



## **HANDOUTS**

from December 14, 2017 Long Range Planning and Board of Directors Meeting

**Pre-Meeting Training:** NCCSIF Orientation and Refresher Training Presentation

**Long Range Planning Packet (LRP)**

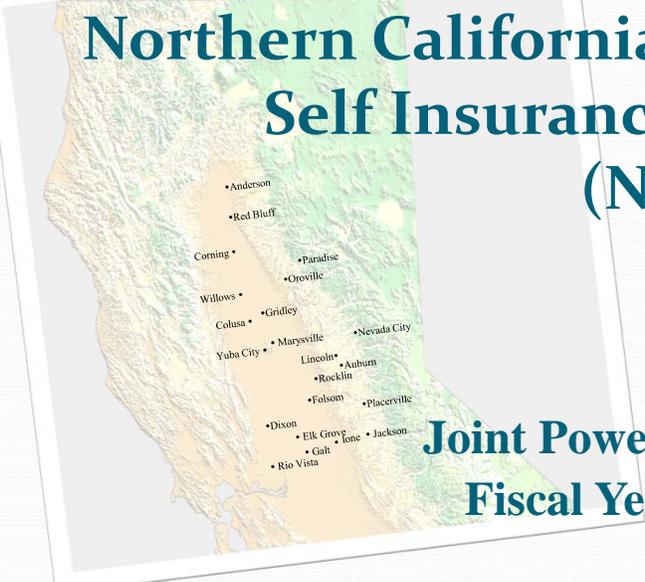
**E.1. LRP:** Target Funding Benchmarks Presentation

**E.2. LRP:** Emerging Risks Presentation

**Lunch Presentation:** State of the Insurance Market 2018 Presentation

**G.3. Program Administrator's Report:** 2017/18 NCCSIF Annual Report

**I.3. Executive Committee Members Rotation Structure/Schedule:** Proposed 2019 – 2025 Executive Committee Rotation Schedule by Size *REVISED CHART*



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

**Joint Powers Authority  
Fiscal Year 2017/18**

The map shows the following cities: Anderson, Red Bluff, Coming, Paradise, Oreville, Willows, Colusa, Gridley, Nevada City, Yuba City, Marysville, Lincoln, Auburn, Rocklin, Folsom, Placerville, Dixon, Elk Grove, Galt, Rio Vista, Jackson, and Lone.

## **WHAT IS NCCSIF?**

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- The Programs
- Funding Mechanisms
- The Governance
- The Program Services
- Claims Administration

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# NCCSIF – The Programs



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## Program Participants

MEMBER	POOLED PROGRAMS		GROUP PURCHASE					INDIVIDUAL PURCHASE					
	LIABILITY	WORKERS' COMP	API PROPERTY	API PHYSICAL DAMAGE	API FLOOD	ACIP CRIME	ID FRAUD Expense Reimbursement	AMVP Auto Physical Damage	AIRPORT	POLLUTION	DIC-Earthquake	EAP through ACI	Alliant Special Events Program
City of Anderson	✓	✓	✓			✓	✓	✓				✓	✓
City of Auburn	✓	✓	✓	✓	✓	✓	✓	✓				✓	✓
City of Colusa	✓	✓	✓			✓	✓	✓				✓	✓
City of Corning	✓	✓	✓			✓	✓	✓				✓	✓
City of Dixon	✓	✓	✓			✓	✓	✓				✓	✓
City of Elk Grove		✓	✓			✓	✓	✓				✓	✓
City of Folsom	✓	✓	✓	✓		✓	✓	✓				✓	✓
City of Galt	✓	✓	✓			✓	✓	✓				✓	✓
City of Gridley	✓	✓	✓	✓		✓	✓	✓				✓	✓
City of Ione	✓	✓	✓	✓	✓	✓	✓	✓		✓		✓	✓
City of Jackson	✓	✓	✓			✓	✓	✓				✓	✓
City of Lincoln	✓	✓	✓	✓		✓	✓	✓		✓		✓	✓
City of Marysville	✓	✓	✓		✓	✓	✓	✓				✓	✓
City of Nevada City		✓	✓			✓	✓	✓				✓	✓
City of Oroville	✓	✓	✓			✓	✓	✓				✓	✓
Town of Paradise	✓	✓	✓			✓	✓	✓				✓	✓
City of Placerville		✓	✓			✓	✓	✓				✓	✓
City of Red Bluff	✓	✓	✓	✓		✓	✓	✓				✓	✓
City of Rio Vista	✓	✓	✓			✓	✓	✓		✓		✓	✓
City of Rocklin	✓	✓	✓			✓	✓	✓				✓	✓
City of Willows	✓	✓	✓			✓	✓	✓				✓	✓
City of Yuba City	✓	✓	✓	✓	✓	✓	✓	✓				✓	✓

APIP = Alliant Property Insurance Program  
AMVP = Alliant Mobile Vehicle Program

ACIP = Alliant Crime Insurance Program  
Special Events serviced by Penny DeWitt in Newport Beach office

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# NCCSIF Workers' Compensation Coverage Layers

CSAC – EIA  
Excess Insurance  
To Statutory Limits

CSAC – EIA Pooled Layer  
Counties & Other Public Entities  
\$500,001 - \$5,000,000

Shared Risk Layer  
NCCSIF Members  
\$100,001 - \$500,000

Banking Layer – **Each Member**  
\$0 - \$100,000

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## Excess Workers' Compensation



### Excess Workers' Compensation

#### Excess Pool – CSAC Excess Insurance Authority

<https://www.csac-eia.org/>

- Statutory Limit
  - Members Pool Risk to \$5 Million
  - Excess Insurance to Statutory Limit
- Employers' Liability - \$5,000,000
- Risk Management Services
  - Target Solutions Online Training

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# NCCSIF Liability Coverage Layers

<p>CJPRMA</p> <p><u>Excess Insurance</u> to \$40,000,000 EPL Limit = \$10,000,000</p>
<p>CJPRMA Pooled Layer <u>Pool Members</u> \$500,001 - \$5,000,000</p>
<p>Shared Risk Layer <u>NCCSIF Members</u> \$50,001 - \$500,000</p>
<p>Banking Layer: \$0 - \$50,000 <u>Each Member</u></p>

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## Excess Liability Coverage



[www.cjprma.org](http://www.cjprma.org)

- CJPRMA - Excess Liability Pool
- Limits are \$40,000,000 per Occurrence
  - Employment Practices Liability = \$10,000,000 Limit
- Dividends paid past seven years.
- Last year's dividend was \$274,337

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## Property – Pooled Purchasing Program

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- **All Real and Personal Property**
  - **Business Interruption**
  - **Course of Construction**
  - **Errors & Omissions**
  - **Boiler & Machinery**
- **“All Risk” Less Exclusions such as:**
  - Earthquake and Flood (available individually)
- **Replacement Cost Coverage**
  - Including Code Upgrades
- **Loss Limit - \$1 Billion Per Loss, Combined All Members**
- **Deductible: \$5,000 per loss**

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## Other Coverages

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- **Fidelity (Crime) Coverages - \$3 Million Limit**
  - Faithful Performance Included
  - Bonded Employees – Treasurer, City Manager
- **Employee Assistance Program (EAP) –**
  - Includes Wellness Program
- **Cyber Liability – \$2 Mil Limit**
- **Auto Physical Damage – \$1 or \$2,000 Deductible**
- **Pollution Liability – \$10 Mil Limit**
- **ID Fraud – for Member employees**

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## NCCSIF – Funding Mechanisms



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## The Funding Mechanisms - Banking and Shared Risk Layers

- **Total Deposit** – based on Actuarial Analysis of Expected Loss Costs
- **Member's Share** – based on:
  - Size of Payroll
  - Loss History for past five years
  - Expected losses based on WCIRB rates (WC only)
  - Admin Costs Shared Equally and by Payroll

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## The Funding Mechanisms - The Banking Layer

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### No Risk Sharing

- Each Members' Funds are Accounted for Separately
- Quarterly Financial Statements Advise Members of the Status of Funds
- Members may borrow funds if needed and repay over time

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## The Banking Layer

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### Refunds/Assessments

- The Board of Directors annually declares a refund or assessment in the Spring
- Refunds are based upon a member's Net Position exceeding funding benchmarks
- Members may contribute some or all of their refund to their own risk management fund
- Assessments are limited to 20% of the amount needed to meet funding benchmarks

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## The Shared Layer



### Funding

Based on Member's share of total exposure  
(Payroll x Ex Mod)

### Refunds/Assessments

- Based on meeting target benchmarks
- All members share in the refund or assessment based on total premiums paid

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## NCCSIF – The Governance



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## Board of Directors



- Each Member appoints a Board Director and Alternate
  - Quarterly Meetings
  - Each Member has One Vote
  - Approves annual budget
  - Approves any changes to the Bylaws or Policies
  - Selects the seven members of the Executive Committee

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## Executive Committee

2018 NCCSIF Executive Committee	
Member	Representative
City of Anderson	Liz Cottrell
City of Corning	Kristina Miller
City of Gridley	Vacant
City of Oroville	Liz Ehrenstrom
Town of Paradise	Gina Will
City of Red Bluff	Sandy Ryan
City of Willows	Tim Sailsbery
President, City of Placerville	Dave Warren
Secretary, City of Lincoln	Astrida Trupovnieks
Treasurer, non-voting	Tim Sailsbery
CJPRMA Rep, non-voting	Astrida Trupovnieks

- President, Vice President, Secretary, and seven to eight Members who *rotate based on geography* through two-year terms.
- Treasurer & CJPRMA Board Member (non-voting)
- Responsible for day to day JPA operations
- Selects Claims Committee

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## Claims Committee

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- **Reviews Claims in Shared Risk Layer**
  - Authorize settlements
  - Make determinations on coverage
- **Claims Settlement Authority**
  - Banking layer is with City
  - Banking layer to \$250,000 Claims Committee
  - Over \$250,000 decisions are made by the Executive Committee

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## Risk Management Committee

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### **One Representative from each Member**

- **Meets Quarterly**
- **Develops Safety Policies and Procedures**
  - Recommends RM Best Practices
  - Keeps track of member progress via Scorecard
- **Develops Risk Management Programs**
  - Recommends training topics and resources
  - Manages Risk Management Budget
- **Exchange of Safety & Risk Management Techniques**
- **Oversight of Safety & Risk Control services**

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## Police Risk Management Committee



### **Police departments are NCCSIF's largest loss exposure**

- Continually reviews policies, procedures and claims to improve results
- Provides quarterly training sessions to improve control of loss costs
- Recommends grant fund amounts and uses
  - Grants funded for body cameras
- Lexipol Policy and Procedure updates included in liability funding
- Daily training bulletins made available to all members

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## Policy and Procedures



### **Four types**

- Administrative
- Liability
- Workers' Compensation
- Risk Management

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## NCCSIF – The Program Services



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## Program Administration

### ➤ **Administrative Services provided by Alliant Insurance Services**

- Prepare Agendas and Coordinate Meetings
- Develop and Maintain Policy and Procedures
- Preparation of Annual Budget and Program Deposits
- Issue, Modify and Maintain Memorandums of Coverage for the Shared Risk layer
- Assist with Audits
- Maintain NCCSIF Documents



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## Program Administration

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### ➤ **Brokerage Services provided by Alliant Insurance Services**

- Ongoing Review of Coverages
- Develop Renewal Marketing Information
- Marketing of Renewal Policies
- Develop, Issue and Maintain Certificates of Coverage
- Provide Status of Insurance Industry



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## Program Administration

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### ➤ **Risk Management provided by Alliant Insurance Services**

- Develop Current Risk Management Best Practices
- Coordinate Risk Management Committee
- Coordinate Development of RM Best Practices
- Contract Review for Insurance Requirements



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## **Safety and Risk Control Services provided by Bickmore Risk Services, Inc. (BRS)**

- Performance of On-site Evaluations and training in topics such as lifting, hearing conservation, ergonomics, confined space, scaffold safety, etc.
- BRS works with each City to develop needed training
- Hotline Service for Risk Management Q&A
- Maintenance of Safety Library
- Services as Requested for the Risk Management Committee
- Newsletter updates
- Police Risk Management Committee Coordinator

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## **Outside Training Provided**

- Bickmore Risk Services – based on member needs and assessments.
- Team Trainers – Employment Practices Liability Seminars
- Target Solutions – Web-based safety training
- Lexipol – daily police training bulletins
- Police risk management specialist selected for a training session at each Police RMC meeting.

*Vendor Services Matrix provided in every Board agenda packet and on the NCCSIF website*

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# NCCSIF – Claims Administration



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## Claims Administration by York

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### ➤ **Liability and Workers' Compensation**

- Full Claims Adjusting Services Since 1986
- Claims Management Information System (CMIS)
- Dedicated Risk Analyst
  - Maintenance of Loss Data
  - Production of Monthly Loss Runs
  - Creation of Special / Ad hoc Loss Reports
  - Trust Account Management
- Claim Review Meetings as needed or as requested

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## Claims Administration Liability

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### Full Claims Adjusting and Field Investigation Services

- Claims Manager - Cameron Dewey
  - 1st Dollar Claims Management
  - 24/7 Emergency Call Out Services
  - Status Reports to Members
  - Settlements with Member's Approval
  - Report and Make Recommendations to Claims Committee
  - Reporting to Excess Pools and Carriers
- **Litigation Management**
  - Assignment of Defense Counsel With Member Approval
  - Approved Defense Counsel Panel
  - Cost Containment with Legal Budgets and Litigation Plans

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## Claims Administration Workers' Compensation

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- Claims are Handled from Roseville Claims office
  - Steve Scott - Claims Manager
- Dedicated Claims Examiners
- Average of 10 Years Claims Experience per Workers' Compensation Claims Examiner
- Claim Reviews as scheduled with member & Alliant
- Assistance with Return To Work efforts

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## Claims Administration Workers' Compensation

### Ancillary Services

- Medical Cost Containment
  - Bill Review Services
  - Utilization Review
  - MPN Partnerships
- Fraud Prevention & Investigations
- Electronic Employer's Report of Injury (5020 Form)
  - Simplified reporting via web-based form
  - Integration of data into York claim system

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## The End

Please see our website at [www.nccsif.org](http://www.nccsif.org)



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## **LONG-RANGE PLANNING MEETING**

December 14, 2017

Rocklin Event Center

### **MISSION STATEMENT**

The Northern California Cities Self Insurance Fund (NCCSIF) is an association of municipalities joined together in 1979 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.



**LRP Item E.I.**

**REVIEW OF NCCSIF FINANCIAL STRENGTH**

**TOPIC:** Overall NCCSIF is in good financial health, based on current funding benchmarks. However, trends including larger verdicts and settlement values and member budget issues may require greater financial strength to adequately provide coverage and services.

Questions to consider for later discussion:

- What if we have to raise our SIR due to pressure from excess coverage providers?
- Should we fund to be able to support a \$1 million SIR?
- What is the appropriate confidence level for funding and/or dividend distribution?
- Should we prepare for members who may have severe budget problems?
- Should we increase the ratio benchmarks?
- Use dividends to expand services? Correct hazards?

**NOTES:**

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**LRP Item E.2.**

**EMERGING RISKS**

**TOPIC:** Members will continue to face challenges from the inevitable changes that continue to occur at an ever-increasing pace. A review of a few of these emerging and potential risks is meant to get members thinking about the future and how NCCSIF may adapt to continue as a valued resource.

- Drones
- Artificial Intelligence
- Driverless cars
- Climate change - flooding, fires, winds
- Cyber Risk - attacks and liability
- Change Management
- Technology
- Regulation
- Interest rates
- Reputation Risk
- Quality of talent - management, governance
- Social Change
- Budgets, pension liability

**NOTES:**

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**LRP Item E.3.**

**WHAT DO WE WANT TO BE WHEN WE GROW UP**

**TOPIC:** Members are encouraged to discuss the future of NCCSIF, including programs and services offered, financial strength, and how NCCSIF can continue to fulfill its mission to *protect member resources* by *stabilizing risk costs* while providing *broad coverage* and *quality risk management* services.

- What do members want to achieve as part of NCCSIF?
- What does our future look like?
- How will risks change and what do we need to do to react?
- How do we believe we can make a difference?

**DISCUSSION POINTS:**

- 1) Are we happy with our size?
- 2) Retain and/or Attract Membership?
- 3) Financial goals met?
- 4) Services desired?
- 5) Coverage needs?



**OBJECTIVE:**

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**ACTION(s)/DELIVERABLE(s):**

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**DEADLINE(s):**

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**FINANCIAL IMPACT:**

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**RESPONSIBILITY:**

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**LRP Item E.4.**

**WHAT MORE CAN NCCSIF DO FOR MEMBERS**

**TOPIC:** NCCSIF needs to regularly assess where it is in terms of meeting member needs and accomplishing its mission, particularly as those needs change in response to the changes in member risk exposures brought about by any number of factors.

- Where are we falling short in meeting member's current needs?
- Where do we expect gaps in service or coverage to occur next?
- What should members consider adding to coverage or services?
- What part of the problem should we work on - what role and where will we focus?

**DISCUSSION POINTS:**

- 1) Providing enough support?
- 2) Become more proactive in risk management consulting?
- 3) Are we managing claims holistically?
- 4) Litigation Management?
- 5) What would we do if we had double the Admin fee?



**OBJECTIVE:**

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**ACTION(s)/DELIVERABLE(s):**

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**DEADLINE(s):**

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**FINANCIAL IMPACT:**

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**RESPONSIBILITY:**

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**LRP Item E.5.**

**HOW DO WE ACHIEVE GREATNESS**

**TOPIC:** Every organization wants to be the best. This item should address what NCCSIF need to do to stand out from the crowd, and most importantly, what level of service does it need to provide for members to recognize that NCCSIF is the best option for them.

- What does greatness look like?
- What are the impediments to our success?
- How can we customize NCCSIF for each member?
- What skills and abilities will we need, individually and collectively, to create the impact we've set out to achieve?
- How will we measure our success?

**DISCUSSION POINTS:**

- 1) Internal and external pressures?
- 2) Political and financial issues?
- 3) What challenges are members facing?



**OBJECTIVE:**

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**ACTION(s)/DELIVERABLE(s):**

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**DEADLINE(s):**

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**FINANCIAL IMPACT:**

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**RESPONSIBILITY:**

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# Northern California Cities Self Insurance Fund (NCCSIF)

## Target Funding Benchmarks

Presented by:

Marcus Beverly, Alliant Insurance Services

December 14, 2017

## Outline

- Funding Policy – Purpose & Definitions
- Benchmarks – Key Risk Exposures
  - Large Losses
  - Reserving Errors
  - Pricing Errors
- Trends & Takeaways

## Target Funding Policy - Purpose

- *Guidance* for Board in development of *annual funding, dividend and assessment decisions*
- Provide benchmarks to *measure and maintain* the pool's *financial stability*
- Expose deteriorating experience and *react to minimize adverse impact* on the pool

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## Definitions

- **Confidence Level (CL)** – an estimated probability that a given level of funding will be sufficient to pay actual claim costs. The higher a CL the greater certainty the actuary has that losses will not exceed the dollar value used to attain the CL. An estimate at the 70% CL means that in 7 of 10 years the amount will be at least enough to pay all applicable claims.
- **Expected Liabilities (EL)** – Outstanding Reserves plus Incurred But Not Reported (IBNR) and Loss Adjustment Expense, discounted, at the “Expected” CL (approximately 55% CL).
- **Incurred But Not Reported (IBNR)** – the estimate of funds needed to pay for covered losses that have occurred but have not been reported to the member and/or NCCSIF, and expected future development on claims already reported.

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## Definitions

- **Loss Adjustment Expense (LAE)** – administrative expenses to manage a claim to conclusion. Allocated LAE (ALEA) are expenses attributable to a specific claim, such as attorney fees. Unallocated LAE (ULAE) are overhead expenses not attributable to a specific claim, such as office rental.
- **Net Assets (NA)** (Equity, Surplus or Net Position) - Total Assets less Expected Liabilities.
- **Net Contribution (NC)** - total contribution for losses less excess insurance
- **Self Insured Retention (SIR)** - the maximum amount of exposure to a single loss retained by NCCSIF.

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## Financials For Benchmarks - FYE 2017

Funding Policy Applies to Shared Layer Only

Work Comp	Banking	Shared	Total
Net Assets (NA)	\$7,791,906	<b>\$4,000,751</b>	\$11,792,657
Expected Liabilities (EL)	\$14,594,405	<b>\$17,329,761</b>	\$31,338,843
Net Contributions (NC)	\$6,162,000	<b>\$3,233,000</b>	\$9,395,000
General Liability	Banking	Shared	Total
Net Assets (NA)	\$2,815,476	<b>\$1,387,946</b>	\$4,203,422
Expected Liabilities (EL)	\$2,456,306	<b>\$5,247,117</b>	\$7,703,423
Net Contributions (NC)	\$1,923,000	<b>\$1,954,000</b>	\$3,877,000

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NA and EL as of 6/30/17. NC for 2017/18

## Benchmarks Measure Exposure To:

- **Large Losses** – Net Assets (NA) to SIR
- **Reserving Errors** – Expected Liabilities to NA
- **Pricing Errors** – Net Contributions to NA

Also measure *yearly changes & trends* in  
**Net Assets, Liabilities, and Contributions**

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## Net Assets to Self Insured Retention Benchmark $\geq 3-5:1$

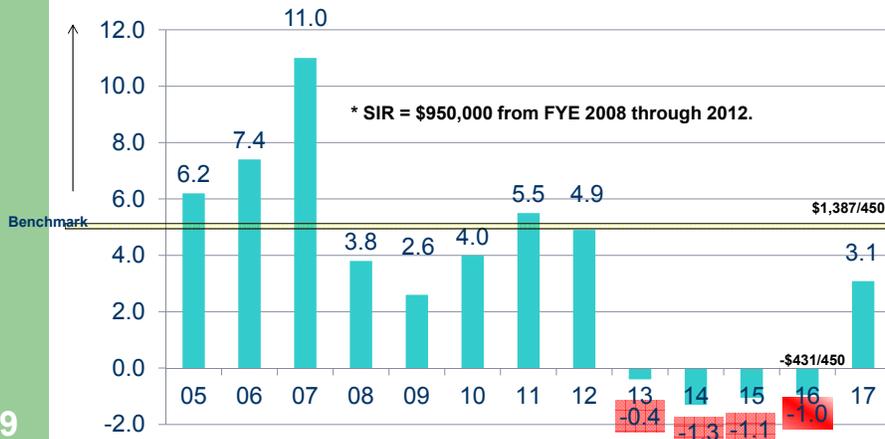
- Measures **how many** maximum **SIR losses** NCCSIF could pay from Net Assets.
- Measures feasibility of increasing the pool SIR.
- A high ratio is desirable.

### Takeaway

1. *GL – Net Assets disappeared in 2013 due to reserve changes. Slight improvement in 2015 and 2016 but still in deficit until **big increase in 2017 boosted results to 3:1.***
2. *WC – Increase from 5.6 to 12.8 in 2016, **slight decrease to 10:1 this year but still above benchmark** after big drop four years ago.*

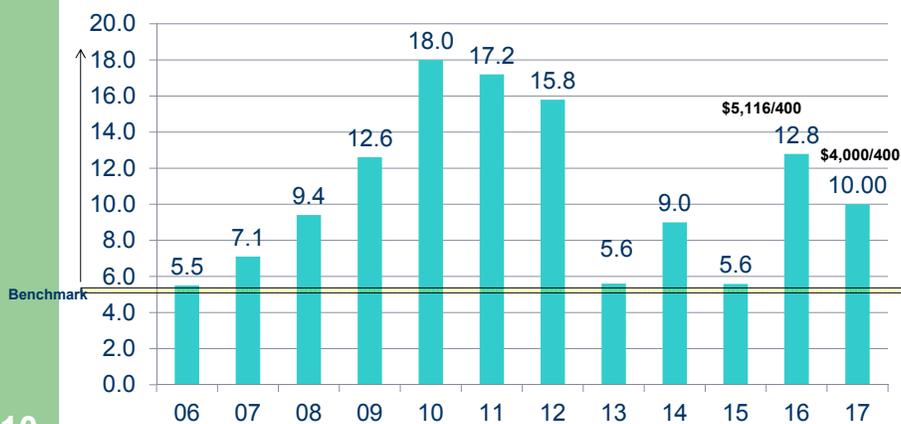
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**Net Assets to SIR: Liability**  
**Benchmark  $\geq$  3-5:1 SIR = \$450,000\***



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**Net Assets to SIR: Work Comp**  
**Benchmark  $\geq$  3-5:1 SIR = \$400,000**



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## Change in Net Position Benchmark $\geq -10\%$

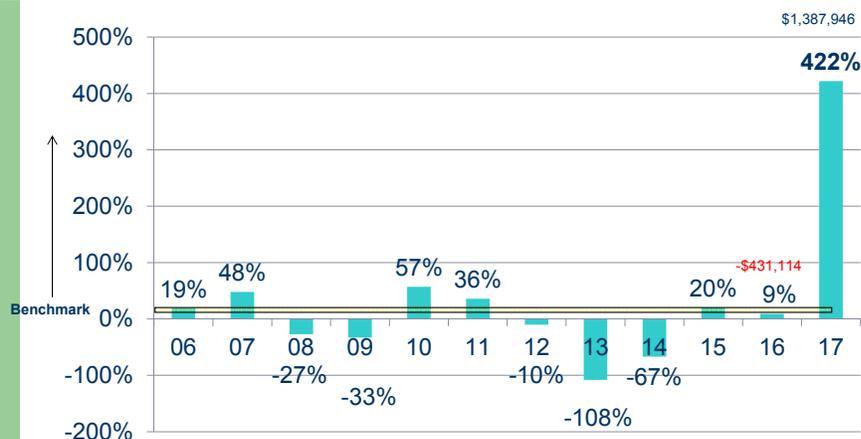
- A decline in net assets in excess of 10% may warrant an increase in annual contributions or an assessment.
- Large fluctuations in net assets indicate the program is experiencing change due to losses and/or dividends.

### Takeaway

1. *GL – treading below water for the last 4-5 years in a deficit position but **big increase of almost \$2 Mil in 2017 to a positive net position.***
2. *WC – **Net Assets decreased 22%, from \$5 to \$4 million, in 2017. Big changes up and down the last five years.***

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## Change in Net Position: Liability Benchmark $\geq -10\%$



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## Change in Net Position: Work Comp Benchmark $\geq -10\%$



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## Expected Liabilities to Net Assets Benchmark $\leq 3:1$

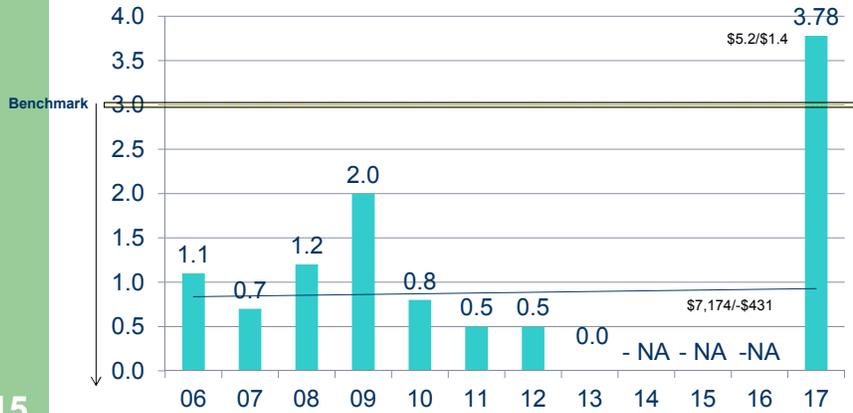
- A measure of NCCSIF's susceptibility to **reserving errors** and/or **adverse loss development**.
- Over time this ratio could also indicate changing loss exposures.
- A low ratio is desirable.

### Takeaway

1. GL – out of deficit position for first time in five years but not yet within the benchmark.
2. WC – **continued volatile results at or outside benchmark** for the last five years, at 4.3:1 after significant improvement in 2016 to hit the 3:1 target.
3. Both experienced significant deterioration in 2013.

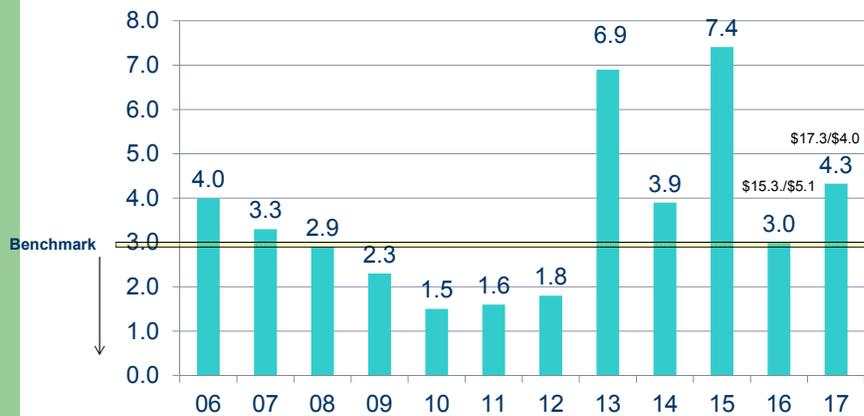
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## Liabilities to Net Assets – Liability Benchmark $\leq 3:1$



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## Liabilities to Net Assets – WC Benchmark $\leq 3:1$



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## Change in Expected Liabilities (EL) Benchmark $\leq 20\%$

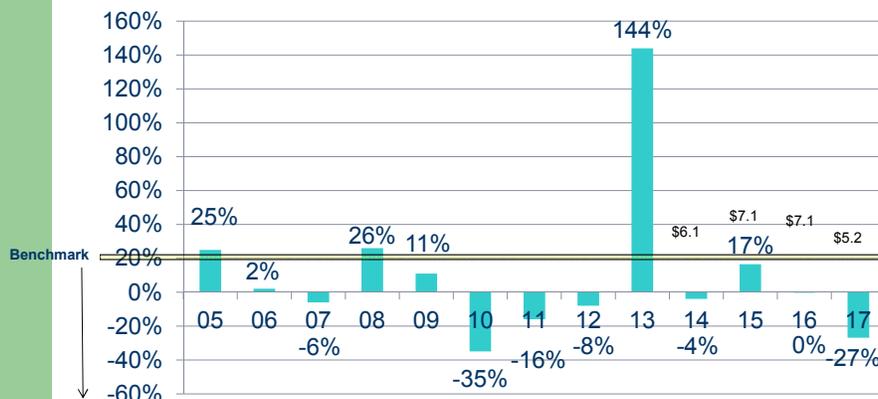
- Measures the change in EL from one year to the next.
- Changes in EL are an *indicator of the accuracy of prior reserve estimates* by claims adjuster and actuary.
- Change of greater than 20% indicates reserving practices may not be conservative enough and/or loss exposures are increasing more than past experience indicates.

### Takeaway

1. GL – **Significant decrease of almost \$2 Mil (27%) in EL** in 2017 after three years of mixed results.
2. WC – Increase of \$2 Mil (13%) in 2017. **Volatility over last five years.** increase of 16% in 2015, decrease of 6% in 2016.

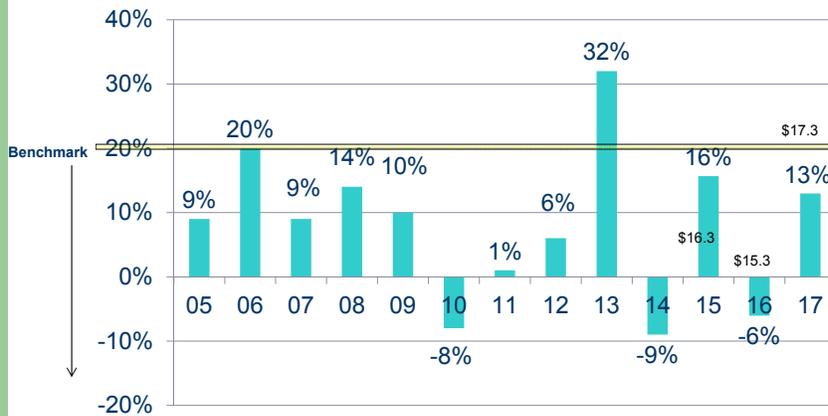
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## Change in Liabilities – Liability Benchmark $\leq 20\%$



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## Change in Liabilities – Work Comp Benchmark $\leq 20\%$



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## Net Contribution to Net Assets Benchmark $\leq 2:1$

- A measure of how net assets are leveraged against possible **pricing** inaccuracies.
- Relationship between *annual deposits* and net assets.
- A low ratio is desirable.

### Takeaway

1. GL – **Now out of deficit and within benchmark.** Well within benchmarks for years before large losses and dividends reduced NP.
2. WC- Last four years have seen volatility but still within benchmark.

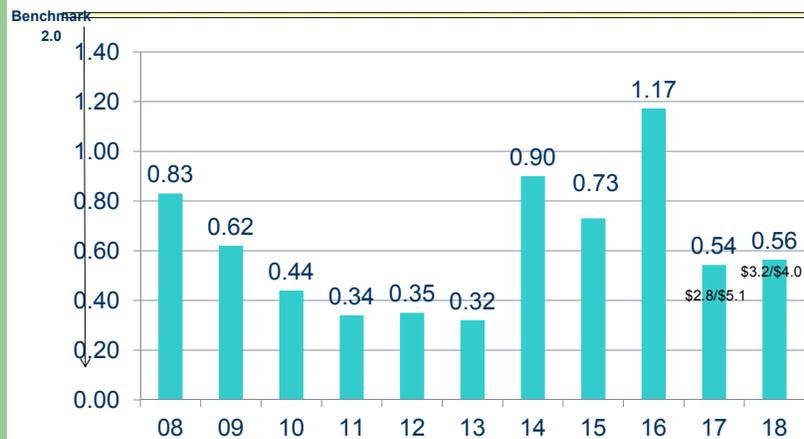
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## Net Contributions to Net Assets Liability - Benchmark $\leq 2:1$



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## Net Contributions to Net Assets Work Comp - Benchmark $\leq 2:1$



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## Change in Net Contributions (NC) Benchmark ≤ 20% per year

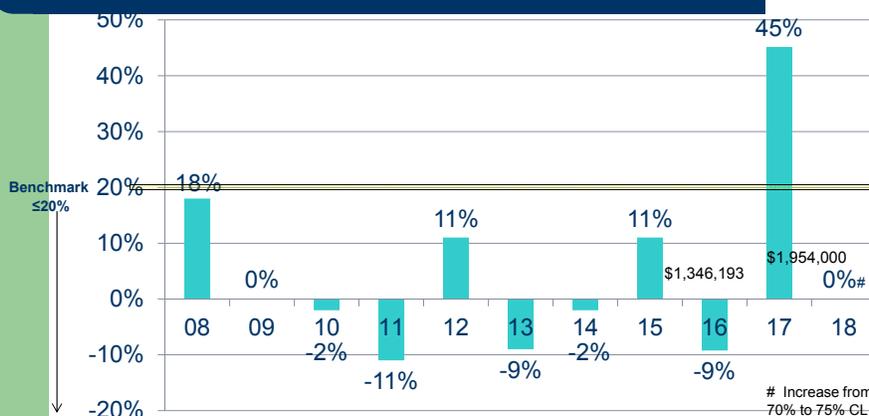
- Measures annual change in NC.
- Changes are an indicator of underlying trends in losses and payroll and the loss sensitivity of the rating plan.
- Change > 20% indicates potential increase in losses and/or exposure or a rating plan that is too loss sensitive.

### Takeaway

1. **GL – no change in 2018 in spite of increase to 75% Confidence Level.**  
Increased 45% last year, with increase to 70% CL.
2. **WC – increase of 12% in 2018 while increasing CL to 75%. Payroll accounted for 9% of the increase.**

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## Change in Net Contributions – GL Benchmark ≤ 20% per year



24

## Change in Net Contributions – WC Benchmark ≤ 20% per year



25

## Summary of Benchmarks

Program Layer	Large Losses NA to SIR	Reserving Errors EL to NA	Pricing Errors NC to NA
WC Shared	Rebound in 2016 to well above benchmark, <b>slight drop in 2017 but still at 10:1, twice the goal.</b>	Outside benchmark again this year. <b>More volatility over the last 5 years, with ratios outside of benchmarks.</b>	Volatile but within benchmark and improved in 2017, <b>holding steady in 2018 with increase in CL.</b>
GL Shared	<i>Treading water</i> for the last three years but <b>deficit has been reversed with a decrease in liabilities.</b>	Liabilities unchanged from 2015 to 2016 but decreased in 2017. <b>Still impacted by 2013 increase but improving.</b>	<b>Steady rates in 2018 reflect improvement</b> in shared losses. <i>Trend to higher rates and CL.</i>

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## Summary of Programs & Trends

- GL – **finally out of deficit** after four years of running in place after impact of increased SIR, large losses, and dividends. *Recommend updating assessment plan and possible increase in funding to 80% CL.*
- WC – **within guidelines** even with mixed results for 2017 but **volatility remains a concern** with reserve swings.
- *Volatility and prior adverse development in both programs have left less room for error and dictate a more conservative approach until the trends change.*

27

## Questions



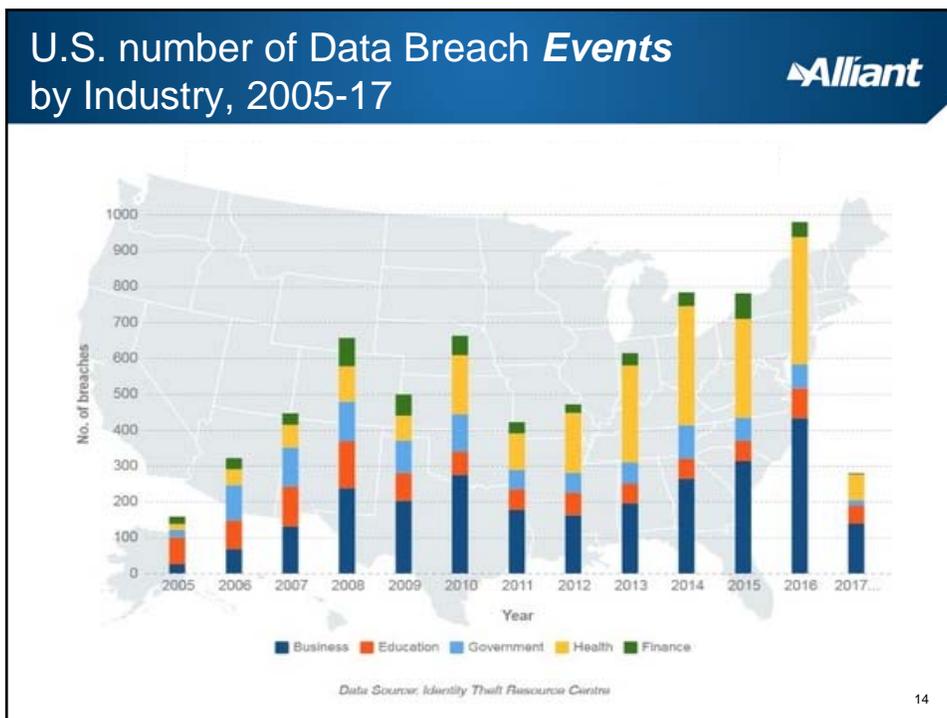
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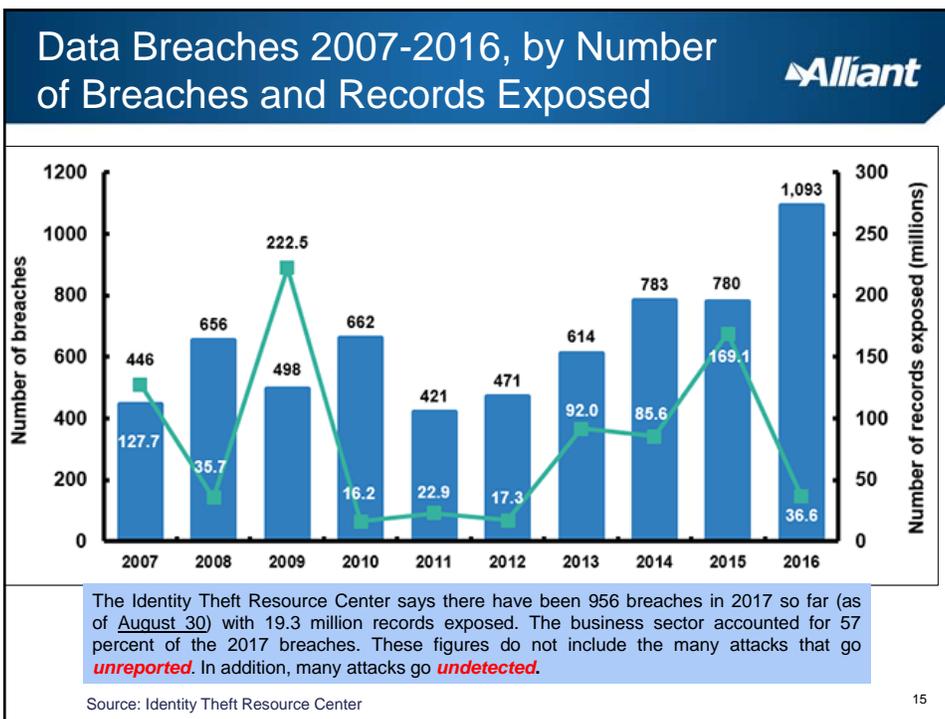
**Cyber Liability  
Trends &  
Emerging Risks  
2018**

**NCCSIF Board Presentation  
December 14, 2017**  
Presented by:  
**Michael Simmons**  
Alliant Insurance Services

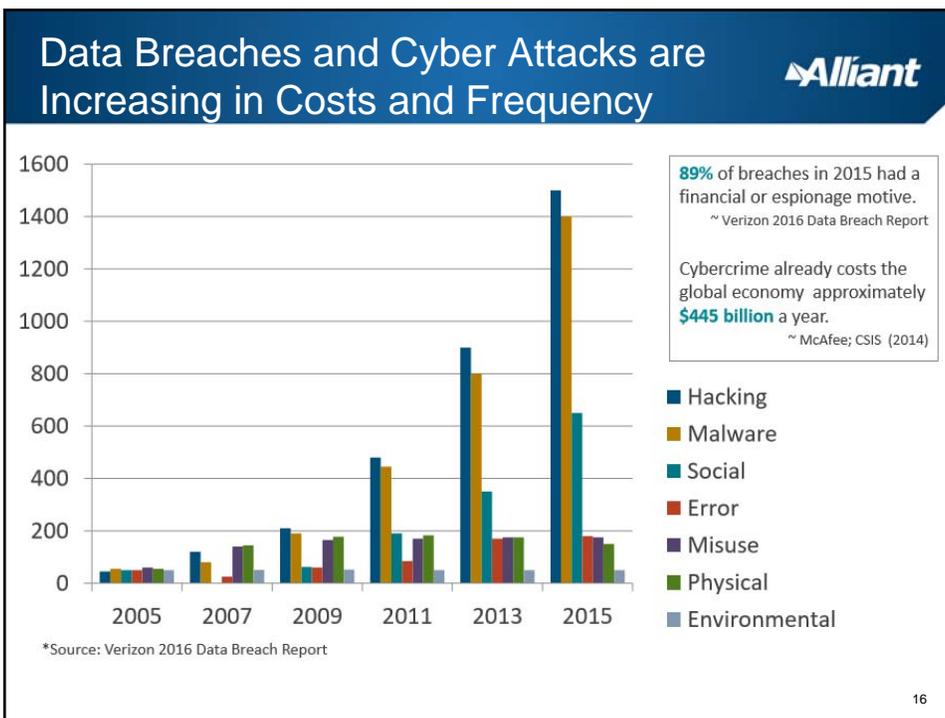
**Alliant**

**Cyber Security & Data Breaches**





15



16

# New & Evolving Emerging Risks

## NEW: Disruption

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We are seeing the development, or possible a re-awakening, of a movement. And with it, the concepts centered around a new term: **DISRUPTION!**

It's confusing right now, and combines historical terms such as:

- Civil Disturbance
- Civil Unrest
- Social Unrest
- And the evolving concepts of Civil Society

Generally, civil society has been referred to as a political association governing social conflict through the imposition of rules that restrain citizens from harming one another.<sup>1</sup>

**So How is this an Emerging Risk?**

## NEW: Disruption (continued)

Alliant



Disruption takes a left turn by uprooting and changing how we think, behave, do business, learn and go about our day-to-day. It's not just Civil Unrest

Think of:

- Charlottesville, Virginia riots
- Fake News
- Russian Facebook Impacts
- UC Berkeley Republican Speakers

All of these impact our public agencies costs, and more importantly have a direct social impact that will forever be altered.

Hate Speech might be evolving as a sub-set of this Emerging Risk!

32

## NEW: Hate Speech

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### Definition of Hate Speech

#### Noun

1. Speech that is intended to offend, insult, intimidate, or threaten an individual or group based on a trait or attribute, such as sexual orientation, religion, color, gender, or disability.



The United States is one of very few countries that has **Free Speech** rights that are as broad, and that do not limit **Hate Speech** in the same ways as others. This comes from a long history of our Constitution and Supreme Court decisions. In some countries, a victim of **hate speech** may seek redress under civil **law**, criminal **law**, or both.

Although not soon, it is likely we will see legal discussions and possible changes in our laws to better protect us from the many versions of Hate Speech recently re-occurring.

33

## EVOLVING: Active Shooter



The United States Department of Homeland Security defines the **active shooter** as "an individual actively engaged in killing or attempting to kill people in a confined and populated area; in most cases, **active shooters** use firearms(s) [sic] and there is no pattern or method to their selection of victims."



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## EVOLVING: It's a Bird, It's a Plane . . . .



Drones have overtaken the skies in ways - and volumes - never imagine. There are now over 325,000 registered Drones in the US - - more than the number licensed private aircraft. It's estimated that there are an equal number of unlicensed Drones in the air today.

The FAA receives over 100 reports each month from aircraft that have visual sighting of Drones while flying.

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## Drones & Emergency Operations



The FAA warns unauthorized drone operators that they may be subject to significant fines if they interfere with emergency response operations.

Flying a drone without authorization in or near the disaster area may violate federal, state, or local laws and ordinances, even if a Temporary Flight Restriction (TFR) is not in place.

Allow first responders to save lives and property without interference.

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## Risks Related To Public Entity Use Of Drones



### Accidents resulting in personal injury or property damage

- Pilot error/Inadequate training
- Drone malfunction/maintenance
- Failure to supervise/protect against dangers
- Workers' compensation

**Trespass** – either into airspace or onto property itself

### Privacy and civil rights violations

### Cyber Risks

- Breach of drone technology
- Inadequate maintenance and storage of collected data and information

### Regulatory violations

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## Risk Management Considerations



- Establishing a Drone use policy
- Operator(s) experience
- Intended use
- Interaction between operator & observer
- Weather & environmental issues
- Video capabilities
- Ensuring drone airworthiness
- Pre-flight and/or post-flight checks
- Drone maintenance

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## UAS Rules for Government Entities



Government entities or organizations (e.g. law enforcement agencies, public universities, state governments, local municipalities) have 2 options for flying UAS:



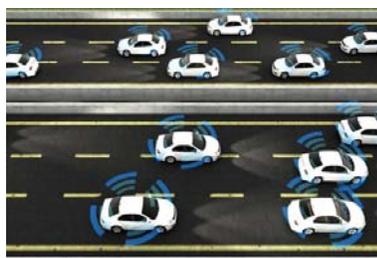
1. Fly under the small UAS rule – follow all rules under 14 CFR part 107, including aircraft and pilot requirements
- OR-**
2. Obtain a blanket public Certificate of Waiver or Authorization (COA) – permits nationwide flights in Class G airspace at or below 400 feet, self-certification of the UAS pilot, and the option to obtain emergency COAs (e-COAs) under special circumstances

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## Evolving: Autonomous Vehicles



### Looking At The Future



Market expecting massive growth as a result of Autonomous Vehicles (\$81B projected opportunity – between now and 2025).

Long Term Outlook – decline in premium as auto becomes a better risk.

Safer Conditions = reduced accidents

Policy to Support Manufacturers

“Autonomous-vehicle technology will drive a significant shift in risk from human error to malicious third party, software, hardware and infrastructure risk,” said Chen Liu, co-author of the report and a research assistant at Stevens Institute of Technology. “Understanding and proactively responding to this anticipated enterprise transformation is imperative.”

Insurance Journal – May 19, 2017

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## Evolving Autonomous Vehicles (continued)



### Mitigating Risk

- Shift in liability: Operator  Manufacturer of Self-Driving Technology
- What level of automation was in play during accident?
- Public liability aside:
  - Costly suits (i.e. defense)
  - Reputational damage
- Coverage needed for Emerging Risk
  - Product Liability (Incl. Software/Hardware)
  - Cyber Liability
  - Public Infrastructure



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## Evolving: Sexual Misconduct



Schools, summer programs, recreation department, friends of the library, exposures involving:

- Supervision of minors
- Hiring practices (background checks)
- Retention of employees with known complications

Leading to:

- Large verdicts: up to \$7,000,000 per claimant
- Flood gates opening on multiple claimants stepping forward:  
Single USD: \$175M claim, \$88M claim, \$35M claim
- Restricting Insurance Market

19

## EXPANDING: Impersonation Fraud Coverage



**We will also pay for loss of “funds” resulting directly from a “fraudulent instruction” directing a financial institution to transfer, pay or deliver “funds” from your “transfer account”.**



Notwithstanding the above requirement that the loss of “funds” results directly from a “fraudulent instruction,” we will also pay for the loss of “funds” resulting from your receipt of a fraudulent phone call or email from a purported vendor, which advises you that the vendor’s bank account information has been changed and you suffer a loss of “funds,” because you issued a payment or payments to this fraudulent bank account, based upon your confirmation controls, you believed the fraudulent instruction to change the vendor’s bank account information to be valid.

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## Looking Ahead



Emerging and Evolving Risks are not necessarily 'Covered Risks' - - All is Much to be Determined as they become defined!

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# STATE OF THE INSURANCE MARKET 2018

*(THIS INFORMATION HAS BEEN CONSOLIDATED  
FROM VARIOUS INDUSTRY SOURCES)*

NCCSIF Board Meeting  
December 14, 2017

Presented by:  
Marcus Beverly  
Alliant Insurance Services



## Presentation Overview



- Highlights
- Property/Casualty Industry Performance
- Impact of Natural Catastrophes
- Looking Ahead...



2

## Highlights



Munich Re estimates insured losses from Hurricane Harvey will be \$30 billion; the Miami Herald estimates insured losses from Irma will be \$17.5 billion to \$27 billion; and AIR Worldwide estimates insured losses from Hurricane Maria will be \$45 billion to \$85 billion. The insured losses from these CAT storms could reach \$150 billion.

### Key Industry Metrics

- The P&C Combined Ratio was 99.6% as of 3/31/17.
- Policyholder surplus was \$700.9B as of 3/31/17 -- A record high.
- Net income after taxes dropped to \$7.7 billion in first-quarter 2017 from \$13.4 billion in first-quarter 2016—a 42.2 percent decline.

Weather extremes (Hurricanes Harvey, Irma and Maria, flooding in Florida, Louisiana, Texas and California), catastrophic losses (Northern California fires and earthquakes in Mexico) and investment earnings are areas of concern for carriers.

3

## Property/Casualty Industry Performance

## Commercial Insurance Prices in the U.S. Remain Flat During the Second Quarter



Commercial insurance prices were again nearly flat during the second quarter of 2017, according to Willis Towers Watson's most recent Commercial Lines Insurance Pricing Survey (CLIPS) data.

Three lines -- Workers Compensation, Property, Directors & Officers Liability -- indicated modest price **decreases**.

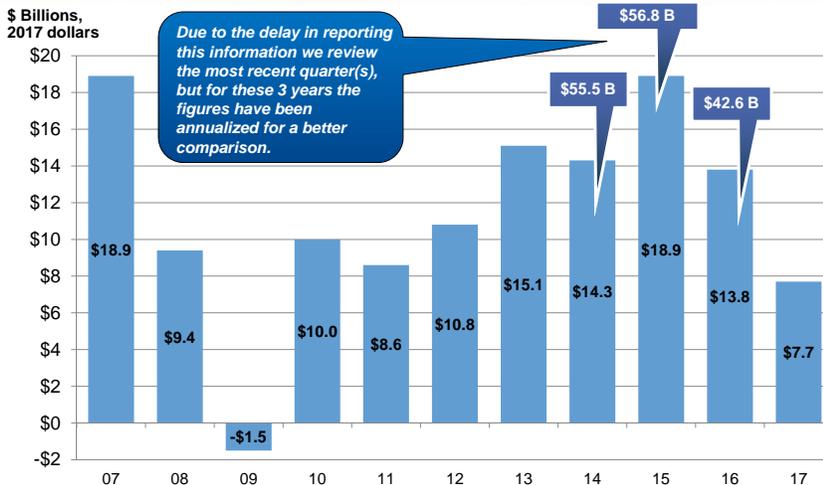
The outlier in this year's results continues to be Commercial Auto Liability, where meaningful price **increases** are again reported and appear to be accelerating somewhat.

Price changes for most other lines fell in the low single digits, but these trends may quickly change for all lines of coverage, especially Property if more large loss events occur before the end of this year.

Source: Willis Towers Watson Commercial Lines Insurance Pricing Survey

5

## P/C Industry Net Income After Taxes\*, 1st Quarters of Each Year, 2007-2017

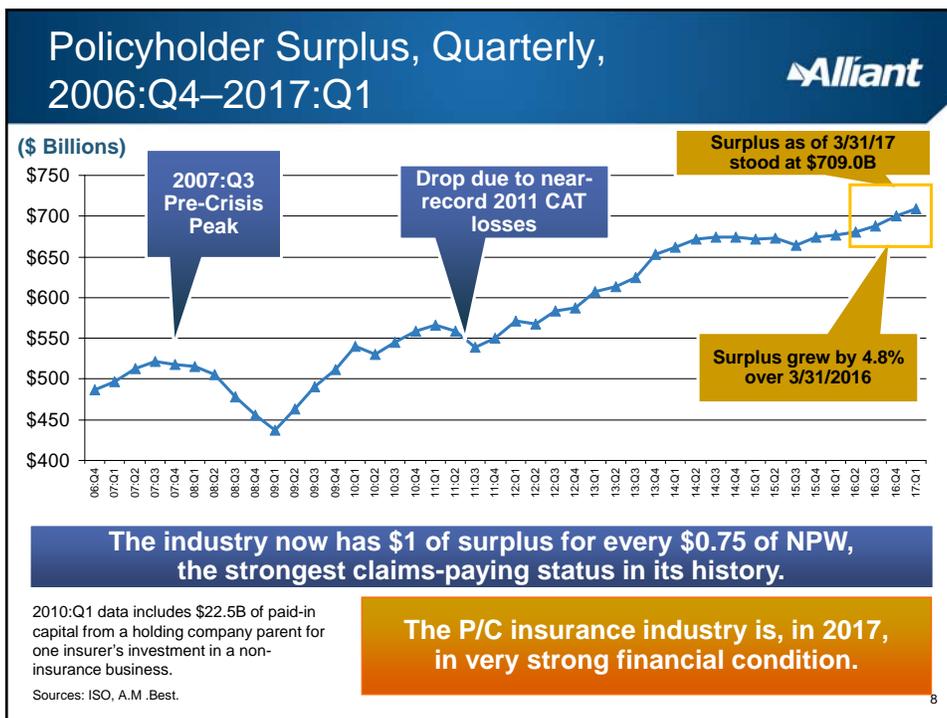
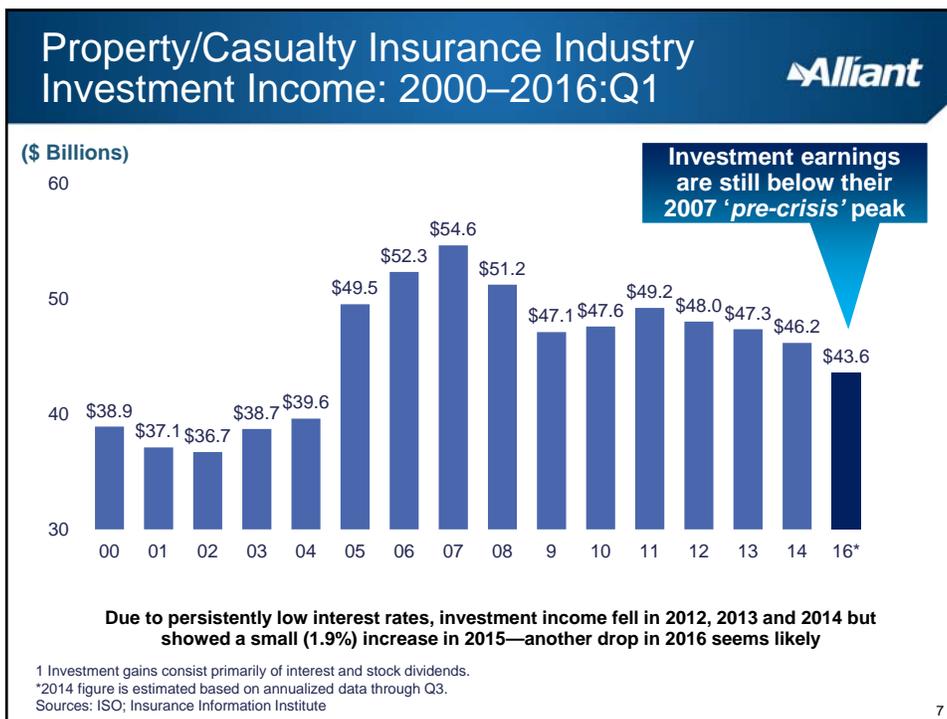


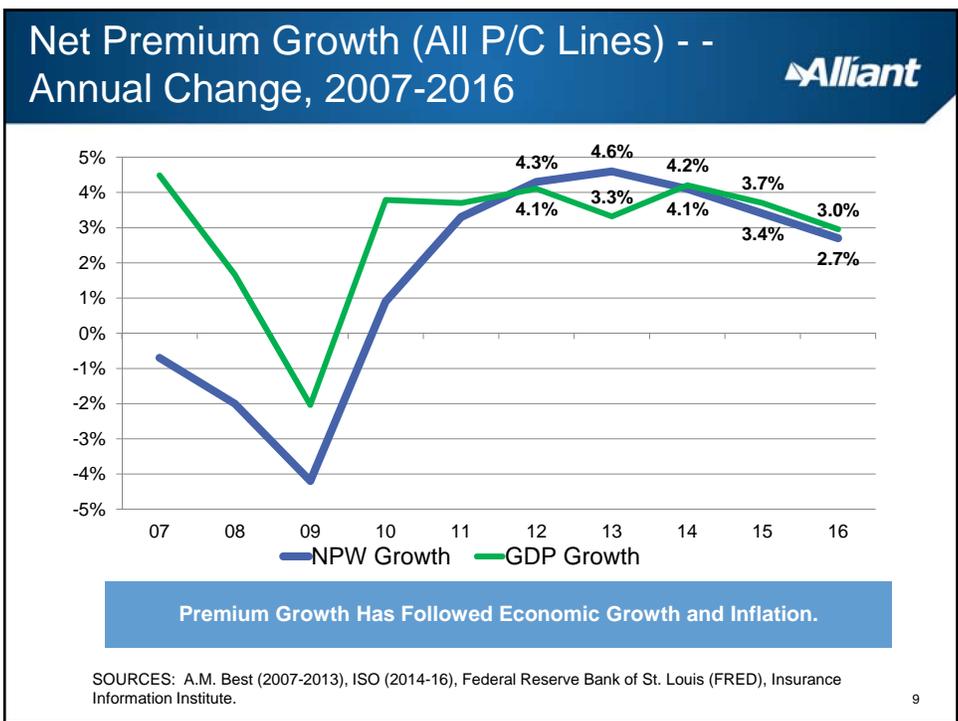
Due to the delay in reporting this information we review the most recent quarter(s), but for these 3 years the figures have been annualized for a better comparison.

In the first quarters of the year, net income varied. 2017 was the second-lowest profit in the last 11 years.

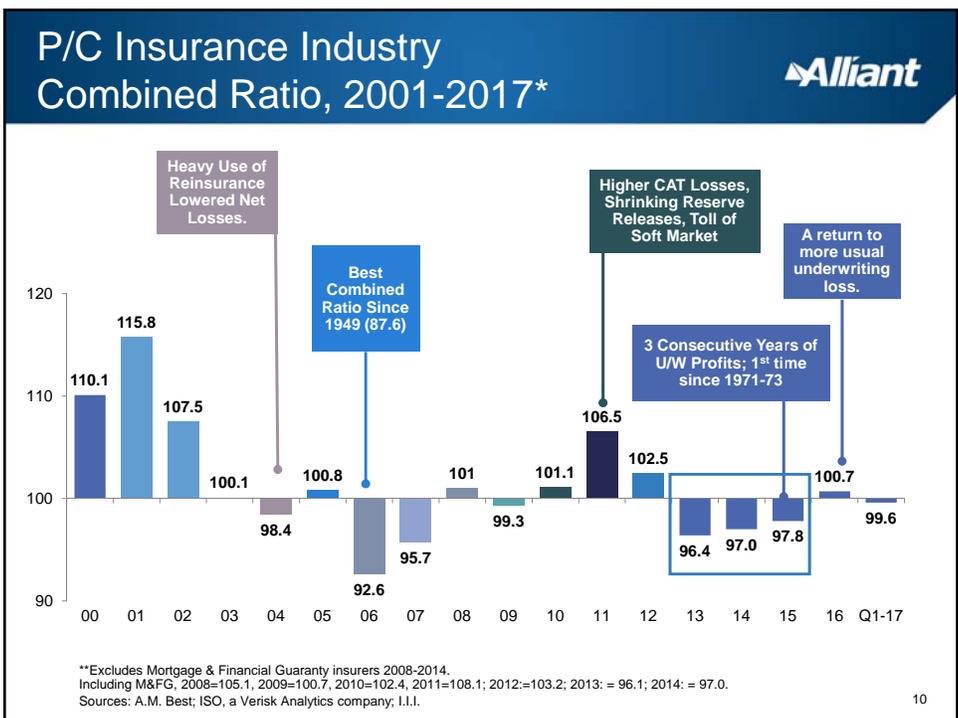
\*adjusted for inflation using the BLS CPI calculator, to 2016 dollars  
Sources: A.M. Best; ISO, a Verisk Analytics company; Insurance Information Institute.

6

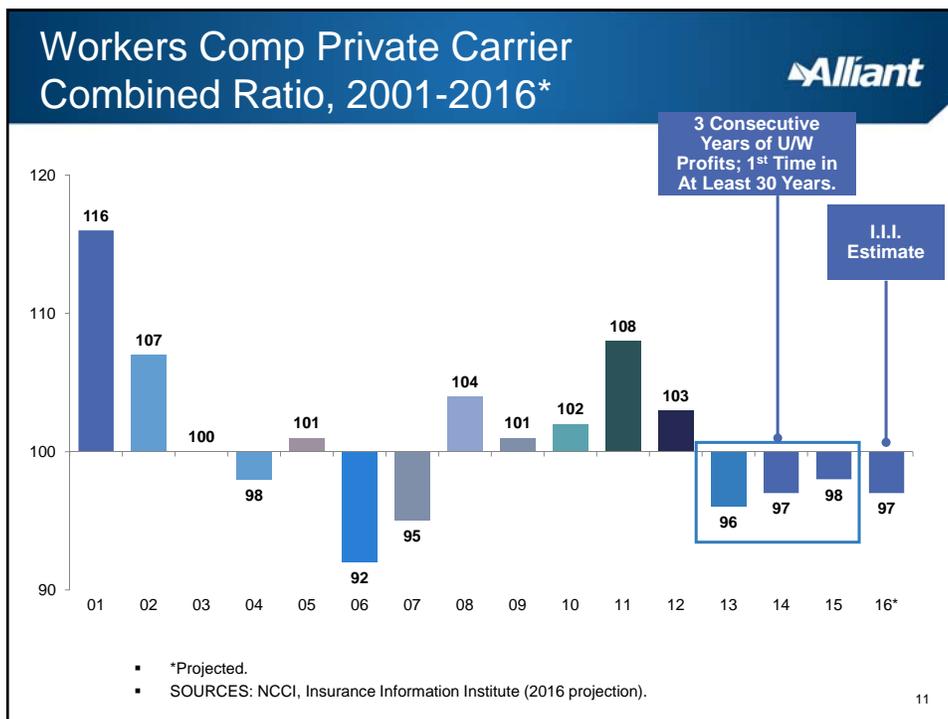




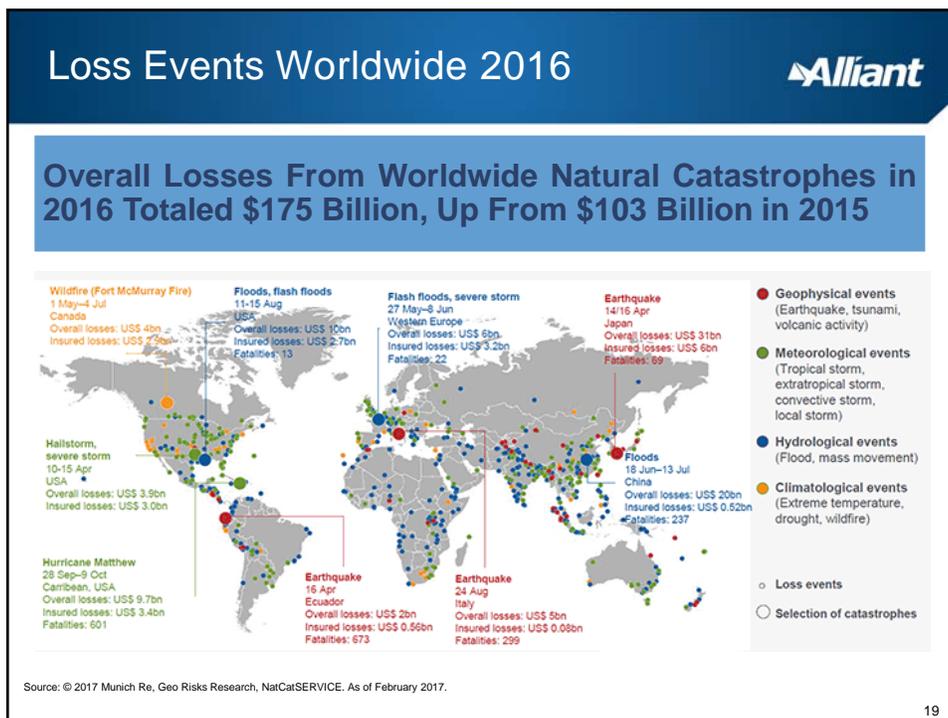
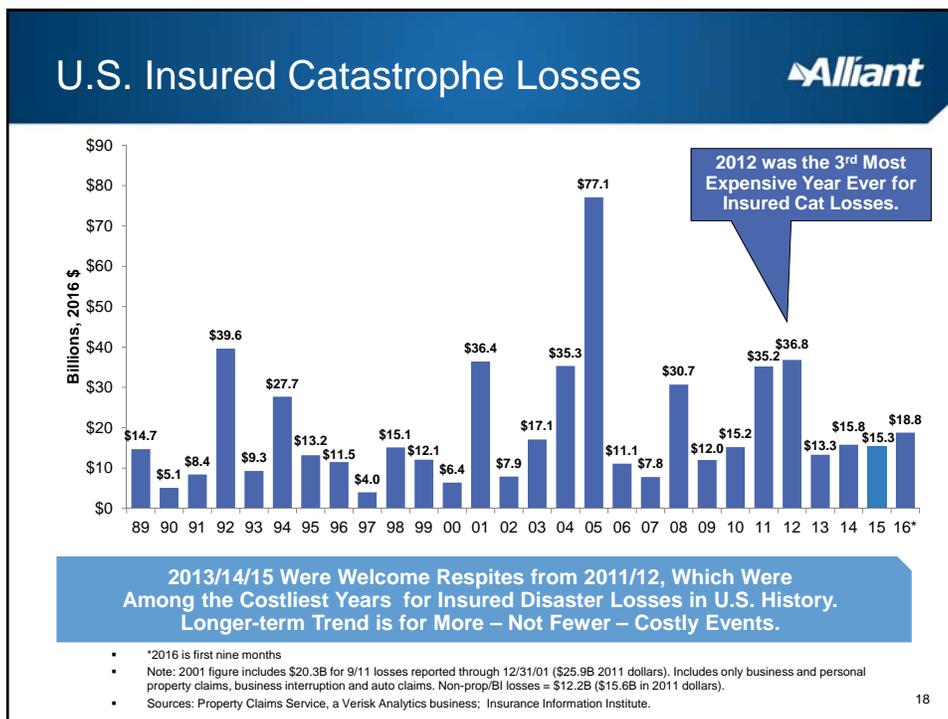
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10



## Impact of Natural Catastrophes



## Severe Weather

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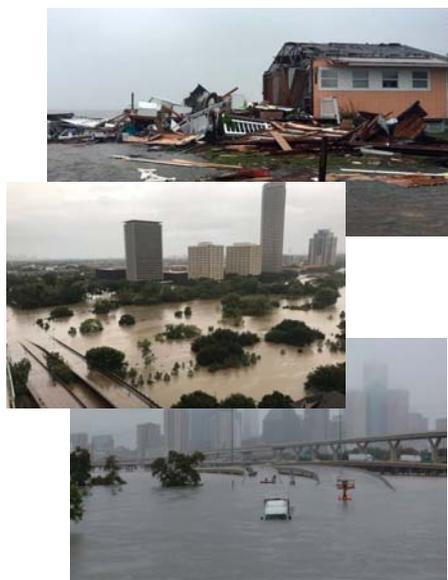


- Hail
- Hurricanes
- Floods

20

## Hurricanes

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### Hurricane Harvey Texas, August 2017

When we hear “Hurricane”, we often think about the cost of losses and how they will impact our insurance premiums. Life for many is disrupted and sometime even lost. The impact on businesses can be devastating. The hurricanes will cost Southwest Airlines \$100M in revenue.

21

## Wind, Flood and Rain



### Santa Barbara: Micro Burst

- Sunny Sunday Afternoon
- 30 degree temperature drop
- 80 mph winds
- Debris, injuries, closed businesses



### City Takeaway:

- Approx. \$100K of city damage
- Could have been much worse, but storm stuck to coastline area
- Occurred during lower staff levels, focus on off-hour preparedness plans.

22

## Wildfires



### Santa Rosa (Wine Country Fires: \$4 TO \$6 Billion

*(But it's too early to estimate now).*

PG&E power lines have been blamed for the fires. PG&E carries **\$800M** in wild fire liability insurance.

Total damage is expected to be considerably higher than the insurance PG&E carries, as a result, PG&E's stock has taken a nose dive.

23

## Earthquakes



### **Mexico suffered two deadly earthquakes last month --**

An 8.1-magnitude quake on Sept. 7 that killed around 100 people in the southern states of Oaxaca and Chiapas and,

A 7.1-magnitude quake on Sept. 19 that left 369 people dead in Mexico City and central states.

24

## Emergency Readiness

## Preparedness – Expect the Unexpected



### Ready For Anything?

Lately, every day we wake up wondering what's next.

A number of natural catastrophic events have shown that we might not be as prepared for the challenges faced as we might think.

Don't think *"That could never happen to here"*, **because it can**. Be sure that your crisis management plans take into account the **truly** unexpected for your area.

26

## The First 72 Hours - What needs to happen



1. First, contact members of the team that you will need for the situation:
  - Staff & supporting agencies
  - Restoration contractor
  - Broker
  - Adjuster
2. Preserve/protect property from further damage to the extent possible.
3. Protect property & people from potential liability claim situations.
4. Consider obtaining an Emergency Proclamation so you can secure the contracts needed to start repairs quickly.

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## The First 72 Hours

### - What needs to happen (Continued)



5. There are variations between jurisdictions as to what constitutes an emergency. You will need to know your locality's definition to trigger services.
6. On-site meetings with key players.
7. Agree to an action plan.
8. Set up regular meeting schedule; plan for on-site, via conference call or both.
9. No surprises. Adjusters hate surprises.
10. Dealing with mold in the first 72 hours.

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## The First 72 Hours

### - What needs to happen (Continued)



11. Valuable papers-need to stabilize conditions.
12. Insurance adjustment team - who will it be comprised of
  - Adjuster
  - Forensic Accountant
  - Engineers
  - Construction cost estimators
  - Other specialized trades
13. Insured's team
  - Selected restoration contractor/agreed rates
  - Forensic Accountant
  - Construction Cost Estimator, if needed
  - Structural Engineer
  - Industrial Hygienist
14. Temporary housing decisions & approvals

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# Toward the Future

## Looking Ahead



Looking ahead, expectations are that property rates will firm. It's too early to tell how the market will react to the recent natural disasters, but buyers of property insurance should budget conservatively. We could see **rate increases in the 5%-10%** range and bigger increases for insureds with losses.

Some casualty lines of coverage may see modest decreases, while others such as law enforcement liability, commercial automobile liability and employment practices liability (EPL) may see price increases.

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**STATE OF THE  
INSURANCE  
MARKET  
2018**

*(THIS INFORMATION HAS BEEN CONSOLIDATED  
FROM VARIOUS INDUSTRY SOURCES)*

***Thank You***

*Please contact us if you would like  
a copy of this presentation.*

***Questions?***

**Alliant**



# Momentum to *Greater* Success



2017/18  
ANNUAL REPORT

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NCCSIF Program Administrators  
Alliant Insurance Services, Inc.  
[www.alliantinsurance.com](http://www.alliantinsurance.com)  
Corporate License No. 0C36861

# LETTER TO OUR MEMBERS

Dear Members,

Northern California is known for its natural beauty and high quality of life. Over the past 38 years, NCCSIF has continually delivered exceptional risk sharing services to help Member cities thrive. NCCSIF is committed to ongoing innovation of its services to address the ever changing risk exposures facing its Members now and into the future.

I am pleased to present the 2017/18 Annual Report and highlight the group's accomplishments over the past year, with improved results due to member dedication to best risk management practices. Over the last five years, NCCSIF has focused on expanding its risk management services and training programs available to Members. In addition to site visits, assessments, and training, Members have continued to track their progress in implementing best practices through a scorecard system that helps prioritize risks and direct scarce resources where they are needed most.

The Police Risk Management Committee continues to increase participation and ideas for training and equipment, including funding for body-worn cameras that have reduced the frequency and severity of claims, paying dividends almost immediately after their use.

These efforts have contributed to NCCSIF's financial stability, and the JPA's overall financial condition continued to improve over the past year. Total Assets increased by \$1 million and Liabilities decreased by \$1 million, resulting in the net position increasing from \$14 to \$16 million. This is in addition to \$2.5 million returned to Members as Dividends last year, over twice the amount in 2015/16, and \$5.1 million over the last three years.

The Workers' Compensation Program continues to improve resulting in members being able to again raise the annual funding Confidence Level, this time from 70% to 75%, *with no increase in the rate*, which is a remarkable achievement during a time when rates are typically increasing 5% to 10%. These results are due to Members' continued focus on risk management techniques, including return to work and ergonomic programs. A renewed focus on claim management has also improved results, with Members working with their claims team, doctors, and employees to minimize lost days and delays in treatment.

The Liability Program also experienced continued improvement over the past year, such as the Shared Risk Layer no longer having a deficit. The program's Net Position increased almost \$2 million, with most of the growth in the Shared Layer, which now has a Net Position of almost \$1.4 million, compared to a deficit of (\$431,114) in the previous year. This turnaround is the result of improved claim results, assessments, and members increasing the annual funding confidence level from 65% to 75% over the past three years, with the increase to 75% in 2017/18 resulting in just a 0.4% increase in premiums.

Members will continue to face challenges in managing their operations, and NCCSIF will continue to be a valuable partner in providing them access to broader coverage, lower rates, and more risk management services than they could find elsewhere. I am proud to serve as NCCSIF President and support the continued success of the group in providing exceptional service and sound risk management practices to our members now and into the future.

Sincerely,



Dave Warren  
NCCSIF President  
Director of Finance - City of Placerville



# HISTORY OF THE JPA

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

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

**In 1981, members formed the Liability Program** to apply the same concepts of pooling coverage for:

- General and Automobile Liability,
- Personal Injury,
- Errors and Omissions, and
- Employment Practices Liability.

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

The same year NCCSIF began to offer group purchase of:

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

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

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

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

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

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

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

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

## MISSION STATEMENT

The Northern California Cities Self Insurance Fund (NCCSIF) is an association of municipalities joined together in 1979 to **protect Member resources** by stabilizing risk costs in a reliable, economical and beneficial manner while providing members with broad coverage and quality services in risk management and claims management.

# GOVERNANCE

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

## BOARD OF DIRECTORS

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

Member	Board Director	Alternate
City of Anderson*	Liz Cottrell*	Jeff Kiser
City of Auburn	Nita Wracker	Vacant
City of Colusa	Toni Benson	Vacant
City of Corning*	Kristina Miller*	Tom Watson
City of Dixon	Rachel Ancheta	Kim Stalie
City of Elk Grove	Brad Koehn	Kara Reddig
City of Folsom*	Jim Francis	Kristine Haile
City of Galt*	Cora Hall	Eugene Palazzo
City of Gridley	Vacant*	Elisa Arteaga
City of Ione	Jon Hanken	Lori McGraw
City of Jackson*	Yvonne Kimball	Dalacie Blankenship
City of Lincoln	Astrida Trupovnieks*	Ruthann Codina
City of Marysville	Vacant	Walter Munchheimer
City of Nevada City	Loree McCay	Catrina Olson
City of Oroville	Elizabeth Ehrenstrom*	Vacant
Town of Paradise	Gina Will*	Crystal Peters
City of Placerville*	Dave Warren*	Cleve Morris
City of Red Bluff	Sandy Ryan*	Anita Rice
City of Rio Vista*	Vacant	Robert Hickey
City of Rocklin	Steven Rudolph	Kimberly Sarkovich
City of Willows*	Tim Sailsbery*	Vacant
City of Yuba City	Natalie Springer	Robin Bertagna
<b>*Founding Members</b>	<b>*2018 Executive Committee Members</b>	

## Board of Directors

### Tribute to Mike Daly

In tribute to one of our own who passed away this year, NCCSIF members wish to celebrate the life of Michael Sean Daly. Mike Daly served on the NCCSIF Board of Directors for over 20 years and also as Board President for two terms. He retired in April 2017 as City Manager of the City of Jackson.

Mike was not only a dedicated member, but a friend to all who knew him. We are enormously grateful for his service and will miss him very much.



# GOVERNANCE

## EXECUTIVE COMMITTEE

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



## CLAIMS COMMITTEE

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

## FINANCE COMMITTEE

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

## RISK MANAGEMENT COMMITTEE

NCCSIF established a Risk Management Committee in 1991, comprised of one member from each City. Over the years, it has been enriched by participation from employees from Public Works, Finance, Human Resources, Police, Fire, and City Management who have contributed a broad range of ideas and best practices to the members.

The Committee's goal is to foster member risk management programs to reduce the frequency and severity of accidents and claims for loss or damage. Recognizing this goal, the Committee annually recommends and administers a Risk Management Budget as approved by the Board of Directors. For FY 17/18 the total budget is \$478,766, 38% of the total program administration expenses.

## POLICE RISK MANAGEMENT COMMITTEE

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

The Committee also reviews major claims for risk management practices that can be shared or improved and evaluates equipment that can prevent or minimize losses. **In the last four years, members have approved a total of \$200,000 in grant funds to purchase body-worn cameras and storage.** Each meeting includes feedback on how effective the cameras have been in **reducing the number of claims and their severity.**

# FY 17/18 MEMBERS PARTICIPATING IN EACH PROGRAM

MEMBER	POOLED PROGRAMS		GROUP PURCHASE					INDIVIDUAL PURCHASE					Alliant Special Events Program
	LIABILITY	WORKERS' COMP	APIP PROPERTY	APIP PHYSICAL DAMAGE	APIP FLOOD	ACIP CRIME	ID FRAUD Expense Reimbursement	AMVP Auto Physical Damage	AIRPORT	POLLUTION	DIC-Earthquake	EAP through ACI	
City of Anderson	✓	✓	✓			✓	✓	✓				✓	✓
City of Auburn	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓
City of Colusa	✓	✓	✓			✓	✓	✓				✓	✓
City of Corning	✓	✓				✓	✓					✓	
City of Dixon	✓	✓	✓			✓	✓	✓				✓	✓
City of Elk Grove		✓					✓						✓
City of Folsom	✓	✓	✓	✓			✓					✓	✓
City of Galt	✓	✓	✓	✓		✓	✓						
City of Gridley	✓	✓	✓			✓	✓	✓				✓	
City of Ione	✓	✓	✓	✓	✓	✓	✓			✓		✓	✓
City of Jackson	✓	✓					✓	✓				✓	✓
City of Lincoln	✓	✓	✓	✓		✓	✓		✓	✓		✓	
City of Marysville	✓	✓	✓		✓	✓	✓	✓				✓	
City of Nevada City		✓					✓						✓
City of Oroville	✓	✓	✓			✓	✓	✓	✓				
Town of Paradise	✓	✓	✓			✓	✓	✓				✓	✓
City of Placerville		✓					✓						✓
City of Red Bluff	✓	✓	✓	✓		✓	✓		✓		✓	✓	
City of Rio Vista	✓	✓				✓	✓	✓				✓	✓
City of Rocklin	✓	✓	✓			✓	✓	✓					✓
City of Willows	✓	✓					✓						
City of Yuba City	✓	✓	✓	✓	✓	✓	✓						

APIP = Alliant Property Insurance Program  
 AMVP = Alliant Mobile Vehicle Program

ACIP = Alliant Crime Insurance Program  
 Special Events serviced by Penny DeWitt in Newport Beach office

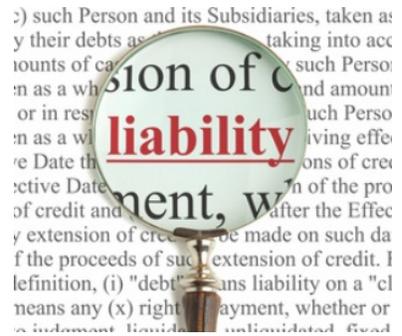


# LIABILITY PROGRAM

**COVERAGE HIGHLIGHTS**

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

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



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

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

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

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



CJPRMA members pool risk up to \$5,000,000 and purchase excess reinsurance for total limits up to \$40,000,000, inclusive of NCCSIF’s retained limit of \$500,000 per occurrence. As a result of sharing risk to \$5,000,000, CJPRMA is largely insulated from fluctuating insurance market conditions. In addition, members share in dividends declared when CJPRMA exceeds its funding goals. In 2017 NCCSIF received dividends from CJPRMA of \$231,952 which were applied to the Shared Risk Layer Fund assessment for FY 17/18.



# LIABILITY PROGRAM

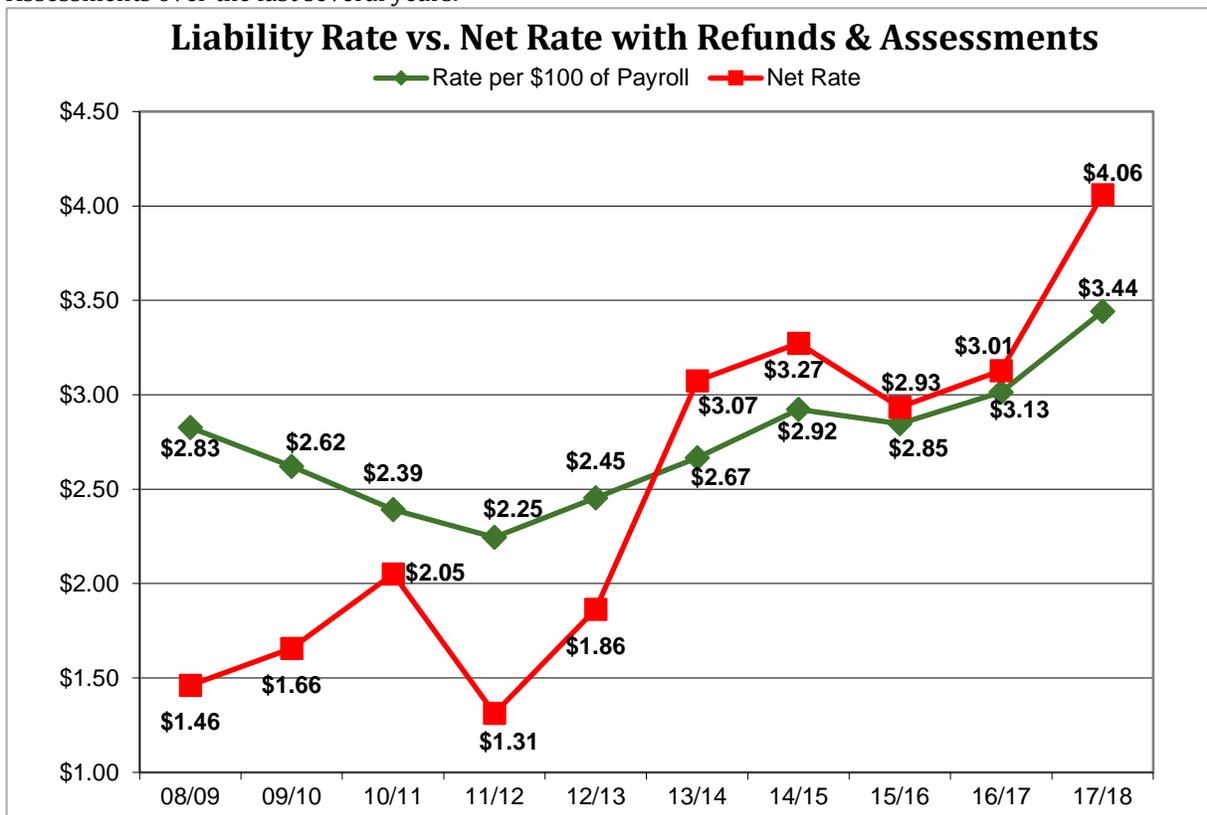
## FINANCIAL HIGHLIGHTS

Total FY 17/18 funding for the Liability Program is \$5,605,674. Members agreed to **increase the funding Confidence Level from 70% to 75%**. This contributed slightly to an increase in the rate but most of the 3.9% increase in total funding from last year was due to a 1% payroll increase and a rate increase in the Banking Layer. Shared Layer losses decreased and contributed to an increase in the Program's Net Position.

## OPERATING HIGHLIGHTS

The Board of Directors annually reviews the Banking and Shared Risk financial status to evaluate the appropriateness of declaring either a refund or an assessment. **The Banking Fund returned \$592,515 to Members** who exceeded their target funding levels. **The Shared Risk Layer Fund was assessed \$368,048** this year after application of the CJPRMA refund. The following chart shows the historical rates with and without the impact of refunds and assessments.

Six years ago the Liability Program net rates reached historic lows due to large dividends that continued for several years. The gross rate hit a low of \$2.25 in 2012 before climbing to \$3.44 in 2018 due to an increase in anticipated losses and decreases in payroll. The increase in the net rate is due to Shared Risk Layer Assessments over the last several years.



# WORKERS' COMPENSATION PROGRAM

## COVERAGE HIGHLIGHTS

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

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



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

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

<p style="text-align: center;"><b><u>Excess Layer</u></b></p> <p style="text-align: center;">Excess Insurance: \$5,000,000 to Statutory CSAC-EIA Members: \$500,000 - \$5,000,000 Including Employer's Liability</p>
<p style="text-align: center;"><b><u>Shared Risk Layer</u></b></p> <p style="text-align: center;">Banking Layer Limit to \$500,000</p>
<p style="text-align: center;"><b><u>Banking Layer</u></b></p> <p style="text-align: center;">All Members: \$0 to \$100,000</p>



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

## FINANCIAL HIGHLIGHTS

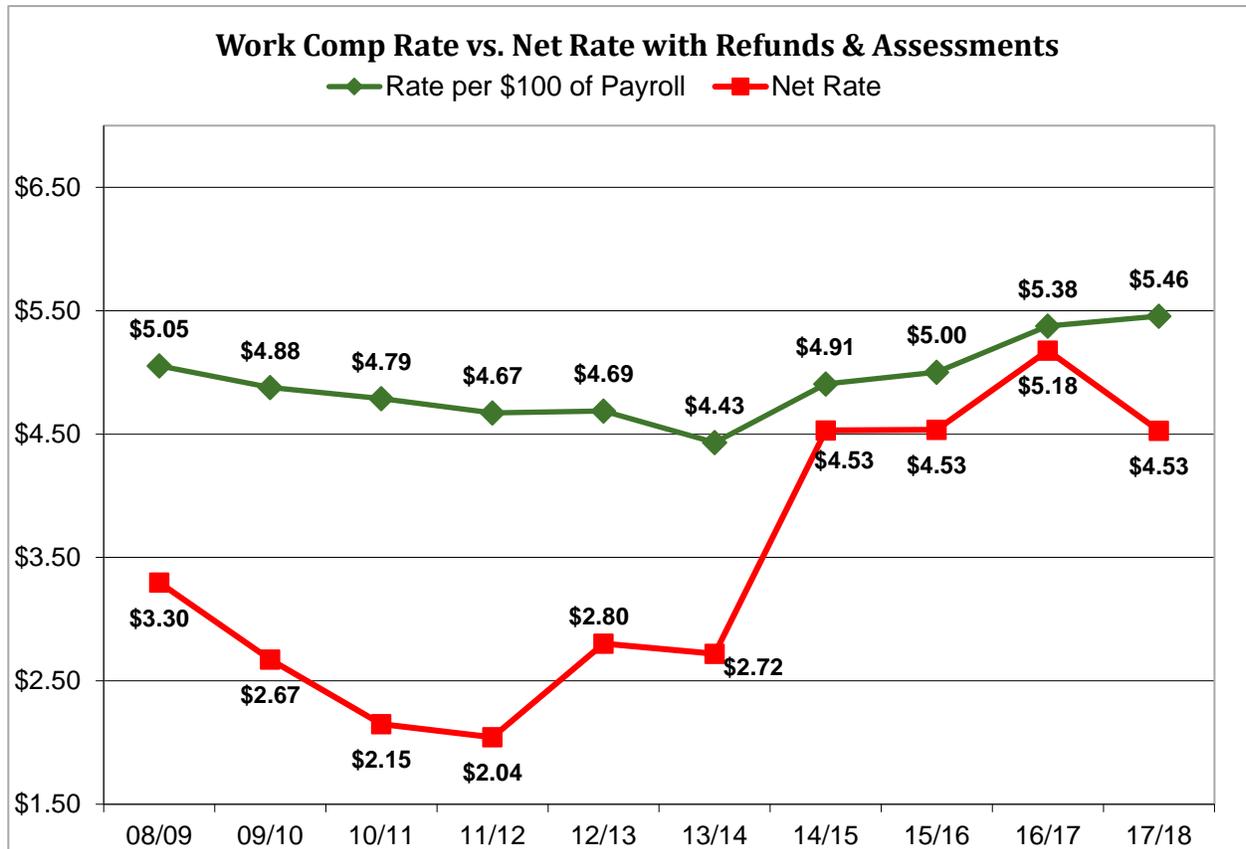
The total cost of the program for FY 17/18 is \$11,573,622, before dividends, an increase of 9.5% over the prior year, mostly due to an 8% increase in payroll. The member's also **increased the funding confidence level from 70% to 75%**. Those increases were offset by a decrease in the Shared Layer claims and rate.

The Board of Directors annually reviews the Program's financial status to evaluate the appropriateness of declaring either a refund or an assessment. In 2017 NCCSIF **returned \$498,000 in Shared Layer dividends** to its members and **\$1,684,823 in dividends in the Banking Layer**.

# WORKERS' COMPENSATION PROGRAM

## OPERATING HIGHLIGHTS

The following chart shows the historical rates with and without the impact of refunds and assessments. The rates steadily declined from 2008 to 2013 and have been increasing since then, though members have also increased the Confidence Level from 60% to 75% over the last few years, increasing the financial stability of the pool. Factoring in the refunds and assessments over the years results in a net rate that has dipped as low as \$2.04 per \$100 of payroll and has remained steady at \$4.53 for three of the last four years.



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

## LOOKING AHEAD

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



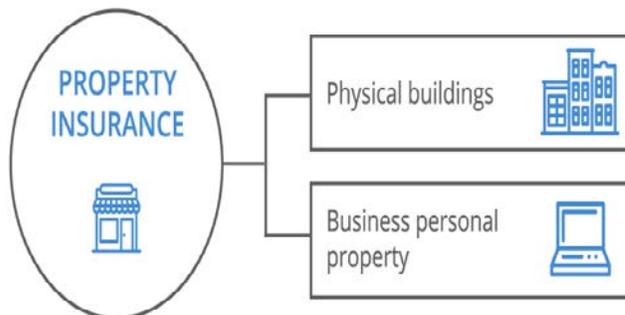
Red Bluff

# PROPERTY PROGRAM

## COVERAGE HIGHLIGHTS

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

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



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

## POLLUTION LIABILITY

- Shared limit of \$2M between all NCCSIF members that participate in APIP
- New Pollution Conditions or Indoor Environmental Conditions Coverage: First-party and third-party coverage for claims arising out of a pollution condition on, at, under or migrating from a covered location, or an indoor environmental condition at a covered location
- Transportation Coverage: First-party and third-party coverage for claims arising out of a pollution condition resulting from transportation
- Non-Owned Disposal Site Coverage: Third-party coverage for claims arising out of a pollution condition on, at, under or migrating from a non-owned disposal site
- Coverage for catastrophe management costs and emergency response costs (first-party remediation costs incurred within seven (7) days following the discovery of a pollution condition) included, provided that the costs are reported to the insurer within fourteen (14) days.

## CYBER LIABILITY

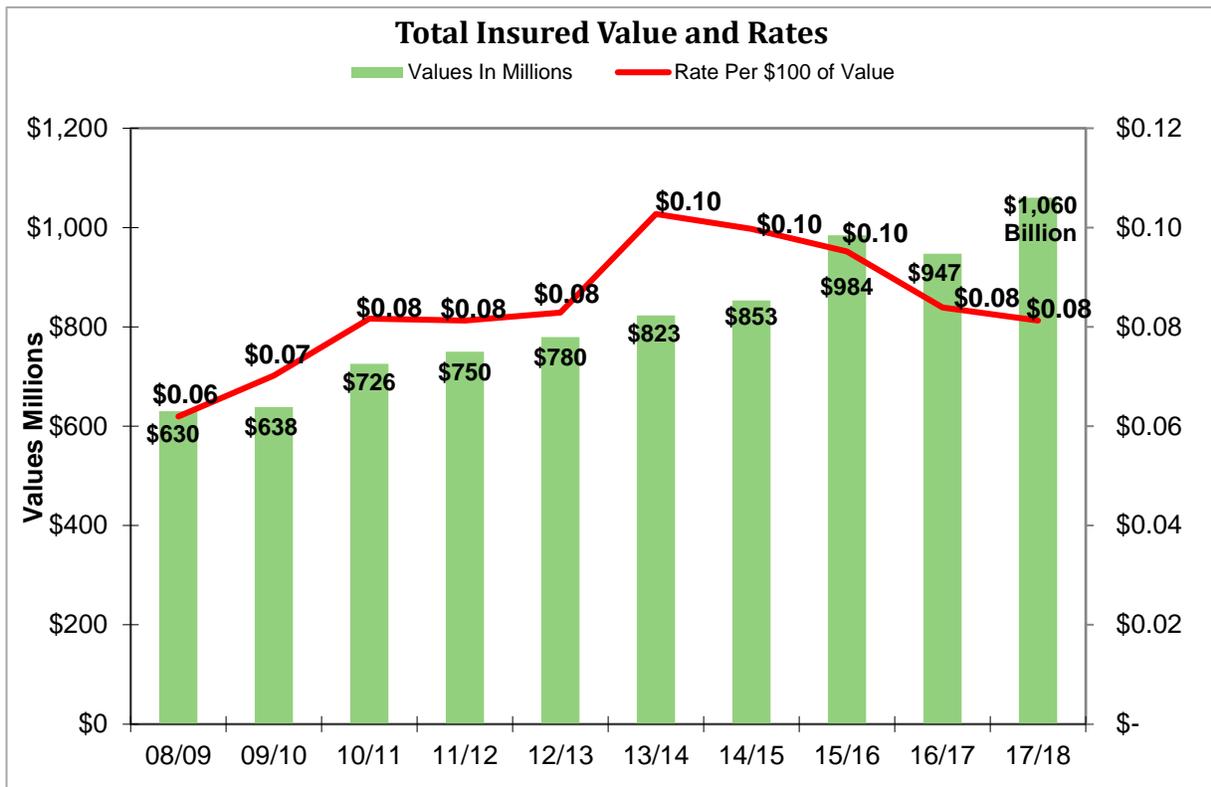
- Information Security & Privacy Liability – each member in APIP has a \$2 Million limit
- Privacy Notification Costs limit of \$500,000 (limit is increased to \$1M if Beazley Vendor Services are used)
- Cyber Extortion Loss
- Data Protection Loss and Business Interruption
- Fraudulent Instruction resulting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



# PROPERTY PROGRAM

## FINANCIAL HIGHLIGHTS

For FY 17/18 NCCSIF total insurable values increased 6.8%, to over \$1 Billion for the first time. The rate increased slightly, from \$0.08 to \$0.081, remaining steady from a high of \$0.10 two to four years ago.



## LOOKING AHEAD

The APIP Program provides Real Property Appraisals based upon Real Property Replacement Cost for scheduled locations (Appraisals do not include Personal Property/Contents). Property Appraisals of scheduled buildings are conducted every five years to maintain accurate valuations for NCCSIF members--the next appraisal is anticipated in FY 18/19. Buildings valued over \$5 Million are appraised at no cost to the member. Appraisals for properties below \$5 million are available at reduced group rates, as indicated in the table below.

Appraisals of all buildings are encouraged since the Underwriters of the APIP Program are expected to require more detailed information to receive a quote for FY 18/19. This is largely due to the increase of extreme weather events nationally and recent fires locally in California. Members are encouraged to work with Program Administration to identify items missing from their property schedule and update vehicle values as needed to ensure NCCSIF receives the lowest rates for renewal.

**APIP Building Appraisal Cost Structure**

Real Property Replacement Value	Fees Per Building	Responsible Party
\$5M and Above	\$ -	Paid by Program
\$1M to \$4.99 M	\$ 250.00	Paid through NCCSIF
\$1M and Below	\$ 150.00	Paid through NCCSIF

# CRIME PROGRAM

## COVERAGE HIGHLIGHTS

The ACIP Crime Program provides coverage for employee theft, robbery, fraud, forgery, and other types of crimes through the National Union Fire Insurance Company, A.M. Best Rated A (XV). The per occurrence limit was increased to \$3,000,000 in FY 16/17, with a \$5,000 deductible.

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

The ACIP Coverage contains the following:

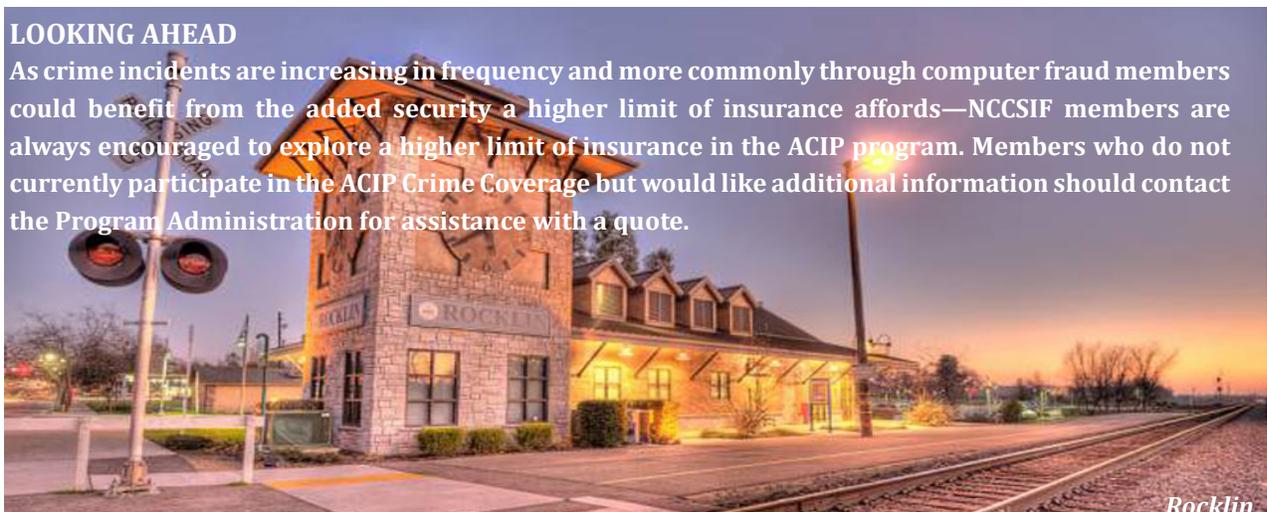
- Employee Theft
- Robbery or Safe Burglary
- Computer Fraud
- Faithful Performance of Duty
- Funds Transfer Fraud
- Investigative Expenses – Sublimit of \$75,000
- Forgery or Alteration including Credit, Debit or Charge Card Forgery
- Includes chairperson and members of committees as employees
- Includes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



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

## LOOKING AHEAD

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



Rocklin

## OTHER PROGRAMS

### **ALLIANT MOBILE VEHICLE PROGRAM (AMVP)**

Select Members of NCCSIF are enrolled in the Alliant Mobile Vehicle Program (AMVP), initially designed specifically for public agencies with a limited number of higher-valued vehicles or special equipment. The program has expanded to include all types of vehicles and mobile equipment. It provides All Risk Equipment



Coverage including earthquake and flood for scheduled equipment. Claims valuation is on a replacement cost basis for vehicles or equipment less than four years old, otherwise the policy pays to repair or replace damaged property on a like kind and quality basis (not new for old). Currently eleven of the twenty-two NCCSIF Members are enrolled in this program. The deductible varies for each member as selected.

### **IDENTITY FRAUD PROTECTION**

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

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



### **EMPLOYEE ASSISTANCE PROGRAM (EAP)**

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



The program features a benefit package which includes:

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

# SERVICES

## PROGRAM ADMINISTRATION

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

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



## CLAIMS MANAGEMENT



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

## RISK MANAGEMENT

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



Consulting by Bickmore Services includes:

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

## TARGETSOLUTIONS (PROVIDED BY CSAC EIA)



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

## LEXIPOL

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



# SERVICES

## MEMBER TRAINING FUND

Beginning FY 17/18, members are allotted \$4,000 training fund towards risk management related training and/or attendance to annual CAJPA, PARMA, CalPELRA, or other Risk Management Conferences. Attendance at Risk Management Conferences helps educate members on claim reduction strategies and other cost control mechanisms.



## SEMINARS AND REGIONAL WORKSHOPS

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

- Bickmore: on-site sessions covering ergonomics, OSHA compliance, customized training and email communications.
- Regional Workshops: NCCSIF conducts regional workshops on pertinent safety topics. Topics for 2017 consisted of AB 1825: Prevention of Sexual Harassment & Abusive Conduct, AB 1234: General Ethics Principle, Certified Pool Operator Certification Training, Playground Inspections & Maintenance, Forklift Train-the-Trainer Workshop, Understanding Legal Marijuana, and Risk Transfer & Insurance in Public Contracts.
- General Liability and Police Risk Management related trainings provided through CJPRMA on a wide variety of topics.

## WEBSITE

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

## ALLIANTCONNECT



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

## FINANCIAL SERVICE PROVIDERS AND CONSULTANTS



# FINANCIAL STATEMENTS

## STATEMENT OF NET POSITION

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
COMBINING STATEMENT OF NET POSITION  
June 30, 2017

	<u>Liability</u>	<u>Workers' Compensation</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 536,961	\$ 1,967,022	\$ 2,503,983
Investments maturing within one year	930,144	3,408,216	4,338,360
Member receivable	39,020	112,643	151,663
Excess insurance receivable	159,493	326,772	486,265
Interest receivable	52,657	183,982	236,639
Prepaid expenses	51,449	-	51,449
	<u>1,769,724</u>	<u>5,998,635</u>	<u>7,768,359</u>
<b>Total current assets</b>			
Investments, less portion maturing within one year	<u>10,137,121</u>	<u>37,132,865</u>	<u>47,269,986</u>
<b>Total assets</b>	<u>11,906,845</u>	<u>43,131,500</u>	<u>55,038,345</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	45,747	211,455	257,202
Unearned revenue	274,373	501,442	775,815
Current portion of unpaid claims and claim adjustment expenses	<u>2,890,000</u>	<u>4,980,000</u>	<u>7,870,000</u>
<b>Total current liabilities</b>	<u>3,210,120</u>	<u>5,692,897</u>	<u>8,903,017</u>
Unpaid claims and claim adjustment expenses	<u>4,493,303</u>	<u>25,645,946</u>	<u>30,139,249</u>
<b>Total liabilities</b>	<u>7,703,423</u>	<u>31,338,843</u>	<u>39,042,266</u>
<b>NET POSITION</b>			
Unrestricted	<u>\$ 4,203,422</u>	<u>\$ 11,792,657</u>	<u>\$ 15,996,079</u>

## SUMMARY OF RESULTS

- Total assets increased by just under \$1 million, and total liabilities decreased by just over \$1 million, resulting in an **increase in Net Position of almost \$2 million**, or 14%, from \$13,999,557 to \$15,996,079. Without dividends of \$2,534,805 the net position would have increased by \$4,531,327.
- Net cash from operations increased by \$155,872, from \$1,434,871 to \$1,590,743. Results reflect increased cash received from members of \$1.4 million, less increased cash paid for claims of \$800,000 and increased dividends of \$1.4 million. These changes were offset by a decrease of almost \$1 million in amounts paid to vendors and for insurance.
- NCCSIF earned \$2,141,730 in 2017 compared to \$3,053,287 in 2016. This is largely due to a decrease of \$1.7 million in the provision for unpaid claims and claim adjustment expenses.

# FINANCIAL STATEMENTS

## STATEMENT OF REVENUES AND EXPENSES

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION  
For the Year Ended June 30, 2017

	<u>Liability</u>	<u>Workers' Compensation</u>	<u>Total</u>
<b>Operating revenues:</b>			
Banking layer deposit	\$ 1,869,000	\$ 5,843,000	\$ 7,712,000
Shared risk layer deposit	1,954,000	2,884,000	4,838,000
Other deposits/fees	2,415,491	1,992,942	4,408,433
Banking layer assessment	34,369	215,275	249,644
Shared layer assessment	368,049	-	368,049
Excess insurance rebate	<u>231,952</u>	<u>-</u>	<u>231,952</u>
<b>Total operating revenues</b>	<b><u>6,872,861</u></b>	<b><u>10,935,217</u></b>	<b><u>17,808,078</u></b>
<b>Operating expenses:</b>			
Provision for claims and claim adjustment expenses	1,723,116	6,108,195	7,831,311
Dividends	605,301	1,929,504	2,534,805
Insurance premiums	1,897,995	1,184,691	3,082,686
Claims administration	127,023	1,150,167	1,277,190
Program administration	196,686	167,832	364,518
Administrative fees	47,208	33,240	80,448
Safety services	239,038	234,671	473,709
Other expenses	<u>5,102</u>	<u>16,579</u>	<u>21,681</u>
<b>Total operating expenses</b>	<b><u>4,841,469</u></b>	<b><u>10,824,879</u></b>	<b><u>15,666,348</u></b>
<b>Operating income</b>	<b><u>2,031,392</u></b>	<b><u>110,338</u></b>	<b><u>2,141,730</u></b>
<b>Non-operating (expenses) revenues:</b>			
Net change in the fair value of investments	(270,952)	(751,148)	(1,022,100)
Investment income	<u>209,284</u>	<u>667,608</u>	<u>876,892</u>
<b>Total non-operating (expenses) revenues</b>	<b><u>(61,668)</u></b>	<b><u>(83,540)</u></b>	<b><u>(145,208)</u></b>
<b>Change in net position</b>	<b>1,969,724</b>	<b>26,798</b>	<b>1,996,522</b>
<b>Net position, beginning of year</b>	<b><u>2,233,698</u></b>	<b><u>11,765,859</u></b>	<b><u>13,999,557</u></b>
<b>Net position, end of year</b>	<b><u>\$ 4,203,422</u></b>	<b><u>\$ 11,792,657</u></b>	<b><u>\$ 15,996,079</u></b>

## SUMMARY OF RESULTS

- The change in net position for the FY ended June 30, 2017 was \$1,996,522. Expenses during the year included dividends to members totaling \$2,434,805. Without the dividend to members the program would have shown change in net position of \$4,531,327.
- Total operating revenues for FY 2017 were \$15,273,273, net of refunds, a decrease of 3.6% or \$568,055 as compared to FY 2016. The decrease in operating revenues was driven by an increase in dividends of \$1,413,361 from the prior year, even with an increase in the funding confidence level from 67.5% in FY 2016 to 70% in 2017.

## PROGRAM ADMINISTRATION CONTACT INFORMATION



**NCCSIF Program Administrators**  
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Please visit our website at [www.nccsif.org](http://www.nccsif.org)



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

**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
PROPOSED 2019 - 2025 Executive Committee Rotation Schedule by Size**

<b>Member</b>	<b>Size</b>	<b>Geography</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Elk Grove, City of	Large	South			x	x			
Folsom, City of	Large	East	x	x			x	x	
Lincoln, City of	Large	East	x	x					x
Rocklin, City of	Large	East				x	x		
Yuba City, City of	Large	North			x	x			
Anderson, City of	Medium	West				x	x		
Auburn, City of	Medium	East				x	x		
Corning, City of	Medium	West			x	x			
Dixon, City of	Medium	South				x	x		
Galt, City of	Medium	South	x	x					x
Gridley, City of	Medium	North	x					x	x
Marysville, City of	Medium	North		x	x				
Oroville, City of	Medium	North	x					x	x
Paradise, Town of	Medium	North	x					x	x
Placerville, City of	Medium	East		x	x				
Red Bluff, City of	Medium	West			x	x			x
Rio Vista, City of	Medium	South	x	x			x	x	
Colusa, City of	Small	West						x	x
Ione, City of	Small	South			x	x			
Jackson, City of	Small	South		x	x			x	x
Nevada City, City of	Small	North	x	x			x	x	
Willows, City of	Small	West					x	x	
			<b>8</b>	<b>8</b>	<b>8</b>	<b>9</b>	<b>8</b>	<b>9</b>	<b>8</b>