-	-
Program Administration	-	-	-	-	-	-	-	-	-	-	102,870
Board Expenses	-	-	-	-	-	-	-	-	-	-	1,634
Excess Insurance	-	-	-	-	-	-	-	-	-	-	500,434
Property/Crime Insurance Expense	-	-	-	-	-	-	-	-	-	-	434,583
Total Operating Expense	30,362	22,056	195,599	9,485	78,672	67,466	22,117	199,282	11,274	174,030	3,723,454
Operating Income (Loss)	(22,491)	39,573	(165,845)	30,615	(44,843)	(15,938)	(11,579)	(138,543)	(7,132)	(96,359)	(1,131,052)
Non-Operating Income											
Change in Fair Market Value	(850)	(2,824)	(2,895)	(1,882)	(3,035)	(2,237)	(1,012)	(6,730)	(1,078)	(5,402)	(76,377)
Interest Income	(222)	906	1,774	1,462	3,444	259	636	9,062	2,034	8,529	46,759
Total Non-Operating Income	(1,072)	(1,918)	(1,121)	(420)	409	(1,978)	(376)	2,332	956	3,127	(29,618)
Change in Net Position	(23,563)	37,655	(166,966)	30,195	(44,434)	(17,916)	(11,955)	(136,211)	(6,176)	(93,232)	(1,160,670)
Beginning Net Position	(64,018)	106,120	87,449	78,190	(90,145)	9,159	19,218	264,939	42,709	287,916	1,673,349
Ending Net Position	\$ (87,581)	\$ 143,775	\$ (79,517)	\$ 108,385	\$ (134,579)	\$ (8,757)	\$ 7,263	\$ 128,728	\$ 36,533	\$ 194,684	\$ 512,679

Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Net Position – Workers’ Compensation
December 31, 2013

	WC Shar	WC Admin	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	\$ 34,903	\$ 29,592	\$ 54,902	\$ 23,368	\$ 18,586	\$ 67,585	\$ 21,852	\$ 85,428	\$ 57,220	\$ 84,983	\$ 35,438	\$ 68,439	\$ 61,868
Accounts Receivable	-	-	-	19,145	3,267	-	-	-	-	-	-	-	-
Interest Receivable	78,589	2,673	1,289	2,592	572	796	4,176	853	21,638	4,569	1,916	424	1,238
Excess Accounts Receivable	558,954	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid Expense	407,605	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	1,080,051	32,265	56,191	45,105	22,425	68,381	26,028	86,281	78,858	89,552	37,354	68,863	63,106
Non-Current Assets													
Investments*	17,051,116	551,856	225,215	540,241	105,670	105,479	886,227	100,133	4,647,491	908,722	381,182	23,703	207,433
Total Assets	\$ 18,131,167	\$ 584,121	\$ 281,406	\$ 585,346	\$ 128,095	\$ 173,860	\$ 912,255	\$ 186,414	\$ 4,726,349	\$ 998,274	\$ 418,536	\$ 92,566	\$ 270,539
Current Liabilities													
Accounts Payable	\$ 3,572	\$ 22,608	\$ 44	\$ 64	\$ 20	\$ 20	\$ 92	\$ -	\$ 576	\$ 103	\$ 51	\$ 10	\$ 25
Deferred Revenue	266,068	-	-	-	5,922	-	-	-	-	-	-	9,209	17,037
Total Current Liabilities	269,640	22,608	44	64	5,942	20	92	-	576	103	51	9,219	17,062
Non-Current Liabilities													
Outstanding Liabilities*	14,329,192	-	390,267	684,701	96,136	206,575	454,861	239,927	3,413,010	857,020	189,712	3,161	151,076
ULAE*	1,070,490	-	29,156	51,152	7,182	15,433	33,981	17,924	254,976	64,025	14,173	236	11,286
Total Non-Current Liabilities	15,399,682	-	419,423	735,853	103,318	222,008	488,842	257,851	3,667,986	921,045	203,885	3,397	162,362
Total Liabilities	15,669,322	22,608	419,467	735,917	109,260	222,028	488,934	257,851	3,668,562	921,148	203,936	12,616	179,424
Net Position	2,461,845	561,513	(138,061)	(150,571)	18,835	(48,168)	423,321	(71,437)	1,057,787	77,126	214,600	79,951	91,115
Liability & Net Position	\$ 18,131,167	\$ 584,121	\$ 281,406	\$ 585,346	\$ 128,095	\$ 173,860	\$ 912,255	\$ 186,414	\$ 4,726,349	\$ 998,274	\$ 418,536	\$ 92,566	\$ 270,539

*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, 2013**

	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	Total
Current Assets												
Cash	\$ 25,966	\$ 18,470	\$ 83,937	\$ 68,664	\$ 33,405	\$ 6,307	\$ 49,747	\$ 44,698	\$ 68,432	\$ 21,731	\$ 9,814	\$ 1,075,335
Accounts Receivable	15,451	-	-	-	-	-	-	-	-	10,278	-	48,140
Interest Receivable	2,566	3,518	1,429	2,115	3,638	2,933	2,503	1,190	8,083	1,279	5,520	156,099
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-	558,954
Prepaid Expense	-	-	-	-	-	-	-	-	-	-	-	407,605
Total Current Assets	43,983	21,988	85,366	70,779	37,043	9,240	52,250	45,888	76,515	33,288	15,334	2,246,133
Non-Current Assets												
Investments*	531,775	746,395	226,901	391,438	757,371	631,651	494,274	214,103	1,688,877	256,405	1,190,475	32,864,133
Total Assets	\$ 575,758	\$ 768,383	\$ 312,267	\$ 462,217	\$ 794,414	\$ 640,891	\$ 546,524	\$ 259,991	\$ 1,765,392	\$ 289,693	\$ 1,205,809	\$ 35,110,266
Current Liabilities												
Accounts Payable	\$ 91	\$ 88	\$ 26	\$ 55	\$ 91	\$ 57	\$ 75	\$ 30	\$ 198	\$ 31	\$ 170	\$ 28,097
Deferred Revenue	-	14,868	-	-	-	-	-	50,139	152,133	5,470	3,531	524,377
Total Current Liabilities	91	14,956	26	55	91	57	75	50,169	152,331	5,501	3,701	552,474
Non-Current Liabilities												
Outstanding Liabilities*	536,804	718,309	109,085	190,448	653,727	470,988	532,393	129,929	810,480	90,472	1,429,261	26,687,534
ULAE*	40,103	53,663	8,149	14,228	48,838	35,186	39,773	9,707	60,548	6,759	106,776	1,993,744
Total Non-Current Liabilities	576,907	771,972	117,234	204,676	702,565	506,174	572,166	139,636	871,028	97,231	1,536,037	28,681,278
Total Liabilities	576,998	786,928	117,260	204,731	702,656	506,231	572,241	189,805	1,023,359	102,732	1,539,738	29,233,752
Net Position	(1,241)	(18,545)	195,007	257,486	91,758	134,660	(25,717)	70,186	742,033	186,961	(333,929)	5,876,514
Liability & Net Position	\$ 575,758	\$ 768,383	\$ 312,267	\$ 462,217	\$ 794,414	\$ 640,891	\$ 546,524	\$ 259,991	\$ 1,765,392	\$ 289,693	\$ 1,205,809	\$ 35,110,266

*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, 2013

	WC Shar	WC Admin	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	\$ -	\$ 288,535	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Banking Layer Deposit	-	-	52,814	85,821	29,284	38,659	111,699	217,039	486,259	105,440	27,432	19,173	41,825
Shared Risk Layer	1,178,926	-	-	-	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	385,766	-	-	-	-	-	-	-	-	-	-	-	-
Risk Management Grants	-	145,635	-	-	-	-	-	-	-	-	-	-	-
Other Income	929	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Income	1,565,621	434,170	52,814	85,821	29,284	38,659	111,699	217,039	486,259	105,440	27,432	19,173	41,825
Operating Expenses													
Claims Paid	471,937	-	98,823	69,680	46,218	16,027	14,410	30,450	397,937	48,549	18,473	-	11,849
O/S Liability adj.	578,152	-	(57,512)	(380)	(38,422)	(3,791)	(86,900)	239,927	379,030	(115,289)	(20,474)	391	(5,263)
ULAE	43,192	-	(4,297)	(28)	(2,870)	(283)	(6,492)	17,924	28,316	(8,613)	(1,530)	29	(393)
Consultants	-	21,050	-	-	-	-	-	-	-	-	-	-	-
Administration-Other	-	8,003	-	-	-	-	-	-	-	-	-	-	-
Safety Service	-	129,455	-	-	-	-	-	-	-	-	-	-	-
Claims Administration	-	186,394	7,799	10,280	4,399	5,811	8,291	1,163	70,745	14,676	4,811	-	3,071
Program Administration	-	89,370	-	-	-	-	-	-	-	-	-	-	-
Board Expenses	-	1,599	-	-	-	-	-	-	-	-	-	-	-
Excess Insurance	402,215	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	1,495,496	435,871	44,813	79,552	9,325	17,764	(70,691)	289,464	876,028	(60,677)	1,280	420	9,264
Operating Income (Loss)	70,125	(1,701)	8,001	6,269	19,959	20,895	182,390	(72,425)	(389,769)	166,117	26,152	18,753	32,561
Non-Operating Income													
Change in Fair Market Value	(109,533)	(3,870)	(2,784)	(4,474)	(1,148)	(1,252)	(7,044)	(1,079)	(41,071)	(7,738)	(3,786)	(748)	(1,830)
Interest Income	261,718	2,963	3,720	5,998	(2,153)	2	11,964	2,067	48,091	6,866	5,712	1,868	3,727
Total Non-Operating Income	152,185	(907)	936	1,524	(3,301)	(1,250)	4,920	988	7,020	(872)	1,926	1,120	1,897
Change in Net Position	222,310	(2,608)	8,937	7,793	16,659	19,645	187,310	(71,437)	(382,749)	165,245	28,078	19,873	34,458
Beginning Net Position	2,239,535	564,121	(146,998)	(158,364)	2,176	(67,813)	236,011	0	1,440,536	(88,119)	186,522	60,078	56,657
Ending Net Position	\$ 2,461,845	\$ 561,513	\$ (138,061)	\$ (150,571)	\$ 18,835	\$ (48,168)	\$ 423,321	\$ (71,437)	\$ 1,057,787	\$ 77,126	\$ 214,600	\$ 79,951	\$ 91,115

**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, 2013**

	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	Total
Operating Income												
Administration Deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	288,535
Banking Layer Deposit	130,258	68,051	30,245	84,874	96,371	99,173	114,630	21,329	167,115	52,195	195,533	2,275,219
Shared Risk Layer	-	-	-	-	-	-	-	-	-	-	-	1,178,926
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-	-	-	385,766
Risk Management Grants	-	-	-	-	-	-	-	-	-	-	-	145,635
Other Income	-	-	-	-	-	-	-	-	-	-	-	929
Total Operating Income	130,258	68,051	30,245	84,874	96,371	99,173	114,630	21,329	167,115	52,195	195,533	4,275,010
Operating Expenses												
Claims Paid	129,714	90,022	322	31,917	86,729	51,430	141,218	21,073	106,281	9,257	218,579	2,110,895
O/S Liability adj.	19,477	14,955	(46,564)	(78,041)	(49,343)	66,906	(17,739)	35,433	20,532	(38,665)	219,465	1,015,885
ULAE	1,455	1,117	(3,479)	(5,830)	(3,686)	4,998	(1,325)	2,647	1,534	(2,889)	16,396	75,893
Consultants	-	-	-	-	-	-	-	-	-	-	-	21,050
Administration-Other	-	-	-	-	-	-	-	-	-	-	-	8,003
Safety Service	-	-	-	-	-	-	-	-	-	-	-	129,455
Claims Administration	8,792	12,442	3,401	10,033	13,020	12,278	17,250	4,643	20,494	5,224	23,473	448,490
Program Administration	-	-	-	-	-	-	-	-	-	-	-	89,370
Board Expenses	-	-	-	-	-	-	-	-	-	-	-	1,599
Excess Insurance	-	-	-	-	-	-	-	-	-	-	-	402,215
Total Operating Expenses	159,438	118,536	(46,320)	(41,921)	46,720	135,612	139,404	63,796	148,841	(27,073)	477,913	4,302,855
Operating Income (Loss)	(29,180)	(50,485)	76,565	126,795	49,651	(36,439)	(24,774)	(42,467)	18,274	79,268	(282,380)	(27,845)
Non-Operating Income												
Change in Fair Market Value	(6,077)	(6,230)	(1,988)	(4,051)	(6,531)	(4,099)	(4,812)	(2,176)	(14,481)	(2,321)	(11,624)	(250,747)
Interest Income	11,340	12,400	3,393	(5,041)	5,963	1,980	10,547	3,783	23,885	1,822	12,336	434,950
Total Non-Operating Income	5,263	6,170	1,405	(9,092)	(568)	(2,119)	5,735	1,607	9,404	(500)	712	184,203
Change in Net Position	(23,918)	(44,315)	77,970	117,703	49,083	(38,558)	(19,039)	(40,860)	27,678	78,769	(281,668)	156,358
Beginning Net Position	22,677	25,770	117,037	139,783	42,675	173,218	(6,678)	111,046	714,355	108,192	(52,261)	5,720,156
Ending Net Position	\$ (1,241)	\$ (18,545)	\$ 195,007	\$ 257,486	\$ 91,758	\$ 134,660	\$ (25,717)	\$ 70,186	\$ 742,033	\$ 186,961	\$ (333,929)	\$ 5,876,514

**Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Reconciliation of Claims Liability by Program
As of December 31, 2013 and June 30, 2013**

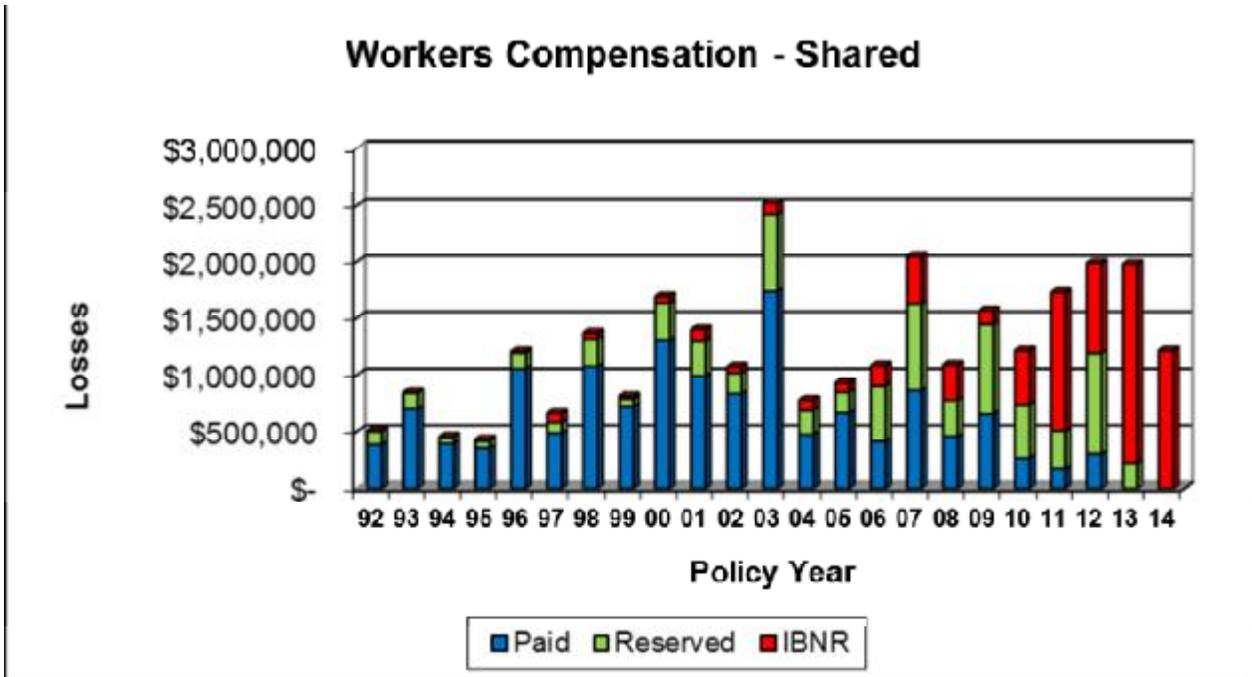
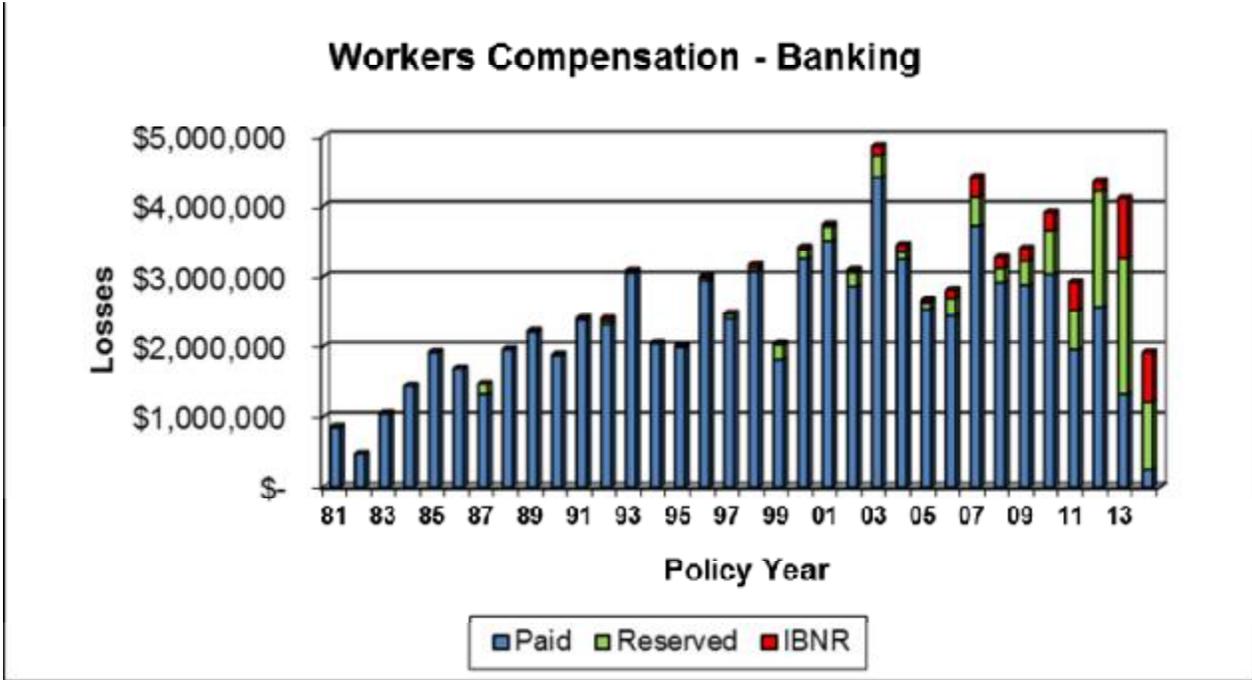
	Liability Banking 2014	Liability Shared Risk 2014	Total Liability Program		WC Banking 2014	WC Shared Risk 2014	Total WC Program		Totals	
			2014	2013			2014	2013	2014	2013
Unpaid claims and claim adjustment expenses at beginning of the fiscal year	2,161,176	5,710,847	7,872,023	9,524,917	12,811,158	14,778,338	27,589,496	24,047,879	35,461,519	33,572,796
Incurred claims and claim adjustment expenses:										
Provision for insured events of the current fiscal year	721,558	691,382	1,412,939	2,769,500	1,921,813	1,219,697	3,141,509	6,075,112	4,554,448	8,844,612
Increases (Decreases) in provision for insured events of prior fiscal years	791,758	271,144	1,062,902	485,712	154,882	(169,658)	(14,776)	1,229,056	1,048,125	1,714,767
Change in provision for ULAE in current year	-	-	-	-	32,702	43,192	75,894	348,561	75,894	348,561
Total incurred claims and claim adjustment expenses	<u>1,513,316</u>	<u>962,526</u>	<u>2,475,841</u>	<u>3,255,212</u>	<u>2,109,396</u>	<u>1,093,231</u>	<u>3,202,626</u>	<u>7,652,729</u>	<u>5,678,468</u>	<u>10,907,940</u>
Payments:										
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	160,724	-	160,724	628,324	248,454	-	248,454	802,974	409,177	1,431,298
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	389,013	1,169,214	1,558,227	4,279,783	1,390,506	471,887	1,862,393	3,308,138	3,420,620	7,587,921
Total Payments	<u>549,736</u>	<u>1,169,214</u>	<u>1,718,950</u>	<u>4,908,107</u>	<u>1,638,960</u>	<u>471,887</u>	<u>2,110,847</u>	<u>4,111,112</u>	<u>3,829,797</u>	<u>9,019,219</u>
Total unpaid claims and claim adjustment expenses at end of the fiscal year	<u>3,124,755</u>	<u>5,504,158</u>	<u>8,628,913</u>	<u>7,872,022</u>	<u>13,281,594</u>	<u>15,399,682</u>	<u>28,681,276</u>	<u>27,589,496</u>	<u>37,310,190</u>	<u>35,461,518</u>
Claims Liability	3,124,755	5,504,158	8,628,913	7,872,022	12,358,341	14,329,192	26,687,532	25,671,646	35,316,446	33,543,668
Claims ULAE	-	-	-	-	923,254	1,070,490	1,993,744	1,917,850	1,993,744	1,917,850
Total Claim Liabilities	<u>3,124,755</u>	<u>5,504,158</u>	<u>8,628,913</u>	<u>7,872,022</u>	<u>13,281,594</u>	<u>15,399,682</u>	<u>28,681,276</u>	<u>27,589,496</u>	<u>37,310,190</u>	<u>35,461,518</u>

Northern California Cities Self Insurance Fund
Graphical Summary of Claims
As of December 31, 2013



See Accompanying Accountant's Report

**Northern California Cities Self Insurance Fund
Graphical Summary of Claims
As of December 31, 2013**



See Accompanying Accountant's Report



BUDGET TO ACTUAL AS OF DECEMBER 31, 2013

INFORMATION ITEM

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

RECOMMENDATION: None. NCCSIF is currently on track with the 2013/14 Budget year-to-date.

FISCAL IMPACT: None.

BACKGROUND: None.

ATTACHMENT(S): Budget to Actual as of December 31, 2013.

Northern California Cities Self Insurance Fund
Budget to Actual
As of December 31, 2013

	Budget 2013-2014			YTD Expended 2013-2014			Remaining 2013-2014		
	Total	WC	Liab	Total	WC	Liab	Total	WC	Liab
ADMIN BUDGET									
Administrative Revenue									
41010 Administrative Deposit - See Note 1	\$ 1,045,750	\$ 535,095	\$ 510,655	\$ 543,863	\$ 288,535	\$ 255,328	\$ 501,887	\$ 246,560	\$ 255,327
44030 Change in Fair Value - See Note 2	-	-	-	(5,270)	(3,870)	(1,400)	5,270	3,870	1,400
44040 Interest Income - See Note 2	-	-	-	(3,916)	2,966	(6,882)	3,916	(2,966)	6,882
44080 Risk Management Grants - See Note 3	-	-	-	145,635	145,635	-	(145,635)	(145,635)	-
Total Admin Revenue	\$ 1,045,750	\$ 535,095	\$ 510,655	\$ 680,312	\$ 433,266	\$ 247,046	\$ 511,073	\$ 101,829	\$ 263,609
Administrative Expenses									
52100 Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
52101 Claims Audit	7,000	7,000	-	-	-	-	7,000	7,000	-
52102 Financial Audit	26,100	13,050	13,050	26,100	13,050	13,050	-	-	-
52103 Legal Services	15,000	7,500	7,500	-	-	-	15,000	7,500	7,500
52104 Actuarial Services	10,000	4,000	6,000	11,500	6,750	4,750	(1,500)	(2,750)	1,250
52105 Computer Services	-	-	-	-	-	-	-	-	-
52106 JPA Accreditation	-	-	-	-	-	-	-	-	-
52107 Fidelity Bonds	2,000	1,000	1,000	2,500	1,250	1,250	(500)	(250)	(250)
52109 Miscellaneous Consultants	5,000	2,500	2,500	-	-	-	5,000	2,500	2,500
XXXX Errors & Omissions	-	-	-	-	-	-	-	-	-
Total Admin Expenses	\$ 65,100	\$ 35,050	\$ 30,050	\$ 40,100	\$ 21,050	\$ 19,050	\$ 25,000	\$ 14,000	\$ 11,000
Safety Services									
52200 Safety Service	\$ 25,000	\$ -	\$ 25,000	\$ 58,038	\$ 15,938	\$ 42,100	\$ (33,038)	\$ (15,938)	\$ (17,100)
52201 Risk Mgmt Comm Services	25,000	12,500	12,500	11,760	6,630	5,130	13,240	5,870	7,370
52202 Risk Mgmt Comm Mtg Expense	1,000	500	500	-	-	-	1,000	500	500
52203 Police Risk Mgmt Comm Svcs	12,000	6,000	6,000	58	29	29	11,942	5,971	5,971
52204 On Site	155,260	77,630	77,630	72,102	36,051	36,051	83,158	41,579	41,579
XXXX Yuba City On Site	-	-	-	-	-	-	-	-	-
52205 Hot Line	-	-	-	-	-	-	-	-	-
52206 Safety Library	-	-	-	-	-	-	-	-	-
52207 Seminars and PARMA	63,200	23,200	40,000	6,682	2,970	3,712	56,518	20,230	36,288
52208 Police Risk Mgmt Manual	100,000	-	100,000	100,450	-	100,450	(450)	-	(450)
52209 Safety Contingency	-	-	-	-	-	-	-	-	-
52210 Process Safety Mgmt Program	-	-	-	-	-	-	-	-	-
52211 Website Development	-	-	-	-	-	-	-	-	-
XXXX TargetSolutions Fire Training Module	-	-	-	-	-	-	-	-	-
52212 Safety Service - Other do not use	18,000	18,000	-	-	-	-	18,000	18,000	-
52213 Property Appraisals	-	-	-	-	-	-	-	-	-
52214 OCCUMED	-	-	-	9,000	9,000	-	(9,000)	(9,000)	-
52215 Online Risk Management Services	20,000	10,000	10,000	3,104	1,552	1,552	16,896	8,448	8,448
52216 Backsafe	-	-	-	-	-	-	-	-	-
52217 Wellness Optional	13,840	13,840	-	-	-	-	13,840	13,840	-
Total Safety Services Expenses	\$ 433,300	\$ 161,670	\$ 271,630	\$ 261,194	\$ 72,170	\$ 189,024	\$ 172,106	\$ 89,500	\$ 82,606

Northern California Cities Self Insurance Fund
Budget to Actual
As of December 31, 2013

	Budget 2013-2014			YTD Expended 2013-2014			Remaining 2013-2014		
	Total	WC	Liab	Total	WC	Liab	Total	WC	Liab
ADMIN BUDGET CONTINUED									
Claims Administration									
52302 Claims Administration Fee	\$ 49,250	\$ 28,350	\$ 20,900	\$ 28,350	\$ 28,350	\$ -	\$ 20,900	\$ -	\$ 20,900
52303 Fraud Hotline	-	-	-	-	-	-	-	-	-
52305 MPN Services	12,000	12,000	-	8,000	8,000	-	4,000	4,000	-
52304 State Funding/Fraud Assessment	135,000	135,000	-	158,044	158,044	-	(23,044)	(23,044)	-
Total Claims Admin Expenses	\$ 196,250	\$ 175,350	\$ 20,900	\$ 194,394	\$ 194,394	\$ -	\$ 1,856	\$ (19,044)	\$ 20,900
Program Administration									
52401 Program Administration Fee	\$ 270,000	\$ 122,475	\$ 147,525	\$ 166,266	\$ 76,383	\$ 89,883	\$ 103,734	\$ 46,092	\$ 57,642
52403 Accounting Services	62,100	31,050	31,050	25,974	12,987	12,987	36,126	18,063	18,063
Total Program Admin Expenses	\$ 332,100	\$ 153,525	\$ 178,575	\$ 192,240	\$ 89,370	\$ 102,870	\$ 139,860	\$ 64,155	\$ 75,705
Board Expenses									
52501 Executive Committee	\$ 2,000	\$ 1,000	\$ 1,000	\$ -	\$ -	\$ -	\$ 2,000	\$ 1,000	\$ 1,000
52502 Executive Committee Member Travel	5,000	2,500	2,500	1,541	753	788	3,459	1,747	1,712
52503 Board of Directors Meetings (includes Travel)	6,000	3,000	3,000	1,692	846	846	4,308	2,154	2,154
XXXX Board of Directors Long Range Planning Session (every 3 years, 2012)	-	-	-	-	-	-	-	-	-
52504 Association Memberships	6,000	3,000	3,000	-	-	-	6,000	3,000	3,000
Total Board Expenses	\$ 19,000	\$ 9,500	\$ 9,500	\$ 3,233	\$ 1,599	\$ 1,634	\$ 15,767	\$ 7,901	\$ 7,866
Other Administration Expenses - Not identified with above budget line items									
52000 Administrative Expense	\$ -	\$ -	\$ -	\$ 5	\$ 2	\$ 3	\$ (5)	\$ (2)	\$ (3)
52001 Administration Expense - Other	-	-	-	6	3	3	(6)	(3)	(3)
Total Other Admin	\$ -	\$ -	\$ -	\$ 11	\$ 5	\$ 6	\$ (11)	\$ (5)	\$ (6)
Contingency Reserves	-	-	-	-	-	-	-	-	-
Total Admin Expenses	\$ 1,045,750	\$ 535,095	\$ 510,655	\$ 691,172	\$ 378,588	\$ 312,584	\$ 354,578	\$ 156,507	\$ 198,071
TOTAL ADMIN REVENUE OVER EXPENSES	\$ -	\$ -	\$ -	\$ (10,860)	\$ 54,678	\$ (65,538)	\$ 156,495	\$ (54,678)	\$ 65,538

Northern California Cities Self Insurance Fund
Budget to Actual
As of December 31, 2013

	Budget 2013-2014			YTD Expended 2013-2014			Remaining 2013-2014		
	Total	WC	Liab	Total	WC	Liab	Total	WC	Liab
BANKING LAYER BUDGET									
Banking Layer Revenue									
41020 Banking Layer Deposit - See Note 1	\$ 5,551,540	\$ 4,020,072	\$ 1,531,468	\$ 3,040,948	\$ 2,275,214	\$ 765,734	\$ 2,510,592	\$ 1,744,858	\$ 765,734
41050 Banking Layer Refund	-	-	-	-	-	-	-	-	-
43010 Banking Layer Assessment	-	-	-	-	-	-	-	-	-
41060 Liab Shared Risk Layer Transfer	-	-	-	-	-	-	-	-	-
44020 CJPRMA Refund Transfer - See Note 4	(414,401)	-	(414,401)	-	-	-	(414,401)	-	(414,401)
44030 Change in Fair Value - See Note 2	-	-	-	(197,838)	(137,345)	(60,493)	197,838	137,345	60,493
44040 Interest Income - See Note 2	-	-	-	226,551	170,280	56,271	(226,551)	(170,280)	(56,271)
44010 Other Income	-	-	-	919	929	(10)	(919)	(929)	10
Total Banking Layer Revenue	\$ 5,137,139	\$ 4,020,072	\$ 1,117,067	\$ 3,070,580	\$ 2,309,078	\$ 761,502	\$ 2,066,559	\$ 1,710,994	\$ 355,565
Banking Layer Expenses									
51100 Claims Paid - See Note 5	\$ 5,308,000	\$ 3,892,000	\$ 1,416,000	\$ 1,989,786	\$ 1,638,960	\$ 350,826	\$ 3,318,214	\$ 2,253,040	\$ 1,065,174
51110 Claims Refunds	-	-	-	(10,066)	(1,901)	(8,165)	10,066	1,901	8,165
51000 Claims Adjusting Fee - See Note 5	924,000	540,000	432,000	-	-	-	924,000	519,000	405,000
43030 Banking Layer Refund	-	-	-	-	-	-	-	-	-
51050 Voids - claims	-	-	-	(15,182)	(3,675)	(11,507)	15,182	3,675	11,507
51115 Claims Subrogation/Recoveries	-	-	-	(171,750)	(170,945)	(805)	171,750	170,945	805
51130 Claims Investigation Liab and WC	-	-	-	-	-	-	-	-	-
51135 Claims Admin - Liability	-	-	-	198,910	-	198,910	(198,910)	-	(198,910)
51140 Claims Excess Adj	-	-	-	(36,806)	(3,308)	(33,498)	36,806	3,308	33,498
51400 OS Liability Adjustment	-	-	-	1,772,777	1,015,886	756,891	(1,772,777)	(1,015,886)	(756,891)
51800 ULAE Adjustment	-	-	-	75,894	75,894	-	(75,894)	(75,894)	-
52300 Claims Admin - Monthly WC Only	-	-	-	262,095	262,095	-	(262,095)	(262,095)	-
Total Banking Layer Expenses	\$ 6,232,000	\$ 4,432,000	\$ 1,848,000	\$ 4,065,658	\$ 2,813,006	\$ 1,252,652	\$ 2,166,342	\$ 1,597,994	\$ 568,348
TOTAL BANKING REVENUE OVER EXPENSES	\$ (1,094,861)	\$ (411,928)	\$ (730,933)	\$ (995,078)	\$ (503,928)	\$ (491,150)	\$ (99,783)	\$ 113,000	\$ (212,783)

Northern California Cities Self Insurance Fund
Budget to Actual
As of December 31, 2013

	Budget 2013-2014			YTD Expended 2013-2014			Remaining 2013-2014		
	Total	WC	Liab	Total	WC	Liab	Total	WC	Liab
SHARED RISK LAYER BUDGET									
Shared Layer Revenue									
41030 Shared Risk Layer Deposit - See Note 1	\$ 3,179,888	\$ 2,074,828	\$ 1,105,060	\$ 1,731,456	\$ 1,178,926	\$ 552,530	\$ 1,448,432	\$ 895,902	\$ 552,530
41040 Excess Deposit/Premium - See Note 1	1,789,713	677,244	1,112,469	942,001	385,766	556,235	847,712	291,478	556,234
41060 Shared Risk Refund	-	-	-	-	-	-	-	-	-
42000 CJPRMA / Shared Risk Admin	-	-	-	-	-	-	-	-	-
43020 Shared Risk Layer Assessment	-	-	-	-	-	-	-	-	-
XXXXX CJPRMA Refund	-	-	-	-	-	-	-	-	-
44030 Change in Fair Value	-	-	-	(124,017)	(109,533)	(14,484)	124,017	109,533	14,484
44040 Interest Income	-	-	-	259,092	261,717	(2,625)	(259,092)	(261,717)	2,625
44060 Property Premium - See Note 1	901,440	-	901,440	450,720	-	450,720	450,720	-	450,720
44070 Crime Premium - See Note 1	23,723	-	23,723	11,861	-	11,861	11,862	-	11,862
Total Shared Layer Revenue	\$ 5,894,764	\$ 2,752,072	\$ 3,142,692	\$ 3,271,113	\$ 1,716,876	\$ 1,554,237	\$ 2,623,651	\$ 1,035,196	\$ 1,588,455
Shared Layer Expenses									
51100 Claims Paid - See Note 5	\$ 3,396,000	\$ 2,030,000	\$ 1,366,000	\$ 1,874,964	\$ 651,766	\$ 1,223,198	\$ 1,521,036	\$ 1,378,234	\$ 142,802
52401 CJPRMA/Shared Risk Layer Admin	-	-	-	-	-	-	-	-	-
54100 Excess Deposit/Premium Exp - See Note 6	1,378,682	792,215	586,467	902,649	402,215	500,434	476,033	390,000	86,033
54200 Safety Grant Fund	250,000	150,000	-	57,285	57,285	-	192,715	192,715	-
54150 Member Property Coverage - See Note 6	901,440	-	901,440	434,583	-	434,583	466,857	-	466,857
54150 Member Crime Coverage - See Note 6	23,723	-	23,723	-	-	-	23,723	-	23,723
Total Shared Layer Expenses	\$ 5,949,845	\$ 2,972,215	\$ 2,877,630	\$ 3,269,481	\$ 1,111,266	\$ 2,158,215	\$ 2,680,364	\$ 1,960,949	\$ 719,415
TOTAL SHARED REVENUE OVER EXPENSES	\$ (55,081)	\$ (220,143)	\$ 265,062	\$ 1,632	\$ 605,610	\$ (603,978)	\$ (56,713)	\$ (925,753)	\$ 869,040
OTHER INCOME/(EXPENSE)									
Rounding	-	-	-	(6)	(2)	(4)	-	-	-
Total Other Income/(Expense)	\$ -	\$ -	\$ -	\$ (6)	\$ (2)	\$ (4)	\$ -	\$ -	\$ -
TOTAL INCOME/(EXPENSE)	(1,149,942)	(632,071)	(465,871)	(1,004,312)	156,358	(1,160,670)	(1)	(867,431)	721,795

Northern California Cities Self Insurance Fund
Notes to Budget to Actual
As of December 31, 2013

1. Revenue Recognition

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

2. Investment Income

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

3. Risk Management Grants

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

4. CJPRMA Refund

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

5. Claims Expenses

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

6. Insurance Expense Recognition

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



2014-15 ACTUARIAL STUDIES – WORKERS’ COMPENSATION PROGRAM

INFORMATION ITEM

ISSUE: *The actuarial “draft” study was not yet available for including within the Agenda Packet. The Outstanding Liabilities and funding exhibits have been provided. The Outstanding Liabilities exhibits will be revised based on the actual 12/31/13 Financial Statement. (The numbers provided are estimates).*

While reviewing funding it was discovered that the Actuary has been including 4850 Temporary Disability (TD) costs for public safety personnel (police and fire) as covered within the program. NCCSIF does not cover these costs, nor does it cover the 4850 Salary Continuation (SC) benefits above the TD benefits that bring them to 100% of salary. For comparison purposes the Actuary has provided analysis without 4850 TD or SC; without 4850 SC but including 4850 TD, and including both 4850 TD and SC. Funding referred to below is without 4850 TD or SC.

Total recommended funding for banking and shared risk layer is \$7,758,000 at the 60% Confidence Level, Discounted 1.5%. The total combined rate of \$4.092 is the same as last year. However, last year’s rate included the 4850 TD benefits. In addition, due to bad data in the loss run used for last year’s funding, the rate should have been \$4.623. The apples-to-apples comparison using the corrected rate for 2013-14 is \$4.623 to \$4.541, 2% lower than the corrected rate but 11% higher than the rate used.

RECOMMENDATION: Provide direction on the rate and 4850 TD benefits, if any, to use for 2014-15. The Actuary will present the Final report at the April, 2014 Board of Directors meeting.

FISCAL IMPACT: Banking and Shared Risk Layer funding for the 2014 reflect an increase of 26.7% over the prior year due to the addition of Elk Grove.

BACKGROUND: The Actuary estimates that NCCSIF will have assets of approximately \$38,646,000 at June 30, 2014. Last year, the estimate was \$39,272,000 for June 30, 2013. Actual assets from the financial audit were \$36,854,951. The combined Outstanding Liability for the same period is \$32,411,000 at the 90% confidence level. This provides for an estimated **\$6,235,000 in assets excess of the 90% confidence level.**

Assets for the Banking Layer are estimated at \$19,598,000 as of June 30, 2014. They were estimated at \$17,638,000 in 2013. Banking Layer liabilities are \$16,779,000 at the 90% confidence level. This means that **in excess of the 90% confidence level there is an anticipated surplus of \$2,819,000.** Assets for the shared risk layer are anticipated at \$19,048,000 at June 30, 2014. They were estimated at \$17,259,000 at June 30, 2013. Liabilities are estimated at \$15,632,000. This means that **in excess of the 90% confidence level there is an anticipated surplus of \$3,416,000.**

ATTACHMENT(S): Workers’ Compensation Actuarial Study – **DRAFT** Exhibits.

Northern California Cities Self Insurance Fund - Workers' Compensation

Funding Guidelines for Outstanding Liabilities Net of 4850 Benefits at
December 31, 2013

	<u>Total</u>	<u>Banking</u>	<u>Shared</u>
(A) Estimated Ultimate Losses Incurred through 12/31/13: (From Appendix G)	\$118,596,000	\$90,602,000	\$27,994,000
(B) Estimated Paid Losses through 12/31/13: (From Appendix G)	91,942,000	77,603,000	14,339,000
(C) Estimated Liability for Claims Outstanding at 12/31/13: (From Appendix G)	<u>\$26,654,000</u>	<u>\$12,999,000</u>	<u>\$13,655,000</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 12/31/13: (From Appendix F)	1,900,000	1,900,000	0
(E) Total Outstanding Liability for Claims at 12/31/13: ((C) + (D))	<u>\$28,554,000</u>	<u>\$14,899,000</u>	<u>\$13,655,000</u>
(F) Anticipated Investment Income: ((E) x [1 - Appendix I, Page 1, (H)])	1,628,000	850,000	778,000
(G) Discounted Outstanding Liability for Claims at 12/31/13: ((E) - (F))	<u>\$26,926,000</u>	<u>\$14,049,000</u>	<u>\$12,877,000</u>
	<u>Total</u>	<u>Banking</u>	<u>Shared</u>
(H) Confidence Level Factor: (From Appendix J)			
60%	1.027	1.025	1.029
70%	1.083	1.066	1.102
80%	1.153	1.117	1.192
90%	1.259	1.191	1.333
(I) Total Required Available Funding at December 31, 2013			
60%	\$27,653,000	\$14,400,000	\$13,253,000
70%	29,161,000	14,976,000	14,185,000
80%	31,046,000	15,693,000	15,353,000
90%	33,900,000	16,732,000	17,168,000
(J) Available Assets at December 31, 2013	\$32,746,000	\$15,728,000	\$17,018,000
(K) Funding Surplus/(Deficit) at December 31, 2013 ((J) - (I))			
60%	\$5,093,000	\$1,328,000	\$3,765,000
70%	3,585,000	752,000	2,833,000
80%	1,700,000	35,000	1,665,000
90%	(1,154,000)	(1,004,000)	(150,000)

Northern California Cities Self Insurance Fund - Workers' Compensation

Funding Guidelines for Outstanding Liabilities Net of 4850 Benefits at
June 30, 2014

	Total	Banking	Shared
(A) Estimated Ultimate Losses Incurred through 6/30/14: (From Appendix G)	\$122,107,000	\$92,806,000	\$29,301,000
(B) Estimated Paid Losses through 6/30/14: (From Appendix G)	95,269,000	79,780,000	15,489,000
(C) Estimated Liability for Claims Outstanding at 6/30/14: (From Appendix G)	<u>\$26,838,000</u>	<u>\$13,026,000</u>	<u>\$13,812,000</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 6/30/14: (From Appendix F)	1,977,000	1,977,000	0
(E) Total Outstanding Liability for Claims at 6/30/14: ((C) + (D))	<u>\$28,815,000</u>	<u>\$15,003,000</u>	<u>\$13,812,000</u>
(F) Anticipated Investment Income: ((E) x [1 - Appendix I, Page 1, (H)])	1,642,000	855,000	787,000
(G) Discounted Outstanding Liability for Claims at 6/30/14: ((E) - (F))	<u>\$27,173,000</u>	<u>\$14,148,000</u>	<u>\$13,025,000</u>
(H) Confidence Level Factor: (From Appendix J)			
60%	1.027	1.025	1.029
70%	1.083	1.066	1.101
80%	1.153	1.117	1.192
90%	1.259	1.191	1.333
(I) Total Required Available Funding at June 30, 2014 ((G) * (H))			
60%	\$27,907,000	\$14,502,000	\$13,405,000
70%	29,428,000	15,082,000	14,346,000
80%	31,330,000	15,803,000	15,527,000
90%	34,211,000	16,850,000	17,361,000
(J) Available Assets at June 30, 2014	\$35,679,000	\$17,286,000	\$18,393,000
(K) Funding Surplus/(Deficit) at June 30, 2014 ((J) - (I))			
60%	\$7,772,000	\$2,784,000	\$4,988,000
70%	6,251,000	2,204,000	4,047,000
80%	4,349,000	1,483,000	2,866,000
90%	1,468,000	436,000	1,032,000

Northern California Cities Self Insurance Fund - Workers' Compensation

Funding Options for Program Year 2014-2015 Excluding 4850s

Banking Layer Retention: \$100,000

Shared Layer Retention: \$500,000

	<u>Total</u>	<u>Banking</u>	<u>Shared</u>
(A) Estimated Ultimate Losses Incurred in Accident Year 2014-2015:	\$7,833,000	\$4,846,000	\$2,987,000
(B) Estimated Claims Administration Fees Incurred in Accident Year 2014-2015: (From Exhibit 5, Page 1, item (L))	825,000	825,000	0
(C) Total Claims Costs Incurred in Accident Year 2014-2015: ((A) + (B))	<u>\$8,658,000</u>	<u>\$5,671,000</u>	<u>\$2,987,000</u>
(D) Anticipated Investment Income: ((C) x [1 - Appendix I, Page 2, (F)])	332,000	218,000	115,000
(E) Discounted Total Claims Costs Incurred in Accident Year 2014-2015: ((C) - (D))	<u>\$8,326,000</u>	<u>\$5,453,000</u>	<u>\$2,872,000</u>
(F) Funding Rates for 2014-2015 Incurred Claims Costs	\$4.391	\$2.876	\$1.515
	<u>Total</u>	<u>Banking</u>	<u>Shared</u>
(H) Confidence Level Factor: (From Appendix J)			
60%	1.034	1.033	1.036
70%	1.105	1.087	1.140
80%	1.194	1.154	1.270
90%	1.330	1.254	1.475
(I) Total Required Required Funding for 2014-2015 Incurred Claims Costs ((G) * (H))			
60%	\$8,609,000	\$5,633,000	\$2,976,000
70%	9,200,000	5,927,000	3,273,000
80%	9,941,000	6,293,000	3,648,000
90%	11,074,000	6,838,000	4,236,000
(I) Funding Rates for 2014-2015 Incurred Claims Costs			
60%	\$4.541	\$2.971	\$1.570
70%	4.852	3.126	1.726
80%	5.243	3.319	1.924
90%	5.841	3.607	2.234

Rates based on 2014-2015 payroll of \$189,600,000

Northern California Cities Self Insurance Fund - Workers' Compensation

Funding Options for Program Year 2014-2015 Including 4850s

Banking Layer Retention: \$100,000

Shared Layer Retention: \$500,000

	<u>Total</u>	<u>Banking</u>	<u>Shared</u>
(A) Estimated Ultimate Losses Incurred in Accident Year 2014-2015:	\$8,460,000	\$5,234,000	\$3,226,000
(B) Estimated Claims Administration Fees Incurred in Accident Year 2014-2015: (From Exhibit 5, Page 1, item (L))	825,000	825,000	0
(C) Total Claims Costs Incurred in Accident Year 2014-2015: ((A) + (B))	<u>\$9,285,000</u>	<u>\$6,059,000</u>	<u>\$3,226,000</u>
(D) Anticipated Investment Income: ((C) x [1 - Appendix I, Page 2, (F)])	357,000	233,000	124,000
(E) Discounted Total Claims Costs Incurred in Accident Year 2014-2015: ((C) - (D))	<u>\$8,928,000</u>	<u>\$5,826,000</u>	<u>\$3,102,000</u>
(F) Funding Rates for 2014-2015 Incurred Claims Costs	\$4.709	\$3.073	\$1.636
	<u>Total</u>	<u>Banking</u>	<u>Shared</u>
(H) Confidence Level Factor: (From Appendix J)			
60%	1.034	1.033	1.036
70%	1.105	1.087	1.139
80%	1.194	1.154	1.269
90%	1.330	1.254	1.473
(I) Total Required Required Funding for 2014-2015 Incurred Claims Costs ((G) * (H))			
60%	\$9,232,000	\$6,018,000	\$3,214,000
70%	9,865,000	6,333,000	3,532,000
80%	10,660,000	6,723,000	3,937,000
90%	11,874,000	7,306,000	4,568,000
(I) Funding Rates for 2014-2015 Incurred Claims Costs			
60%	\$4.869	\$3.174	\$1.695
70%	5.203	3.340	1.863
80%	5.622	3.546	2.076
90%	6.263	3.853	2.409

Rates based on 2014-2015 payroll of \$189,600,000

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation

Funding Guidelines for Outstanding Liabilities Net of 4850 Benefits at
December 31, 2013

	Total	Banking	Shared
(A) Estimated Ultimate Losses Incurred through 12/31/13: (From Appendix G)	\$113,563,000	\$87,788,000	\$25,775,000
(B) Estimated Paid Losses through 12/31/13: (From Appendix G)	88,298,000	74,946,000	13,352,000
(C) Estimated Liability for Claims Outstanding at 12/31/13: (From Appendix G)	\$25,265,000	\$12,842,000	\$12,423,000
(D) Estimated Liability for Outstanding Claims Administration Fees at 12/31/13: (From Appendix F)	1,900,000	1,900,000	0
(E) Total Outstanding Liability for Claims at 12/31/13: ((C) + (D))	\$27,165,000	\$14,742,000	\$12,423,000
(F) Anticipated Investment Income: ((E) x [1 - Appendix I, Page 1, (H)])	1,548,000	840,000	708,000
(G) Discounted Outstanding Liability for Claims at 12/31/13: ((E) - (F))	\$25,617,000	\$13,902,000	\$11,715,000
	Total	Banking	Shared
(H) Confidence Level Factor: (From Appendix J)			
60%	1.027	1.025	1.029
70%	1.083	1.070	1.098
80%	1.153	1.126	1.185
90%	1.260	1.209	1.320
(I) Total Required Available Funding at December 31, 2013			
60%	\$26,309,000	\$14,250,000	\$12,059,000
70%	27,743,000	14,875,000	12,868,000
80%	29,536,000	15,654,000	13,882,000
90%	32,277,000	16,808,000	15,469,000
(J) Available Assets at December 31, 2013	\$32,746,000	\$15,728,000	\$17,018,000
(K) Funding Surplus/(Deficit) at December 31, 2013 ((J) - (I))			
60%	\$6,437,000	\$1,478,000	\$4,959,000
70%	5,003,000	853,000	4,150,000
80%	3,210,000	74,000	3,136,000
90%	469,000	(1,080,000)	1,549,000

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation

Funding Guidelines for Outstanding Liabilities Net of 4850 Benefits at
June 30, 2014

	<u>Total</u>	<u>Banking</u>	<u>Shared</u>
(A) Estimated Ultimate Losses Incurred through 6/30/14: (From Appendix G)	\$116,694,000	\$89,776,000	\$26,918,000
(B) Estimated Paid Losses through 6/30/14: (From Appendix G)	91,393,000	77,036,000	14,357,000
(C) Estimated Liability for Claims Outstanding at 6/30/14: (From Appendix G)	<u>\$25,301,000</u>	<u>\$12,740,000</u>	<u>\$12,561,000</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 6/30/14: (From Appendix F)	1,977,000	1,977,000	0
(E) Total Outstanding Liability for Claims at 6/30/14: ((C) + (D))	<u>\$27,278,000</u>	<u>\$14,717,000</u>	<u>\$12,561,000</u>
(F) Anticipated Investment Income: ((E) x [1 - Appendix I, Page 1, (H)])	1,555,000	839,000	716,000
(G) Discounted Outstanding Liability for Claims at 6/30/14: ((E) - (F))	<u>\$25,723,000</u>	<u>\$13,878,000</u>	<u>\$11,845,000</u>
(H) Confidence Level Factor: (From Appendix J)			
60%	1.027	1.025	1.029
70%	1.083	1.070	1.098
80%	1.153	1.126	1.185
90%	1.260	1.209	1.320
(I) Total Required Available Funding at June 30, 2014 ((G) * (H))			
60%	\$26,418,000	\$14,225,000	\$12,193,000
70%	27,858,000	14,849,000	13,009,000
80%	29,659,000	15,627,000	14,032,000
90%	32,411,000	16,779,000	15,632,000
(J) Available Assets at June 30, 2014	\$38,646,000	\$19,598,000	\$19,048,000
(K) Funding Surplus/(Deficit) at June 30, 2014 ((J) - (I))			
60%	\$12,228,000	\$5,373,000	\$6,855,000
70%	10,788,000	4,749,000	6,039,000
80%	8,987,000	3,971,000	5,016,000
90%	6,235,000	2,819,000	3,416,000

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation

Funding Options for Program Year 2014-2015 Excluding 4850s

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

	<u>Total</u>	<u>Banking</u>	<u>Shared</u>
(A) Estimated Ultimate Losses Incurred in Accident Year 2014-2015:	\$6,985,000	\$4,374,000	\$2,611,000
(B) Estimated Claims Administration Fees Incurred in Accident Year 2014-2015: (From Exhibit 5, Page 1, item (L))	825,000	825,000	0
(C) Total Claims Costs Incurred in Accident Year 2014-2015: ((A) + (B))	<u>\$7,810,000</u>	<u>\$5,199,000</u>	<u>\$2,611,000</u>
(D) Anticipated Investment Income: ((C) x [1 - Appendix I, Page 2, (F)])	300,000	200,000	100,000
(E) Discounted Total Claims Costs Incurred in Accident Year 2014-2015: ((C) - (D))	<u>\$7,510,000</u>	<u>\$4,999,000</u>	<u>\$2,511,000</u>
(F) Funding Rates for 2014-2015 Incurred Claims Costs	\$3.961	\$2.637	\$1.324
	<u>Total</u>	<u>Banking</u>	<u>Shared</u>
(H) Confidence Level Factor: (From Appendix J)			
60%	1.033	1.035	1.029
70%	1.104	1.099	1.114
80%	1.194	1.179	1.224
90%	1.330	1.299	1.391
(I) Total Required Required Funding for 2014-2015 Incurred Claims Costs ((G) * (H))			
60%	\$7,758,000	\$5,174,000	\$2,584,000
70%	8,291,000	5,494,000	2,797,000
80%	8,967,000	5,894,000	3,073,000
90%	9,988,000	6,494,000	3,494,000
(I) Funding Rates for 2014-2015 Incurred Claims Costs			
60%	\$4.092	\$2.729	\$1.363
70%	4.373	2.898	1.475
80%	4.729	3.109	1.621
90%	5.268	3.425	1.843

Rates based on 2014-2015 payroll of \$189,600,000

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation

IBNR as of 12/31/13 at Expected Claims Level

Banking & Shared Risk Layers

Accident Year	Estimated Ultimate (A)	Paid as of 12/31/2013 (B)	Reported as of 12/31/2013 (C)	Estimated IBNR as of 12/31/2013 (D)	Estimated Outstanding as of 12/31/2013 (E)
1979-1993	24,039,000	23,404,472	23,990,692	48,308	634,528
1993-1994	2,508,000	2,440,186	2,497,838	10,162	67,814
1994-1995	2,445,000	2,344,819	2,427,745	17,255	100,181
1995-1996	4,180,000	3,954,852	4,141,574	38,426	225,148
1996-1997	3,045,000	2,840,895	3,006,258	38,742	204,105
1997-1998	4,495,000	4,130,859	4,429,540	65,460	364,141
1998-1999	2,853,000	2,514,479	2,802,698	50,302	338,521
1999-2000	5,106,000	4,519,376	5,004,409	101,591	586,624
2000-2001	5,159,000	4,489,710	5,040,068	118,932	669,290
2001-2002	4,177,000	3,657,724	4,068,277	108,723	519,276
2002-2003	7,385,000	6,076,824	7,169,117	215,883	1,308,176
2003-2004	4,187,000	3,679,101	4,027,938	159,062	507,899
2004-2005	3,572,000	3,131,669	3,421,918	150,082	440,331
2005-2006	3,772,000	2,787,629	3,581,536	190,465	984,371
2006-2007	5,939,000	4,303,012	5,553,244	385,756	1,635,988
2007-2008	3,679,000	2,799,897	3,360,392	318,608	879,103
2008-2009	4,713,000	3,034,854	4,206,394	506,606	1,678,146
2009-2010	4,334,000	2,739,692	3,891,161	442,839	1,594,308
2010-2011	3,614,000	1,829,608	2,755,377	858,623	1,784,392
2011-2012	6,114,000	2,349,578	4,967,528	1,146,472	3,764,422
2012-2013	5,116,000	1,098,678	3,155,707	1,960,293	4,017,322
2013-2014	3,131,000	169,631	1,065,031	2,065,969	2,961,369
	113,563,000	88,297,547	104,564,440	8,998,560	25,265,453

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation

IBNR as of 6/30/14 at Expected Claims Level

Banking & Shared Risk Layers

Accident Year	Estimated Ultimate (A)	Estimated Paid as of 6/30/2014 (B)	Estimated Reported as of 6/30/2014 (C)	Estimated IBNR as of 6/30/2014 (D)	Estimated Outstanding as of 6/30/2014 (E)
1979-1993	24,039,000	23,422,873	24,014,692	24,308	616,127
1993-1994	2,508,000	2,444,730	2,500,838	7,162	63,270
1994-1995	2,445,000	2,353,435	2,432,745	12,255	91,565
1995-1996	4,180,000	3,971,513	4,149,574	30,426	208,487
1996-1997	3,045,000	2,854,162	3,012,258	32,742	190,838
1997-1998	4,495,000	4,152,343	4,437,540	57,460	342,657
1998-1999	2,853,000	2,532,421	2,807,698	45,302	320,579
1999-2000	5,106,000	4,547,534	5,013,409	92,591	558,466
2000-2001	5,159,000	4,518,489	5,049,068	109,932	640,511
2001-2002	4,177,000	3,684,726	4,076,277	100,723	492,274
2002-2003	7,385,000	6,151,390	7,182,117	202,883	1,233,610
2003-2004	4,187,000	3,717,701	4,039,938	147,062	469,299
2004-2005	3,572,000	3,168,216	3,431,918	140,082	403,784
2005-2006	3,772,000	2,870,316	3,598,536	173,465	901,684
2006-2007	5,939,000	4,435,527	5,595,244	343,756	1,503,473
2007-2008	3,679,000	2,869,346	3,393,392	285,608	809,654
2008-2009	4,713,000	3,170,784	4,252,394	460,606	1,542,216
2009-2010	4,334,000	2,907,094	3,931,161	402,839	1,426,906
2010-2011	3,614,000	2,015,185	2,865,377	748,623	1,598,815
2011-2012	6,114,000	2,899,184	5,141,528	972,472	3,214,816
2012-2013	5,116,000	1,641,016	3,537,707	1,578,293	3,474,984
2013-2014	6,262,000	1,065,209	2,432,031	3,829,969	5,196,791
	116,694,000	91,393,194	106,895,440	9,798,560	25,300,806

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensatio

IBNR as of 12/31/13 at Expected Claims Level

Banking Layer

Accident Year	Estimated Ultimate (A)	Paid as of 12/31/2013 (B)	Reported as of 12/31/2013 (C)	Estimated IBNR as of 12/31/2013 (D)	Estimated Outstanding as of 12/31/2013 (E)
1979-1993	22,669,000	22,315,184	22,646,136	22,864	353,816
1993-1994	2,053,000	2,045,161	2,049,199	3,801	7,839
1994-1995	2,016,000	1,991,224	2,010,002	5,998	24,776
1995-1996	2,963,000	2,900,226	2,950,963	12,037	62,774
1996-1997	2,482,000	2,403,477	2,469,201	12,799	78,523
1997-1998	3,130,000	3,060,976	3,108,316	21,684	69,024
1998-1999	2,040,000	1,791,361	2,021,997	18,003	248,639
1999-2000	3,424,000	3,253,402	3,386,642	37,358	170,598
2000-2001	3,766,000	3,499,554	3,717,150	48,850	266,446
2001-2002	3,082,000	2,823,900	3,035,742	46,258	258,100
2002-2003	4,824,000	4,409,575	4,742,666	81,334	414,425
2003-2004	3,421,000	3,210,882	3,353,525	67,475	210,118
2004-2005	2,674,000	2,515,372	2,611,457	62,543	158,628
2005-2006	2,722,000	2,380,023	2,645,883	76,117	341,977
2006-2007	4,189,000	3,538,232	4,046,688	142,312	650,768
2007-2008	2,937,000	2,534,774	2,819,640	117,360	402,226
2008-2009	3,103,000	2,558,865	2,947,809	155,191	544,135
2009-2010	3,588,000	2,657,051	3,395,679	192,321	930,949
2010-2011	2,582,000	1,700,244	2,332,672	249,328	881,756
2011-2012	4,203,000	2,087,870	3,874,076	328,924	2,115,130
2012-2013	3,932,000	1,098,678	2,967,941	964,059	2,833,322
2013-2014	1,988,000	169,631	1,065,031	922,969	1,818,369
	87,788,000	74,945,664	84,198,415	3,589,585	12,842,336

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensatio

IBNR as of 6/30/14 at Expected Claims Level

Banking Layer

Accident Year	Estimated Ultimate (A)	Estimated Paid as of 6/30/2014 (B)	Estimated Reported as of 6/30/2014 (C)	Estimated IBNR as of 6/30/2014 (D)	Estimated Outstanding as of 6/30/2014 (E)
1979-1993	22,669,000	22,318,722	22,657,568	11,432	350,278
1993-1994	2,053,000	2,045,804	2,051,100	1,900	7,196
1994-1995	2,016,000	1,994,494	2,012,000	4,000	21,506
1995-1996	2,963,000	2,907,068	2,953,960	9,040	55,932
1996-1997	2,482,000	2,410,780	2,471,748	10,252	71,220
1997-1998	3,130,000	3,066,636	3,111,395	18,605	63,364
1998-1999	2,040,000	1,809,263	2,023,978	16,022	230,737
1999-2000	3,424,000	3,264,491	3,390,004	33,996	159,509
2000-2001	3,766,000	3,514,741	3,720,863	45,137	251,259
2001-2002	3,082,000	2,842,999	3,038,795	43,205	239,001
2002-2003	4,824,000	4,436,098	4,747,383	76,617	387,902
2003-2004	3,421,000	3,229,162	3,360,138	60,862	191,838
2004-2005	2,674,000	2,532,187	2,616,585	57,415	141,813
2005-2006	2,722,000	2,409,091	2,653,571	68,429	312,909
2006-2007	4,189,000	3,598,103	4,058,500	130,500	590,897
2007-2008	2,937,000	2,577,410	2,830,437	106,563	359,590
2008-2009	3,103,000	2,608,381	2,959,604	143,396	494,619
2009-2010	3,588,000	2,753,870	3,411,064	176,936	834,130
2010-2011	2,582,000	1,809,582	2,364,836	217,164	772,418
2011-2012	4,203,000	2,434,751	3,922,428	280,572	1,768,249
2012-2013	3,932,000	1,617,176	3,272,584	659,416	2,314,824
2013-2014	3,976,000	854,777	1,990,719	1,985,281	3,121,223
	89,776,000	77,035,588	85,619,258	4,156,742	12,740,412

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation

IBNR as of 12/31/13 at Expected Claims Level

Shared Risk Layer

Accident Year	Estimated Ultimate (A)	Paid as of 12/31/2013 (B)	Reported as of 12/31/2013 (C)	Estimated IBNR as of 12/31/2013 (D)	Estimated Outstanding as of 12/31/2013 (E)
1979-1993					
1993-1994	455,000	395,025	448,639	6,361	59,975
1994-1995	429,000	353,595	417,743	11,257	75,405
1995-1996	1,217,000	1,054,626	1,190,611	26,389	162,374
1996-1997	563,000	437,418	537,057	25,943	125,582
1997-1998	1,365,000	1,069,883	1,321,223	43,777	295,117
1998-1999	813,000	723,118	780,700	32,300	89,882
1999-2000	1,682,000	1,265,974	1,617,766	64,234	416,026
2000-2001	1,393,000	990,157	1,322,918	70,082	402,843
2001-2002	1,095,000	833,824	1,032,536	62,464	261,176
2002-2003	2,561,000	1,667,249	2,426,451	134,549	893,751
2003-2004	766,000	468,219	674,413	91,587	297,781
2004-2005	898,000	616,296	810,461	87,539	281,704
2005-2006	1,050,000	407,606	935,653	114,347	642,394
2006-2007	1,750,000	764,780	1,506,556	243,444	985,220
2007-2008	742,000	265,123	540,752	201,248	476,877
2008-2009	1,610,000	475,989	1,258,584	351,416	1,134,011
2009-2010	746,000	82,642	495,483	250,517	663,358
2010-2011	1,032,000	129,364	422,704	609,296	902,636
2011-2012	1,911,000	261,708	1,093,452	817,548	1,649,292
2012-2013	1,184,000		187,765	996,235	1,184,000
2013-2014	1,143,000			1,143,000	1,143,000
	24,405,000	12,262,595	19,021,469	5,383,531	12,142,405

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation

IBNR as of 6/30/14 at Expected Claims Level

Shared Risk Layer

Accident Year	Estimated Ultimate (A)	Estimated Paid as of 6/30/2014 (B)	Estimated Reported as of 6/30/2014 (C)	Estimated IBNR as of 6/30/2014 (D)	Estimated Outstanding as of 6/30/2014 (E)
1979-1993	1,370,000	1,104,151	1,357,124	12,876	265,849
1993-1994	455,000	398,926	449,739	5,261	56,074
1994-1995	429,000	358,941	420,745	8,255	70,059
1995-1996	1,217,000	1,064,445	1,195,614	21,386	152,555
1996-1997	563,000	443,382	540,510	22,490	119,618
1997-1998	1,365,000	1,085,707	1,326,144	38,856	279,293
1998-1999	813,000	723,158	783,720	29,280	89,842
1999-2000	1,682,000	1,283,043	1,623,404	58,596	398,957
2000-2001	1,393,000	1,003,748	1,328,206	64,794	389,252
2001-2002	1,095,000	841,727	1,037,483	57,517	253,273
2002-2003	2,561,000	1,715,292	2,434,734	126,266	845,708
2003-2004	766,000	488,539	679,800	86,200	277,461
2004-2005	898,000	636,029	815,333	82,667	261,971
2005-2006	1,050,000	461,225	944,965	105,035	588,775
2006-2007	1,750,000	837,424	1,536,744	213,256	912,576
2007-2008	742,000	291,936	562,955	179,045	450,064
2008-2009	1,610,000	562,403	1,292,790	317,210	1,047,597
2009-2010	746,000	153,224	520,097	225,903	592,776
2010-2011	1,032,000	205,603	500,541	531,459	826,397
2011-2012	1,911,000	464,433	1,219,100	691,900	1,446,567
2012-2013	1,184,000	23,840	265,123	918,877	1,160,160
2013-2014	2,286,000	210,432	441,312	1,844,688	2,075,568
	26,918,000	14,357,606	21,276,182	5,641,818	12,560,394

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation

IBNR at 6/30/14 at Various Confidence Levels

Accident Year	Shared Risk Layer								
	Estimated Reported as of 6/30/2014 (A)	Estimated Paid as of 6/30/2014 (B)	Estimated Outstanding as of 6/30/2014 (C)	60% Confidence Level Factor (D)	Estimated Outstanding at the 60% Confidence Level (E)	Estimated IBNR at the 60% Confidence Level (F)	70% Confidence Level Factor (G)	Estimated Outstanding at the 70% Confidence Level (H)	Estimated IBNR at the 70% Confidence Level (I)
1979-1993	1,357,124	1,104,151	265,849	1.029	273,559	20,586	1.098	291,902	38,929
1993-1994	449,739	398,926	56,074	1.029	57,700	6,887	1.098	61,569	10,756
1994-1995	420,745	358,941	70,059	1.029	72,091	10,287	1.098	76,925	15,121
1995-1996	1,195,614	1,064,445	152,555	1.029	156,979	25,810	1.098	167,506	36,337
1996-1997	540,510	443,382	119,618	1.029	123,087	25,959	1.098	131,341	34,213
1997-1998	1,326,144	1,085,707	279,293	1.029	287,393	46,956	1.098	306,664	66,227
1998-1999	783,720	723,158	89,842	1.029	92,448	31,886	1.098	98,647	38,085
1999-2000	1,623,404	1,283,043	398,957	1.029	410,526	70,165	1.098	438,054	97,693
2000-2001	1,328,206	1,003,748	389,252	1.029	400,540	76,083	1.098	427,398	102,941
2001-2002	1,037,483	841,727	253,273	1.029	260,618	64,862	1.098	278,094	82,338
2002-2003	2,434,734	1,715,292	845,708	1.029	870,234	150,792	1.098	928,587	209,145
2003-2004	679,800	488,539	277,461	1.029	285,507	94,246	1.098	304,652	113,391
2004-2005	815,333	636,029	261,971	1.029	269,569	90,265	1.098	287,645	108,341
2005-2006	944,965	461,225	588,775	1.029	605,850	122,110	1.098	646,475	162,735
2006-2007	1,536,744	837,424	912,576	1.029	939,041	239,721	1.098	1,002,009	302,689
2007-2008	562,955	291,936	450,064	1.029	463,116	192,097	1.098	494,170	223,151
2008-2009	1,292,790	562,403	1,047,597	1.029	1,077,978	347,591	1.098	1,150,262	419,875
2009-2010	520,097	153,224	592,776	1.029	609,966	243,093	1.098	650,868	283,995
2010-2011	500,541	205,603	826,397	1.029	850,363	555,425	1.098	907,384	612,446
2011-2012	1,219,100	464,433	1,446,567	1.029	1,488,517	733,850	1.098	1,588,330	833,663
2012-2013	265,123	23,840	1,160,160	1.029	1,193,805	952,522	1.098	1,273,856	1,032,573
2013-2014	441,312	210,432	2,075,568	1.029	2,135,759	1,904,880	1.098	2,278,973	2,048,094
	21,276,182	14,357,606	12,560,394		12,924,646	6,006,070		13,791,311	6,872,735
	Discount Factor at 6/30/2014		0.943		0.943			0.943	
	Discounted IBNR		11,844,451		5,663,724			6,480,990	

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation

Discounted Outstanding Liability as of 12/31/13 at the Expected Claims Level

Banking Layer

Member	Prior	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	All Years
Weights													
Case Reserves	100%	100%	100%	100%	100%	75%	75%	50%	50%	50%	25%	0%	
Payroll	0%	0%	0%	0%	0%	25%	25%	50%	50%	50%	75%	100%	
ANDERSON	\$19,909	\$0	\$0	\$0	\$29,192	\$47,647	\$720	\$17,287	\$84,496	\$18,967	\$88,909	\$42,441	\$349,568
AUBURN	173,994	0	3,018	0	0	976	1,248	2,873	107,815	169,363	138,374	32,641	630,303
COLUSA	28,549	0	0	0	0	290	430	1,199	22,541	2,061	26,224	9,656	90,948
CORNING	36,707	0	0	0	0	401	23,230	28,512	27,512	55,392	12,101	15,021	198,876
DIXON	115,452	70,610	0	0	20,095	1,489	5,114	51,431	42,923	20,073	48,059	66,227	441,473
ELK GROVE	0	0	0	0	0	0	0	0	0	0	0	242,886	242,886
FOLSOM	584,896	73,666	63,320	92,648	116,631	147,249	176,565	195,965	108,158	520,036	745,712	539,213	3,364,059
GALT	187,644	0	51,055	76,955	30,841	12,052	1,726	56,078	60,279	77,731	159,094	75,210	788,665
GRIDLEY	21,318	0	0	0	35,528	561	795	1,976	12,201	64,012	32,903	21,925	191,220
IONE	0	0	0	0	0	0	0	0	884	1,230	4,889	5,808	12,812
JACKSON	0	0	0	0	32,190	344	34,627	1,134	1,520	33,622	36,858	9,600	149,895
LINCOLN	0	0	0	0	0	2,109	2,975	36,381	83,696	148,646	120,468	146,994	541,269
MARYSVILLE	178,320	0	0	76,261	37,619	564	651	128,107	2,199	54,815	148,306	13,650	640,492
NEVADA CITY	0	6,415	0	0	0	282	382	1,019	17,054	45,372	8,013	12,761	91,298
OROVILLE	51,784	0	0	0	0	991	1,348	5,660	11,352	58,847	37,502	34,171	201,654
PARADISE	102,534	0	0	14,920	0	68,964	150,761	77,035	4,224	84,375	73,026	23,273	599,112
PLACERVILLE	58,731	0	32,192	0	106,792	13,851	21,524	2,789	26,711	89,196	64,647	55,505	471,940
RED BLUFF	13,721	22,122	0	4,480	90,387	943	1,178	55,684	15,976	117,737	112,511	59,418	494,156
RIO VISTA	0	0	0	36,147	0	525	12,249	1,208	1,762	15,441	54,633	22,957	144,924
ROCKLIN	62,134	0	0	0	40,169	19,109	46,658	96,136	36,360	58,770	358,069	141,598	859,004
WILLOWS	5,198	0	0	0	0	270	414	1,104	14,472	1,780	45,331	10,482	79,050
YUBA CITY	185,841	0	0	21,074	0	3,518	12,349	46,172	111,133	305,484	506,933	234,343	1,426,847
	1,826,731	172,813	149,586	322,485	539,445	322,135	494,945	807,751	793,270	1,942,948	2,822,562	1,815,779	12,010,449

Notes:

IBNR has been allocated based on a weighting of the members' case reserves as of 12/31/13 and the members' payroll by year.

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation

Discounted Outstanding Liability as of 6/30/14 at the Expected Claims Level

Banking Layer

Member	Prior	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	All Years
Weights													
Case Reserves	100%	100%	100%	100%	100%	75%	75%	50%	50%	50%	25%	0%	
Payroll	0%	0%	0%	0%	0%	25%	25%	50%	50%	50%	75%	100%	
ANDERSON	\$19,332	\$0	\$0	\$0	\$26,507	\$42,596	\$655	\$15,489	\$74,018	\$15,856	\$72,638	\$70,733	\$337,825
AUBURN	162,205	0	2,698	0	0	873	1,134	2,574	94,446	141,588	113,052	54,400	572,970
COLUSA	27,043	0	0	0	0	259	391	1,074	19,746	1,723	21,425	16,092	87,752
CORNING	35,642	0	0	0	0	359	21,116	25,547	24,101	46,308	9,887	25,033	187,992
DIXON	107,984	64,467	0	0	18,246	1,331	4,648	46,082	37,601	16,781	39,264	110,374	446,779
ELK GROVE	0	0	0	0	0	0	0	0	0	0	0	404,794	404,794
FOLSOM	545,920	67,257	56,608	84,773	105,901	131,640	160,498	175,585	94,746	434,750	609,247	898,653	3,365,577
GALT	175,460	0	45,643	70,414	28,003	10,774	1,569	50,246	52,805	64,983	129,980	125,345	755,223
GRIDLEY	19,783	0	0	0	32,260	502	723	1,771	10,688	53,514	26,882	36,540	182,662
IONE	0	0	0	0	0	0	0	0	775	1,028	3,995	9,679	15,477
JACKSON	0	0	0	0	29,228	308	31,476	1,016	1,332	28,108	30,113	15,999	137,579
LINCOLN	0	0	0	0	0	1,886	2,704	32,598	73,318	124,268	98,422	244,980	578,176
MARYSVILLE	170,457	0	0	69,779	34,158	505	592	114,784	1,926	45,825	121,166	22,749	581,941
NEVADA CITY	0	5,857	0	0	0	252	347	913	14,940	37,931	6,547	21,267	88,053
OROVILLE	48,704	0	0	0	0	886	1,225	5,071	9,944	49,196	30,639	56,949	202,615
PARADISE	95,572	0	0	13,652	0	61,654	137,042	69,024	3,700	70,537	59,662	38,787	549,630
PLACERVILLE	56,000	0	28,780	0	96,967	12,383	19,566	2,499	23,399	74,568	52,817	92,505	459,483
RED BLUFF	13,042	20,197	0	4,099	82,071	843	1,071	49,893	13,995	98,429	91,921	99,026	474,587
RIO VISTA	0	0	0	33,075	0	470	11,135	1,083	1,544	12,908	44,635	38,261	143,110
ROCKLIN	57,661	0	0	0	36,473	17,083	42,412	86,138	31,852	49,131	292,542	235,987	849,281
WILLOWS	5,047	0	0	0	0	241	376	989	12,677	1,488	37,035	17,469	75,323
YUBA CITY	174,622	0	0	19,283	0	3,145	11,225	41,370	97,352	255,385	414,165	390,556	1,407,102
	1,714,475	157,778	133,730	295,074	489,816	287,988	449,905	723,745	694,904	1,624,305	2,306,033	3,026,178	11,903,930

Notes:

IBNR has been allocated based on a weighting of the members' expected case reserves as of 6/30/14 and the members' payroll by year.

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation

Discounted Outstanding Liability as of 12/31/13 at the 60% Confidence Level

Banking Layer

Member	Prior	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	All Years
Weights													
Case Reserves	100%	100%	100%	100%	100%	75%	75%	50%	50%	50%	25%	0%	
Payroll	0%	0%	0%	0%	0%	25%	25%	50%	50%	50%	75%	100%	
ANDERSON	\$20,407	\$0	\$0	\$0	\$29,922	\$48,838	\$738	\$17,719	\$86,608	\$19,441	\$91,131	\$43,502	\$358,307
AUBURN	178,344	0	3,093	0	0	1,001	1,279	2,945	110,510	173,597	141,833	33,457	646,060
COLUSA	29,262	0	0	0	0	297	441	1,229	23,104	2,112	26,879	9,897	93,222
CORNING	37,624	0	0	0	0	411	23,811	29,225	28,200	56,776	12,404	15,396	203,847
DIXON	118,338	72,376	0	0	20,598	1,526	5,242	52,717	43,996	20,574	49,260	67,883	452,509
ELK GROVE	0	0	0	0	0	0	0	0	0	0	0	248,958	248,958
FOLSOM	599,519	75,507	64,903	94,964	119,547	150,930	180,979	200,864	110,862	533,037	764,355	552,694	3,448,160
GALT	192,335	0	52,332	78,879	31,612	12,353	1,769	57,480	61,786	79,675	163,072	77,090	808,382
GRIDLEY	21,851	0	0	0	36,417	575	815	2,026	12,506	65,612	33,725	22,473	196,000
IONE	0	0	0	0	0	0	0	0	907	1,261	5,012	5,953	13,132
JACKSON	0	0	0	0	32,994	353	35,492	1,162	1,558	34,462	37,779	9,840	153,642
LINCOLN	0	0	0	0	0	2,162	3,049	37,291	85,789	152,362	123,479	150,668	554,801
MARYSVILLE	182,778	0	0	78,168	38,560	579	667	131,309	2,254	56,185	152,013	13,991	656,504
NEVADA CITY	0	6,575	0	0	0	289	392	1,045	17,481	46,506	8,213	13,080	93,580
OROVILLE	53,078	0	0	0	0	1,016	1,382	5,801	11,636	60,318	38,439	35,025	206,696
PARADISE	105,097	0	0	15,293	0	70,688	154,530	78,961	4,330	86,484	74,852	23,855	614,090
PLACERVILLE	60,199	0	32,997	0	109,462	14,197	22,063	2,859	27,379	91,426	66,263	56,893	483,739
RED BLUFF	14,064	22,675	0	4,592	92,647	966	1,207	57,076	16,375	120,681	115,324	60,903	506,510
RIO VISTA	0	0	0	37,051	0	539	12,556	1,239	1,806	15,827	55,999	23,531	148,547
ROCKLIN	63,688	0	0	0	41,173	19,586	47,825	98,540	37,269	60,239	367,021	145,138	880,479
WILLOWS	5,328	0	0	0	0	276	424	1,131	14,834	1,824	46,464	10,744	81,026
YUBA CITY	190,487	0	0	21,601	0	3,606	12,657	47,326	113,911	313,121	519,607	240,202	1,462,518
	1,872,399	177,133	153,325	330,548	552,932	330,188	507,318	827,945	813,101	1,991,520	2,893,124	1,861,173	12,310,710

Notes:

IBNR has been allocated based on a weighting of the members' case reserves as of 12/31/13 and the members' payroll by year.

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation

Discounted Outstanding Liability as of 6/30/14 at the 60% Confidence Level

Banking Layer

Member	Prior	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	All Years
Weights													
Case Reserves	100%	100%	100%	100%	100%	75%	75%	50%	50%	50%	25%	0%	
Payroll	0%	0%	0%	0%	0%	25%	25%	50%	50%	50%	75%	100%	
ANDERSON	\$19,815	\$0	\$0	\$0	\$27,169	\$43,661	\$671	\$15,876	\$75,869	\$16,253	\$74,454	\$72,501	\$346,270
AUBURN	166,261	0	2,766	0	0	895	1,163	2,639	96,807	145,127	115,878	55,760	587,294
COLUSA	27,719	0	0	0	0	266	401	1,101	20,239	1,766	21,960	16,494	89,946
CORNING	36,533	0	0	0	0	368	21,644	26,185	24,703	47,465	10,134	25,659	192,691
DIXON	110,684	66,079	0	0	18,703	1,364	4,765	47,234	38,541	17,200	40,246	113,133	457,949
ELK GROVE	0	0	0	0	0	0	0	0	0	0	0	414,914	414,914
FOLSOM	559,568	68,938	58,023	86,892	108,549	134,931	164,510	179,974	97,115	445,619	624,478	921,119	3,449,717
GALT	179,847	0	46,785	72,174	28,703	11,044	1,608	51,502	54,125	66,608	133,230	128,479	774,104
GRIDLEY	20,278	0	0	0	33,066	514	741	1,815	10,955	54,851	27,554	37,453	187,228
IONE	0	0	0	0	0	0	0	0	794	1,054	4,095	9,921	15,864
JACKSON	0	0	0	0	29,959	316	32,263	1,041	1,365	28,810	30,866	16,399	141,019
LINCOLN	0	0	0	0	0	1,933	2,772	33,413	75,151	127,375	100,883	251,104	592,630
MARYSVILLE	174,719	0	0	71,523	35,012	517	607	117,653	1,974	46,971	124,195	23,318	596,489
NEVADA CITY	0	6,003	0	0	0	258	356	936	15,313	38,879	6,710	21,799	90,254
OROVILLE	49,921	0	0	0	0	908	1,256	5,198	10,193	50,426	31,405	58,373	207,680
PARADISE	97,961	0	0	13,993	0	63,195	140,468	70,749	3,793	72,301	61,154	39,757	563,371
PLACERVILLE	57,400	0	29,499	0	99,392	12,692	20,055	2,562	23,984	76,432	54,137	94,818	470,970
RED BLUFF	13,368	20,702	0	4,201	84,123	864	1,098	51,140	14,345	100,889	94,219	101,502	486,451
RIO VISTA	0	0	0	33,902	0	481	11,413	1,110	1,582	13,231	45,751	39,218	146,688
ROCKLIN	59,102	0	0	0	37,385	17,510	43,473	88,292	32,648	50,360	299,856	241,887	870,513
WILLOWS	5,173	0	0	0	0	247	386	1,014	12,994	1,525	37,961	17,906	77,206
YUBA CITY	178,988	0	0	19,765	0	3,224	11,505	42,404	99,786	261,769	424,519	400,320	1,442,280
	1,757,337	161,722	137,073	302,450	502,061	295,188	461,155	741,838	712,276	1,664,911	2,363,685	3,101,834	12,201,529

Notes:

IBNR has been allocated based on a weighting of the members' expected case reserves as of 6/30/14 and the members' payroll by year.

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation

Discounted Outstanding Liability as of 12/31/13 at the 70% Confidence Level

Banking Layer

Member	Prior	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	All Years
Weights													
Case Reserves	100%	100%	100%	100%	100%	75%	75%	50%	50%	50%	25%	0%	
Payroll	0%	0%	0%	0%	0%	25%	25%	50%	50%	50%	75%	100%	
ANDERSON	\$21,303	\$0	\$0	\$0	\$31,236	\$50,982	\$771	\$18,497	\$90,410	\$20,294	\$95,132	\$45,412	\$374,038
AUBURN	186,174	0	3,229	0	0	1,045	1,335	3,074	115,362	181,218	148,060	34,926	674,424
COLUSA	30,547	0	0	0	0	310	460	1,283	24,118	2,205	28,060	10,332	97,315
CORNING	39,276	0	0	0	0	429	24,856	30,508	29,438	59,269	12,948	16,072	212,797
DIXON	123,533	75,553	0	0	21,502	1,593	5,472	55,031	45,928	21,478	51,423	70,863	472,376
ELK GROVE	0	0	0	0	0	0	0	0	0	0	0	259,888	259,888
FOLSOM	625,839	78,822	67,752	99,133	124,795	157,556	188,924	209,682	115,729	556,439	797,912	576,958	3,599,543
GALT	200,779	0	54,629	82,342	32,999	12,895	1,846	60,004	64,499	83,173	170,231	80,474	843,872
GRIDLEY	22,810	0	0	0	38,015	601	851	2,115	13,055	68,492	35,206	23,460	204,605
IONE	0	0	0	0	0	0	0	0	946	1,316	5,232	6,214	13,709
JACKSON	0	0	0	0	34,443	368	37,051	1,213	1,627	35,975	39,438	10,272	160,387
LINCOLN	0	0	0	0	0	2,257	3,183	38,928	89,555	159,051	128,900	157,283	579,158
MARYSVILLE	190,802	0	0	81,599	40,253	604	697	137,074	2,353	58,652	158,687	14,605	685,326
NEVADA CITY	0	6,864	0	0	0	301	409	1,090	18,248	48,548	8,574	13,654	97,688
OROVILLE	55,408	0	0	0	0	1,061	1,442	6,056	12,147	62,966	40,127	36,563	215,770
PARADISE	109,711	0	0	15,965	0	73,792	161,314	82,428	4,520	90,281	78,138	24,902	641,050
PLACERVILLE	62,842	0	34,446	0	114,268	14,820	23,031	2,984	28,581	95,440	69,172	59,391	504,976
RED BLUFF	14,681	23,671	0	4,793	96,714	1,009	1,261	59,582	17,094	125,979	120,387	63,577	528,747
RIO VISTA	0	0	0	38,678	0	562	13,107	1,293	1,885	16,521	58,457	24,564	155,068
ROCKLIN	66,484	0	0	0	42,981	20,446	49,924	102,866	38,906	62,884	383,134	151,509	919,134
WILLOWS	5,562	0	0	0	0	288	443	1,181	15,485	1,904	48,504	11,216	84,583
YUBA CITY	198,850	0	0	22,549	0	3,764	13,213	49,404	118,912	326,868	542,419	250,747	1,526,726
	1,954,601	184,910	160,056	345,059	577,206	344,683	529,590	864,293	848,798	2,078,953	3,020,141	1,942,882	12,851,180

Notes:

IBNR has been allocated based on a weighting of the members' case reserves as of 12/31/13 and the members' payroll by year.

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation

Discounted Outstanding Liability as of 6/30/14 at the 70% Confidence Level

Banking Layer

Member	Prior	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	All Years
Weights													
Case Reserves	100%	100%	100%	100%	100%	75%	75%	50%	50%	50%	25%	0%	
Payroll	0%	0%	0%	0%	0%	25%	25%	50%	50%	50%	75%	100%	
ANDERSON	\$20,685	\$0	\$0	\$0	\$28,362	\$45,578	\$700	\$16,573	\$79,199	\$16,966	\$77,723	\$75,684	\$361,472
AUBURN	173,560	0	2,887	0	0	934	1,214	2,755	101,057	151,499	120,965	58,208	613,078
COLUSA	28,936	0	0	0	0	277	418	1,149	21,128	1,844	22,925	17,218	93,895
CORNING	38,137	0	0	0	0	384	22,594	27,335	25,788	49,549	10,579	26,785	201,151
DIXON	115,543	68,980	0	0	19,524	1,424	4,974	49,308	40,233	17,955	42,013	118,100	478,054
ELK GROVE	0	0	0	0	0	0	0	0	0	0	0	433,130	433,130
FOLSOM	584,134	71,965	60,571	90,707	113,314	140,855	171,732	187,875	101,379	465,183	651,894	961,559	3,601,168
GALT	187,742	0	48,839	75,343	29,963	11,528	1,678	53,763	56,501	69,532	139,079	134,119	808,089
GRIDLEY	21,168	0	0	0	34,518	537	774	1,895	11,436	57,260	28,763	39,098	195,448
IONE	0	0	0	0	0	0	0	0	829	1,100	4,274	10,356	16,560
JACKSON	0	0	0	0	31,274	329	33,679	1,087	1,425	30,075	32,221	17,119	147,210
LINCOLN	0	0	0	0	0	2,018	2,894	34,880	78,450	132,967	105,312	262,128	618,648
MARYSVILLE	182,389	0	0	74,664	36,550	540	633	122,818	2,061	49,033	129,647	24,341	622,677
NEVADA CITY	0	6,267	0	0	0	269	372	977	15,985	40,586	7,005	22,756	94,217
OROVILLE	52,113	0	0	0	0	948	1,311	5,426	10,640	52,640	32,784	60,935	216,798
PARADISE	102,262	0	0	14,608	0	65,970	146,634	73,855	3,959	75,475	63,839	41,502	588,104
PLACERVILLE	59,920	0	30,794	0	103,755	13,249	20,935	2,674	25,037	79,788	56,514	98,980	491,647
RED BLUFF	13,955	21,611	0	4,386	87,816	902	1,146	53,385	14,975	105,319	98,356	105,958	507,808
RIO VISTA	0	0	0	35,390	0	503	11,914	1,159	1,652	13,812	47,760	40,939	153,128
ROCKLIN	61,697	0	0	0	39,027	18,279	45,381	92,168	34,081	52,571	313,020	252,506	908,730
WILLOWS	5,400	0	0	0	0	258	403	1,058	13,565	1,592	39,628	18,692	80,596
YUBA CITY	186,846	0	0	20,632	0	3,365	12,011	44,266	104,167	273,261	443,156	417,895	1,505,599
	1,834,487	168,823	143,091	315,730	524,103	308,147	481,397	774,406	743,547	1,738,007	2,467,457	3,238,008	12,737,206

Notes:

IBNR has been allocated based on a weighting of the members' expected case reserves as of 6/30/14 and the members' payroll by year.

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensati

Ultimate Program Losses Adjusted For Expected Reform Savings

Accident Year	Pre-Reform Selected Ultimate (A)	Paid Losses as of 12/31/13 (B)	Outstanding Losses as of 12/31/2013 (C)	Percentage Savings From SB 863 (D)	Post-Reform Adjusted Ultimate (E)
1979-1993	24,039,000	23,404,472	634,528	0.00%	\$24,039,000
1993-1994	2,508,000	2,440,186	67,814	0.00%	2,508,000
1994-1995	2,445,000	2,344,819	100,181	0.00%	2,445,000
1995-1996	4,180,000	3,954,852	225,148	0.00%	4,180,000
1996-1997	3,045,000	2,840,895	204,105	0.00%	3,045,000
1997-1998	4,495,000	4,130,859	364,141	0.00%	4,495,000
1998-1999	2,853,000	2,514,479	338,521	0.00%	2,853,000
1999-2000	5,106,000	4,519,376	586,624	0.00%	5,106,000
2000-2001	5,159,000	4,489,710	669,290	0.00%	5,159,000
2001-2002	4,177,000	3,657,724	519,276	0.00%	4,177,000
2002-2003	7,385,000	6,076,824	1,308,176	0.00%	7,385,000
2003-2004	4,187,000	3,679,101	507,899	0.00%	4,187,000
2004-2005	3,572,000	3,131,669	440,331	0.00%	3,572,000
2005-2006	3,772,000	2,787,629	984,371	0.00%	3,772,000
2006-2007	5,939,000	4,303,012	1,635,988	0.00%	5,939,000
2007-2008	3,681,000	2,799,897	881,103	-0.25%	3,679,000
2008-2009	4,721,000	3,034,854	1,686,146	-0.50%	4,713,000
2009-2010	4,342,000	2,739,692	1,602,308	-0.50%	4,334,000
2010-2011	3,627,000	1,829,608	1,797,392	-0.75%	3,614,000
2011-2012	6,152,000	2,349,578	3,802,422	-1.00%	6,114,000
2012-2013	5,196,000	1,098,678	4,097,322	-1.95%	5,116,000
Totals	\$110,581,000	\$88,127,914	\$22,453,086		\$110,432,000
2013-2014	\$6,394,000	\$169,631	\$6,224,369	-2.13%	\$6,262,000
2014-2015	7,081,000	0	7,081,000	-1.35%	6,985,000

Notes:

- (A) From Exhibit 4, Page 3.
- (B) Provided by NCCSIF.
- (C) (A) - (B).
- (D) Based on WCIRB Estimated Impact of SB863 on Reserves.
- (E) (B) + (C) * [1 - (D)].

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation

Estimated Ultimate Program Losses

Accident Year	4850	Excluding 4850	4850	Excluding 4850	Paid Loss	Reported Loss
	Paid Loss as of 12/31/13 (A)	Paid Loss as of 12/31/13 (B)	Reported Loss as of 12/31/13 (C)	Reported Loss as of 12/31/13 (D)	4850 Percentage (E)	4850 Percentage (F)
1979-1993	1,160,090	3,758,201	1,160,090	3,928,765	30.9%	29.5%
1993-1994	207,575	2,440,186	207,575	2,497,838	8.5%	8.3%
1994-1995	289,279	2,344,819	289,279	2,427,745	12.3%	11.9%
1995-1996	467,619	3,954,852	467,619	4,141,574	11.8%	11.3%
1996-1997	574,897	2,840,895	574,897	3,006,258	20.2%	19.1%
1997-1998	444,126	4,130,859	444,127	4,429,540	10.8%	10.0%
1998-1999	326,542	2,514,479	326,542	2,802,698	13.0%	11.7%
1999-2000	536,505	4,519,376	536,505	5,004,409	11.9%	10.7%
2000-2001	680,351	4,489,710	680,353	5,040,068	15.2%	13.5%
2001-2002	421,702	3,657,724	421,703	4,068,277	11.5%	10.4%
2002-2003	871,770	6,076,824	871,770	7,169,117	14.3%	12.2%
2003-2004	678,789	3,679,101	678,789	4,027,938	18.4%	16.9%
2004-2005	826,368	3,131,669	826,368	3,421,918	26.4%	24.1%
2005-2006	703,410	2,787,629	703,412	3,581,536	25.2%	19.6%
2006-2007	748,335	4,303,012	748,335	5,553,244	17.4%	13.5%
2007-2008	894,159	2,799,897	900,925	3,360,392	31.9%	26.8%
2008-2009	728,079	3,034,854	790,214	4,206,394	24.0%	18.8%
2009-2010	863,748	2,739,692	894,494	3,891,161	31.5%	23.0%
2010-2011	476,500	1,829,608	502,614	2,755,377	26.0%	18.2%
2011-2012	814,654	2,349,578	899,982	4,967,528	34.7%	18.1%
2012-2013	378,171	1,098,678	716,067	3,155,707	34.4%	22.7%
All Years	13,092,669	68,481,645	13,641,662	83,437,482	19.1%	16.3%
05/06-11/12	5,228,885	19,844,271	5,439,977	28,315,631	26.3%	19.2%
08/09-12/13	3,261,152	11,052,411	3,803,372	18,976,166	29.5%	20.0%

(G) Selected 2013-2014 4850 Percentage: 20.0%
(H) Selected 2014-2015 4850 Percentage: 20.0%

Notes:

- (A) Provided by NCCSIF.
- (B) Provided by NCCSIF.
- (C) Provided by NCCSIF.
- (D) Provided by NCCSIF.
- (E) (A) / (B).
- (F) (C) / (D).
- (G) Selected based on (E) and (F).
- (H) Selected based on (E) and (F).

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation

Estimated Ultimate Program Losses

Accident Year	Reported Loss Development Method (A)	Paid Loss Development Method (B)	Exposure Method Based on Reported Losses (C)	Exposure Method Based on Paid Losses (D)	Frequency-Severity Method (E)	Selected Estimate of Ultimate Losses (F)
1979-1993	\$24,038,673	\$23,989,584	\$0	\$0	\$24,775,422	\$24,039,000
1993-1994	2,507,829	2,510,951	2,507,598	2,508,508	2,439,695	2,508,000
1994-1995	2,444,739	2,424,543	2,444,624	2,424,391	2,410,872	2,445,000
1995-1996	4,182,990	4,109,091	4,177,212	4,090,275	3,563,364	4,180,000
1996-1997	3,045,339	2,965,894	3,045,293	2,967,008	3,002,184	3,045,000
1997-1998	4,500,413	4,333,271	4,490,488	4,309,893	3,809,099	4,495,000
1998-1999	2,855,949	2,650,261	2,850,162	2,641,883	2,497,716	2,853,000
1999-2000	5,114,506	4,786,019	5,097,213	4,755,605	4,218,000	5,106,000
2000-2001	5,166,070	4,781,541	5,152,056	4,774,346	4,666,930	5,159,000
2001-2002	4,182,189	3,921,080	4,172,338	3,915,949	3,854,250	4,177,000
2002-2003	7,398,529	6,569,047	7,371,263	6,565,886	6,522,836	7,385,000
2003-2004	4,176,972	4,035,974	4,196,784	4,091,834	4,689,025	4,187,000
2004-2005	3,569,060	3,504,338	3,574,242	3,525,483	3,714,750	3,572,000
2005-2006	3,771,357	3,197,410	3,773,368	3,278,719	3,833,856	3,772,000
2006-2007	5,936,418	5,081,857	5,942,169	5,218,482	5,983,560	5,939,000
2007-2008	3,656,106	3,421,474	3,704,938	3,574,062	4,255,047	3,681,000
2008-2009	4,669,097	3,875,509	4,721,232	4,163,338	5,244,989	4,721,000
2009-2010	4,428,141	3,778,035	4,518,240	4,164,871	4,824,112	4,342,000
2010-2011	3,292,676	2,801,130	3,608,264	3,645,262	5,268,800	3,627,000
2011-2012	6,487,592	4,605,173	6,151,569	4,828,979	5,214,774	6,152,000
2012-2013	5,131,180	3,337,784	5,128,056	4,536,200	5,923,015	5,196,000
Totals						\$110,581,000
			Projected Losses for the Year 2013-2014 (G)			\$6,394,000
			Projected Losses for the Year 2014-2015 (H)			\$7,081,000

Notes:

- (A) From Appendix A, Page 1, Column (G).
- (B) From Appendix B, Page 1, Column (G).
- (C) From Appendix C, Page 1, Column (G).
- (D) From Appendix C, Page 2, Column (G).
- (E) From Appendix D, Page 1, Column (C).
- (F) Selected averages of (A), (B), (C), (D), and (E).
- (G) From Exhibit 5, Page 1, Line (K).
- (H) From Exhibit 5, Page 1, Line (K).

This exhibit summarizes the results of the actuarial methods we have applied to estimate ultimate losses for each year. It is important to apply a number of estimation methods because each one relies on specific assumptions about the claims process that tend to hold generally true, but that may be violated in specific situations. Thus, the more estimation methods that can be applied, the better.

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Con

Ultimate Banking Losses Adjusted For Expected Reform Savings

Accident Year	Pre-Reform Selected Banking Ultimate (A)	Paid Losses as of 12/31/13 (B)	Outstanding Losses as of 12/31/2013 (C)	Percentage Savings From SB 863 (D)	Post-Reform Adjusted Ultimate (E)
1979-1993	22,669,000	22,315,184	353,816	0.0%	22,669,000
1993-1994	2,053,000	2,045,161	7,839	0.0%	2,053,000
1994-1995	2,016,000	1,991,224	24,776	0.0%	2,016,000
1995-1996	2,963,000	2,900,226	62,774	0.0%	2,963,000
1996-1997	2,482,000	2,403,477	78,523	0.0%	2,482,000
1997-1998	3,130,000	3,060,976	69,024	0.0%	3,130,000
1998-1999	2,040,000	1,791,361	248,639	0.0%	2,040,000
1999-2000	3,424,000	3,253,402	170,598	0.0%	3,424,000
2000-2001	3,766,000	3,499,554	266,446	0.0%	3,766,000
2001-2002	3,082,000	2,823,900	258,100	0.0%	3,082,000
2002-2003	4,824,000	4,409,575	414,425	0.0%	4,824,000
2003-2004	3,421,000	3,210,882	210,118	0.0%	3,421,000
2004-2005	2,674,000	2,515,372	158,628	0.0%	2,674,000
2005-2006	2,722,000	2,380,023	341,977	0.0%	2,722,000
2006-2007	4,189,000	3,538,232	650,768	0.0%	4,189,000
2007-2008	2,938,000	2,534,774	403,226	-0.3%	2,937,000
2008-2009	3,106,000	2,558,865	547,135	-0.5%	3,103,000
2009-2010	3,593,000	2,657,051	935,949	-0.5%	3,588,000
2010-2011	2,589,000	1,700,244	888,756	-0.8%	2,582,000
2011-2012	4,224,000	2,087,870	2,136,130	-1.0%	4,203,000
2012-2013	3,988,000	1,098,678	2,889,322	-2.0%	3,932,000
Totals	\$85,893,000	\$74,776,033	\$11,116,967		\$85,800,000 \$87,788,000
2013-2014	\$4,059,000	\$169,631	\$3,889,369	-2.1%	\$3,976,000
2014-2015	4,434,000	0	4,434,000	-1.4%	4,374,000

Notes:

- (A) From Exhibit 4, Page 5.
- (B) Provided by NCCSIF.
- (C) (A) - (B).
- (D) Based on WCIRB Estimated Impact of AB227/SB228 on Reserves.
- (E) (B) + (C) * [1 - (D)].

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation

Estimated Ultimate Banking Losses

Accident Year	Reported Loss Development Method (A)	Paid Loss Development Method (B)	Exposure Method Based on Reported Losses (C)	Exposure Method Based on Paid Losses (D)	Frequency-Severity Method (E)	Selected Ultimate Limited Losses (F)
1979-1993	\$22,668,782	\$22,538,336			\$22,667,736	\$22,669,000
1993-1994	2,053,298	2,069,703	2,053,306	2,069,801	2,052,796	2,053,000
1994-1995	2,016,032	2,021,093	2,016,050	2,021,463	2,015,928	2,016,000
1995-1996	2,962,767	2,952,430	2,962,814	2,953,557	2,962,862	2,963,000
1996-1997	2,481,547	2,453,950	2,481,612	2,455,604	2,481,894	2,482,000
1997-1998	3,130,075	3,134,440	3,130,224	3,132,960	3,129,805	3,130,000
1998-1999	2,040,195	1,839,728	2,040,360	1,844,409	2,039,904	2,040,000
1999-2000	3,423,895	3,351,004	3,424,309	3,352,705	3,424,125	3,424,000
2000-2001	3,765,473	3,618,539	3,766,094	3,623,797	3,765,852	3,766,000
2001-2002	3,081,278	2,934,033	3,081,965	2,940,999	3,082,125	3,082,000
2002-2003	4,823,291	4,608,006	4,824,649	4,616,945	4,824,114	4,824,000
2003-2004	3,420,596	3,387,480	3,421,958	3,388,807	3,420,825	3,421,000
2004-2005	2,674,132	2,693,964	2,672,951	2,691,832	2,673,840	2,674,000
2005-2006	2,722,614	2,587,085	2,722,152	2,597,935	2,721,888	2,722,000
2006-2007	4,188,322	3,923,900	4,189,088	3,948,678	4,188,888	4,189,000
2007-2008	2,938,064	2,894,712	2,937,146	2,899,043	2,938,159	2,938,000
2008-2009	3,095,200	3,019,461	3,117,777	3,100,638	3,570,998	3,106,000
2009-2010	3,596,024	3,292,086	3,590,574	3,328,742	3,239,504	3,593,000
2010-2011	2,519,286	2,285,129	2,589,031	2,587,109	3,488,730	2,589,000
2011-2012	4,331,217	3,367,734	4,224,385	3,343,693	3,405,480	4,224,000
2012-2013	4,149,182	2,746,696	3,908,004	3,077,759	3,813,880	3,988,000
Totals						\$85,893,000
						Projected Losses for the Year 2013-2014 (G)
						\$4,059,000
						Projected Losses for the Year 2014-2015 (H)
						\$4,434,000

Notes:

- (A) From Appendix A, Page 1, Column (D).
- (B) From Appendix B, Page 1, Column (D).
- (C) Based on results in Appendix C, Page 1.
- (D) Based on results in Appendix C, Page 2.
- (E) Based on results in Appendix D, Page 1.
- (F) Selected averages of (A), (B), (C), (D), and (E).
- (G) From Exhibit 5, Page 1, Line (K) / Line (G) .
- (H) From Exhibit 5, Page 1, Line (K) / Line (G) .

This exhibit summarizes the results of the actuarial methods we have applied to estimate limited losses for each year. These results are used to select a limited loss rate for future years.

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation

Selection of Projected Limited Loss Rate
and Projection of Program Losses and ULAE

Accident Year	Ultimate Banking Losses (A)	Trend Factor (B)	Trended Banking Losses (C)	Trended Payroll (\$00) (D)	Trended Banking Loss Rate (E)
1993-1994	\$2,053,000	2.015	\$4,136,795	\$809,041	\$5.113
1994-1995	2,016,000	1.895	3,820,320	890,430	4.290
1995-1996	\$2,963,000	1.730	\$5,125,990	\$950,841	\$5.391
1996-1997	2,482,000	1.546	3,837,172	1,000,895	3.834
1997-1998	3,130,000	1.338	4,187,940	913,265	4.586
1998-1999	2,040,000	1.169	2,384,760	1,167,888	2.042
1999-2000	3,424,000	1.035	3,543,840	1,219,890	2.905
2000-2001	3,766,000	0.980	3,690,680	1,311,826	2.813
2001-2002	3,082,000	0.982	3,026,524	1,438,634	2.104
2002-2003	4,824,000	1.027	4,954,248	1,538,295	3.221
2003-2004	3,421,000	1.245	4,259,145	1,599,643	2.663
2004-2005	2,674,000	1.556	4,160,744	1,741,783	2.389
2005-2006	2,722,000	1.657	4,510,354	1,839,232	2.452
2006-2007	4,189,000	1.556	6,518,084	1,972,788	3.304
2007-2008	2,938,000	1.431	4,204,278	2,122,582	1.981
2008-2009	3,106,000	1.320	4,099,920	2,076,831	1.974
2009-2010	3,593,000	1.196	4,297,228	1,850,221	2.323
2010-2011	2,589,000	1.139	2,948,871	1,754,084	1.681
2011-2012	4,224,000	1.138	4,806,912	1,671,623	2.876
2012-2013	3,988,000	1.087	4,334,956	1,593,463	2.720
Totals	\$63,224,000		\$82,848,761	\$29,463,255	\$2.812
07/08-12/13	20,438,000		24,692,165	11,068,804	2.231
			(F) Selected Banking Rate:		\$2.203
			Prior:		\$2.500
Program Year:		2013-2014	2014-2015		
(G) Factor to SIR:		1.575	1.597		
(H) Trend Factor:		1.000	1.061		
(I) Program Rate:		\$3.471	\$3.734		
(J) Estimated Payroll (\$00):		\$1,842,077	\$1,896,296		
(K) Projected Program Losses:		6,394,000	7,081,000		
(L) Projected ULAE:		782,000	825,000		
(M) Projected Loss and ULAE:		\$7,176,000	\$7,906,000		

Notes appear on the next page.

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation

Selection of Projected Limited Loss Rate
and Projection of Program Losses and ULAE

Notes:

- (A) From Exhibit 4, Page 5, Column (F).
For purposes of projecting future losses, losses are capped at \$100,000 per occurrence.
- (B) From Appendix E, Column (B).
- (C) (A) x (B).
- (D) From Appendix N, Column (C).
- (E) (C) / (D).
- (F) Selected based on (E).
- (G) Based on a Weibull distribution, a mathematical model of claim sizes.
- (H) From Appendix E.
(I) (F) x (G) x (H).
- (J) From Appendix N, Column (C).
- (K) (I) x (J).
- (L) Based on an estimated claim closing pattern and NCCSIF's historical claims administration expenses.
- (M) (K) + (L).

This exhibit shows the calculation of future loss costs based on the past loss rates per \$100 of payroll. The projections will be accurate only to the extent that what has happened in the past is representative of what will happen in the future.

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation

Paid Loss Development

Accident Year (A)	Banking Paid Losses as of 12/31/13 (B)	Paid Loss Development Factor (C)	Ultimate Banking Losses (D)	Program Paid Losses of 12/31/13 (E)	Paid Loss Development Factor (F)	Ultimate Program Losses (G)
1979-1993	\$22,315,184	1.010	\$22,538,336	\$23,404,472	1.025	\$23,989,584
1993-1994	2,045,161	1.012	2,069,703	2,440,186	1.029	2,510,951
1994-1995	1,991,224	1.015	2,021,093	2,344,819	1.034	2,424,543
1995-1996	2,900,226	1.018	2,952,430	3,954,852	1.039	4,109,091
1996-1997	2,403,477	1.021	2,453,950	2,840,895	1.044	2,965,894
1997-1998	3,060,976	1.024	3,134,440	4,130,859	1.049	4,333,271
1998-1999	1,791,361	1.027	1,839,728	2,514,479	1.054	2,650,261
1999-2000	3,253,402	1.030	3,351,004	4,519,376	1.059	4,786,019
2000-2001	3,499,554	1.034	3,618,539	4,489,710	1.065	4,781,541
2001-2002	2,823,900	1.039	2,934,033	3,657,724	1.072	3,921,080
2002-2003	4,409,575	1.045	4,608,006	6,076,824	1.081	6,569,047
2003-2004	3,210,882	1.055	3,387,480	3,679,101	1.097	4,035,974
2004-2005	2,515,372	1.071	2,693,964	3,131,669	1.119	3,504,338
2005-2006	2,380,023	1.087	2,587,085	2,787,629	1.147	3,197,410
2006-2007	3,538,232	1.109	3,923,900	4,303,012	1.181	5,081,857
2007-2008	2,534,774	1.142	2,894,712	2,799,897	1.222	3,421,474
2008-2009	2,558,865	1.180	3,019,461	3,034,854	1.277	3,875,509
2009-2010	2,657,051	1.239	3,292,086	2,739,692	1.379	3,778,035
2010-2011	1,700,244	1.344	2,285,129	1,829,608	1.531	2,801,130
2011-2012	2,087,870	1.613	3,367,734	2,349,578	1.960	4,605,173
2012-2013	1,098,678	2.500	2,746,696	1,098,678	3.038	3,337,784
Totals	\$74,776,033		\$81,719,509	\$88,127,914		\$100,679,966

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by NCCSIF. These losses exclude amounts over the SIR.
- (C) From Appendix B, Page 2.
- (D) (B) x (C). These estimated losses exclude amounts over the SIR.
- (E) Losses capped at the Fund's SIR. Amounts are provided by NCCSIF.
- (F) Derived from factors on Appendix B, Page 4.
- (G) (E) x (F).

This method tends to understate ultimate losses for the most recent several years because the large losses for those years generally have not yet emerged at the time of our review.

This exhibit shows the calculation of estimated ultimate losses for each year based on paid losses as reported by the claims administrator. These losses tend to "develop" or change from period to period as more information becomes available about the cases. This development tends to follow quantifiable patterns over time.

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation

Exposure and Development Method
Based on Reported Losses

Accident Year	Trended Payroll (\$00) (A)	Reported Losses as of 12/31/13 (B)	Loss Development Factor (C)	Percentage of Losses Yet to Be Reported (D)	Program Rate (E)	Incurred but not Reported (IBNR) (F)	Ultimate Program Losses (G)
1993-1994	\$809,041	\$2,497,838	1.004	0.004	\$3.016	\$9,760	\$2,507,598
1994-1995	890,430	2,427,745	1.007	0.007	2.708	16,879	2,444,624
1995-1996	\$950,841	\$4,141,574	1.010	0.010	\$3.748	\$35,638	\$4,177,212
1996-1997	1,000,895	3,006,258	1.013	0.013	3.000	39,035	3,045,293
1997-1998	913,265	4,429,540	1.016	0.016	4.171	60,948	4,490,488
1998-1999	1,167,888	2,802,698	1.019	0.019	2.139	47,464	2,850,162
1999-2000	1,219,890	5,004,409	1.022	0.022	3.458	92,804	5,097,213
2000-2001	1,311,826	5,040,068	1.025	0.024	3.557	111,988	5,152,056
2001-2002	1,438,634	4,068,277	1.028	0.027	2.679	104,061	4,172,338
2002-2003	1,538,295	7,169,117	1.032	0.031	4.239	202,146	7,371,263
2003-2004	1,599,643	4,027,938	1.037	0.036	2.932	168,846	4,196,784
2004-2005	1,741,783	3,421,918	1.043	0.041	2.133	152,324	3,574,242
2005-2006	1,839,232	3,581,536	1.053	0.050	2.086	191,832	3,773,368
2006-2007	1,972,788	5,553,244	1.069	0.065	3.033	388,925	5,942,169
2007-2008	2,122,582	3,360,392	1.088	0.081	2.004	344,546	3,704,938
2008-2009	2,076,831	4,206,394	1.110	0.099	2.504	514,838	4,721,232
2009-2010	1,850,221	3,891,161	1.138	0.121	2.801	627,079	4,518,240
2010-2011	1,754,084	2,755,377	1.195	0.163	2.983	852,887	3,608,264
2011-2012	1,671,623	4,967,528	1.306	0.234	3.027	1,184,041	6,151,569
2012-2013	1,593,463	3,155,707	1.626	0.385	3.215	1,972,349	5,128,056
Totals	\$29,463,255	\$79,508,719				\$7,118,390	\$86,627,109

Notes:

- (A) From Appendix N, Column (C).
- (B) Provided by NCCSIF. These losses exclude amounts incurred above the Fund's SIR for each year.
- (C) From Appendix A, Page 1, Column (F).
- (D) $1 - 1/(C)$.
- (E) From Appendix C, Page 3, Column (H).
- (F) $(A) \times (D) \times (E)$.
- (G) $(B) + (F)$.

This exhibit shows the calculation of ultimate losses based on the assumption that there is an underlying relationship between losses and payroll that changes in regular ways over time. The method relies on the premise that the losses that are currently unreported will cost what this relationship would suggest.

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation

Exposure and Development Method
Based on Paid Losses

Accident Year	Trended Payroll (\$00) (A)	Paid Losses as of 12/31/13 (B)	Loss Development Factor (C)	Percentage of Losses Yet to Be Paid (D)	Program Rate (E)	Incurred but not Paid (F)	Ultimate Program Losses (G)
1993-1994	\$809,041	\$2,440,186	1.029	0.028	\$3.016	\$68,322	\$2,508,508
1994-1995	890,430	2,344,819	1.034	0.033	2.708	79,572	2,424,391
1995-1996	\$950,841	\$3,954,852	1.039	0.038	\$3.748	\$135,423	\$4,090,275
1996-1997	1,000,895	2,840,895	1.044	0.042	3.000	126,113	2,967,008
1997-1998	913,265	4,130,859	1.049	0.047	4.171	179,034	4,309,893
1998-1999	1,167,888	2,514,479	1.054	0.051	2.139	127,404	2,641,883
1999-2000	1,219,890	4,519,376	1.059	0.056	3.458	236,229	4,755,605
2000-2001	1,311,826	4,489,710	1.065	0.061	3.557	284,636	4,774,346
2001-2002	1,438,634	3,657,724	1.072	0.067	2.679	258,225	3,915,949
2002-2003	1,538,295	6,076,824	1.081	0.075	4.239	489,062	6,565,886
2003-2004	1,599,643	3,679,101	1.097	0.088	2.932	412,733	4,091,834
2004-2005	1,741,783	3,131,669	1.119	0.106	2.133	393,814	3,525,483
2005-2006	1,839,232	2,787,629	1.147	0.128	2.086	491,090	3,278,719
2006-2007	1,972,788	4,303,012	1.181	0.153	3.033	915,470	5,218,482
2007-2008	2,122,582	2,799,897	1.222	0.182	2.004	774,165	3,574,062
2008-2009	2,076,831	3,034,854	1.277	0.217	2.504	1,128,484	4,163,338
2009-2010	1,850,221	2,739,692	1.379	0.275	2.801	1,425,179	4,164,871
2010-2011	1,754,084	1,829,608	1.531	0.347	2.983	1,815,654	3,645,262
2011-2012	1,671,623	2,349,578	1.960	0.490	3.027	2,479,401	4,828,979
2012-2013	1,593,463	1,098,678	3.038	0.671	3.215	3,437,522	4,536,200
Totals	\$29,463,255	\$64,723,442				\$15,257,532	\$79,980,974

Notes:

- (A) From Appendix N, Column (C).
- (B) Provided by NCCSIF. These losses exclude amounts paid above the Fund's SIR for each year.
- (C) From Appendix B, Page 1, Column (F).
- (D) $1 - 1/(C)$.
- (E) From Appendix C, Page 3, Column (H).
- (F) $(A) \times (D) \times (E)$.
- (G) $(B) + (F)$.

This exhibit shows the calculation of ultimate losses based on the assumption that there is an underlying relationship between losses and payroll that changes in regular ways over time. The method relies on the premise that the losses that are currently unpaid will cost what this relationship would suggest.

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation

Exposure and Development Method

Accident Year	Trended Payroll (\$00) (A)	Ultimate Banking Losses (B)	Trend Factor (C)	Trended Banking Losses (D)	Trended Banking Loss Rate (E)	Banking Loss Rate (F)	Factor to SIR (G)	Program Loss Rate (H)
1993-1994	\$809,041	\$2,053,000	2.015	\$4,136,795	\$5.113	\$2.538	1.188	\$3.016
1994-1995	890,430	2,016,000	1.895	3,820,320	4.290	2.264	1.196	2.708
1995-1996	\$950,841	\$2,963,000	1.730	\$5,125,990	\$5.391	\$3.116	1.203	\$3.748
1996-1997	1,000,895	2,482,000	1.546	3,837,172	3.834	2.480	1.210	3.000
1997-1998	913,265	3,130,000	1.338	4,187,940	4.586	3.427	1.217	4.171
1998-1999	1,167,888	2,040,000	1.169	2,384,760	2.042	1.747	1.224	2.139
1999-2000	1,219,890	3,424,000	1.035	3,543,840	2.905	2.807	1.232	3.458
2000-2001	1,311,826	3,765,000	0.980	3,689,700	2.813	2.870	1.239	3.557
2001-2002	1,438,634	3,081,000	0.982	3,025,542	2.103	2.142	1.250	2.679
2002-2003	1,538,295	4,823,000	1.027	4,953,221	3.220	3.135	1.352	4.239
2003-2004	1,599,643	3,421,000	1.245	4,259,145	2.663	2.139	1.371	2.932
2004-2005	1,741,783	2,674,000	1.556	4,160,744	2.389	1.535	1.389	2.133
2005-2006	1,839,232	2,723,000	1.657	4,512,011	2.453	1.481	1.409	2.086
2006-2007	1,972,788	4,188,000	1.556	6,516,528	3.303	2.123	1.428	3.033
2007-2008	2,122,582	2,938,000	1.431	4,204,278	1.981	1.384	1.448	2.004
2008-2009	2,076,831	3,095,000	1.320	4,085,400	1.967	1.705	1.469	2.504
2009-2010	1,850,221	3,596,000	1.196	4,300,816	2.324	1.881	1.489	2.801
2010-2011	1,754,084	2,519,000	1.139	2,869,141	1.636	1.975	1.510	2.983
2011-2012	1,671,623	4,331,000	1.138	4,928,678	2.948	1.977	1.531	3.027
2012-2013	1,593,463	4,149,000	1.087	4,509,963	2.830	2.070	1.553	3.215
Total/Avg	\$29,463,255	\$63,411,000		\$83,051,984	\$2.819			
07/08-12/13	11,068,804	20,628,000		24,898,276	\$2.249			

Selected Banking Rate: \$2.250
Prior: \$2.500

Notes:

- (A) From Appendix N, Column (C).
- (B) Selected average of results from Appendices A and B.
- (C) From Appendix E, Column (B).
- (D) (B) x (C).
- (E) (D) / (A).
- (F) Selected Banking Rate / (C). For 2007-2008 and prior (B) / (A).
- (G) Based on a Weibull distribution, a mathematical model of claim sizes.
- (H) (F) x (G).

This exhibit shows the calculation of the underlying historical relationship between losses and payroll that is needed to apply the estimation methods shown on pages 1 and 2 of this Appendix.

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Work

Frequency and Severity Method

Accident Year	Ultimate Program Severity (A)	Adjusted Ultimate Claims (B)	Ultimate Program Losses (C)
1979-1993	\$5,513	4,494	\$24,775,422
1993-1994	5,795	421	2,439,695
1994-1995	5,909	408	2,410,872
1995-1996	8,628	413	3,563,364
1996-1997	8,136	369	3,002,184
1997-1998	9,499	401	3,809,099
1998-1999	7,709	324	2,497,716
1999-2000	11,248	375	4,218,000
2000-2001	11,845	394	4,666,930
2001-2002	10,278	375	3,854,250
2002-2003	14,242	458	6,522,836
2003-2004	11,033	425	4,689,025
2004-2005	9,525	390	3,714,750
2005-2006	9,216	416	3,833,856
2006-2007	15,110	396	5,983,560
2007-2008	10,107	421	4,255,047
2008-2009	11,477	457	5,244,989
2009-2010	13,109	368	4,824,112
2010-2011	14,240	370	5,268,800
2011-2012	14,731	354	5,214,774
2012-2013	15,965	371	5,923,015
Total		12,400	\$110,712,296

Notes:

- (A) From Appendix D, Page 2, Column (H).
- (B) From Appendix D, Page 2, Column (B).
- (C) (A) x (B).

This exhibit shows the calculation of the estimated ultimate losses for each year based on the observed average frequency and severity of claims.

tion Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation

Frequency and Severity Method

Accident Year	Ultimate Banking Losses (A)	Adjusted Ultimate Claims (B)	Ultimate Banking Severity (C)	Trend Factor (D)	Trended Banking Severity (E)	Banking Severity (F)	Factor to SIR (G)	Program Severity (H)
1979-1993	\$22,669,000	4,494	\$5,044	2.837	\$14,310	\$5,044	1.093	\$5,513
1993-1994	2,053,000	421	4,876	2.996	14,608	4,876	1.188	5,795
1994-1995	2,016,000	408	4,941	2.763	13,652	4,941	1.196	5,909
1995-1996	2,963,000	413	7,174	2.475	17,756	7,174	1.203	8,628
1996-1997	2,482,000	369	6,726	2.170	14,595	6,726	1.210	8,136
1997-1998	3,130,000	401	7,805	1.840	14,361	7,805	1.217	9,499
1998-1999	2,040,000	324	6,296	1.576	9,922	6,296	1.224	7,709
1999-2000	3,424,000	375	9,131	1.367	12,482	9,131	1.232	11,248
2000-2001	3,766,000	394	9,558	1.269	12,129	9,558	1.239	11,845
2001-2002	3,082,000	375	8,219	1.247	10,249	8,219	1.250	10,278
2002-2003	4,824,000	458	10,533	1.278	13,461	10,533	1.352	14,242
2003-2004	3,421,000	425	8,049	1.519	12,226	8,049	1.371	11,033
2004-2005	2,674,000	390	6,856	1.861	12,759	6,856	1.389	9,525
2005-2006	2,722,000	416	6,543	1.943	12,713	6,543	1.409	9,216
2006-2007	4,189,000	396	10,578	1.788	18,913	10,578	1.428	15,110
2007-2008	2,938,000	421	6,979	1.612	11,250	6,979	1.448	10,107
2008-2009	3,106,000	457	6,796	1.459	9,915	7,814	1.469	11,477
2009-2010	3,593,000	368	9,764	1.295	12,644	8,803	1.489	13,109
2010-2011	2,589,000	370	6,997	1.209	8,459	9,429	1.510	14,240
2011-2012	4,224,000	354	11,932	1.185	14,139	9,620	1.531	14,731
2012-2013	3,988,000	371	10,749	1.109	11,921	10,280	1.553	15,965

Average Banking Severity: \$12,974
 Average 07/08-12/13 Banking Severity: \$11,388
 Selected Banking Severity: \$11,400
 Prior: \$11,000

Notes:

- (A) Selected average of results from Appendices A, B, and C.
- (B) Appendix D, Page 3, Column (C).
- (C) (A) / (B).
- (D) From Appendix E, Column (J).
- (E) (C) x (D).
- (F) Selected Limited Severity / (D).
- (G) Based on a Weibull distribution, a mathematical model of claim sizes.
- (H) (F) x (G).

This exhibit shows the calculation of the historical average cost per claim, or severity. The observed average severity is used in the method shown on page 1 of this Appendix.

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation

Frequency and Severity Method
Projection of Ultimate Claims

Accident Year	Reported Claim Development (A)	Closed Claim Development (B)	Selected Ultimate Claims (C)	Trended Payroll (\$000,000) (D)	Claim Frequency (E)	Trend Factor (F)	Trended Claim Frequency (G)
1979-1993	4,494	4,474	4,494	0		0.655	
1993-1994	421	418	421	81	5.204	0.668	3.476
1994-1995	408	407	408	89	4.582	0.682	3.125
1995-1996	413	409	413	95	4.344	0.696	3.023
1996-1997	369	367	369	100	3.687	0.710	2.618
1997-1998	401	398	401	91	4.391	0.725	3.183
1998-1999	324	321	324	117	2.774	0.740	2.053
1999-2000	375	371	375	122	3.074	0.755	2.321
2000-2001	394	388	394	131	3.003	0.769	2.309
2001-2002	375	375	375	144	2.607	0.785	2.046
2002-2003	458	453	458	154	2.977	0.801	2.385
2003-2004	425	427	425	160	2.657	0.817	2.171
2004-2005	390	394	390	174	2.239	0.834	1.867
2005-2006	416	420	416	184	2.262	0.851	1.925
2006-2007	396	393	396	197	2.007	0.868	1.742
2007-2008	421	431	421	212	1.983	0.886	1.757
2008-2009	457	471	457	208	2.200	0.904	1.989
2009-2010	368	371	368	185	1.989	0.922	1.834
2010-2011	370	375	370	175	2.109	0.942	1.987
2011-2012	354	351	354	167	2.118	0.961	2.035
2012-2013	379	371	371	159	2.328	0.980	2.281
Total	12,408	12,385	12,400	2,946.326			2.184

(H) Selected 2013-2014 Frequency: 2.100
Prior: 2.200

Program Year:	2013-2014	2014-2015
(I) Trend Factor:	1.000	0.980
(J) Selected Frequency:	2.100	2.058
(K) Estimated Payroll (\$000,000):	\$184	\$190
(L) Ultimate Claims:	387	390

Notes:

- (A) From Appendix D, Page 4, (C).
- (B) From Appendix D, Page 5, (C).
- (C) Selected from (A) and (B).
- (D) From Appendix N, Column (C) divided by 10,000.
- (E) (C) / (D).
- (F) From Appendix E.
- (G) (E) x (F).
- (H) The selected frequency of 2.100 is based on (G).
- (I) From Appendix E.
- (J) (H) x (I).
- (K) From Appendix N, Column (C) divided by 10,000.
- (L) (J) x (K).

This exhibit summarizes the estimated numbers of claims and shows the estimated frequencies per \$1,000,000 of trended payroll.

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensa

Frequency and Severity Method
Reported Claim Count Development

Accident Year	Claims Reported as of 12/31/2013 (A)	Reported Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
1979-1993	4,494	1.000	4,494	
1993-1994	421	1.000	421	3.476
1994-1995	408	1.000	408	3.125
1995-1996	413	1.000	413	3.023
1996-1997	369	1.000	369	2.618
1997-1998	401	1.000	401	3.183
1998-1999	324	1.000	324	2.053
1999-2000	375	1.000	375	2.321
2000-2001	394	1.000	394	2.310
2001-2002	375	1.000	375	2.046
2002-2003	458	1.000	458	2.385
2003-2004	425	1.000	425	2.171
2004-2005	390	1.000	390	1.867
2005-2006	416	1.000	416	1.925
2006-2007	396	1.000	396	1.742
2007-2008	421	1.001	421	1.757
2008-2009	456	1.003	457	1.989
2009-2010	366	1.006	368	1.834
2010-2011	366	1.010	370	1.987
2011-2012	349	1.015	354	2.035
2012-2013	368	1.030	379	2.331
Total	12,385		12,408	2.187

Notes:

- (A) Provided by NCCSIF.
- (B) From Appendix D, Page 6.
- (C) (A) x (B).
- (D) (C) / [Appendix D, Page 3, (D)] x [Appendix D, Page 3, (F)].

This exhibit shows the calculation of estimated ultimate claims for each year based on reported claims as provided by NCCSIF. These numbers of claims tend to "develop" or change from period to period as more claims are filed. This development tends to follow quantifiable patterns over time.

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensa

Frequency and Severity Method
Closed Claim Count Development

Accident Year	Claims Closed as of 12/31/2013 (A)	Closed Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
1979-1993	4,470	1.001	4,474	
1993-1994	417	1.002	418	3.451
1994-1995	406	1.003	407	3.117
1995-1996	407	1.005	409	2.994
1996-1997	364	1.007	367	2.603
1997-1998	394	1.009	398	3.160
1998-1999	318	1.011	321	2.034
1999-2000	366	1.013	371	2.296
2000-2001	382	1.015	388	2.274
2001-2002	368	1.018	375	2.046
2002-2003	443	1.022	453	2.359
2003-2004	416	1.027	427	2.181
2004-2005	381	1.033	394	1.887
2005-2006	403	1.041	420	1.943
2006-2007	374	1.051	393	1.729
2007-2008	405	1.065	431	1.799
2008-2009	434	1.086	471	2.050
2009-2010	334	1.110	371	1.849
2010-2011	328	1.143	375	2.014
2011-2012	287	1.223	351	2.018
2012-2013	276	1.345	371	2.282
Total	11,973		12,385	2.187

Notes:

- (A) Provided by NCCSIF.
- (B) From Appendix D, Page 7.
- (C) (A) x (B).
- (D) (C) / [Appendix D, Page 3, (D)] x [Appendix D, Page 3, (F)].

This exhibit shows the calculation of estimated ultimate claims for each year based on closed claims as provided by NCCSIF. These numbers of closed claims tend to "develop" or change from period to period as more claims are closed. This development tends to follow quantifiable patterns over time.

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation

Loss Trend Factors

Accident Year	Benefit Level Factor (A)	Factor to 2013-2014 Loss Rate Level (B)	Factor to 2014-2015 Loss Rate Level (C)	Factor to 2015-2016 Loss Rate Level (D)	Factor to 2016-2017 Loss Rate Level (E)	Factor to 2013-2014 Frequency Level (F)	Factor to 2014-2015 Frequency Level (G)	Factor to 2015-2016 Frequency Level (H)	Factor to 2016-2017 Frequency Level (I)	Factor to 2013-2014 Severity Level (J)
1979-1993	1.690	1.871	1.985	2.057	2.132	0.655	0.642	0.629	0.616	2.837
1993-1994	1.829	2.015	2.137	2.215	2.295	0.668	0.655	0.642	0.629	2.996
1994-1995	1.729	1.895	2.010	2.083	2.159	0.682	0.669	0.655	0.642	2.763
1995-1996	1.588	1.730	1.835	1.902	1.971	0.696	0.682	0.668	0.655	2.475
1996-1997	1.427	1.546	1.640	1.700	1.762	0.710	0.696	0.682	0.668	2.170
1997-1998	1.240	1.338	1.419	1.471	1.524	0.725	0.710	0.696	0.682	1.840
1998-1999	1.089	1.169	1.241	1.286	1.332	0.740	0.725	0.710	0.696	1.576
1999-2000	0.968	1.035	1.098	1.138	1.179	0.755	0.740	0.724	0.710	1.367
2000-2001	0.921	0.980	1.040	1.078	1.117	0.769	0.754	0.739	0.724	1.269
2001-2002	0.927	0.982	1.042	1.080	1.119	0.785	0.770	0.754	0.739	1.247
2002-2003	0.974	1.027	1.090	1.129	1.170	0.801	0.785	0.769	0.754	1.278
2003-2004	1.186	1.245	1.321	1.369	1.418	0.817	0.801	0.785	0.769	1.519
2004-2005	1.490	1.556	1.651	1.711	1.773	0.834	0.818	0.801	0.785	1.861
2005-2006	1.595	1.657	1.758	1.822	1.888	0.851	0.834	0.817	0.801	1.943
2006-2007	1.504	1.556	1.651	1.711	1.773	0.868	0.851	0.834	0.817	1.788
2007-2008	1.390	1.431	1.518	1.573	1.630	0.886	0.869	0.851	0.834	1.612
2008-2009	1.289	1.320	1.401	1.452	1.505	0.904	0.886	0.868	0.851	1.459
2009-2010	1.173	1.196	1.269	1.315	1.363	0.922	0.904	0.886	0.868	1.295
2010-2011	1.122	1.139	1.208	1.252	1.298	0.942	0.923	0.904	0.886	1.209
2011-2012	1.127	1.138	1.208	1.252	1.297	0.961	0.942	0.922	0.904	1.185
2012-2013	1.081	1.087	1.153	1.195	1.238	0.980	0.960	0.941	0.922	1.109
2013-2014	1.000	1.000	1.061	1.099	1.139	1.000	0.980	0.960	0.941	1.000
2014-2015	0.947	--	1.000	1.036	1.074	--	1.000	0.980	0.960	--
2015-2016	0.919	--	--	1.000	1.036	--	--	1.000	0.980	--
2016-2017	0.891	--	--	--	1.000	--	--	--	1.000	--

Notes:

- (A) Based on WCIRB.
- (B) - (E) (A) adjusted for a 0.5% annual loss rate trend.
- (F) - (I) (A) adjusted for a -2.0% annual frequency trend.
- (J) (A) adjusted for a 2.5% annual severity trend.

This exhibit shows the calculation of the ways in which we expect claims costs to have changed over the past twenty years due to changes in statutory workers' compensation benefit levels and changes in actual claims costs in excess of changes in payroll. Changes in the ways in which claims are filed as a result of greater awareness of workers' compensation benefits are not generally reflected in the statutory benefit level factors shown above, but may be part of the reason for changes in actual claims costs in excess of payroll changes.

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compens

Outstanding Liability for
Unallocated Loss Adjustment Expenses
as of 6/30/13

Fiscal Year (A)	Number of Claims Open During Fiscal Year (B)	Average ULAE Charge per Open Claim (C)	Inflation Trend Factor (D)	Trended ULAE Charge per Open Claim (E)	ULAE Paid During Year (F)
2013-2014	483	\$840	1.000	\$840	\$405,720
2014-2015	307	840	1.050	882	270,774
2015-2016	233	840	1.103	927	215,991
2016-2017	181	840	1.158	973	176,113
2017-2018	142	840	1.216	1,021	144,982
2018-2019	111	840	1.277	1,073	119,103
2019-2020	86	840	1.341	1,126	96,836
2020-2021	67	840	1.408	1,183	79,261
2021-2022	53	840	1.478	1,242	65,826
2022-2023	42	840	1.552	1,304	54,768
2023-2024	33	840	1.630	1,369	45,177
2024-2025	26	840	1.712	1,438	37,388
2025-2026	20	840	1.798	1,510	30,200
2026-2027	16	840	1.888	1,586	25,376
2027-2028	12	840	1.982	1,665	19,980
2028-2029	9	840	2.081	1,748	15,732
2029-2030	6	840	2.185	1,835	11,010
2030-2031	4	840	2.294	1,927	7,708

(G) Total ULAE Outstanding as of 6/30/13: \$1,821,945

(H) Total ULAE Outstanding as of 12/31/13. \$1,900,000

Notes:

- (A) We assume fiscal years will be 7/1 to 6/30.
- (B) Based on an estimated claim closing pattern.
- (C) Based on claims administration payment information provided by NCCSIF.
- (D) We assume ULAE costs will increase at 5.0% per year.
- (E) (C) x (D).
- (F) (B) x (E).
- (G) Total of Column (F).
- (H) (G) from this page and the next, interpolated to 12/31/13.

This exhibit shows the calculation of the outstanding ULAE based on the expected pattern of claims closings and assumptions about future claims administration costs per open claim.

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compens

Outstanding Liability for
Unallocated Loss Adjustment Expenses
as of 6/30/14

Fiscal Year (A)	Number of Claims Open During Fiscal Year (B)	Average ULAE Charge per Open Claim (C)	Inflation Trend Factor (D)	Trended ULAE Charge per Open Claim (E)	ULAE Paid During Year (F)
2014-2015	501	\$840	1.050	\$882	\$441,882
2015-2016	313	840	1.103	927	290,151
2016-2017	238	840	1.158	973	231,574
2017-2018	185	840	1.216	1,021	188,885
2018-2019	146	840	1.277	1,073	156,658
2019-2020	114	840	1.341	1,126	128,364
2020-2021	89	840	1.408	1,183	105,287
2021-2022	71	840	1.478	1,242	88,182
2022-2023	56	840	1.552	1,304	73,024
2023-2024	44	840	1.630	1,369	60,236
2024-2025	35	840	1.712	1,438	50,330
2025-2026	27	840	1.798	1,510	40,770
2026-2027	22	840	1.888	1,586	34,892
2027-2028	17	840	1.982	1,665	28,305
2028-2029	13	840	2.081	1,748	22,724
2029-2030	9	840	2.185	1,835	16,515
2030-2031	6	840	2.294	1,927	11,562
2031-2032	4	840	2.409	2,024	8,096

(G) Total ULAE Outstanding as of 6/30/14: \$1,977,437

Notes:

- (A) We assume fiscal years will be 7/1 to 6/30.
- (B) Based on an estimated claim closing pattern.
- (C) Based on claims administration payment information provided by NCCSIF.
- (D) We assume ULAE costs will increase at 5.0% per year.
- (E) (C) x (D).
- (F) (B) x (E).
- (G) Total of Column (F).

This exhibit shows the calculation of the outstanding ULAE based on the expected pattern of claims closings and assumptions about future claims administration costs per open claim.

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compens

Outstanding Liability for
Unallocated Loss Adjustment Expenses
as of 6/30/15

Fiscal Year (A)	Number of Claims Open During Fiscal Year (B)	Average ULAE Charge per Open Claim (C)	Inflation Trend Factor (D)	Trended ULAE Charge per Open Claim (E)	ULAE Paid During Year (F)
2015-2016	508	\$840	1.103	\$927	\$470,916
2016-2017	319	840	1.158	973	310,387
2017-2018	242	840	1.216	1,021	247,082
2018-2019	189	840	1.277	1,073	202,797
2019-2020	149	840	1.341	1,126	167,774
2020-2021	117	840	1.408	1,183	138,411
2021-2022	93	840	1.478	1,242	115,506
2022-2023	74	840	1.552	1,304	96,496
2023-2024	58	840	1.630	1,369	79,402
2024-2025	46	840	1.712	1,438	66,148
2025-2026	36	840	1.798	1,510	54,360
2026-2027	29	840	1.888	1,586	45,994
2027-2028	23	840	1.982	1,665	38,295
2028-2029	18	840	2.081	1,748	31,464
2029-2030	13	840	2.185	1,835	23,855
2030-2031	9	840	2.294	1,927	17,343
2031-2032	6	840	2.409	2,024	12,144
2032-2033	4	840	2.529	2,124	8,496

(G) Total ULAE Outstanding as of 6/30/15: \$2,126,870

Notes:

- (A) We assume fiscal years will be 7/1 to 6/30.
- (B) Based on an estimated claim closing pattern.
- (C) Based on claims administration payment information provided by NCCSIF.
- (D) We assume ULAE costs will increase at 5.0% per year.
- (E) (C) x (D).
- (F) (B) x (E).
- (G) Total of Column (F).

This exhibit shows the calculation of the outstanding ULAE based on the expected pattern of claims closings and assumptions about future claims administration costs per open claim.

California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation
Banking and Shared Layer Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of</u> <u>12/31/2013</u>	<u>Calendar Period</u>	
		<u>1/1/2014</u> <u>to</u> <u>6/30/2014</u>	<u>7/1/2014</u> <u>to</u> <u>6/30/2015</u>
Prior			
Ultimate Loss	\$36,217,000	\$36,217,000	\$36,217,000
Paid in Calendar Period	-	61,489	129,463
Paid to Date	34,985,224	35,046,713	35,176,176
Outstanding Liability	1,231,776	1,170,287	1,040,824
1997-1998			
Ultimate Loss	\$4,495,000	\$4,495,000	\$4,495,000
Paid in Calendar Period	-	21,484	35,636
Paid to Date	4,130,859	4,152,343	4,187,979
Outstanding Liability	364,141	342,657	307,021
1998-1999			
Ultimate Loss	\$2,853,000	\$2,853,000	\$2,853,000
Paid in Calendar Period	-	17,942	30,134
Paid to Date	2,514,479	2,532,421	2,562,555
Outstanding Liability	338,521	320,579	290,445
1999-2000			
Ultimate Loss	\$5,106,000	\$5,106,000	\$5,106,000
Paid in Calendar Period	-	28,158	47,470
Paid to Date	4,519,376	4,547,534	4,595,004
Outstanding Liability	586,624	558,466	510,996
2000-2001			
Ultimate Loss	\$5,159,000	\$5,159,000	\$5,159,000
Paid in Calendar Period	-	28,779	58,927
Paid to Date	4,489,710	4,518,489	4,577,416
Outstanding Liability	669,290	640,511	581,584
2001-2002			
Ultimate Loss	\$4,177,000	\$4,177,000	\$4,177,000
Paid in Calendar Period	-	27,002	40,859
Paid to Date	3,657,724	3,684,726	3,725,585
Outstanding Liability	519,276	492,274	451,415
2002-2003			
Ultimate Loss	\$7,385,000	\$7,385,000	\$7,385,000
Paid in Calendar Period	-	74,566	122,127
Paid to Date	6,076,824	6,151,390	6,273,517
Outstanding Liability	1,308,176	1,233,610	1,111,483

California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation
Banking and Shared Layer Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of</u> <u>12/31/2013</u>	<u>Calendar Period</u>	
		<u>1/1/2014</u> <u>to</u> <u>6/30/2014</u>	<u>7/1/2014</u> <u>to</u> <u>6/30/2015</u>
2003-2004			
Ultimate Loss	\$4,187,000	\$4,187,000	\$4,187,000
Paid in Calendar Period	-	38,600	63,825
Paid to Date	3,679,101	3,717,701	3,781,526
Outstanding Liability	507,899	469,299	405,474
2004-2005			
Ultimate Loss	\$3,572,000	\$3,572,000	\$3,572,000
Paid in Calendar Period	-	36,547	65,413
Paid to Date	3,131,669	3,168,216	3,233,629
Outstanding Liability	440,331	403,784	338,371
2005-2006			
Ultimate Loss	\$3,772,000	\$3,772,000	\$3,772,000
Paid in Calendar Period	-	82,687	153,286
Paid to Date	2,787,629	2,870,316	3,023,602
Outstanding Liability	984,371	901,684	748,398
2006-2007			
Ultimate Loss	\$5,939,000	\$5,939,000	\$5,939,000
Paid in Calendar Period	-	132,515	251,080
Paid to Date	4,303,012	4,435,527	4,686,607
Outstanding Liability	1,635,988	1,503,473	1,252,393
2007-2008			
Ultimate Loss	\$3,679,000	\$3,679,000	\$3,679,000
Paid in Calendar Period	-	69,449	127,925
Paid to Date	2,799,897	2,869,346	2,997,271
Outstanding Liability	879,103	809,654	681,729
2008-2009			
Ultimate Loss	\$4,713,000	\$4,713,000	\$4,713,000
Paid in Calendar Period	-	135,930	248,297
Paid to Date	3,034,854	3,170,784	3,419,081
Outstanding Liability	1,678,146	1,542,216	1,293,919
2009-2010			
Ultimate Loss	\$4,334,000	\$4,334,000	\$4,334,000
Paid in Calendar Period	-	167,402	269,685
Paid to Date	2,739,692	2,907,094	3,176,779
Outstanding Liability	1,594,308	1,426,906	1,157,221

California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation
Banking and Shared Layer Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of</u> <u>12/31/2013</u>	<u>Calendar Period</u>	
		<u>1/1/2014</u> <u>to</u> <u>6/30/2014</u>	<u>7/1/2014</u> <u>to</u> <u>6/30/2015</u>
2010-2011			
Ultimate Loss	\$3,614,000	\$3,614,000	\$3,614,000
Paid in Calendar Period	-	185,577	334,152
Paid to Date	1,829,608	2,015,185	2,349,337
Outstanding Liability	1,784,392	1,598,815	1,264,663
2011-2012			
Ultimate Loss	\$6,114,000	\$6,114,000	\$6,114,000
Paid in Calendar Period	-	549,606	826,208
Paid to Date	2,349,578	2,899,184	3,725,392
Outstanding Liability	3,764,422	3,214,816	2,388,608
2012-2013			
Ultimate Loss	\$5,116,000	\$5,116,000	\$5,116,000
Paid in Calendar Period	-	542,338	969,521
Paid to Date	1,098,678	1,641,016	2,610,537
Outstanding Liability	4,017,322	3,474,984	2,505,463
2013-2014			
Ultimate Loss	\$3,131,000	\$6,262,000	\$6,262,000
Paid in Calendar Period	-	895,578	1,475,889
Paid to Date	169,631	1,065,209	2,541,098
Outstanding Liability	2,961,369	5,196,791	3,720,902
2014-2015			
Ultimate Loss	-	-	\$6,985,000
Paid in Calendar Period	-	-	1,327,150
Paid to Date	-	-	1,327,150
Outstanding Liability	-	-	5,657,850
Totals			
Ultimate Loss	\$113,563,000	\$116,694,000	\$123,679,000
Paid in Calendar Period	-	3,095,649	6,577,047
Paid to Date	88,297,545	91,393,194	97,970,241
Outstanding Liability	25,265,455	25,300,806	25,708,759
Total Outstanding ULAE	1,900,000	1,977,437	2,126,870
Outstanding Liability plus ULAE	27,165,455	27,278,243	27,835,629

Notes appear on the next page.

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Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation
Payment and Reserve Forecast

Notes to previous page:

- Accident Year is associated with date of loss. Calendar Period is associated with date of transaction. For example, for the losses which occurred during 2011-2012, \$549,606 is expected to be paid between 1/1/14 and 6/30/14, \$2,899,184 will have been paid by 6/30/14, and the reserve for remaining payments on these claims should be \$3,214,816.
- Ultimate Losses for each accident year are from Exhibit 4, Page 3.
- Paid in Calendar Period is a proportion of the Outstanding Liability from the previous calendar period. These proportions are derived from the paid loss development pattern selected in Appendix B. For example, \$826,208 = \$3,214,816 x 25.7%.
- Paid to Date is Paid in Calendar Period plus Paid to Date from previous calendar period. For example, \$3,725,392 = \$826,208 + \$2,899,184.
- Outstanding Liability is Ultimate Loss minus Paid to Date. For example, \$3,214,816 = \$6,114,000 - \$2,899,184.

This exhibit shows the calculation of the liability for outstanding claims as of the date of evaluation, the end of the current fiscal year, and the end of the coming fiscal year. It also shows the expected claims payout during the remainder of the current fiscal year and the coming fiscal year. Refer to the Totals at the end of the exhibit for the balance sheet information. The top parts of the exhibit show information for each program year.

California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation
Banking Layer Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of</u> <u>12/31/2013</u>	<u>Calendar Period</u>	
		<u>1/1/2014</u> <u>to</u> <u>6/30/2014</u>	<u>7/1/2014</u> <u>to</u> <u>6/30/2015</u>
Prior			
Ultimate Loss	\$32,183,000	\$32,183,000	\$32,183,000
Paid in Calendar Period	-	21,596	60,403
Paid to Date	31,655,272	31,676,868	31,737,271
Outstanding Liability	527,728	506,132	445,729
1997-1998			
Ultimate Loss	\$3,130,000	\$3,130,000	\$3,130,000
Paid in Calendar Period	-	5,660	8,491
Paid to Date	3,060,976	3,066,636	3,075,127
Outstanding Liability	69,024	63,364	54,873
1998-1999			
Ultimate Loss	\$2,040,000	\$2,040,000	\$2,040,000
Paid in Calendar Period	-	17,902	26,996
Paid to Date	1,791,361	1,809,263	1,836,259
Outstanding Liability	248,639	230,737	203,741
1999-2000			
Ultimate Loss	\$3,424,000	\$3,424,000	\$3,424,000
Paid in Calendar Period	-	11,089	16,748
Paid to Date	3,253,402	3,264,491	3,281,239
Outstanding Liability	170,598	159,509	142,761
2000-2001			
Ultimate Loss	\$3,766,000	\$3,766,000	\$3,766,000
Paid in Calendar Period	-	15,187	30,654
Paid to Date	3,499,554	3,514,741	3,545,395
Outstanding Liability	266,446	251,259	220,605
2001-2002			
Ultimate Loss	\$3,082,000	\$3,082,000	\$3,082,000
Paid in Calendar Period	-	19,099	25,812
Paid to Date	2,823,900	2,842,999	2,868,811
Outstanding Liability	258,100	239,001	213,189
2002-2003			
Ultimate Loss	\$4,824,000	\$4,824,000	\$4,824,000
Paid in Calendar Period	-	26,523	53,530
Paid to Date	4,409,575	4,436,098	4,489,628
Outstanding Liability	414,425	387,902	334,372

California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation
Banking Layer Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of</u> <u>12/31/2013</u>	<u>Calendar Period</u>	
		<u>1/1/2014</u> <u>to</u> <u>6/30/2014</u>	<u>7/1/2014</u> <u>to</u> <u>6/30/2015</u>
2003-2004			
Ultimate Loss	\$3,421,000	\$3,421,000	\$3,421,000
Paid in Calendar Period	-	18,280	29,543
Paid to Date	3,210,882	3,229,162	3,258,705
Outstanding Liability	210,118	191,838	162,295
2004-2005			
Ultimate Loss	\$2,674,000	\$2,674,000	\$2,674,000
Paid in Calendar Period	-	16,815	27,937
Paid to Date	2,515,372	2,532,187	2,560,124
Outstanding Liability	158,628	141,813	113,876
2005-2006			
Ultimate Loss	\$2,722,000	\$2,722,000	\$2,722,000
Paid in Calendar Period	-	29,068	59,766
Paid to Date	2,380,023	2,409,091	2,468,857
Outstanding Liability	341,977	312,909	253,143
2006-2007			
Ultimate Loss	\$4,189,000	\$4,189,000	\$4,189,000
Paid in Calendar Period	-	59,871	106,361
Paid to Date	3,538,232	3,598,103	3,704,464
Outstanding Liability	650,768	590,897	484,536
2007-2008			
Ultimate Loss	\$2,937,000	\$2,937,000	\$2,937,000
Paid in Calendar Period	-	42,636	70,839
Paid to Date	2,534,774	2,577,410	2,648,249
Outstanding Liability	402,226	359,590	288,751
2008-2009			
Ultimate Loss	\$3,103,000	\$3,103,000	\$3,103,000
Paid in Calendar Period	-	49,516	98,429
Paid to Date	2,558,865	2,608,381	2,706,810
Outstanding Liability	544,135	494,619	396,190
2009-2010			
Ultimate Loss	\$3,588,000	\$3,588,000	\$3,588,000
Paid in Calendar Period	-	96,819	165,158
Paid to Date	2,657,051	2,753,870	2,919,028
Outstanding Liability	930,949	834,130	668,972

California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Comp

Banking Layer Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of</u> <u>12/31/2013</u>	<u>Calendar Period</u>	
		<u>1/1/2014</u> <u>to</u> <u>6/30/2014</u>	<u>7/1/2014</u> <u>to</u> <u>6/30/2015</u>
2010-2011			
Ultimate Loss	\$2,582,000	\$2,582,000	\$2,582,000
Paid in Calendar Period	-	109,338	176,884
Paid to Date	1,700,244	1,809,582	1,986,466
Outstanding Liability	881,756	772,418	595,534
2011-2012			
Ultimate Loss	\$4,203,000	\$4,203,000	\$4,203,000
Paid in Calendar Period	-	346,881	521,633
Paid to Date	2,087,870	2,434,751	2,956,384
Outstanding Liability	2,115,130	1,768,249	1,246,616
2012-2013			
Ultimate Loss	\$3,932,000	\$3,932,000	\$3,932,000
Paid in Calendar Period	-	518,498	812,503
Paid to Date	1,098,678	1,617,176	2,429,679
Outstanding Liability	2,833,322	2,314,824	1,502,321
2013-2014			
Ultimate Loss	\$1,988,000	\$3,976,000	\$3,976,000
Paid in Calendar Period	-	685,146	1,133,004
Paid to Date	169,631	854,777	1,987,781
Outstanding Liability	1,818,369	3,121,223	1,988,219
2014-2015			
Ultimate Loss	-	-	\$4,374,000
Paid in Calendar Period	-	-	1,010,394
Paid to Date	-	-	1,010,394
Outstanding Liability	-	-	3,363,606
Totals			
Ultimate Loss	\$87,788,000	\$89,776,000	\$94,150,000
Paid in Calendar Period	-	2,089,924	4,435,085
Paid to Date	74,945,664	77,035,588	81,470,673
Outstanding Liability	12,842,336	12,740,412	12,679,327
Total Outstanding ULAE	1,900,000	1,977,437	2,126,870
Outstanding Liability plus ULAE	14,742,336	14,717,849	14,806,197

Notes appear on the next page.

Compensation

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation

Payment and Reserve Forecast

Notes to previous page:

- Accident Year is associated with date of loss. Calendar Period is associated with date of transaction. For example, for the losses which occurred during 2011-2012, \$346,881 is expected to be paid between 1/1/14 and 6/30/14, \$2,434,751 will have been paid by 6/30/14, and the reserve for remaining payments on these claims should be \$1,768,249.
- Ultimate Losses for each accident year are from Exhibit 4, Page 3.
- Paid in Calendar Period is a proportion of the Outstanding Liability from the previous calendar period. These proportions are derived from the paid loss development pattern selected in Appendix B. For example, \$521,633 = \$1,768,249 x 29.5%.
- Paid to Date is Paid in Calendar Period plus Paid to Date from previous calendar period. For example, \$2,956,384 = \$521,633 + \$2,434,751.
- Outstanding Liability is Ultimate Loss minus Paid to Date. For example, \$1,768,249 = \$4,203,000 - \$2,434,751.

This exhibit shows the calculation of the liability for outstanding claims as of the date of evaluation, the end of the current fiscal year, and the end of the coming fiscal year. It also shows the expected claims payout during the remainder of the current fiscal year and the coming fiscal year. Refer to the Totals at the end of the exhibit for the balance sheet information. The top parts of the exhibit show information for each program year.

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation

Short- and Long-Term Liabilities

		<u>Expected</u>	<u>Discounted</u>
<u>Liabilities as of 12/31/13:</u>			
<u>Current (Short Term)</u>	Loss and ALAE:	\$2,200,071	\$2,183,754
	ULAE:	405,720	402,711
	Short-Term Loss and LAE:	<u>\$2,605,791</u>	<u>\$2,586,465</u>
<u>Non-current (Long Term)</u>	Loss and ALAE:	\$23,065,384	\$21,631,552
	ULAE:	1,494,280	1,399,033
	Long-Term Loss and LAE:	<u>\$24,559,664</u>	<u>\$23,030,585</u>
<u>Total Liability</u>	Loss and ALAE:	\$25,265,455	\$23,815,306
	ULAE:	1,900,000	1,801,744
	Total Loss and LAE:	<u>\$27,165,455</u>	<u>\$25,617,050</u>
<u>Liabilities as of 6/30/14:</u>			
<u>Current (Short Term)</u>	Loss and ALAE:	\$5,249,897	\$5,210,960
	ULAE:	441,882	438,605
	Short-Term Loss and LAE:	<u>\$5,691,779</u>	<u>\$5,649,565</u>
<u>Non-current (Long Term)</u>	Loss and ALAE:	\$20,050,909	\$18,648,442
	ULAE:	1,535,555	1,425,390
	Long-Term Loss and LAE:	<u>\$21,586,464</u>	<u>\$20,073,832</u>
<u>Total Liability</u>	Loss and ALAE:	\$25,300,806	\$23,859,402
	ULAE:	1,977,437	1,863,995
	Total Loss and LAE:	<u>\$27,278,243</u>	<u>\$25,723,397</u>

		<u>Discounted with a Margin for Contingencies</u>				
		70%	75%	80%	85%	90%
		<u>Confidence</u>	<u>Confidence</u>	<u>Confidence</u>	<u>Confidence</u>	<u>Confidence</u>
<u>Liabilities as of 12/31/13:</u>						
<u>Current (Short Term)</u>	Loss and ALAE:	\$2,365,006	\$2,434,886	\$2,517,868	\$2,618,321	\$2,751,530
	ULAE:	436,136	449,023	464,326	482,850	507,416
	Short-Term Loss and LAE:	<u>\$2,801,142</u>	<u>\$2,883,909</u>	<u>\$2,982,194</u>	<u>\$3,101,171</u>	<u>\$3,258,946</u>
<u>Non-current (Long Term)</u>	Loss and ALAE:	\$23,426,970	\$24,119,180	\$24,941,180	\$25,936,231	\$27,255,756
	ULAE:	1,515,153	1,559,922	1,613,085	1,677,441	1,762,781
	Long-Term Loss and LAE:	<u>\$24,942,123</u>	<u>\$25,679,102</u>	<u>\$26,554,265</u>	<u>\$27,613,672</u>	<u>\$29,018,537</u>
<u>Total Liability</u>	Loss and ALAE:	\$25,791,976	\$26,554,066	\$27,459,048	\$28,554,552	\$30,007,286
	ULAE:	1,951,289	2,008,945	2,077,411	2,160,291	2,270,197
	Total Loss and LAE:	<u>\$27,743,265</u>	<u>\$28,563,011</u>	<u>\$29,536,459</u>	<u>\$30,714,843</u>	<u>\$32,277,483</u>
<u>Liabilities as of 6/30/14:</u>						
<u>Current (Short Term)</u>	Loss and ALAE:	\$5,643,470	\$5,810,220	\$6,008,237	\$6,247,941	\$6,565,810
	ULAE:	475,009	489,045	505,712	525,887	552,642
	Short-Term Loss and LAE:	<u>\$6,118,479</u>	<u>\$6,299,265</u>	<u>\$6,513,949</u>	<u>\$6,773,828</u>	<u>\$7,118,452</u>
<u>Non-current (Long Term)</u>	Loss and ALAE:	\$20,196,262	\$20,793,013	\$21,501,654	\$22,359,482	\$23,497,037
	ULAE:	1,543,698	1,589,310	1,643,474	1,709,043	1,795,991
	Long-Term Loss and LAE:	<u>\$21,739,960</u>	<u>\$22,382,323</u>	<u>\$23,145,128</u>	<u>\$24,068,525</u>	<u>\$25,293,028</u>
<u>Total Liability</u>	Loss and ALAE:	\$25,839,732	\$26,603,233	\$27,509,891	\$28,607,423	\$30,062,847
	ULAE:	2,018,707	2,078,355	2,149,186	2,234,930	2,348,633
	Total Loss and LAE:	<u>\$27,858,439</u>	<u>\$28,681,588</u>	<u>\$29,659,077</u>	<u>\$30,842,353</u>	<u>\$32,411,480</u>

Note: Current (short term) liabilities are the portion of the total estimated liability shown on Appendix G that is expected to be paid out within the coming year. Totals may vary from Exhibit 1, due to rounding.

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation

Discount Factors to be Applied to Overall Reserves

Accident Year	Full Value of Reserve at 12/31/13 (A)	Discount Factor (B)	Discounted Reserve at 12/31/13 (C)	Full Value of Reserve at 6/30/14 (D)	Discount Factor (E)	Discounted Reserve at 6/30/14 (F)
1979-1993	\$634,528	0.993	\$629,822	\$616,127	0.993	\$611,557
1993-1994	67,814	0.986	66,889	63,270	0.993	62,801
1994-1995	100,181	0.975	97,716	91,565	0.980	89,747
1995-1996	225,148	0.966	217,559	208,487	0.971	202,367
1996-1997	204,105	0.958	195,498	190,838	0.962	183,575
1997-1998	364,141	0.950	345,857	342,657	0.954	326,801
1998-1999	338,521	0.942	318,898	320,579	0.946	303,219
1999-2000	586,624	0.935	548,748	558,466	0.938	523,963
2000-2001	669,290	0.930	622,256	640,511	0.933	597,372
2001-2002	519,276	0.925	480,556	492,274	0.927	456,241
2002-2003	1,308,176	0.924	1,208,161	1,233,610	0.924	1,139,936
2003-2004	507,899	0.924	469,493	469,299	0.923	433,176
2004-2005	440,331	0.927	407,996	403,784	0.926	373,798
2005-2006	984,371	0.928	913,135	901,684	0.927	836,220
2006-2007	1,635,988	0.929	1,519,385	1,503,473	0.928	1,395,025
2007-2008	879,103	0.930	817,866	809,654	0.930	752,642
2008-2009	1,678,146	0.932	1,563,463	1,542,216	0.931	1,435,955
2009-2010	1,594,308	0.934	1,488,800	1,426,906	0.932	1,330,195
2010-2011	1,784,392	0.939	1,675,487	1,598,815	0.935	1,495,565
2011-2012	3,764,422	0.947	3,564,129	3,214,816	0.943	3,030,011
2012-2013	4,017,322	0.954	3,833,036	3,474,984	0.951	3,304,959
2013-2014	2,961,369	0.956	2,830,556	5,196,791	0.957	4,974,277
Totals	\$25,265,455		\$23,815,306	\$25,300,806		\$23,859,402

(G) Discount Factor at 12/31/13 for Overall Reserve: 0.943
(H) Discount Factor at 6/30/14 for Overall Reserve: 0.943

Notes:

- (A) From Appendix G.
- (B) From Appendix I, Page 2, Column (E).
- (C) (A) x (B).
- (D) From Appendix G.
- (E) From Appendix I, Page 2, Column (E).
- (F) (D) x (E).
- (G) Total of (C) / Total of (A).
- (H) Total of (F) / Total of (D).

This exhibit shows the expected impact of anticipated investment income on the liability for outstanding claims at the date of evaluation and the end of the current fiscal year. For example, if the discount factor in item (G) is 0.943, the discounted liability for outstanding claims is 94.3% of the full value.

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation

Calculation of Discount Factors

Payment Year (A)	Payment Pattern (B)	Discounted* Reserves (C)	Undiscounted Reserves (D)	Discount Factor (E)
22	1.1%	0.011	0.011	0.993
21	0.2%	0.013	0.013	0.980
20	0.3%	0.015	0.016	0.971
19	0.3%	0.018	0.019	0.962
18	0.3%	0.021	0.022	0.954
17	0.3%	0.023	0.024	0.946
16	0.3%	0.026	0.027	0.938
15	0.4%	0.029	0.031	0.933
14	0.4%	0.032	0.035	0.927
13	0.6%	0.037	0.040	0.924
12	0.7%	0.044	0.048	0.923
11	1.2%	0.055	0.059	0.926
10	1.4%	0.068	0.073	0.927
9	1.6%	0.083	0.089	0.928
8	2.2%	0.103	0.111	0.930
7	2.8%	0.129	0.139	0.931
6	3.4%	0.161	0.173	0.932
5	5.1%	0.210	0.224	0.935
4	9.4%	0.300	0.318	0.943
3	17.2%	0.466	0.490	0.951
2	27.9%	0.736	0.769	0.957
1	23.1%	0.954	1.000	0.954

(F) Discount Factor for Future Funding: 0.962

* Assumed Investment Rate: 1.5%

Notes:

- (A) This is the year of payment relative to the accident year. For example, year 7 refers to payments made in the seventh year after the inception of the accident year. We assume that payments are made at midyear.
- (B) Percent of ultimate loss paid this year. This payment pattern is based on the paid loss development pattern selected in Appendix B, Page 2.
- (C) Discounted Reserves at the beginning of this year is next year's Discounted Reserves discounted one year plus this year's payments discounted six months. For example, in year 2, 73.6% = [46.6% / 1.015] + [27.9% / (1.007)].
- (D) Summation of future (B) values. This is the percent of ultimate loss unpaid at the beginning of the year.
- (E) (C) / (D).
- (F) (E) at year 1, with interest accumulated for six months. We assume that the required funding is deposited at the middle of the first year.

This exhibit shows the calculation of the effect of anticipated investment income on future claims costs. Thus, if the discount factor in item (F) is 0.96, on a discounted basis, \$0.96 must be budgeted for every \$1 that will actually be paid on claims that will be incurred in the next fiscal year.

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation

Confidence Level Table

Probability	Projected Losses	Outstanding Losses
95%	1.455	1.357
90	1.330	1.260
85	1.252	1.199
80	1.194	1.153
75	1.146	1.115
70	1.104	1.083
65	1.067	1.053
60	1.033	1.027
55	1.001	1.002
50	0.970	0.978
45	0.941	0.955
40	0.911	0.932
35	0.882	0.909
30	0.852	0.885
25	0.821	0.860

To read table: For the above retention, there is a 90% chance that final loss settlements will be less than 1.330 times the average expected amount of losses.

This exhibit shows the loads that must be applied to bring estimated losses at the expected level to the various indicated confidence levels.

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Co

Program History

Policy Year Start Date	Policy Year End Date	Policy Year	Self-Insured Retention	
			Per Occurrence	Aggregate
PRIOR			See Below*	(none)
7/1/1993	6/30/1994	1993-1994	300,000	(none)
7/1/1994	6/30/1995	1994-1995	300,000	(none)
7/1/1995	6/30/1996	1995-1996	300,000	(none)
7/1/1996	6/30/1997	1996-1997	300,000	(none)
7/1/1997	6/30/1998	1997-1998	300,000	(none)
7/1/1998	6/30/1999	1998-1999	300,000	(none)
7/1/1999	6/30/2000	1999-2000	300,000	(none)
7/1/2000	6/30/2001	2000-2001	300,000	(none)
7/1/2001	6/30/2002	2001-2002	300,000	(none)
7/1/2002	6/30/2003	2002-2003	500,000	(none)
7/1/2003	6/30/2004	2003-2004	500,000	(none)
7/1/2004	6/30/2005	2004-2005	500,000	(none)
7/1/2005	6/30/2006	2005-2006	500,000	(none)
7/1/2006	6/30/2007	2006-2007	500,000	(none)
7/1/2007	6/30/2008	2007-2008	500,000	(none)
7/1/2008	6/30/2009	2008-2009	500,000	(none)
7/1/2009	6/30/2010	2009-2010	500,000	(none)
7/1/2010	6/30/2011	2010-2011	500,000	(none)
7/1/2011	6/30/2012	2011-2012	500,000	(none)
7/1/2012	6/30/2013	2012-2013	500,000	(none)
7/1/2013	6/30/2014	2013-2014	500,000	(none)
7/1/2014	6/30/2015	2014-2015	500,000	(none)
7/1/1974	6/30/1985	1974-1985	100,000	(none)
7/1/1985	6/30/1986	1985-1986	150,000	(none)
7/1/1986	6/30/1989	1986-1989	200,000	(none)
7/1/1989	6/30/1990	1989-1990	225,000	(none)
7/1/1990	6/30/1991	1990-1991	250,000	(none)
7/1/1991	6/30/1992	1991-1992	250,000	(none)
7/1/1992	6/30/1992	1991-1992	250,000	(none)
	Third Party Claims Administrator		Begin Date	End Date
	York Insurance Services			Current

This exhibit summarizes some of the key facts about the history of the program.

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation

Estimated Fund Balance as of 6/30/14

	Banking	Shared	Total*
(A) <u>Fund Balance as of 6/30/13:</u>	\$15,728,000	\$17,018,000	\$32,746,000
(B) <u>Total Income to Fund from 6/30/13 to 6/30/14:</u>			
Contributions:	\$5,494,000	\$2,797,000	\$8,291,000
Assessment:	30,000	0	30,000
Interest:	(39,000)	(39,000)	(78,000)
Other:	0	603,000	603,000
Total Income:	\$5,485,000	\$3,361,000	\$8,846,000
(C) <u>Total Payments from Fund from 6/30/13 to 6/30/14:</u>			
Loss and ALAE:	1,096,000	708,000	\$1,804,000
Claims Administration:	519,000	-	519,000
Consultants:	-	-	0
Safety Services:	-	-	0
Program Administration:	-	-	0
Excess Insurance:	-	623,000	623,000
Board Expenses:	-	-	0
Refunds:	-	-	0
Other:	-	-	0
Total Payments:	\$1,615,000	\$1,331,000	\$2,946,000
(D) <u>Estimated Fund Balance as of 6/30/14:</u>	\$19,598,000	\$19,048,000	\$38,646,000

Notes:

- (A) Provided by NCCSIF.
(B) Provided by NCCSIF.
(C) Provided by the Fund. Loss and ALAE paid is estimated in Appendix G. Claims Admin estim
(D) (A) + (B) - (C).

* Excludes Administration

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation

Reported Loss Data as of 12/31/13

Accident Year (A)	SIR Incurred (B)	Additions to Losses (C)	Subtractions from Losses (D)	Adjusted Incurred (E)	Incurred Over SIR (F)	Shared Incurred (G)	Banking Incurred (H)	Incurred Shared to SIR Layer (I)	Banking Plus Shared Capped at SIR (J)	Banking Plus Shared Capped at SIR & Aggregate (K)
1979-1993	\$23,990,692	\$0	\$0	\$23,990,692	\$0	\$1,344,556	\$22,646,136	\$1,344,556	\$23,990,692	\$23,990,692
1993-1994	2,497,838	0	0	2,497,838	0	448,639	2,049,199	448,639	2,497,838	2,497,838
1994-1995	2,427,745	0	0	2,427,745	0	417,743	2,010,002	417,743	2,427,745	2,427,745
1995-1996	4,141,574	0	0	4,141,574	0	1,190,611	2,950,963	1,190,611	4,141,574	4,141,574
1996-1997	3,006,258	0	0	3,006,258	0	537,057	2,469,201	537,057	3,006,258	3,006,258
1997-1998	4,429,540	0	0	4,429,540	0	1,321,223	3,108,316	1,321,223	4,429,540	4,429,540
1998-1999	2,802,698	0	0	2,802,698	0	780,700	2,021,997	780,700	2,802,698	2,802,698
1999-2000	5,004,409	0	0	5,004,409	0	1,617,766	3,386,642	1,617,766	5,004,409	5,004,409
2000-2001	5,040,068	0	0	5,040,068	0	1,322,918	3,717,150	1,322,918	5,040,068	5,040,068
2001-2002	4,068,277	0	0	4,068,277	0	1,032,536	3,035,742	1,032,536	4,068,277	4,068,277
2002-2003	7,169,117	0	0	7,169,117	0	2,426,451	4,742,666	2,426,451	7,169,117	7,169,117
2003-2004	4,027,938	0	0	4,027,938	0	674,413	3,353,525	674,413	4,027,938	4,027,938
2004-2005	3,421,918	0	0	3,421,918	0	810,461	2,611,457	810,461	3,421,918	3,421,918
2005-2006	3,581,536	0	0	3,581,536	0	935,653	2,645,883	935,653	3,581,536	3,581,536
2006-2007	5,553,244	0	0	5,553,244	0	1,506,556	4,046,688	1,506,556	5,553,244	5,553,244
2007-2008	3,360,392	0	0	3,360,392	0	540,752	2,819,640	540,752	3,360,392	3,360,392
2008-2009	4,206,394	0	0	4,206,394	0	1,258,584	2,947,809	1,258,584	4,206,394	4,206,394
2009-2010	3,891,161	0	0	3,891,161	0	495,483	3,395,679	495,483	3,891,161	3,891,161
2010-2011	2,755,377	0	0	2,755,377	0	422,704	2,332,672	422,704	2,755,377	2,755,377
2011-2012	4,967,528	0	0	4,967,528	0	1,093,452	3,874,076	1,093,452	4,967,528	4,967,528
2012-2013	3,155,707	0	0	3,155,707	0	187,765	2,967,941	187,765	3,155,707	3,155,707
2013-2014	1,065,031	0	0	1,065,031	0	0	1,065,031	0	1,065,031	1,065,031
Total	\$104,564,440	\$0	\$0	\$104,564,440	\$0	\$20,366,025	\$84,198,415	\$20,366,025	\$104,564,440	\$104,564,440

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by NCCSIF.
- (C)
- (D)
- (E) (B) + (C) - (D).
- (F) Sum of incurred losses in excess of SIR.
- (G) (B) - (H).
- (H) Provided by NCCSIF.
- (I) (G) - (F).
- (J) (E) - (F).
- (K) Minimum of (J) and the aggregate stop loss. See Appendix K.

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation

Paid Loss Data as of 12/31/13

Accident Year (A)	SIR Paid (B)	Additions to Losses (C)	Subtractions from Losses (D)	Adjusted Paid (E)	Paid Over SIR (F)	Shared Paid (G)	Banking Paid (H)	Paid Shared to SIR Layer (I)	Banking Plus Shared Capped at SIR (J)	Banking Plus Shared Capped at SIR & Aggregate (K)
1979-1993	\$23,404,472	\$0	\$0	\$23,404,472	\$0	\$1,089,288	\$22,315,184	\$1,089,288	\$23,404,472	\$23,404,472
1993-1994	2,440,186	0	0	2,440,186	0	395,025	2,045,161	395,025	2,440,186	2,440,186
1994-1995	2,344,819	0	0	2,344,819	0	353,595	1,991,224	353,595	2,344,819	2,344,819
1995-1996	3,954,852	0	0	3,954,852	0	1,054,626	2,900,226	1,054,626	3,954,852	3,954,852
1996-1997	2,840,895	0	0	2,840,895	0	437,418	2,403,477	437,418	2,840,895	2,840,895
1997-1998	4,130,859	0	0	4,130,859	0	1,069,883	3,060,976	1,069,883	4,130,859	4,130,859
1998-1999	2,514,479	0	0	2,514,479	0	723,118	1,791,361	723,118	2,514,479	2,514,479
1999-2000	4,519,376	0	0	4,519,376	0	1,265,974	3,253,402	1,265,974	4,519,376	4,519,376
2000-2001	4,489,710	0	0	4,489,710	0	990,157	3,499,554	990,157	4,489,710	4,489,710
2001-2002	3,657,724	0	0	3,657,724	0	833,824	2,823,900	833,824	3,657,724	3,657,724
2002-2003	6,076,824	0	0	6,076,824	0	1,667,249	4,409,575	1,667,249	6,076,824	6,076,824
2003-2004	3,679,101	0	0	3,679,101	0	468,219	3,210,882	468,219	3,679,101	3,679,101
2004-2005	3,131,669	0	0	3,131,669	0	616,296	2,515,372	616,296	3,131,669	3,131,669
2005-2006	2,787,629	0	0	2,787,629	0	407,606	2,380,023	407,606	2,787,629	2,787,629
2006-2007	4,303,012	0	0	4,303,012	0	764,780	3,538,232	764,780	4,303,012	4,303,012
2007-2008	2,799,897	0	0	2,799,897	0	265,123	2,534,774	265,123	2,799,897	2,799,897
2008-2009	3,034,854	0	0	3,034,854	0	475,989	2,558,865	475,989	3,034,854	3,034,854
2009-2010	2,739,692	0	0	2,739,692	0	82,642	2,657,051	82,642	2,739,692	2,739,692
2010-2011	1,829,608	0	0	1,829,608	0	129,364	1,700,244	129,364	1,829,608	1,829,608
2011-2012	2,349,578	0	0	2,349,578	0	261,708	2,087,870	261,708	2,349,578	2,349,578
2012-2013	1,098,678	0	0	1,098,678	0	0	1,098,678	0	1,098,678	1,098,678
2013-2014	169,631	0	0	169,631	0	0	169,631	0	169,631	169,631
Total	\$88,297,547	\$0	\$0	\$88,297,547	\$0	\$13,351,883	\$74,945,664	\$13,351,883	\$88,297,547	\$88,297,547

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by NCCSIF.
- (C)
- (D)
- (E) (B) + (C) - (D).
- (F) Sum of paid losses in excess of SIR.
- (G) (B) - (H).
- (H) Provided by NCCSIF.
- (I) (G) - (F).
- (J) (E) - (F).
- (K) Minimum of (J) and the aggregate stop loss. See Appendix K.

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation

Claim Count Data as of 12/31/13

Accident Year (A)	Reported Claims (B)	Additions to Reported Claims (C)	Subtractions from Reported Claims (D)	Adjusted Reported Claims (E)	Closed Claims (F)	Additions to Closed Claims (G)	Subtractions from Closed Claims (H)	Adjusted Closed Claims (I)	Open Claims (J)	Adjusted Open Claims (K)
1979-1993	4,494	0	0	4,494	4,470	0	0	4,470	24	24
1993-1994	421	0	0	421	417	0	0	417	4	4
1994-1995	408	0	0	408	406	0	0	406	2	2
1995-1996	413	0	0	413	407	0	0	407	6	6
1996-1997	369	0	0	369	364	0	0	364	5	5
1997-1998	401	0	0	401	394	0	0	394	7	7
1998-1999	324	0	0	324	318	0	0	318	6	6
1999-2000	375	0	0	375	366	0	0	366	9	9
2000-2001	394	0	0	394	382	0	0	382	12	12
2001-2002	375	0	0	375	368	0	0	368	7	7
2002-2003	458	0	0	458	443	0	0	443	15	15
2003-2004	425	0	0	425	416	0	0	416	9	9
2004-2005	390	0	0	390	381	0	0	381	9	9
2005-2006	416	0	0	416	403	0	0	403	13	13
2006-2007	396	0	0	396	374	0	0	374	22	22
2007-2008	421	0	0	421	405	0	0	405	16	16
2008-2009	456	0	0	456	434	0	0	434	22	22
2009-2010	366	0	0	366	334	0	0	334	32	32
2010-2011	366	0	0	366	328	0	0	328	38	38
2011-2012	349	0	0	349	287	0	0	287	62	62
2012-2013	368	0	0	368	276	0	0	276	92	92
2013-2014	171	0	0	171	65	0	0	65	106	106
Total	12,556	0	0	12,556	12,038	0	0	12,038	518	518

Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by NCCSIF.
- (C)
- (D)
- (E) (B) + (C) - (D).
- (F) Provided by NCCSIF.
- (G)
- (H)
- (I) (F) + (G) - (H).
- (J) (B) - (F).
- (K) (E) - (I).

Northern California Cities Self Insurance Fund (Excluding 4850 and TD on 4850) - Workers' Compensation

Exposure Measures

Accident Year	Total Payroll (\$00) (A)	Inflation Trend Factor (B)	Trended Payroll (\$00) (C)
1993-1994	493,920	1.638	809,041
1994-1995	557,215	1.598	890,430
1995-1996	609,905	1.559	950,841
1996-1997	658,050	1.521	1,000,895
1997-1998	615,408	1.484	913,265
1998-1999	806,552	1.448	1,167,888
1999-2000	863,334	1.413	1,219,890
2000-2001	951,288	1.379	1,311,826
2001-2002	1,069,616	1.345	1,438,634
2002-2003	1,172,481	1.312	1,538,295
2003-2004	1,249,721	1.280	1,599,643
2004-2005	1,394,542	1.249	1,741,783
2005-2006	1,508,804	1.219	1,839,232
2006-2007	1,659,200	1.189	1,972,788
2007-2008	1,829,812	1.160	2,122,582
2008-2009	1,834,657	1.132	2,076,831
2009-2010	1,675,925	1.104	1,850,221
2010-2011	1,628,676	1.077	1,754,084
2011-2012	1,590,507	1.051	1,671,623
2012-2013	1,554,598	1.025	1,593,463
2013-2014	1,842,077	1.000	1,842,077
2014-2015	1,896,296	1.000	1,896,296

Notes:

- (A) Provided by NCCSIF.
- (B) Based on WCIRB.
- (C) (A) x (B).



2013/14 ACTUARIAL STUDIES – LIABILITY PROGRAM

INFORMATION ITEM

ISSUE: The actuarial “draft” study is provided for review. The Outstanding Liabilities will be revised to reflect the 12/31/13 Financial Statement. NCCSIF has Actuarial Studies performed annually for accreditation and budget purposes. By having these studies done, NCCSIF is able to project their funding for the upcoming year and see how the rates affect their budgets. Total funding for the Banking and Shared Risk Layer is estimated at **\$3,003,845 at 60% for the Banking Layer and 65% for the Shared Risk Layer.** *Last year funding was at \$2,643,000 at the 60% confidence level.*

RECOMMENDATION: The financial section of the actuarial study will be revised as to the Outstanding Liabilities. The funding recommendations are final. Also, you will note that the report states that we remain at the \$1 million self insured retention level. This will also be corrected. The funding level at the 60% confidence level is recommended for approval for the Banking Layer and the 65% confidence level is recommended for approval for the Shared Risk Layer.

FISCAL IMPACT: The total funding for 2014 has **increased \$290,853 or 7.18%.**

BACKGROUND: The actuary estimates that NCCSIF will have combined assets of \$9,474,000 as of June 30, 2014. Last year, the estimate was \$10,190,000 for June 30, 2013. Actual assets from the financial audit were \$10,237,879. The combined outstanding liabilities are estimated at \$10,274,000 at the 90% confidence level, which results in (\$800,000) in anticipated assets below the 90% confidence level.

At June 30, 2014, the assets for the Banking Layer are anticipated at **\$577,000 in excess of the liabilities at the 90% confidence level.**

Assets for the shared risk layer are anticipated at (\$1,377,000 at June 30, 2014 below the 90% confidence level. *Last year the amount was <\$1,983,000> at June 30, 2013 which was below the liabilities at the 90% confidence level.*

ATTACHMENT(S): **DRAFT** Liability Actuarial Study – Financial Section

Thursday, February 27, 2014

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 \$1,000,000 per occurrence, we estimate the ultimate cost of claims and expenses for claims incurred during the 2014-15 program years to be \$3,046,000. Of this amount, \$1,506,000 is for the banking layer (\$0 – \$50,000 per occurrence) and \$1,540,000 is for the shared layer (\$50,000 – \$1,000,000 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 2014-15 claims translates to rates of \$2.01 per \$100 payroll, \$0.99 for the banking layer and \$1.02 for the shared layer (assuming \$151,680,000 in rated payroll).

In addition, we estimate the program's liability for outstanding claims to be \$7,563,000 as of June 30, 2014, again including ALAE and ULAE, and discounted for anticipated investment income. Of this amount, \$2,392,000 is for the banking layer and \$5,171,000 is for the shared layer. Given estimated program assets of \$9,439,000 as of June 30, 2014, the program is expected to be funded between the 80% and 85% confidence level on a combined basis. Banking layer is funded above the 90% confidence level. Shared layer is funded between the expected and 70% confidence levels. (See Graphs 1a, 1b and 1c on pages 10, 11, and 12.)

The \$7,563,000 estimate is the minimum liability to be booked by NCCSIF at June 30, 2014 for Northern California Cities Self Insurance Fund's liability program, in accordance with Governmental Accounting Standards Board (GASB) Statement #10. GASB #10 requires NCCSIF to accrue a liability on its financial statements for the ultimate cost of claims and expenses associated with all reported and unreported claims, including ALAE and ULAE. GASB #10 does not prohibit the discounting of losses to recognize investment income.

DRAFT

Our conclusions regarding NCCSIF's liability for unpaid loss and loss adjustment expenses (LAE) at June 30, 2014 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, 2014

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$7,772,000					
ULAE*	0					
Investment Income Offset	(209,000)					
Discounted Loss and LAE	\$7,563,000	\$8,425,000	\$8,810,000	\$9,257,000	\$9,815,000	\$10,558,000
Available Funding	9,439,000					
Surplus or (Deficit)	\$1,876,000	\$1,014,000	\$629,000	\$182,000	(\$376,000)	(\$1,119,000)

* ULAE is included with Loss and ALAE

Northern California Cities Self Insurance Fund
Self-Insured Liability Program
Estimated Liability for Unpaid Loss and LAE
Banking Layers
at June 30, 2014

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$2,458,000					
ULAE*	0					
Investment Income Offset	(66,000)					
Discounted Loss and LAE	\$2,392,000	\$2,626,000	\$2,706,000	\$2,849,000	\$2,930,000	\$3,196,000
Available Funding	3,769,000					
Surplus or (Deficit)	\$1,377,000	\$1,143,000	\$1,063,000	\$920,000	\$839,000	\$573,000

* ULAE is included with Loss and ALAE

DRAFT

Northern California Cities Self Insurance Fund
 Self-Insured Liability Program
 Estimated Liability for Unpaid Loss and LAE
 Shared Layers
 at June 30, 2014

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$5,314,000					
ULAE*	0					
Investment Income Offset	<u>(143,000)</u>					
Discounted Loss and LAE	\$5,171,000	\$5,799,000	\$6,104,000	\$6,408,000	\$6,885,000	\$7,362,000
Available Funding	<u>5,670,000</u>					
Surplus or (Deficit)	\$499,000	(\$129,000)	(\$434,000)	(\$738,000)	(\$1,215,000)	(\$1,692,000)

* ULAE is included with Loss and ALAE

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

DRAFT

The table below shows our funding recommendations for Northern California Cities Self Insurance Fund for the 2014-15 fiscal year.

Northern California Cities Self Insurance Fund
Self-Insured Liability Program
Loss and LAE Funding Guidelines for 2013-14
Banking and Shared Layers Combined
Banking Layer: \$0 to \$50,000
Shared Layer: \$50,000 to \$1,000,000

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$3,147,000					
ULAE*	0					
Investment Income Offset	(101,000)					
Discounted Loss and LAE	\$3,046,000	\$3,585,000	\$3,849,000	\$4,167,000	\$4,558,000	\$5,090,000
Rate per \$100 of 2014-15 Payroll	\$2.01	\$2.36	\$2.54	\$2.75	\$3.01	\$3.36

* ULAE is included with Loss and ALAE

Northern California Cities Self Insurance Fund
Self-Insured Liability Program
Loss and LAE Funding Guidelines for 2013-14
Banking Layer
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	\$1,556,000					
ULAE*	0					
Investment Income Offset	(50,000)					
Discounted Loss and LAE	\$1,506,000	\$1,738,000	\$1,830,000	\$1,976,000	\$2,092,000	\$2,349,000
Rate per \$100 of 2014-15 Payroll	\$0.99	\$1.15	\$1.21	\$1.30	\$1.38	\$1.55

* ULAE is included with Loss and ALAE

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Northern California Cities Self Insurance Fund
Self-Insured Liability Program
Loss and LAE Funding Guidelines for 2014-15
Shared Layer

Shared Layer: \$50,000 to \$1,000,000

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$1,591,000					
ULAE*	0					
Investment Income Offset	(51,000)					
Discounted Loss and LAE	\$1,540,000	\$1,847,000	\$2,019,000	\$2,191,000	\$2,466,000	\$2,741,000
Rate per \$100 of 2014-15 Payroll	\$1.02	\$1.22	\$1.33	\$1.44	\$1.63	\$1.81

* 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 at June 30, 2014. They are for losses and loss adjustment expenses only, and do not include a provision for loss control, overhead, excess insurance premiums, and other expenses associated with the program.

DRAFT

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

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

Sincerely,

Bickmore

DRAFT

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

DRAFT

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

Northern California Cities Self Insurance Fund - Liability

Funding Guidelines for Outstanding Liabilities
December 31, 2013

	Total	Banking	Shared
(A) Estimated Ultimate Losses Incurred through 12/31/13: (From Appendix G)	\$59,567,000	\$30,951,000	\$28,616,000
(B) Estimated Paid Losses through 12/31/13: (From Appendix G)	51,698,000	28,493,000	23,205,000
(C) Estimated Liability for Claims Outstanding at 12/31/13: (From Appendix G)	<u>\$7,869,000</u>	<u>\$2,457,000</u>	<u>\$5,412,000</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 12/31/13: (From Appendix F)	0	0	0
(E) Total Outstanding Liability for Claims at 12/31/13: ((C) + (D))	<u>\$7,869,000</u>	<u>\$2,457,000</u>	<u>\$5,412,000</u>
(F) Anticipated Investment Income: ((E) x [1 - Appendix I, Page 1, (H)])	212,000	66,000	146,000
(G) Discounted Outstanding Liability for Claims at 12/31/13: ((E) - (F))	<u>\$7,657,000</u>	<u>\$2,391,000</u>	<u>\$5,266,000</u>
(H) Confidence Level Factor: (From Appendix J)			
60%	1.029	1.025	1.031
70%	1.115	1.098	1.123
80%	1.225	1.191	1.240
90%	1.397	1.335	1.425
(I) Total Required Available Funding at December 31, 2013 ((G) * (H))			
60%	\$7,879,000	\$2,451,000	\$5,428,000
70%	8,538,000	2,625,000	5,913,000
80%	9,380,000	2,848,000	6,532,000
90%	10,697,000	3,192,000	7,505,000
(J) Available Assets at December 31, 2013	\$9,321,000	\$3,964,000	\$5,357,000
(K) Funding Surplus/(Deficit) at December 31, 2013 ((J) - (I))			
Expected	\$1,664,000	\$1,573,000	\$91,000
60%	1,442,000	1,513,000	(71,000)
70%	783,000	1,339,000	(556,000)
80%	(59,000)	1,116,000	(1,175,000)
90%	(1,376,000)	772,000	(2,148,000)

Northern California Cities Self Insurance Fund - Liability

Funding Guidelines for Outstanding Liabilities
June 30, 2014

	Total	Banking	Shared
(A) Estimated Ultimate Losses Incurred through 6/30/14: (From Appendix G)	\$60,982,000	\$31,710,000	\$29,272,000
(B) Estimated Paid Losses through 6/30/14: (From Appendix G)	53,423,000	29,252,000	24,171,000
(C) Estimated Liability for Claims Outstanding at 6/30/14: (From Appendix G)	<u>\$7,558,000</u>	<u>\$2,457,000</u>	<u>\$5,101,000</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 6/30/14: (From Appendix F)	0	0	0
(E) Total Outstanding Liability for Claims at 6/30/14: ((C) + (D))	<u>\$7,558,000</u>	<u>\$2,457,000</u>	<u>\$5,101,000</u>
(F) Anticipated Investment Income: ((E) x [1 - Appendix I, Page 1, (H)])	204,000	66,000	138,000
(G) Discounted Outstanding Liability for Claims at 6/30/14: ((E) - (F))	<u>\$7,354,000</u>	<u>\$2,391,000</u>	<u>\$4,963,000</u>
(H) Confidence Level Factor: (From Appendix J)			
60%	1.029	1.025	1.031
70%	1.115	1.098	1.123
80%	1.225	1.191	1.241
90%	1.397	1.335	1.427
(I) Total Required Available Funding at June 30, 2014 ((G) * (H))			
60%	\$7,567,000	\$2,451,000	\$5,116,000
70%	8,200,000	2,625,000	5,575,000
80%	9,009,000	2,848,000	6,161,000
90%	10,274,000	3,192,000	7,082,000
(J) Available Assets at June 30, 2014	\$9,474,000	\$3,769,000	\$5,705,000
(K) Funding Surplus/(Deficit) at June 30, 2014 ((J) - (I))			
Expected	\$2,120,000	\$1,378,000	\$742,000
60%	1,907,000	1,318,000	589,000
70%	1,274,000	1,144,000	130,000
80%	465,000	921,000	(456,000)
90%	(800,000)	577,000	(1,377,000)



4850 COMPENSATION OPTIONS DISCUSSION

ACTION ITEM

ISSUE: Labor Code 4850 was created in the early 1980's to benefit Safety personnel. Originally it was to be funded by the State. That lasted about one year and funding dried up, but the LC remained unchanged. For years there has been confusion on how it is properly applied; and there is no 'one right way'. Over the years, California Joint Powers Authorities (JPA's) with LC 4850 exposures have addressed the payments in several ways; many providing coverage, and others excluding LC 4850 Salary Continuation (SC) payments.

- Some JPA's provide full coverage to LC 4850 recipients;
- Most JPA's provide coverage for Temporary Disability (TD), but exclude the LC 4850 Salary Continuation (SC) benefits that raise the benefit to the employee's full salary; and
- NCCSIF is likely the only JPA that does not provide coverage for either the LC 4850 TD or SC benefits.

NCCSIF has maintained a more restrictive method. The last time this method was thoroughly reviewed with NCCSIF Members was 2005. At that time Members made it clear to staff that they did not want to change the coverage method. This was because LC 4850 recipients' costs were handled through the payroll department and those costs became a direct cost of the police or fire departments. If a portion or all of the LC 4850 costs were handled as part of the Workers' Compensation coverage, then it was felt that other departments would be contributing to a portion of these Police and Fire costs. It is reasonable for NCCSIF to review handling of LC 4850 coverage periodically so that Members are clear on what is or is not covered and to give consideration to other methods of handling these claims.

Additionally, while reviewing our coverage provisions with consultants, the NCCSIF Actuary noted that the rates he recommends to us were assuming that only 4850 SC benefits were excluded and not the TD portion. This has resulted in funding the Workers' Compensation banking fund at a higher confidence level and may account for one of the reasons that this fund remains very healthy.

RECOMMENDATION: Staff recommends working with the Executive Committee over the next few meetings to fully review LC 4850 coverage options and costs for presentation to the Board of Directors later this year. If the Board approves a change in the coverage provided, we recommend it be effective the following program year 2015-16.



Northern California Cities Self Insurance Fund
Executive Committee Meeting
March 13, 2014

FISCAL IMPACT: For the 2014-15 Fiscal Year, the different options would impact the recommended actuarial rates as follows at various confidence levels:

2013-14		2014-15		
Confidence Level	Excluding 4850 SC	Excluding 4850 TD & SC	Excluding 4850 SC	Including 4850 SC
60%	4.623	4.092	4.541	4.869
70%	4.950	4.373	4.852	5.203
80%	5.358	4.729	5.243	5.622
90%	5.980	5.268	5.841	6.263

BACKGROUND: None

ATTACHMENT(S): None.



**REVIEW OF 2013 BANKING PLAN FUND ADJUSTMENT CALCULATIONS –
WORKERS’ COMPENSATION CALCULATION SHEETS**

ACTION ITEM

ISSUE: The Executive Committee should, review and discuss the Banking Fund Calculation Sheets as presented.

RECOMMENDATION: A recommendation will be made at the Executive Committee meeting.

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

BACKGROUND: On an annual basis in accordance with Policy and Procedure A-1, Banking Plan Fund Adjustments, the NCCSIF Board of Directors annually reviews and determines whether to approve distribution of excess funds to members. This plan allows for redistribution to the members of funds in excess of the “outstanding liabilities” plus a reasonable contingency.

ATTACHMENT(S): Workers’ Compensation Banking Layer Calculations

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 12/31/13													Proposed Target Assessment	Total Proposed Assessment
O/S @ Exp times 90% Factor	margin to 90% claims	Member Equity at 12/31/13	Gross Equity above 90% Conf level	Total of Positive Members	(not allocated to neg members) Percent allocation	Allocation of 10 x sir and Neg buffer	100% Net Equity above pool 10xsir and 90% conf. level	50% Net Equity above pool 10xsir and 90% conf. level	35% Net Equity above pool 10xsir and 90% conf. level	20% Expected Assessment				
A	B	C	D	E	F	G	H			I				
5630			C-B	D (positive only)	E/(E total)		D+G			D * 20%				
1.355										Neg means Assessment				
										Level to take out If any - "Moderation"				
ANDERSON	544,006	142,525	(120,119)	(262,644)	-	0.00%	-	-	-	(52,529)	(25,697)	(78,226)		
AUBURN	979,481	256,617	(137,582)	(394,199)	-	0.00%	-	-	-	(78,840)	(43,584)	(122,424)		
COLUSA	121,414	31,809	32,549	739	739	0.05%	(2,147)	(1,408)	(704)	(493)	(6,675)	(6,675)		
CORNING	300,332	78,685	(47,808)	(126,493)	-	0.00%	-	-	-	(25,299)	(14,300)	(39,599)		
DIXON	625,450	163,863	450,576	286,713	286,713	18.39%	(832,447)	(545,734)	(272,867)	(191,007)	(33,985)	(33,985)		
ELK GROVE	354,013	92,749	(74,850)	(167,598)	-	0.00%	-	-	-	(33,520)	(30,792)	(64,311)		
FOLSOM	5,178,309	1,356,679	904,142	(452,536)	-	0.00%	-	-	-	(90,507)	(256,010)	(346,517)		
GALT	1,185,812	310,674	123,033	(187,641)	-	0.00%	-	-	-	(37,528)	(57,448)	(94,976)		
GRIDLEY	267,271	70,023	221,238	151,215	151,215	9.70%	(439,039)	(287,824)	(143,912)	(100,738)	(13,895)	(13,895)		
IONE	6,664	1,746	78,430	76,684	76,684	4.92%	(222,645)	(145,961)	(72,980)	(51,086)	(1,177)	(1,177)		
JACKSON	215,267	56,398	94,609	38,211	38,211	2.45%	(110,942)	(72,731)	(36,365)	(25,456)	(10,465)	(10,465)		
LINCOLN	814,171	213,307	(25,198)	(238,505)	-	0.00%	-	-	-	(47,701)	(43,980)	(91,681)		
MARYSVILLE	1,037,501	271,817	(12,256)	(284,074)	-	0.00%	-	-	-	(56,815)	(44,267)	(101,081)		
NEVADA CITY	129,100	33,823	216,964	183,141	183,141	11.74%	(531,735)	(348,594)	(174,297)	(122,008)	(6,698)	(6,698)		
OROVILLE	240,307	62,959	284,814	221,855	221,855	14.23%	(644,137)	(422,282)	(211,141)	(147,799)	(15,412)	(15,412)		
PARADISE	909,176	238,197	123,344	(114,853)	-	0.00%	-	-	-	(22,971)	(41,809)	(64,779)		
PLACERVILLE	721,683	189,076	108,226	(80,850)	-	0.00%	-	-	-	(16,170)	(34,952)	(51,122)		
RED BLUFF	767,066	200,966	(19,652)	(220,617)	-	0.00%	-	-	-	(44,123)	(36,101)	(80,224)		
RIO VISTA	209,326	54,842	55,338	496	496	0.03%	(1,439)	(943)	(472)	(330)	(10,886)	(10,886)		
ROCKLIN	1,187,999	311,247	736,309	425,062	425,062	27.26%	(1,234,131)	(809,069)	(404,535)	(283,174)	(64,602)	(64,602)		
WILLOWS	108,938	28,541	203,795	175,254	175,254	11.24%	(508,835)	(333,581)	(166,791)	(116,753)	(5,730)	(5,730)		
YUBA CITY	2,199,594	576,277	(421,209)	(997,486)	-	0.00%	-	-	-	(199,497)	(107,034)	(306,532)		
	18,102,879	4,742,821	2,774,693	(1,968,127)	1,559,369		(4,527,497)	(2,968,127)	(1,484,064)	(1,038,844)	(705,499)	(905,499)	(1,484,064)	
			Total	(1,968,127)	1,559,369	100.00%								
			calculate neg members	(3,527,497)			total margin	5,742,821						
SIR risk margin	----->		Plus 10x SIR	1,000,000			90% conf level	4,742,821						
Funding for			Neg and 10 x SIR	(4,527,497)			10 x SIR	1,000,000						
								5,742,821						



**REVIEW OF 2013 BANKING PLAN FUND ADJUSTMENT CALCULATIONS –
LIABILITY CALCULATION SHEETS**

ACTION ITEM

ISSUE: The Executive Committee should review and discuss the Banking Fund Calculation Sheets as presented.

RECOMMENDATION: A recommendation will be made at the Executive Committee meeting.

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

BACKGROUND: On an annual basis in accordance with Policy and Procedure A-1, Banking Plan Fund Adjustments, the NCCSIF Board of Directors annually reviews and determines whether to approve distribution of excess funds to members. This plan allows for redistribution to the members of funds in excess of the “outstanding liabilities” plus a reasonable contingency.

ATTACHMENT(S): Liability Banking Layer Calculations



**REVIEW OF 2013 SHARED RISK LAYER PLAN FUND ADJUSTMENT
CALCULATIONS – WORKERS’ COMPENSATION CALCULATION SHEETS**

ACTION ITEM

ISSUE: 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. Calculations will be made once the Draft Financial Report ending December 31, 2013 is made available and will be provided to the Executive Committee for approval.

RECOMMENDATION: A recommendation will be made during the meeting.

FISCAL IMPACT: Unknown.

BACKGROUND: On an annual basis in accordance with Policy and Procedure A-1, Banking Plan Fund Adjustments, the NCCSIF Board of Directors annually reviews and determines whether to approve distribution of excess funds to members. This plan allows for redistribution to the members of funds in excess of the “outstanding liabilities” plus a reasonable contingency.

ATTACHMENT(S): Workers’ Compensation Banking Layer Calculations (Handout)



**REVIEW OF 2013 SHARED RISK LAYER PLAN FUND ADJUSTMENT
CALCULATIONS – LIABILITY CALCULATION SHEETS**

ACTION ITEM

ISSUE: 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. Calculations will be made once the Draft Financial Report ending December 31, 2013 is made available and will be provided to the Executive Committee for approval. 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 and *Currently NCCSIF does not meet that guideline.*

RECOMMENDATION: A recommendation will be made during the meeting.

FISCAL IMPACT: Unknown.

BACKGROUND: On an annual basis in accordance with Policy and Procedure A-1, Banking Plan Fund Adjustments, the NCCSIF Board of Directors annually reviews and determines whether to approve distribution of excess funds to members. This plan allows for redistribution to the members of funds in excess of the "outstanding liabilities" plus a reasonable contingency.

ATTACHMENT(S): Liability Banking Layer Calculations (Handout)



2013/14 SAFETY GRANT FUNDS UTILIZATION

INFORMATION ITEM

ISSUE: The Executive Committee will be provided the current year utilization of the Safety Grant Funds for review and consideration of continuing the Safety Grant Funds for the 2013/2014 program year.

RECOMMENDATION: None. The Safety Grant Funds Utilization is provided as information only.

FISCAL IMPACT: None.

BACKGROUND: The Safety Grants were created for 2009/10 in order to support member efforts in managing risk associated with costly ADA claims. Over the year, the Grant Fund was widely utilized by Members. The proposal to continue and expand the Grants for 2010/11 was developed at the January 14, 2010 Risk Management Committee meeting. The Risk Management Committee provided a recommendation to the Executive Committee that they consider increasing the Safety Grant funds available to the membership in the coming year and expanding approved uses to reflect top loss causes for the JPA. The Executive Committee reviewed the following proposed 2010/11 Safety Grant allocation (based on percent premium contributions over the years) at the March meeting and the Board approved on April 5, 2010.

The Executive Committee reviewed the following proposed 2011/12 Safety Grant allocations at their March 24, 2011 meeting and the Board approved on April 14, 2011.

In 2012/13, NCCSIF members have had available to them Safety Grant Funds that provide a source for funding ADA and Risk Management projects. Of the \$341,038.35 in funds available, \$217,999.65 has been requested and disbursed.

In 2013/14, \$145,635 was elected to be retained from members' WC shared risk layer refunds for Safety Funds. Of the available \$704,673, \$446,243 was reimbursed to date and \$258,430 still remain available.

ATTACHMENT(S):

1. Policy and Procedure A-19, *Safety Grant Process*.
2. Safety Grant Utilization Summary as of 2/28/14.



ADMINISTRATIVE POLICY AND PROCEDURE #A-19

SUBJECT: RISK MANAGEMENT GRANT

Policy Statement:

It shall be the policy of the Northern California Cities Self Insurance Fund Executive Committee to establish a “Risk Management Grant” to reimburse members for costs of activities undertaken to bring member facilities into compliance with Americans With Disabilities Act standards, or to address other top frequency and severity of claims issues.

The Board will establish annually the maximum funds available to each member. A quarterly report will be developed and include all activities. Annually, top loss claims will be updated and provided to the Board.

Procedure:

In order to access funds under this Grant Program, the member must submit a brief written request explaining the intended use of the requested funds. The following is a list of NCCSIF’s top claims causes by frequency and severity for the Fiscal Year 2010-11:

Liability - Severity

- Auto
 - Head On Collisions
 - City Vehicle Rear End Claimant
 - City Vehicle Turning
 - City Vehicle Hitting Parked Car
- Employment Practices
- Civil Rights/Excessive Force
- Sewer Blockage/Backup
- Road Conditions/Design Defect

Liability – Frequency

- Auto
 - Misc Property Damage
 - City Vehicle Rear End Claimant
 - City Vehicle Hitting Parked Car
 - City Vehicle Backing
- Claimant Property Damage
- Sewer Blockage/Backup
- Civil Rights/Excessive Force
- Road Conditions/Design Defect

Workers’ Compensation - Severity

- Repetitive Motion Injury
- Lifting
- Slips & Falls
- Mental/Other Than Physical
- Vehicle

Workers’ Compensation – Frequency

- Strike/Struck
 - Strike Stationary Object
 - Struck By Object
 - Stuck By Animal/Insect
- Slips & Falls
- Lifting
- Repetitive Motion



The Program Administrator and Board President will review each request and, if found to be appropriate and consistent with the purpose of the Grant Program, will approve the request and funds disbursed.

If any request is denied, the member may submit a new or amended request, or appeal the denial to the Executive Committee, which will make the final determination whether the request should be granted.

After the funds are put to use, the member should file a brief report confirming this and relaying any information that may be helpful to the Board, so that it can monitor the Grant Program and consider the merits of future additions of funds.

Effective Date: June 26, 2009
First Revision Date: April 15, 2010



Safety Grant Fund Application

Member Name: _____

Submission Date: _____

Submitted by: _____

Available Funds: _____

Requested Funds: _____

Please use the following lines to describe the proposed use for your funds, and be sure to attach any applicable backup data, such as quotes, receipts, etc. for work to be performed:

If additional room is needed, please attach separate sheet.

STAFF USE ONLY

Program Administrator Approval: _____

Date: _____

Board President Approval: _____

Date: _____

Submitted to Accounting: _____

Paid?: Y / N

Check No.: _____

Check Issue Date: _____

NCCSIF

ADA and Safety Grant Fund Reimbursements History

Last Update: 2/28/2014

By: TRV

Member	ADA Grants Declared in FY 2009 Board Meeting 4/24/2009	Risk Management Grants elected to be retained in WC admin by members from their WC shared refund FY 2010	Risk Management Grants elected to be retained in WC admin by members from their WC shared refund FY 2011	Risk Management Grants elected to be retained in WC admin by members from their WC shared refund FY 2012	Risk Management Grants elected to be retained in WC admin by members from their WC shared refund FY 2013	Total funds available FY 2009 - FY 2013 for ADA grants and Risk Management Grants	Total Disbursements Paid through Last Update	Funds Available
Anderson	\$ 6,496.00	8,039.00	7,650.00	7,540.00	7,451.00	37,176.00	22,185.00	14,991.00
Auburn	6,397.00	-	-	8,098.00	-	14,495.00	6,397.00	8,098.00
Colusa	6,258.00	-	-	5,817.00	5,662.00	17,737.00	12,075.00	5,662.00
Corning	6,157.00	6,149.00	5,788.00	5,678.00	-	23,772.00	23,772.00	-
Dixon	6,592.00	-	-	-	10,379.00	16,971.00	11,762.47	5,208.53
Folsom	16,732.00	62,977.00	-	61,737.00	61,566.00	203,012.00	100,852.89	102,159.11
Galt	7,613.00	14,375.00	14,135.00	14,171.00	14,153.00	64,447.00	50,294.00	14,153.00
Gridley	6,144.00	6,391.00	-	6,507.00	6,476.00	25,518.00	6,144.00	19,374.00
Ione	-	-	-	-	-	-	-	-
Jackson	5,627.00	3,510.00	3,487.00	-	-	12,624.00	5,500.00	7,124.00
Lincoln	6,303.00	8,638.00	10,028.00	-	10,854.00	35,823.00	24,969.00	10,854.00
Marysville	6,758.00	-	-	-	-	6,758.00	-	6,758.00
Nevada City	5,665.00	-	-	-	3,618.00	9,283.00	5,665.00	3,618.00
Oroville	7,633.00	-	-	-	-	7,633.00	7,633.00	-
Placerville	6,883.00	-	-	-	-	6,883.00	6,883.00	-
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	-	15,354.00	5,818.00	9,536.00
Rocklin	9,178.00	24,019.00	25,254.00	25,419.00	25,476.00	109,346.00	58,451.00	50,895.00
Willows	5,856.00	4,618.00	4,412.00	-	-	14,886.00	14,886.00	-
Yuba City	8,607.00	-	-	22,184.00	-	30,791.00	30,791.00	-
	<u>\$ 145,238.00</u>	<u>151,576.00</u>	<u>88,017.00</u>	<u>174,207.00</u>	<u>145,635.00</u>	<u>704,673.00</u>	<u>446,242.36</u>	<u>258,430.64</u>

SEE DETAIL BELOW

Detail of Total Disbursements to Last Update:

Anderson

6/10/2010 Check no. 7418	6,496.00
7/1/2011 Check no. 7727	8,039.00
10/19/2012 Check no. 7978	7,650.00

Auburn

7/13/2011 Check no. 6397	6,397.00
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Colusa

2/9/2010 Check no. 7339	6,258.00
6/6/2013 Check no. 8130	5,817.00

Corning

5/6/2010 Check no. 7399	6,157.00
8/22/2011 Check no. 7728	12,000.00
6/20/2012 Check no. 7898	5,615.00

Dixon

8/26/2009 Check no. 7258	6,592.00
7/17/2013 Check no. 8166	5,170.47

Folsom

8/21/2009 Check no. 7268	9,000.00	
3/26/2010 Check no. 7371	7,700.00	
3/17/2011 Check no. 7602	-	<--Voided 4/26/12 - never cashed by city, per Loo Ng @ Folsom: do not reissue
6/7/2011 Check no. 7653	9,137.35	<--Paid directly to "The Training Network"
6/5/2012 Check no. 7875	1,200.00	
4/8/2013 Check no. 8084	2,922.35	
6/20/2013 Check no. 8159	25,008.94	<--Paid in July 2013, invoice booked in June 2013
10/4/2013 Check no. 8198	10,000.00	
11/5/2013 Check no. 8227	15,840.97	
11/5/2013 Check no. 8227	500.00	
1/20/2014 Check no. 8277	19,543.28	Tables \$6,727.06, ADA Access \$500.00, PD Equip \$12,316.22

Galt

11/20/2009 Check no. 7292	4,943.50	
12/7/2010 Check no. 7530	14,375.00	
12/7/2010 Check no. 7530	20,000.00	<--Paid from banking layer funds, does not reduce available balance above
8/16/2011 Check no. 7726	10,480.55	
3/21/2012 Check no. 7825	6,323.95	
6/6/2013 Check no. 8129	14,171.00	

Gridley

10/23/2009 Check no. 7282	6,144.00
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Ione

No payments located

Jackson

8/9/2010 Check no. 7460	5,500.00
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Lincoln		
3/18/2010 Check no. 7368		6,303.00
9/5/2012 Check no. 7952		18,666.00
Marysville		
No payments found		
Nevada City		
6/10/2010 Check no. 7420		5,665.00
Oroville		
5/6/2010 Check no. 7394		7,633.00
Paradise		
2/9/2010 Check no. 7338		7,182.00
Placerville		
9/4/2009 Check no. 7259		6,883.00
Red Bluff		
1/5/2011 Check no. 7539		10,500.00
1/20/2012 Check no. 7798		22,192.00
2/5/2013 Check no. 8039		12,290.00
Rio Vista		
3/26/2010 Check no. 7372		5,818.00
Rocklin		
3/26/2010 Check no. 7373		9,120.00
7/8/2011 Check no. 7672		24,000.00
12/5/2011 Check no. 7772		25,331.00
Willows		
9/25/2009 Check no. 7269		5,856.00
1/5/2011 Check no. 7540		2,800.00
8/22/2013 Check no. 8178		6,230.00
Yuba City		
3/12/2010 Check no. 7379		8,607.00
9/20/2012 Check no. 7959		22,184.00



CONSIDERATION OF 2014/15 SAFETY GRANT FUNDS

ACTION ITEM

ISSUE: The Executive should review and discuss if the Safety Grant Funds should continue to be available for 2014/2015.

RECOMMENDATION: Staff recommends that the Executive Committee approves the continuation of the Safety Grant Funds for 2014/15, including the stipulation that members must be allowed to opt out of the grant and receive their full refunds if they so choose.

FISCAL IMPACT: Staff recommends continuing the Safety Grant Funds for 2014/2015 at \$250,000 from the WC Shared Risk Layer refund.

BACKGROUND: None.

ATTACHMENT(S): Policy and Procedure A-19, Safety Grant Process.



ADMINISTRATIVE POLICY AND PROCEDURE #A-19

SUBJECT: RISK MANAGEMENT GRANT

Policy Statement:

It shall be the policy of the Northern California Cities Self Insurance Fund Executive Committee to establish a “Risk Management Grant” to reimburse members for costs of activities undertaken to bring member facilities into compliance with Americans With Disabilities Act standards, or to address other top frequency and severity of claims issues.

The Board will establish annually the maximum funds available to each member. A quarterly report will be developed and include all activities. Annually, top loss claims will be updated and provided to the Board.

Procedure:

In order to access funds under this Grant Program, the member must submit a brief written request explaining the intended use of the requested funds. The following is a list of NCCSIF’s top claims causes by frequency and severity for the Fiscal Year 2010-11:

Liability - Severity

- Auto
 - Head On Collisions
 - City Vehicle Rear End Claimant
 - City Vehicle Turning
 - City Vehicle Hitting Parked Car
- Employment Practices
- Civil Rights/Excessive Force
- Sewer Blockage/Backup
- Road Conditions/Design Defect

Liability – Frequency

- Auto
 - Misc Property Damage
 - City Vehicle Rear End Claimant
 - City Vehicle Hitting Parked Car
 - City Vehicle Backing
- Claimant Property Damage
- Sewer Blockage/Backup
- Civil Rights/Excessive Force
- Road Conditions/Design Defect

Workers’ Compensation - Severity

- Repetitive Motion Injury
- Lifting
- Slips & Falls
- Mental/Other Than Physical
- Vehicle

Workers’ Compensation – Frequency

- Strike/Struck
 - Strike Stationary Object
 - Struck By Object
 - Stuck By Animal/Insect
- Slips & Falls
- Lifting
- Repetitive Motion



The Program Administrator and Board President will review each request and, if found to be appropriate and consistent with the purpose of the Grant Program, will approve the request and funds disbursed.

If any request is denied, the member may submit a new or amended request, or appeal the denial to the Executive Committee, which will make the final determination whether the request should be granted.

After the funds are put to use, the member should file a brief report confirming this and relaying any information that may be helpful to the Board, so that it can monitor the Grant Program and consider the merits of future additions of funds.

Effective Date: June 26, 2009
First Revision Date: April 15, 2010



DISTRIBUTION OF CJPRMA REFUND

ACTION ITEM

ISSUE: On an annual basis CJPRMA calculates their assets and liabilities for each Program Year. NCCSIF has been receiving annual dividends, since about the sixth year of participating in CJPRMA. Refunds have varied in amount from \$40,000 to \$600,000. This year NCCSIF has received a dividend amount of \$399,360. The Executive Committee needs to recommend to the Board how to distribute these funds.

RECOMMENDATION: Last year it was recommended and approved that until the Liability Shared Risk Layer is funded with a contingency in accordance to our Target Equity Policy, NCCSIF should use a portion of the CJPRMA refund to assist in building the Liability Shared Risk Layer fund. Accordingly, we recommend that this year's CJPRMA refund of \$399,360 be distributed 67% (\$267,571) to the Liability Shared Risk Layer and 33% (\$131,789) to the deposit calculation.

FISCAL IMPACT: CJPRMA refund of \$399,360 would be distributed to the Liability Shared Risk Layer \$267,571 and to the 2014-15 liability deposit calculations \$131,789. A credit totaling \$131,789 has been included in the Liability preliminary calculations for 2014/15. For accounting purposes, these funds are allocated to the Banking Fund.

BACKGROUND: For the past 9 years, CJPRMA has paid a refund to NCCSIF. While CJPRMA has since changed the manner in which it calculates yearly deposits, NCCSIF still maintains a large surplus with CJPRMA. This means that for the next few years, at least, *NCCSIF will continue to receive refunds, but they will likely begin diminishing each year.* Historically, NCCSIF has used the CJPRMA refund to offset either their Liability premium costs. This year the amount of the Liability refund from CJPRMA is \$399,360.

Our long term goal for the Liability Program is to maintain funds in accordance with our Target Equity Policy & Procedure # A-17. This P&P recommends a contingency fund at an amount equal to the 90% confidence level and also to have equity to SIR ratio of 3-5 to 1 in excess of the expected confidence level. As of 12/31/13 the Liability Shared Risk Layer has a negative balance of -\$1,098,060 at the 90% confidence level and has a surplus of \$1,140,940 in excess of the expected confidence level or roughly 2.85 times the SIR. As neither of the contingency targets is currently being met, last year NCCSIF determined to use a portion of the CJPRMA refund annually to assist with the building of the contingency and also to utilize assessments. **Using a portion of the CJPRMA refund helps to lessen the impact of assessments.**

ATTACHMENT(S): CJPRMA dividend allocation calculations (Handout)



PRELIMINARY 2014/15 NCCSIF BUDGET

INFORMATION ITEM

ISSUE: On an annual basis, NCCSIF Board reviews and approves the budget for the next fiscal year. The preliminary budget is reviewed in the spring with the final budget reviewed and approved at the June Board meeting. Items highlighted in blue on the attached preliminary budget are items with substantial increase from last year. The Administrative Costs are discussed in more detail below. We reviewed the budget to actual revenues provided by our accountant in creating the FY14/15 budget.

ADMINISTRATIVE EXPENSES

- The Claims Audits – Liability claims audit was performed in 13/14 therefore cost are allocated to the 14/15 year of \$7,350 for the Workers’ Compensation Claims Audit.
- The Financial Audit amount has been increased in accordance with the current contract with Perry Smith
- Legal Services have decreased from \$15,000 to \$10,000.
- Actuarial Services are included at \$6,300 for the liability and \$4,200 for the WC which includes the \$2,000 credit we received from CSAC for the actuarial each year.
- Computer Services remains at \$0 due to inactivity. This line item is for Accounting programming
- NCCSIF is accredited with excellence until September 2015. This cost occurs every three years.
- Fidelity Bonds are expected to remain the same at \$2,000. This is the bond for the JPA/Treasurer.
- Miscellaneous Consultants remains the same at \$5,000.
- Bickmore’s services have been broken out this year and have been increased from a total of \$155,260 to \$158,510 to reflect a projected additional increase of 2% . Their agreement allows for annual adjustment.



**Northern California Cities Self Insurance Fund
Executive Committee Meeting
March 13, 2014**

- Lexipol Law Enforcement Policy Manual was increased from \$100,000 to \$110,000 to reflect the addition of Elk Grove.
- Property Appraisal Budget has been removed as they have been completed in 12/13 and 13/14.
- Safety Services from OccuMed remains the same at \$23,000, but may be increased due to the addition of Elk Grove.
- Online Risk Management Services which is for TargetSolutions was decreased from \$20,000 to \$14,000 to reflect actual usage.
- Wellness was increased from \$13,840 to \$14,150 to reflect additional increases per the agreement with ACI.
- State Funding/Fraud Assessment has been increased from \$135,000 to \$145,000 in anticipation of increases as seen in prior years.
- Program Administration costs have been increased from \$332,100 to \$352,990 to anticipate additional increases in the renewal of program administration agreements.

TOTAL ADMINISTRATIVE COSTS: \$1,053,800 compared to \$1,045,750 last year, an increase of .01%. Banking layer contributions are estimated at \$6,660,973 compared to \$5,551,540 which is a 20% increase from last year. Shared Risk Layer contributions are estimated at \$3,807,212 compared to \$3,179,888 for last year which is a 19.7% increase from last year. Workers' Compensation payroll have been increased by 24% primarily due to the addition of Elk Grove. With respects to Liability, the actuarial rates have been increased 8.5%.

The Banking layer or Shared Risk layers expenses do not yet show the refund and assessment as that is determined individually by Members. Total revenues are estimated at \$13,826,032 compared to \$12,077,653 last year.

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

FISCAL IMPACT: The overall preliminary revenues are \$13,826,032 which is \$452,883 higher than last year's revenues of \$12,077,653.

BACKGROUND: Annually NCCSIF sets a budget for revenues and expenses to be incurred during the fiscal year.

ATTACHMENT(S): Preliminary 2014/15 NCCSIF Budget.

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND

BUDGET

July 1, 2013 to June 30, 2014

Chart of Acc't	CATEGORY	PRIOR YEAR	TOTAL	WORKERS' COMP.	LIABILITY	PROPERTY	CRIME
REVENUES:							
41010	Program Administration	\$ 332,100	\$ 352,990	\$ 151,850	\$ 201,140		
	Claims Administration	\$ 196,250	\$ 189,700	\$ 169,900	\$ 19,800		
	Other Expenses	\$ 517,400	\$ 511,110	\$ 230,580	\$ 280,530		
	Banking Layer Deposit	\$ 5,551,540	\$ 6,660,973	\$ 5,037,361	\$ 1,623,612		
	CJPRMA Refund Distribution	\$ (414,401)	\$ (399,360)	\$ -	\$ (399,360)		
	Shared Risk Layer Deposit	\$ 3,179,888	\$ 3,896,145	\$ 2,515,912	\$ 1,380,233		
	Excess Coverage Deposit (CSAC and CJPRMA)	\$ 1,789,713	\$ 1,834,244	\$ 864,466	\$ 969,778		
	Group Purchase Coverage	\$ 925,163	\$ 869,163			\$ 845,440	\$ 23,723
	TOTAL REVENUES	\$ 12,077,653	\$ 13,914,965	\$ 8,970,070	\$ 4,075,733	\$ 845,440	\$ 23,723
Administrative Expenses:							
52101	Claims Audit	\$ 7,000	\$ 7,350	\$ 7,350			
52102	Financial Audit	\$ 26,100	\$ 27,000	\$ 13,500	\$ 13,500		
52103	Legal Services	\$ 15,000	\$ 10,000	\$ 5,000	\$ 5,000		
52104	Actuarial Review	\$ 10,000	\$ 10,500	\$ 4,200	\$ 6,300		
52105	Computer Services	\$ -	\$ -	\$ -	\$ -		
52106	CAJPA Accreditation	\$ -	\$ -	\$ -	\$ -		
52107	Employee Dishonesty Bonds	\$ 2,000	\$ 2,000	\$ 1,000	\$ 1,000		
52109	Misc. Consulting/Contingency	\$ 5,000	\$ 5,000	\$ 2,500	\$ 2,500		
	Total Administration Expenses	\$ 65,100	\$ 61,850	\$ 33,550	\$ 28,300		
Safety Services:							
52204	Bickmore Onsite Risk Assessments	\$ 155,260	\$ 66,250	\$ 33,250	\$ 33,000		
52201	Outside Training	\$ 25,000	\$ 30,000	\$ 15,000	\$ 15,000		
52202	Risk Mgmt Comm Mtg Expense	\$ 1,000	\$ 1,000	\$ 500	\$ 500		
52204	Bickmore Police Risk Mgmt Comm Training	\$ 12,000	\$ 12,400	\$ 6,200	\$ 6,200		
52204	Bickmore Risk Control Service Days	\$ -	\$ 31,500	\$ 15,750	\$ 15,750		
52204	Bickmore Phone Consultation	\$ -	\$ 18,600	\$ 9,300	\$ 9,300		
52204	Bickmore Newsletter	\$ -	\$ 5,580	\$ 2,790	\$ 2,790		
52207	Seminars and PARMA	\$ 63,200	\$ 72,600	\$ 40,000	\$ 32,600		
52208	Lexipol Law Enforcement Policy Manual Updates DTBs	\$ 100,000	\$ 110,000	\$ 7,500	\$ 102,500		
52209	Safety Contingency (Police cameras?)	\$ -	\$ 12,000	\$ 6,000	\$ 6,000		
52204	Bickmore Safety/Training Coordination	\$ -	\$ 14,880	\$ 7,440	\$ 7,440		
52204	Bickmore Meeting Preparation	\$ -	\$ 9,300	\$ 4,650	\$ 4,650		
52214	OCCUMED Occupational Health Consulting	\$ 18,000	\$ 18,000	\$ 18,000	\$ -		
52215	Online Risk Management Services - TargetSolutions	\$ 20,000	\$ 14,000	\$ 7,000	\$ 7,000		
52217	ACI - Wellness Optional	\$ 13,840	\$ 14,150	\$ 14,150	\$ -		
	Total Safety Services Expense	\$ 408,300	\$ 430,260	\$ 187,530	\$ 242,730		
Claims Administration							
52302	Claims Administration Fee**(Paid through claims costs)	\$ 49,250	\$ 554,468	\$ 534,668	\$ 19,800		
Less WC Claims Administrative Costs \$534,668			\$ (534,668)	\$ (534,668)			
52303	Fraud Hotline	\$ -	\$ -	\$ -	\$ -		
52305	MPN Services*	\$ 12,000	\$ 24,900	\$ 24,900	\$ -		
52304	State Funding/Fraud Assessment	\$ 135,000	\$ 145,000	\$ 145,000	\$ -		
	Total Claims Admin Expenses	\$ 196,250	\$ 189,700	\$ 169,900	\$ 19,800		
*MPN services are based o all members using program.							
Program Administration							
52401	Program Administration Fee	\$ 270,000	\$ 289,290	\$ 120,000	\$ 169,290		
52403	Accounting Services	\$ 62,100	\$ 63,700	\$ 31,850	\$ 31,850		
	Total Program Admin Expenses	\$ 332,100	\$ 352,990	\$ 151,850	\$ 201,140		
Board Expenses							
52501	Executive Committee	\$ 2,000	\$ 2,000	\$ 1,000	\$ 1,000		
52502	Executive Committee Member Travel	\$ 5,000	\$ 5,000	\$ 2,500	\$ 2,500		
52503	Board of Directors Meetings (includes Travel)	\$ 6,000	\$ 6,000	\$ 3,000	\$ 3,000		
XXXXX	Board of Directors Long Range Planning Session (every 3 years)	\$ -	\$ -	\$ -	\$ -		
52504	Association Memberships (PARMA, CAJPA, AGRIP)	\$ 6,000	\$ 6,000	\$ 3,000	\$ 3,000		
	Total Board Expenses	\$ 19,000	\$ 19,000	\$ 9,500	\$ 9,500		
Other Administration Expenses - Not identified with above budget line items							
52000	Administrative Expense	\$ -	\$ -	\$ -	\$ -		
52001	Administration Expense - Other	\$ -	\$ -	\$ -	\$ -		
	Total Other Admin	\$ -	\$ -	\$ -	\$ -		
	Total Admin Expenses	\$ 1,020,750	\$ 1,053,800	\$ 552,330	\$ 501,470		
Program Admin Fee		\$ 664,075	\$ 692,566	\$ 370,061	\$ 322,505		
General Admin Fee		\$ 368,075	\$ 361,234	\$ 182,269	\$ 178,965		
	Total	\$ 1,032,150	\$ 1,053,800	\$ 552,330	\$ 501,470		



Agenda Item G.8.a.

**PRELIMINARY 2014/15 DEPOSIT CALCULATIONS -
 WORKERS' COMPENSATION PROGRAM**

ACTION ITEM

TAKEAWAY: *Workers' Compensation funding rates for 2014/15 are relatively flat from last year due to a correction in the loss data LC 4850 loss costs. The total at a 60% Confidence Level and Discounted at 1.5%; the rate remains at \$4.092, the same as last year. (At the current time we are recommending maintaining the discount level at 1.5%).*

ISSUE: The annual actuarial review, based on 12/31/13 loss information, has not yet been completed as of the date of mailing the agenda. We may be able to provide a DRAFT Study at the meeting next week. We have been provided with exhibit pages only, which are attached. Exhibit 2 Page 2a provides the estimated ultimate cost of claims and expenses for the banking layer and the shared risk layer for the 2014/2015 Program Year. They are shown excluding 4850 & 4850 TD, excluding 4850 and including 4850. These exhibits also provide the outstanding liabilities including ALAE for the banking and pooling layers projected for 12/31/13 and projected for 6/30/14. By having these studies done, NCCSIF is able to project their funding for the upcoming year.

Total recommended funding for banking and shared risk layer at the 60% confidence level is:

Year	Discount Rate	Rate & Confidence Level	Funding	% Funding Increase
2012/13	3.0%	\$3.967@60%	\$6,463,000	N/A
2013/14	1.5%	\$4.092@60%	\$6,346,000	3.2%
2014/15	1.5%	\$4.092@60%	\$7,553,273	19%
2014/14	1.5%	\$4.373@70%	\$8,071,961	27%

RECOMMENDATION: The financial section of the actuarial study is not FINAL as to the outstanding liabilities (this will be revised upon receipt of the 12/31 Financial Statement. Funding recommendations are FINAL. The funding level excluding LC 4850 & 4850 TD at the 60% confidence level discounted by 1.5% is recommended for approval.



FISCAL IMPACT: Banking and shared risk layer funding for 2014/15 **reflects an increase of 19% over the prior year, (without Elk Grove)**. Since the rate is the same, this increase is primarily due to the increase in payrolls due to the addition of the City of Elk Grove. The deposit calculation shows an increase of 4.46% over last year. Moving to the 70% Confidence Level would increase costs by an additional \$518,688 and would result in a deposit calculation increase of 10.5%. (The deposit calculations are preliminary, we need to finalize the service contracts and we need the excess coverage quotations).

BACKGROUND: The actuary estimates that NCCSIF will have assets of approximately \$38,646,000 at June 30, 2014. Last year, the estimate was \$39,272,000 for June 30, 2013. Actual assets at June 30, 2013 as reported in the financial audit were \$34,543,947, dividends paid were \$3,265,512.

- The Outstanding Liabilities for as of 12/31/13 are estimated at \$32,277,000 at the 90% confidence level.
- The Outstanding Liabilities for the **Banking Layer** are \$16,808,000.
 - Assets from the 12/31 Financial Statement are \$16,424,239, just slightly below the 90% confidence level.
- The Outstanding Liabilities for the **Shared Risk Layer** are \$15,469,000.
 - Assets from the 12/31 Financial Statement are \$18,024,920.
 - Shared Risk Layer assets are \$2,555,920 in excess of the 90% confidence level.

It is suggested that for the next fiscal year funding remain at the at the 60% confidence level. Funding should be reviewed closely next year and if there is further deterioration in the Banking Assets a higher funding level will be recommended.

Current year losses compared to the prior year are mixed. Please see the chart below:

Estimated Ultimate at 12/31/13			Estimated Ultimate at 12/31/12*	
Year	Ultimate	Paid	Ultimate	Paid
2009-10	\$4,334,000	\$2,739,692	\$5,262,000	\$3,103,841
2010-11	\$3,614,000	\$1,829,608	\$4,811,000	\$2,045,630
2011-12	\$6,114,000	\$2,349,578	\$6,529,000	\$2,079,366
2012-13	\$5,116,000	\$1,098,678	\$6,312,000	\$802,974
2013-14	\$3,131,000	\$169,631	\$6,486,000	
*Included TD amount on 4850 claims, not included in the 2013 numbers.				

ATTACHMENTS: Preliminary 14/15 Workers' Compensation Deposit Calculations.

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
WORKERS' COMPENSATION PROGRAM
July 1, 2014 to June 30, 2015

Funding Confidence Level:	60%	Discounting Factor:	1.50%		Capped
Banking Layer Funding	\$5,037,361	CSAC-EIA Premium:	\$864,466		Percentage
Shared Risk Layer Funding	\$2,515,912	Administrative Expenses:	\$552,330		40%

MEMBER ENTITY	BANKING LAYER	SHARED RISK	CSAC PREMIUM (I)	ADMIN EXPENSE	TOTAL DEPOSIT	LAST YEAR'S DEPOSIT	Total Deposit Perc Change	FINAL DEPOSIT	Final Deposit Perc Change
Anderson	\$107,269	\$44,437	\$14,913	\$15,610	\$182,228	\$183,914	-0.92%	\$182,447	-0.80%
Auburn	\$157,838	\$85,546	\$28,997	\$20,259	\$292,641	\$268,030	9.18%	\$292,992	9.31%
Colusa	\$55,972	\$30,601	\$10,798	\$12,566	\$109,937	\$108,743	1.10%	\$110,069	1.22%
Corning	\$87,851	\$40,466	\$12,200	\$14,462	\$154,979	\$143,992	7.63%	\$155,165	7.76%
Dixon	\$185,022	\$96,985	\$35,677	\$22,251	\$339,935	\$395,064	-13.95%	\$340,343	-13.85%
Elk Grove	\$718,931	\$389,820	\$117,513	\$62,194	\$1,288,458	\$1,280,050	0.66%	\$1,290,005	0.78%
Folsom	\$1,065,453	\$512,265	\$183,968	\$85,732	\$1,847,418	\$1,719,697	7.43%	\$1,849,636	7.56%
Galt	\$195,663	\$110,204	\$33,638	\$23,210	\$362,714	\$389,606	-6.90%	\$363,150	-6.79%
Gridley	\$50,997	\$49,750	\$13,856	\$13,323	\$127,927	\$132,747	-3.63%	\$128,081	-3.51%
Ione	\$14,823	\$16,398	\$4,797	\$9,868	\$45,887	\$71,018	-35.39%	\$45,942	-35.31%
Jackson	\$88,077	\$29,060	\$12,959	\$14,004	\$144,100	\$140,606	2.48%	\$144,273	2.61%
Lincoln	\$309,885	\$150,698	\$63,630	\$31,330	\$555,543	\$433,162	28.25%	\$556,210	28.41%
Marysville	\$221,851	\$48,720	\$22,061	\$21,150	\$313,781	\$216,705	44.80%	\$303,387	40.00%
Nevada City	\$47,164	\$26,596	\$9,316	\$11,937	\$95,014	\$111,121	-14.50%	\$95,128	-14.39%
Oroville	\$153,279	\$91,318	\$28,075	\$20,272	\$292,944	\$323,594	-9.47%	\$293,296	-9.36%
Town of Paradise	\$140,608	\$56,010	\$17,493	\$17,698	\$231,809	\$301,935	-23.23%	\$232,088	-23.13%
Placerville	\$144,669	\$79,612	\$23,779	\$19,190	\$267,250	\$331,579	-19.40%	\$267,571	-19.30%
Red Bluff	\$190,185	\$78,120	\$28,632	\$21,339	\$318,275	\$377,235	-15.63%	\$318,657	-15.53%
Rio Vista	\$47,193	\$39,430	\$12,809	\$12,656	\$112,088	\$100,335	11.71%	\$112,222	11.85%
Rocklin	\$383,989	\$210,860	\$72,760	\$37,634	\$705,243	\$633,442	11.34%	\$706,090	11.47%
Willows	\$89,642	\$28,765	\$11,336	\$13,989	\$143,732	\$143,882	-0.10%	\$143,904	0.02%
Yuba City	\$580,999	\$300,253	\$105,260	\$51,654	\$1,038,166	\$780,830	32.96%	\$1,039,413	33.12%
Total	\$5,037,361	\$2,515,912	\$864,466	\$552,330	\$8,970,070	\$8,587,289	4.46%	\$8,970,070	4.46%



PRELIMINARY 2014/15 DEPOSIT CALCULATIONS - LIABILITY PROGRAM

INFORMATION ITEM

TAKEAWAY: *Liability funding rates for 2014/15 are relatively flat from last year due to a correction in the loss data LC 4850 loss costs. The total 60% confidence level discounted shows a slight increase to \$1.92 from last year from \$1.77. At the current time we are recommending maintaining the discount level at 1.5% and using the 60% Confidence Level funding for the banking layer and 65% Confidence Level funding for the Shared Risk Layer which totals to a rate of \$1.98.*

ISSUE: The FY 2014/2015 Deposit Calculations for Liability are provided to the Executive Committee for their review and discussion as necessary. Due to an increase in rates provided by the Actuarial Reports, staff recommends using a Confidence Level of 60% for the Banking Layer and 65% for the Shared Risk Layer. Also included to the 2014/2015 Liability Deposit Calculations is a \$399,360 refund from CJPRMA of which \$131,789 has been applied.

RECOMMENDATION: The financial section of the actuarial study is not FINAL as to the outstanding liabilities (this will be revised upon receipt of the 12/31 Financial Statement. Funding recommendations are FINAL. The funding level at the 60% confidence level discounted by 1.5% is recommended for approval.

FISCAL IMPACT: Banking and shared risk layer funding for 2014/15 reflects an increase of 11% over the prior year. This increased funding rate amounts to

BACKGROUND: In 2013/2014 NCCSIF lower it's Self Insured Retention from \$1,000,000 to \$500,000. A decision was also made to lower the discounting rate on investment returns from 3% to 1.5%. During the April 25, 2013 Board of Directors meeting a Liability Shared Risk Assessment was approved in the amount of \$647,200 of which \$207,200 of the CJPRMA refund was applied.

The annual actuarial review, *based on 12/31/13 loss information*, has not yet been completed as of the date of mailing the agenda. We may be able to provide a DRAFT Study at the meeting next week. We have been provided with exhibit pages only, which are attached. Exhibit 2 - Page 2(a) provides the estimated ultimate cost of claims and expenses for the banking layer and the shared



**Northern California Cities Self Insurance Fund
Executive Committee Meeting
March 13, 2014**

risk layer for the 2014/2015 Program Year. These exhibits also provide the outstanding liabilities including ALAE for the banking and pooling layers projected for 12/31/13 and projected for 6/30/14. By having these studies done, NCCSIF is able to project their funding for the upcoming year.

Total recommended funding for banking layer is at 60% confidence level and 65% shared risk layer:

Year	Discount Rate	Rate & Confidence Level	Funding	% Funding Increase
2013/14	1.5%	\$1.77@60%	\$2,643,000	N/A
2014/15	1.5%	\$1.92@60%	\$2,902,000	8%
2014/14	1.5%	\$1.98@ 60% & 65%	\$2,962,500	11%

ATTACHMENT(S): Preliminary Liability 2014/15 Deposit Calculations.

**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
LIABILITY PROGRAM**

July 1, 2014 to June 30, 2015

	Banking	Shared	
Funding Confidence Level:	60%	65%	Discounting Rate
Banking Layer Funding	\$1,623,612		CJPRMA Premium:
Shared Risk Layer Funding	\$1,380,233		Administrative Expenses:
			1.50%
			\$969,778
			\$501,470

MEMBER ENTITY	BANKING LAYER	SHARED RISK	CJPRMA PREMIUM	ADMIN EXPENSE	CJPRMA REFUND	TOTAL DEPOSIT	LAST YEAR'S DEPOSIT	Total Deposit Perc Change
Anderson	\$28,855	\$30,658	\$19,802	\$16,262	(\$2,691)	\$92,886	\$101,108	-8.13%
Auburn	\$73,490	\$60,015	\$42,273	\$22,768	(\$5,745)	\$192,802	\$164,013	17.55%
Colusa	\$16,180	\$19,025	\$12,039	\$13,723	(\$1,636)	\$59,330	\$84,395	-29.70%
Corning	\$23,418	\$26,764	\$17,112	\$15,492	(\$2,325)	\$80,461	\$73,453	9.54%
Dixon	\$34,544	\$53,893	\$36,434	\$23,970	(\$4,951)	\$143,890	\$157,486	-8.63%
Elk Grove								
Folsom	\$479,113	\$212,772	\$250,294	\$93,475	(\$34,014)	\$1,001,639	\$938,097	6.77%
Galt	\$128,013	\$92,346	\$63,897	\$27,806	(\$8,683)	\$303,379	\$260,583	16.42%
Gridley	\$51,517	\$38,089	\$27,903	\$17,912	(\$3,792)	\$131,630	\$111,123	18.45%
Ione	\$13,288	\$12,137	\$8,201	\$12,112	(\$1,115)	\$44,624	\$42,280	5.55%
Jackson	\$36,810	\$21,586	\$16,489	\$13,765	(\$2,241)	\$86,409	\$62,916	37.34%
Lincoln	\$119,601	\$99,776	\$71,176	\$32,333	(\$9,672)	\$313,213	\$315,487	-0.72%
Marysville	\$77,641	\$34,304	\$28,749	\$15,571	(\$3,907)	\$152,358	\$125,128	21.76%
Oroville	\$60,900	\$107,839	\$43,708	\$24,817	(\$5,940)	\$231,325	\$222,407	4.01%
Town of Paradise	\$58,077	\$36,168	\$28,544	\$17,539	(\$3,879)	\$136,450	\$178,861	-23.71%
Red Bluff	\$116,801	\$63,083	\$44,845	\$19,472	(\$6,094)	\$238,106	\$204,323	16.53%
Rio Vista	\$22,562	\$24,891	\$16,603	\$15,329	(\$2,256)	\$77,129	\$68,940	11.88%
Rocklin	\$125,932	\$283,592	\$112,294	\$52,210	(\$15,260)	\$558,768	\$430,160	29.90%
Willows	\$11,435	\$17,034	\$10,209	\$13,311	(\$1,387)	\$50,602	\$48,562	4.20%
Yuba City	\$145,434	\$146,259	\$119,207	\$53,601	(\$16,200)	\$448,303	\$463,130	-3.20%
Total:	\$1,623,612	\$1,380,233	\$969,778	\$501,470	(\$131,789)	\$4,343,304	\$4,052,451	7.18%



2014/15 PROPERTY RENEWAL UPDATE

INFORMATION ITEM

ISSUE: The Executive Committee will receive an update on the NCCSIF Property Renewal for 2014/15. Property updates have been sent to members and program staff is still receiving updates from members at this time. Upon receipt of the preliminary indications staff will provide the calculations to the Executive Committee and the Board of Directors.

RECOMMENDATION: None. This is provided as information only.

FISCAL IMPACT: 10-15% rate increases. We have not received premium indications at this time.

BACKGROUND: NCCSIF provides optional property insurance for their members through the Alliant Property Program PEPiP. This is a joint purchase insurance program currently providing members up to \$1,000,000,000 in all risk limits. Premiums are based on each member's exposures which are provided via a schedule of insured locations.

ATTACHMENT(S): None.



PROPERTY APPRAISALS UPDATE

INFORMATION ITEM

ISSUE: NCCSIF Property Appraisals have been completed for NCCSIF's members in the property program. Program staff has received the preliminary valuations and will be sending it to members for their review and approval.

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

FISCAL IMPACT: \$96,000 has been invoiced to AssetWorks for the Property Appraisals over two years.

BACKGROUND: NCCSIF last had property appraisals done for their members' locations in 2006. The Board of Directors approved having Property Appraisals done at the June Board of Directors meeting over a course of 2 years for NCCSIF members. The members who are scheduled to have appraisals done by March 1, 2013 are Folsom, Rocklin, Marysville, Lincoln and Yuba City. The remaining members had appraisals done during the 13/14 policy year.

ATTACHMENT(S): None.



2014 WORKERS' COMPENSATION CLAIMS AUDITOR SELECTION

ACTION ITEM

ISSUE: Every year NCCSIF conducts a claims audit for either Workers' Compensation or for Liability. This year NCCSIF is due to conduct a Workers' Compensation Claims Audit. The Committee should discuss whether to perform a formal RFP for the audit or contact the Claims Auditor for the past three audits and request their availability and pricing for performance of the audit this fall for presentation at the December Board of Directors meeting.

RECOMMENDATION: Program Administration recommends the performance of a formal RFP for the 2014 Workers' Compensation claims auditor selection since one has not been done since 2006.

FISCAL IMPACT: \$7,000 has been included in the preliminary budget.

BACKGROUND: Every other year NCCSIF has a Workers' Compensation Claims Audit completed. The prior Workers' Compensation Audits were conducted by North Bay Associated in November 2012, 2010 and 2008.

ATTACHMENT(S): 2007 NCCSIF Workers' Compensation Claims Audit RFP

**REQUEST FOR PROPOSAL
WORKERS' COMPENSATION
CLAIMS AUDIT SERVICES**

REQUEST FOR PROPOSAL

WORKERS' COMPENSATION THIRD PARTY CLAIMS ADMINISTRATION AUDIT

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND

The Northern California Cities Self Insurance Fund (NCCSIF) is seeking professional service proposals from qualified claims auditing firms to provide a Workers' Compensation claims audit. This project arises out of NCCSIF's desire to be assured that the third party claims administrator is doing an effective job in adjusting the JPA's claims, using sound and accurate reserving practices, and that the price for service is comparable to that offered by other qualified claims administrators.

NCCSIF is a Joint Powers Authority which provides Workers' Compensation coverage to twenty (20) cities in accordance with the attached Memorandum of Coverage.

The claims are administered by Gregory B. Bragg & Associates, Inc. out of its office located at One Sierra Gate Plaza, Suite 230A, Roseville, CA 95678, (916) 783-0100.

The audit shall focus on the administrator and its claims management program.

It is anticipated that an appropriate sampling of claim files will be reviewed. The final report will apprise NCCSIF as to whether or not the third party administrator's program is in accordance with acceptable claims administration practices and standards. The report will make recommendations to improve the program. The report should be brief, but should be descriptive enough to advise NCCSIF as to the findings of each of the stated objectives.

OBJECTIVES

The overall objectives of the audit are to:

1. Assess the efficiency and effectiveness of the present claims administrator.
2. Review a minimum of 90 open indemnity claims, 25 open medical only claims and 10 closed claims for claims administration efficiency, effectiveness and reserve accuracy. The majority of the claims reviewed should have a total incurred cost of \$25,000 or more. As of June 30, 2006, NCCSIF had 245 open claims and reserves totaling just under \$3,000,000.
3. Make certain the adjusters have the experience and competence to protect Member's retained limit of \$500,000 per accident.

4. To ensure that all provisions of the contract for services are met.

AREAS OF EXAMINATION

To achieve these objectives, the audit shall include, but not be limited to, the following areas of examination:

1. Accuracy or excessiveness of payments.
2. Evaluation of reserve accuracy. Cases are to be reserved for full life of claim. Claims should be being reviewed on a regular basis and updated as case values increase or decrease.
3. An audit of the administrative system used to pay claims. Identification of bottlenecks, delays and weakness in procedures. Promptness of payments.
4. Proper case monitoring procedures.
5. Degree and use of outside services including legal services. Monitoring of outside service. Review of approved litigation panel.
6. Accuracy, completeness, and timeliness of computer claims runs.
7. Timely notification of all claims that need to be reported to NCCSIF's excess insurers.
8. Accessibility of administrator during non-working hours.
9. Processing claims or potential claims in accordance with NCCSIF's policy.
10. Reasonableness of administrators charges for time and expense.
11. Are adjusters trained and proficient in determining permanent disability ratings?
12. Technical competence and expertise of personnel handling the claims.
13. Diary system maintained.
14. Indexing of claimants.
15. Timely contact with claimant.
16. Determination that administrator is keeping members of NCCSIF informed and involved as to the status and development of claims.
17. Quality control mechanisms in place.
18. Pursuit of subrogation opportunities and collection success.
19. Adequacy of claim file documentation, including properly executed releases.
20. Determine that the administrator carries adequate professional liability and liability insurance.
21. Evaluate mechanisms to monitor attorney's costs and activities.
22. Case load is within industry standards for good to excellent adjusters.

Please note that NCCSIF is currently a member of the CSAC Excess Insurance Authority (CSAC) Excess Workers' Compensation Program. CSAC members are required to follow the Claims Administration Guidelines as attached hereto in Addendum A. We would also like you to comment on any areas addressed by the Addendum and not shown above.

CONDITIONS

1. The auditing firm selected will be considered as an independent contractor, and although the results and scope of the work will be under the control of NCCSIF, in no way is it to be construed that the auditing firm is an agent or employee of NCCSIF while providing services.
2. The auditing firm shall hold NCCSIF and its member agencies, its officers, agents and employees harmless and shall defend and indemnify NCCSIF, against any and all claims which may arise, excluding sole negligence of NCCSIF. Proof of General Liability coverage, Automobile Liability coverage and Professional Liability coverage in the amounts of \$2,000,000 shall be provided to NCCSIF prior to commencement of work. If appropriate, proof of Workers' Compensation coverage shall also be provided.
3. The audit report shall be the sole property of NCCSIF and not used or reproduced for any other purpose without the written permission of NCCSIF.
4. The claims audit should be performed within the period of time commencing October 11, 2006 to October 29, 2006, with a final report presented in writing to the offices of Driver Alliant Insurance Services by November 5, 2006.
5. A copy of the June 30, 2006 loss run will be provided to you prior to the actual audit.
6. Your proposal will be evaluated on the basis of the knowledge and experience of the firm and its personnel in conducting similar audits, scope of services offered, references, costs and other such factors. NCCSIF reserves the right to reject any and all proposals.
7. Attached is NCCSIF's proposal timeline.

PROPOSAL FORMAT

Please provide one unbound original proposal. The proposal shall be divided into three sections:

1. Recommendations. Recommendations as to specific areas you will examine and the anticipated results. List the number of open and closed claims you would propose to examine to properly audit the program.
2. Qualifications. Describe the scope and approach of previous similar audits by your company and the individuals who would actually do the audit. Outline your experience in auditing self-insurance programs and particularly public entities.
3. Cost of Service. Costs should be quoted on a flat rate basis. Time and expense may be quoted, but only in addition to a flat fee quotation.

Questions regarding preparation of the proposal should be referred to Janelle Aldea at (415) 403-1414. Your proposal must be received no later than 5:00 p.m. on October 3, 2006, at the following location:

By Mail:

Janelle Aldea, NCCSIF Program Administrators
Alliant Insurance Services, Inc.
600 Montgomery Street, 9th Floor
San Francisco, CA 94111

Via Email in PDF or Microsoft Word Format:

JAldea@alliantinsurance.com

Adopted: December 6, 1985
Amended: March 4, 1988
Amended: October 7, 1988
Amended: October 6, 1995
Amended: October 1, 1999
Amended: June 6, 2003

**ADDENDUM A
WORKERS' COMPENSATION
CLAIMS ADMINISTRATION GUIDELINES**

The following Guidelines have been adopted by the CSAC Excess Insurance Authority in accordance with Article 18(b) of the March 1993 Amended Joint Powers Agreement Creating the CSAC Excess Insurance Authority.

I. CASE LOAD

- A. On or after 07/01/2004, the claims examiner assigned to the Member shall handle a caseload not to exceed 175 indemnity claims. This caseload will include future medical cases with every 4 future medical cases counted as 1 indemnity case.
- B. Supervisory personnel should not handle a caseload, although they may handle specific issues.

II. CASE REVIEW AND DOCUMENTATION

- A. Documentation should reflect any significant developments in the file and include a plan of action. The examiner should review the file every 45 days. The supervisor shall monitor any significant activity on the file every 120 days. An accomplishment level of 95% shall be considered acceptable.

III. COMPENSABILITY

- A. The initial compensability determination (accept claim, deny claim or delay acceptance pending the results of additional investigation) and the reasons for such a determination will be made and documented in the file within fourteen (14) calendar days of the filing of the claim with the employer. An accomplishment level of 100% shall be considered acceptable.
- B. Delay of benefit letters shall be mailed in compliance with Department of Industrial Relations' guidelines. An accomplishment level of 100% shall be considered acceptable.
- C. The final compensability determination shall be made by the claims examiner or supervisor within 90 days of employer receipt of the claim form. An accomplishment level of 100% shall be considered acceptable.

IV. THREE POINT CONTACT

- A. The claims examiner shall conduct the three (3) point contact with the injured worker, employer representative and treating physician within five (5) working days of receipt of the notice of the claim. An accomplishment level of 95% shall be considered acceptable.

V. INITIAL INDEMNITY PAYMENT

- A. The initial indemnity payment will be issued and mailed to the injured employee within fourteen (14) days of the first day of disability. This shall not apply with salary continuation. An accomplishment level of 100% shall be considered acceptable.
- B. The properly completed DWC Benefit Notice shall be mailed to the employee within fourteen (14) days. An accomplishment level of 100% shall be considered acceptable.
- C. Late payments due directly to the injured worker must include the self imposed 10% penalty in accordance with Labor Code Section 4650. An accomplishment level of 100% shall be considered acceptable.

VI. SUBSEQUENT INDEMNITY PAYMENTS

- A. All indemnity payments subsequent to the first payment will be verified, except for obvious long-term disability, and issued in compliance with Labor Code Section 4651. An accomplishment level of 100% shall be considered acceptable.
- B. Late payments must include the self-imposed 10% penalty in accordance with Labor Code Section 4650. An accomplishment level of 100% shall be considered acceptable.

VII. FINAL INDEMNITY PAYMENTS

- A. All final payments will be issued with the appropriate DWC benefit notices.

VIII. TRANSPORTATION EXPENSE

- A. Transportation reimbursement will be mailed within fifteen (15) working days of the receipt of the claim for reimbursement. Advance travel expense payments will be mailed to the injured employee ten (10) days prior to the anticipated date of travel. An accomplishment level of 100% shall be considered acceptable.

IX. MEDICAL PAYMENTS

- A. Medical treatment billings (physician, pharmacy, hospital, physiotherapist, etc.) will be matched to the file, reviewed for correctness, approved for payment and paid within sixty (60) calendar days of receipt. An accomplishment level of 100% shall be considered acceptable.
- B. The medical provider must be notified in writing within 30 working days if a medical bill is contested, denied or incomplete.

- C. A bill review process should be utilized wherever possible. There should be participation in a PPO whenever possible.

X. PHYSICIAN CONTACT

- A. In cases involving loss of time from work, the attending physician's office will be contacted within five (5) working days of notice of claim. Such contact will continue as needed during the continuation of temporary disability to assure that treatment is related to a compensable injury or illness.

XI. LITIGATED CASES

The claims administrator and Member shall establish written guidelines for the handling of litigated cases. The guidelines should, at a minimum, include the points below, which may be adopted and incorporated by reference as "the guidelines".

A. Defense of Litigated Claims

1. The claims administrator shall promptly initiate investigation of issues identified as material to potential litigation. The Member shall be alerted to the need for in-house investigation, or the need for a contract investigator who is acceptable to the Member. The Member shall be kept informed on the scope and results of investigations.
2. The claims administrator shall, in consultation with the Member, assign defense counsel from a list approved by the Member. (Note: To comply with Government Code Section 25203, the Member's list should be approved by a two-thirds vote of the board of supervisors.)
3. Settlement proposals directed to the Member shall be forwarded by the claims administrator or defense counsel in a concise and clear written form with a reasoned recommendation. Settlement proposals shall be presented to the Member as directed so as to insure receipt in sufficient time to process the proposal.
4. Knowledgeable Member personnel shall be involved in the preparation for medical examinations and trial, when appropriate or deemed necessary by the Member so that all material evidence and witnesses are utilized to obtain a favorable result for the defense.
5. The claims administrator shall comply with any reporting requirement of the Member.

B. Subrogation

1. In all cases where a third party (other than a Member employee or agent) is responsible for the injury to the employee, the third party shall be contacted within 10 days with notification of the Member's right to subrogation and the recovery of certain claim expenses. If the third party is a governmental entity, a claim shall be filed with the

governing board (or State Board of Control as to State entities) within 6 months of the injury or notice of the injury.

2. Periodic contact shall be made with the responsible party and/or insurer to provide notification of the amount of the estimated recovery to which the Member will be entitled.
3. The file will be monitored to determine the need to file a complaint in civil court in order to preserve the statute of limitations.
4. If the injured worker brings a civil action against the party responsible for the injury, the claims administrator shall consult with the Member about the value of the subrogation claim and other considerations. Upon Member authorization, subrogation counsel shall be assigned to file a Lien or a Complaint in Intervention in the civil action.
5. Whenever practical, the claims administrator will aggressively pursue recovery in any subrogation claim. They should attempt to maximize the recovery for benefits paid, and assert a credit against the injured workers' net recovery for future benefit payments.

XII. VOCATIONAL REHABILITATION

- A. Adjusting personnel will notify the injured worker of their potential rights to rehabilitation benefits per Labor Code Section 4636 after 90 days of aggregate temporary disability and get the treating doctor to determine if injured worker is a Qualified Injured Worker.
- B. Determination of the Qualified Injured Worker/Non-Qualified Injured Worker status shall be made in accordance with Labor Code Section 4637. The adjusting personnel shall advise the injured worker of his/her rehabilitation benefits in accordance with the Rules of the Division of Workers' Compensation, within ten (10) days of knowledge of medical eligibility. The claims administrator will:
 1. Notify the employer of the employee's permanent work restrictions so that the employer can determine the availability of permanent modified or alternate work.
 2. Make timely referral to a Qualified Rehabilitation Representative in accordance with Labor Code Section 4637
 3. Control rehabilitation costs.
 4. Attempt to secure the prompt conclusion of vocational rehabilitation benefits, and settle rehabilitation where appropriate.

XIII. FISCAL HANDLING

- A. Active indemnity cases will be balanced with appropriate file documentation on a semi-annual basis to verify that statutory benefits are paid, and medical, legal and vocational rehabilitation charges are appropriate. An accomplishment level of 100% shall be considered acceptable.

XIV. EXCESS INSURANCE

- A. Potential Workers' Compensation excess cases shall be reported in accordance with the reporting criteria established by The Bylaws of the CSAC Excess Insurance Authority.

All cases which meet the established reporting criteria are to be reported within five (5) working days of the day on which it is known the criterion is met. An accomplishment level of 100% shall be considered acceptable.

XV. AWARD PAYMENT

- A. Payments on undisputed Awards, Commutations, or Compromise and Releases will be issued within ten (10) days following receipt of the appropriate document. An accomplishment level of 100% shall be considered acceptable.

XVI. PENALTIES

- A. If the Member utilizes a third party administrator, the Member will be advised of the assessment of any penalty for delayed payment and the reason thereof, and the administrators plans for payment of such penalty within five (5) days of assessment. An accomplishment level of 100% shall be considered acceptable.
- B. If the Member utilizes a third party administrator, the Member, in their contract with the administrator, shall specify who is responsible for specific penalties.

XVII. RESERVES

- A. Using the information available at the time, an initial reserve will be established at the most probable case value. Claim reserves shall be reviewed on a regular basis and updated as case values increase or decrease.

XVIII. RESOLUTION OF CLAIM

- A. Within ten (10) days of receiving medical information indicating that a claim be finalized, the claims examiner shall take appropriate action to finalize the claim. An accomplishment level of 95% shall be considered acceptable.

XIX. CASE CLOSURE

- A. All indemnity cases will be closed within sixty (60) days of the final financial transaction or final correspondence to the injured worker as required by law. An accomplishment level of 95% shall be considered acceptable.
- B. All medical only cases will be closed or transferred to an indemnity status by the ninetieth (90) day following incurral. An accomplishment level of 95% shall be considered acceptable.

XX. TELEPHONE INQUIRIES

- A. Return calls will be made within one working day of the original telephone inquiry. An accomplishment level of 90% shall be considered acceptable.

XXI. INCOMING CORRESPONDENCE

- A. All correspondence received will have the date of receipt clearly stamped on the front side. An accomplishment level of 100% shall be considered acceptable.

XXII. RETURN CORRESPONDENCE

- A. All correspondence requiring a written answer will have such answer completed and transmitted within five (5) working days of receipt. An accomplishment level of 95% is acceptable.

XXIII. SETTLEMENTS

- A. The third party administrator shall obtain the Member's authorization on all settlements or stipulations in excess of the settlement authority provided in any provision of the individual contract between the Member and the claims administrator.
- B. No agreement shall be authorized involving liability, or potential liability, of the Authority without the advance written consent of the Authority.



NCCSIF JPA CRIME POLICY RENEWAL

INFORMATION ITEM

ISSUE: NCCSIF's Crime policy (Bond) expires on July 1, 2014. This year the coverage will be marketed with Alliant's Crime Insurance Program as well. Staff will send out the 2014-2015 Crime Renewal Applications to members with a deadline of April 15, 2014. Preliminary numbers are expected to be available by mid-May and will be presented to the Board of Directors for approval.

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

FISCAL IMPACT: Unknown.

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

ATTACHMENT(S): None.



RECOMMENDED HOLD HARMLESS INDEMNIFICATION CLAUSE

ACTION ITEM

ISSUE: Annually Alliant Insurance Services updates the Insurance Requirements in Contracts (IRIC) Manual and through the IRIC training sessions updates Members regarding new laws and also new insurance language that needs to be addressed. This year there are changes that can have a substantial impact on transferring liability within your contracts and that should be addressed within a new contract Hold Harmless/Indemnification Clause.

RECOMMENDATION: Staff recommends approving these suggested terms for Hold Harmless/Indemnification Clause to be presented to the Board of Directors at the April Board meeting.

FISCAL IMPACT: No direct costs. This new additional risk transfer language may assist in the transfer of future liability in construction contracts.

BACKGROUND: One of the commonly used General Liability forms used states that unless attorney's fees are specifically included in the indemnification language, then the insurance company is not obligated to provide coverage for attorney's fees. Just requiring defense costs may not be enough.

In January of 2013, SB 474 was passed that limits Public Entities contracts with construction contractors. Indemnification of the Public Agency willful or active negligence is not allowed. Similarly the general contractor is likewise limited to the same extent in its indemnity agreements with its sub-contractors.

New 2014 Insurance Services Offices additional insured endorsements now restrict coverage to the extent permitted by law and also restrict coverage to the limit required in the contract language. We recommend reviewing with your City Attorney the suggested terms for your City hold harmless/indemnification clause language. ONLY language approved by your City Attorney should be used.



Suggested terms to include:

- ▶ **To the fullest extent allowable by law;**
- ▶ **Any and all liability, claims, losses, damages or expenses, *including reasonable attorney's fees*;**
- ▶ **Excluding, however, such liability claims losses, damages or expenses arising from City's sole negligence or willful acts;**
- ▶ **If the contractor maintains additional coverage or higher limits than those required within the Insurance Requirements section, then City shall be entitled to additional coverage or higher limits maintained by contractor. (This should also be added to the Insurance Requirements section.)**

ATTACHMENT(S): None.



ROUND TABLE DISCUSSION

INFORMATION ITEM

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

RECOMMENDATION: None.

FISCAL IMPACT: None.

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

ATTACHMENT(S): None.

NCCSIF Organizational Chart

BOARD OF DIRECTORS			
Jeff	Kiser		City of Anderson
Shari	Conley		City of Auburn
Toni	Benson		City of Colusa
John	Brewer		City of Corning
Steve	Johnson	EC	City of Dixon
Brad	Koehn		City of Elk Grove
Bruce	Cline		City of Folsom
Paula	Islas		City of Galt
Karin	Helvey		City of Gridley
Ed	Pattison		City of Lone
Michael	Daly		City of Jackson
John	Lee	EC	City of Lincoln
Matt	Michaelis		City of Marysville
Corey	Shaver	EC	City of Nevada City
Liz	Ehrenstrom	P	City of Oroville
Gina	Will		Town of Paradise
Dave	Warren		City of Placerville
Sandy	Ryan		City of Red Bluff
Tim	Chapa	EC	City of Rio Vista
Russell	Hildebrand	VP	City of Rocklin
Tim	Sailsbery	T	City of Willows
Natalie	Walter		City of Yuba City

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

EXECUTIVE COMMITTEE			
Liz	Ehrenstrom	P	City of Oroville
Russell	Hildebrand	VP	City of Rocklin
Paula	Islas	S	City of Galt
Tim	Sailsbery	T	City of Willows
Steve	Johnson	EC	City of Dixon
John	Lee	EC	City of Lincoln
Corey	Shaver	EC	City of Nevada City
Tim	Chapa	EC	City of Rio Vista

RISK MANAGEMENT COMMITTEE		
Juanita	Barnett	City of Anderson
Robert	Richardson	City of Auburn
Shelly	Kittle	City of Colusa
Tom	Watson	City of Corning
Kim	Stalie	City of Dixon
Brad	Koehn	City of Elk Grove
Bruce	Cline	City of Folsom
Paula	Islas	City of Galt
Karin	Helvey	City of Gridley
Ed	Pattison	City of Lone
Carla	Soracco	City of Jackson
John	Lee	City of Lincoln
Matt	Michaelis	City of Marysville
Catrina	Olson	City of Nevada City
Liz	Ehrenstrom	City of Oroville
Crystal	Peters	Town of Paradise
Dave	Warren	City of Placerville
Sandy	Ryan	City of Red Bluff
Marni	Rittburg	City of Rio Vista
Russell	Hildebrand	City of Rocklin
Wayne	Peabody	City of Willows
Natalie	Walter	City of Yuba City

PROGRAM ADMINISTRATORS		
Marcus	Beverly	Alliant Insurance Services
Michael	Simmons	Alliant Insurance Services
Joan	Crossley	Alliant Insurance Services
Johnny	Yang	Alliant Insurance Services
Laurence	Voiculescu	Alliant Insurance Services

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

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

P = President	VP = Vice President
S = Secretary	T = Treasurer

Northern California Cities State Self Insurance Fund

Travel Reimbursement Expense Form

Member Representative: _____

Entity: _____

Payee Address: _____

Meeting or Committee: _____

Date of Meeting: _____

Location of Meeting: _____

Total Mileage: _____

Payment Made to:

Signature _____ Date _____

2013 NCCSIF RESOURCE CONTACT GUIDE

<p style="text-align: center;"><u>ACCOUNTING SERVICES</u> James Marta & Company CPAs 701 Howe Avenue, Suite E3 Sacramento, California 95825 Main: (916) 993-9494 · Fax: (916) 993-9489 www.jpmpca.com Jim Marta - jmarta@jpmpca.com</p>	<p style="text-align: center;"><u>EMPLOYEE ASSISTANCE PROGRAM</u> ACI Specialty Benefits Corporation 5414 Oberlin Drive, Suite 240 San Diego, California 92121 Main: (858) 452-1254 · Fax: (858) 452-7819 www.acieap.com Tori Barr - tbarr@acieap.com</p>		
<p><u>CLAIMS ADMINISTRATION / LOSS CONTROL</u> York Risk Services Group, Inc. www.yorkrsg.com P.O. Box 619058 Roseville, CA 95661-9058 (800) 922-5020 · Fax (800) 921-7683</p>			
LIABILITY CONTACTS	WORKERS' COMPENSATION		
<p>Jennifer Nogosek Unit Manager (916) 960-0997 jennifer.nogosek@yorkrsg.com Cameron Dewey Senior Adjuster - Redding (530) 243-3249 cameron.dewey@yorkrsg.com Shawn Millar Senior Adjuster - Chico (530) 345-5998 shawn.millar@yorkrsg.com Olivia Doney Adjuster - Chico (530) 345-5883 olivia.doney@yorkrsg.com Dan Lamb Senior Adjuster - Foothills (209) 795-0742 dan.lamb@yorkrsg.com</p> <p style="text-align: center;"><u>RESOURCES</u></p> <p>Tom Baber Vice President Liability (916) 746-8834 tom.baber@yorkrsg.com Marcus Beverly Client Relations Director (916) 746-8828 marcus.beverly@yorkrsg.com</p>	<p>Bernard Sarmiento Senior Adjuster - Roseville (916) 960-0902 bernard.sarmiento@yorkrsg.com D'Ana Seivert Adjuster - Roseville (916) 960-0987 d'ana.seivert@yorkrsg.com Erica Nichols Adjuster - Roseville (916) 960-1026 erica.nichols@yorkrsg.com Erik Baldwin Adjuster - Roseville (916) 746-8856 erik.baldwin@yorkrsg.com John Tucker Senior Adjuster - Stockton (209) 320-0804 john.tucker@yorkrsg.com</p> <p style="text-align: center;"><u>RESOURCES</u></p> <p>Craig Wheaton, J.D. Assistant Vice President Liability - Roseville (916) 960-0988 craig.wheaton@yorkrsg.com Mike Berndt Assistant Vice President (916) 746-8828 mike.berndt@yorkrsg.com</p>	<p>Lela Casey Senior Claims Examiner lela.casey@yorkrsg.com</p> <p>Federica Simpson Future Medical Examiner (916) 960-1021 federica.simpson@yorkrsg.com MO's and FM's for Kelly's cities Michelle Bridges Senior Claims Examiner michelle.bridges@yorkrsg.com</p> <p>Debra Yokota Regional Vice President Workers' Compensation (916) 960-0965 debra.yokota@yorkrsg.com Marcus Beverly Client Relations Director (916) 746-8828 marcus.beverly@yorkrsg.com</p>	<p>Christine Stillwell Future Medical Examiner (916) 960-0950 christine.stillwell@yorkrsg.com MO's and FM's for Carol and Teresa's cities Ben Burg Unit Manager (916) 960-0946 ben.burg@yorkrsg.com</p> <p style="text-align: center;"><u>RESOURCES</u></p> <p>Kelli Vitale Carson Assistant Vice President Workers' Compensation (916) 960-0998 kelli.vitalecarson@yorkrsg.com</p>