



President
Mr. Dave Warren
City of Placerville

Vice President
Ms. Liz Ehrenstrom
City of Oroville

Treasurer
Mr. Tim Sailsbery
City of Willows

Secretary
Ms. Corey Shaver
City of Nevada City

NCCSIF EXECUTIVE COMMITTEE MEETING AGENDA

Date: Thursday, March 23, 2017
Time: 10:00 a.m.

Location: Rocklin Event Center - Ballroom
2650 Sunset Blvd.
Rocklin, CA 95677
(916) 625-5200

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.

A. CALL TO ORDER

B. INTRODUCTIONS

C. APPROVAL OF AGENDA AS POSTED

A 1

D. PUBLIC COMMENTS

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

pg. 5 **E. CONSENT CALENDAR**

A 1

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

- pg. 6 1. Executive Committee Meeting Minutes - September 29, 2016
- pg. 13 2. Check Register from November 1, 2016 to February 28, 2017
- 3. Investment Reports

- pg. 15 a. Chandler Asset Management Short/Long Term - November 2016 to February 2017

- pg. 47 b. Local Agency Investment Fund (LAIF) Report as of December 31, 2016
- pg. 48 c. Treasurer’s Report as of December 31, 2016



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F. ADMINISTRATION REPORTS

I

1. President’s Report

4

Dave Warren will address the Committee on items pertaining to NCCSIF.

2. Program Administrator’s Report

4

Alliant will address the Committee on items pertaining to NCCSIF.

G. JPA BUSINESS

1. Actuarial Studies of the Self Insured Programs

A 1

pg. 49

a. FY 17/18 Workers’ Compensation Program

The Committee will review and may accept the Draft Actuarial Study for the Workers’ Compensation Program.

pg. 86

b. FY 17/18 Liability Program

The Committee will review and may accept the Draft Actuarial Study for the Liability Program.

2. Workers’ Compensation Program

A 1

pg. 122

a. Annual Banking Plan Adjustments - James Marta & Company

The Committee will review and may approve adjustments to the Banking Layer for the Workers’ Compensation program.

pg. 124

b. Annual Shared Risk Plan Adjustments - Alliant Insurance Services

The Committee will review and may approve adjustments to the Shared Risk Layer for the Workers’ Compensation program.

pg. 126

c. Preliminary FY 17/18 Deposit Premium Calculations

The Committee will review and may approve the Preliminary FY 17/18 Deposit Premium Calculations for the Workers’ Compensation Program.

3. Liability Program

A 1

pg. 130

a. Annual Banking Plan Adjustments - James Marta & Company

The Committee will review and may approve adjustments to the Banking Layer for the Liability program.

pg. 132

b. Annual Shared Risk Plan Adjustments - Alliant Insurance Services

The Committee will review and may approve adjustments to the Shared Risk Layer for the Liability program including applying the CJPRMA refund to the recommended assessment.



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pg. 134	c. Preliminary FY 17/18 Deposit Premium Calculations <i>The Committee will review and may approve the Preliminary FY 17/18 Deposit Premium Calculations for the Liability Program.</i>		
pg. 137	d. CJPRMA Refund Allocation <i>The Committee will review and approve the allocation of the CJPRMA Refund of \$231,952.</i>		
pg. 138	4. Preliminary FY 17/18 NCCSIF Budget <i>The Committee will review the preliminary FY 17/18 NCCSIF Budget.</i>	I	1
pg. 141	5. Accounting and Financial Services Agreement <i>The Committee will review and may approve the proposed Agreement with James Marta and Company for Accounting and Financial Services.</i>	A	1
pg. 147	6. Independent Financial Audit Services Agreement <i>The Committee will review and may approve the draft engagement letter with Crowe Horwath LLP for financial audit services.</i>	A	1
pg. 162	7. Claims Committee Membership Appointment <i>The Executive Committee to appoint members to serve on the NCCSIF Claims Committee for 2017.</i>	A	4
pg. 163	8. Selection of the CJPRMA Board and Alternate Representatives <i>The Committee to select Representative and Alternate to serve on the CJPRMA Board.</i>	A	4
pg. 164	9. NCCSIF Workers' Compensation Claims Administration Performance Plan Follow-up Survey Result <i>The Committee will receive an update on the results of the follow up survey for the Workers' Compensation Claims Administration for discussion and to Accept and File.</i>	A	1
pg. 171	10. 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
pg. 172	H. INFORMATION ITEMS	I	1
pg. 173	1. Glossary of Terms		
pg. 182	2. NCCSIF Organizational Chart		
pg. 183	3. NCCSIF 2017 Meeting Calendar		
pg. 184	4. NCCSIF Vendor Services Matrix		
pg. 193	5. NCCSIF Resource Contact Guide		
pg. 195	6. NCCSIF Travel Reimbursement Form		



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I. ADJOURNMENT

UPCOMING MEETINGS

Risk Management Committee Meeting - April 27, 2017

Board of Directors Meeting - April 27, 2017

Police Risk Management Committee Meeting - May 4, 2017

Claims Committee Meeting - May 18, 2017

Executive Committee Meeting - May 18, 2017

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

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

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



CONSENT CALENDAR

ACTION ITEM

ISSUE: Items on the Consent Calendar should be reviewed by the 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 - September 29, 2016
2. Check Register from November 1, 2016 to February 28, 2017
3. Investment Reports
 - a. Chandler Asset Management Short/Long Term - November 2016 to February 2017
 - b. Local Agency Investment Fund (LAIF) Report as of December 31, 2016
 - c. Treasurer's Report as of December 31, 2016



**MINUTES OF THE
NCCSIF EXECUTIVE COMMITTEE MEETING
ROCKLIN EVENT CENTER, ROCKLIN, CA
SEPTEMBER 29, 2016**

COMMITTEE MEMBERS PRESENT

Satwant Takhar, City of Marysville
Corey Shaver, City of Nevada City
Liz Ehrenstrom, City of Oroville
Dave Warren, City of Placerville (Chair)
Natalie Springer, City of Yuba City

COMMITTEE MEMBERS ABSENT

Toni Benson, City of Colusa
Jim Francis, City of Folsom
Paula Islas, City of Galt (CJPRMA Board Representative - non-voting)
Jon Hanken, City of Ione
Michael Daly, City of Jackson
Tim Sailsbery, City of Willows (Treasurer - non-voting)

CONSULTANTS & GUESTS

Marcus Beverly, Alliant Insurance Services	Dori Zumwalt, York Risk Services
Michael Simmons, Alliant Insurance Services	Cameron Dewey, York Risk Services
Raychelle Maranan, Alliant Insurance Services	Ben Burg, York Risk Services
James Marta, James Marta and Company	

A. CALL TO ORDER

Mr. Dave Warren called the meeting to order at 10:33 a.m.

B. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

Motion: Satwant Takhar	Second: Liz Ehrenstrom	Motion Carried
Ayes: Takhar, Shaver, Ehrenstrom, Warren, Springer		

C. PUBLIC COMMENTS

No public comments were made.

D. CONSENT CALENDAR

1. Executive Committee Meeting Minutes - May 19, 2016
2. Check Register from May 1, 2016 to August 31, 2016
3. Investment Reports
 - a. Chandler Asset Management Short/Long Term - May 2016 to August 2016
 - b. Local Agency Investment Fund (LAIF) Report as of June 30, 2016
 - c. Treasurer's Report as of June 30, 2016

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

Motion: Liz Ehrenstrom **Second:** Corey Shaver **Motion Carried**
Ayes: Takhar, Shaver, Ehrenstrom, Warren, Springer

E. ADMINISTRATION REPORTS

E1. President's Report

Mr. Warren indicated the Intaact Accounting system that the Board approved at the April Board meeting is up and running. The system is intuitive and it makes the check approval a seamless process.

E2. Program Administrator's Report

Mr. Marcus Beverly had no items to report.

F. FINANCIAL REPORTS

F1. Quarterly Financial Report for Period Ending June 30, 2016

Mr. James Marta reviewed the Quarterly Financial Report for Period Ending June 30, 2016. Mr. Marta presented the highlights of the report. The Liability Program Shared Layer is in a deficit position.

Mr. Marta proceeded and reviewed the Budget-to Actual.

Michael Simmons arrived at 10:56 a.m.

A motion was made to accept and file the Quarterly Financial Report for the period ending June 30, 2016.

Motion: Liz Ehrenstrom **Second:** Satwant Takhar **Motion Carried**
Ayes: Takhar, Shaver, Ehrenstrom, Warren, Springer

F2. Budget-to-Actual as of June 30, 2016

The Budget-to-Actual was reviewed under item F1.

F3. FY 15/16 Financial Audit Update

Mr. James Marta reported that the 15/16 Financial Audit is underway. Crowe Horwath LLP is finishing up on their audit and expect to have the report by the October Board meeting.

Information only.

F4. Consideration for Positive Pay Services with Tri Counties Bank

Mr. Marcus Beverly reported the Positive Pay feature is designed to reduce fraud to NCCSIF's checking account. Each check presented for payment is validated against a file provided by York Risk Services, for claim payments, or James Marta & Co., for all other payments. This reduces the risk of fraud from altered, lost, stolen or counterfeit checks. The process also simplifies the check reconciliation process and reduces the risk of ACH debit fraud.

After discussion, it is unclear exactly the cost to add the positive pay feature. The Committee directed the Program Administrators to obtain a cost comparison for each of the two options for positive pay services to the current checking account. This item was tabled to the October Board meeting.

G. JPA BUSINESS

G1. Meeting Calendar Update

G1a. 2016 Meeting Calendar Change

The Committee approved an Expanded Risk Management Committee Meeting in October 2016 to provide more time for claims analysis, policy review and updates to members' scorecards. The Committee recommended canceling the Risk Management Committee Meeting in December for an all-day Board Training Day.

A motion was made to approve the changes to the 2016 Meeting Calendar to the Board.

Motion: Liz Ehrenstrom

Second: Natalie Springer

Motion Carried

Ayes: Takhar, Shaver, Ehrenstrom, Warren, Springer

G1b. Preliminary 2017 Meeting Calendar Change

Mr. Marcus Beverly asked for the Committee to review the dates and advise if there are any conflicts. Some of the proposed dates were changed to work around the CJPRMA meeting dates to lessen conflict with Ms. Paula Islas' schedule as she is the CJPRMA Board Representative.



After review, the Committee approved recommending the preliminary 2017 Meeting Calendar to the Board.

A motion was made to recommend the Preliminary 2017 Meeting Calendar to the Board of Directors.

Motion: Satwant Takhar **Second:** Liz Ehrenstrom **Motion Carried**
Ayes: Takhar, Shaver, Ehrenstrom, Warren, Springer

G2. Nomination of Officers - 2017

Mr. Beverly reported that the President position is the only officer position that is up for nomination. Mr. Beverly indicated that Mr. Dave Warren assumed the office of President less than six months ago and is serving the remainder of the prior President's term ending December 31, 2016. Dave Warren is willing to serve for another term.

The Committee nominated Dave Warren for the President position and recommended the slate of officers and the new set of Executive Committee for 2017 based on the Executive Committee Rotation Schedule to the Board.

A motion was made to nominate Dave Warren for President and recommend the 2017 Slate of Officers and Executive Committee to the Board.

Motion: Liz Ehrenstrom **Second:** Corey Shaver **Motion Carried**
Ayes: Takhar, Shaver, Ehrenstrom, Warren, Springer

G3. FY 16/17 Police Risk Management Grant Funds Allocation and Usage

Mr. Marcus Beverly indicated that due to varying needs of each agency the Police Risk Management Committee (PRMC) had approved allocating the funds to the members. The allocation calculation was based on the same allocation used for the 14/15 body camera grants. Allotment of funds is equal to the cost of the number of cameras previously distributed to the members. It was noted the discounted group rate per camera is \$757.50. The PRMC agreed to provide options to use the grant for other risk management functions specifically for those members that have fully funded their body camera program, such as replacing duty belts with duty vests. Options for other uses would make the best use of the grant funds. Mr. Beverly indicated the process to request use of the Police Risk Management Grant can follow the same guidelines as the Risk Management Reserve Fund.

A motion was made to approve the \$50,000 budget per the allocation as presented and the option for members to use the grant for other risk management functions if member agency's body camera program is fully funded.

Motion: Liz Ehrenstrom **Second:** Satwant Takhar **Motion Carried**
Ayes: Takhar, Shaver, Ehrenstrom, Warren, Springer

G4. Claims Services

G4a. Approval of NCCSIF Defense Attorney List for Workers' Compensation

Mr. Marcus Beverly reported that the Claims Committee reviewed this item at its earlier meeting and the Claims Committee recommended the addition of Isaac Escobedo from Mullen & Filippi, LLP law firm to the NCCSIF Workers' Compensation Counsel Approved List; and removal of Kurt Petersen from D'Andre, Peterson, Bobus & Rosenberg law firm from the NCCSIF Workers' Compensation Counsel Approved list.

A motion was made to approve addition of Isaac Escobedo from Mullen & Filippi, LLP law firm to the NCCSIF Workers' Compensation Counsel Approved List; and removal of Kurt Petersen from D'Andre, Peterson, Bobus & Rosenberg law firm from the NCCSIF Workers' Compensation Counsel Approved List.

Motion: Liz Ehrenstrom

Second: Satwant Takhar

Motion Carried

Ayes: Takhar, Shaver, Ehrenstrom, Warren, Springer

G4b. Approval of 2016 Workers' Compensation Claims Audit

Mr. Marcus Beverly indicated that NCCSIF is scheduled to conduct the Workers' Compensation Claims Audit this year. Alliant have requested proposal from Farley Consulting Services (FCS), the firm that has conducted the last audit for NCCSIF. The proposal is for \$10,500, but was budgeted for \$8,000. This audit is normally done in October however, CSAC EIA, excess WC carrier, is also conducting a claims audit in October and therefore, FCS audit will be delayed until March 2017.

A motion was made to approve Farley Consulting Services as the Workers' Compensation Claims Auditor for 2016.

Motion: Liz Ehrenstrom

Second: Natalie Springer

Motion Carried

Ayes: Takhar, Shaver, Ehrenstrom, Warren, Springer

G4c. Workers' Compensation Claims Administration Performance Plan

Mr. Beverly indicated that the regular Service Provider Survey conducted recently revealed concerns with the Workers' Compensation (WC) claims management by York. A subsequent survey and Board discussion regarding the WC claims administration led to a meeting with York and select Executive Committee members to address member concerns and develop the Performance Plan. Mr. Beverly reviewed the Performance Plan to the Board. The objective is to keep member apprised on the status of the claims and an open line of communication with the members.

Ms. Dori Zumwalt indicated that York will be providing a quarterly report detailing trends and claims statistics to keep members apprised of the claims management as part of the Performance

Plan. This quarterly report is being presented to the Committee for review and comment before presenting it to the Board. York is conducting Workers' Compensation 101 Trainings at member's locations.

Information only.

The Committee recessed for lunch at 11:55 a.m.

Ben Burg left the meeting during lunch.

The meeting resumed at 12:15 p.m.

G5. Change in Members Transit Coverage Structure

Mr. Beverly indicated that the California Transit Indemnity Pool (Cal TIP) is changing their claims management procedure that impacts the coverage structure of three NCCSIF members with fixed route transit: City of Folsom, City of Dixon and City of Auburn. Currently, NCCSIF covers transit exposure up to \$250,000, but it is excluded for coverage through CJPRMA. Cal TIP is phasing out the option for members' to use its own claims adjusters. The change in claims management complicates the coverage structure in both Pools due to the interrelated issues such as funding plan in NCCSIF is based on payroll and Cal TIP rating plan is based on miles.

Mr. Simmons indicated that if NCCSIF were to exclude transit coverage CalTIP provided an estimate indication for these three members at the various self-insured retention offered in the program at \$10,000, \$50,000, and \$100,000 attachments. Regardless of which attachment each member chooses it would have a premium charge to purchase coverage outside the pool. After conversation with both Cal TIP and York, it was concluded that members can use their Banking layer through NCCSIF to pay claim costs as it occurs in the Cal TIP Pool, but it does not work as well with the Shared Risk layer. Mr. Simmons stated that the three members are not aware of the change and this is the first discussion to know the goal of the organization before proceeding with alternatives.

After extensive discussion, the Committee directed Program Administrators to reach out to the three affected members to get their input and tabled this matter to the Board for review.

G6. December 2016 Training Day

Mr. Beverly reviewed the training topics for the Training Day in conjunction with the Board Meeting in December. After discussion, the Committee suggested the following topics:

- Overview of Funding Formulas
- Best Practices for Workers' Compensation Claims
- Drone Coverage
- Investment 101
- CJPRMA Update and Services



- Liability Shared Risk Layer Deficit Plan
- New Member Orientation
- Body Camera Use and appropriate Use of Force
- Legal Marijuana in anticipation of Proposition 64 passage in November ballot

G7. Round Table Discussion

Ms. Liz Ehrenstrom asked clarification on Claims Reporting procedure specifically vehicle and property related claims. Mr. Beverly indicated that the APIP Claims Reporting Procedure has detailed instructions including the names of the people that needs to be notified upon learning of an incident. Mr. Beverly noted that there is 7 days reporting period for the Pollution and coverage would be limited if members do not promptly report a claim. When in doubt report it to the Program Administrators.

H. INFORMATION ITEMS

1. NCCSIF Organizational Chart
2. NCCSIF Travel Reimbursement Form
3. NCCSIF Resource Contact Guide

These items were provided as information only.

I. ADJOURNMENT

The meeting was adjourned at 12:58 p.m.

Respectfully Submitted,

Corey Shaver, Secretary

Date

NCCSIF
NCCSIF Check Register
November 1, 2016 - February 28, 2017

Check No.	Vendor Name	Allocation	Account title	Account	Payment Date	Payment Amount
11032	Aubergine Catering	WC/Liab-Admin Layer	Board Meetings	52503	11/8/2016	240.00
11033	Sandy Ryan	WC/Liab-Admin Layer	Seminars and PARMA	52207	11/8/2016	925.47
11034	Sheleen Edward	WC/Liab-Admin Layer	Member Travel	52502	11/8/2016	39.20
11035	Liz Ehrenstrom	WC/Liab-Admin Layer	Member Travel	52502	11/8/2016	64.80
11036	Satwant Takhar	WC/Liab-Admin Layer	Member Travel	52502	11/8/2016	48.60
11037	Natalie Springer	WC/Liab-Admin Layer	Member Travel	52502	11/8/2016	39.20
11038	VIEVU	WC/Liab-Admin Layer	Safety Contingency	52209	11/8/2016	1,655.63
11039	Dalacie Blankenship	WC/Liab-Admin Layer	Member Travel	52502	11/8/2016	54.54
11040	Kim Stalie	WC/Liab-Admin Layer	Member Travel	52502	11/8/2016	48.49
11041	City of Colusa	WC/Liab-Admin Layer	Member Travel	52502	11/8/2016	68.04
11042	City of Placerville	WC/Liab-Admin Layer	Member Travel	52502	11/8/2016	41.36
11043	Gina Will	WC/Liab-Admin Layer	Member Travel	52502	11/8/2016	89.64
11044	Jim Ramsey	WC/Liab-Admin Layer	Member Travel	52502	11/8/2016	34.56
11045	Kristine Haile	WC/Liab-Admin Layer	Member Travel	52502	11/8/2016	15.12
11046	Liz Cottrell	WC/Liab-Admin Layer	Member Travel	52502	11/8/2016	181.44
11047	Corey Shaver	WC/Liab-Admin Layer	Member Travel	52502	11/8/2016	74.52
11048	Spencer Morrison	WC/Liab-Admin Layer	Member Travel	52502	11/8/2016	39.20
11049	Tom Watson	WC/Liab-Admin Layer	Member Travel	52502	11/8/2016	89.64
11050	Chandler Asset Management, Inc.	WC/Liab-Admin Layer	Investment Income	44040	11/8/2016	4,630.77
11051	Gibbons and Conley	WC/Liab-Admin Layer	Legal Services	52103	11/8/2016	1,596.44
11052	York	WC - Member Layer	Claims Admin - Monthly WC Only	52300	11/8/2016	91,803.50
11053	York Risk Services Group, Inc.	Laib - Member Layer	Claims Admin - Liability	51135	11/8/2016	43,591.72
11054	Alliant Insurance Services	WC/Liab-Admin Layer	Program Admin Fee	52401	11/8/2016	24,796.33
11055	Bickmore Risk Services Inc.	WC/Liab-Admin Layer	On Site	52204	11/8/2016	14,726.67
11056	Aubergine Catering	WC/Liab-Admin Layer	Board Meetings	52503	11/30/2016	870.00
11057	Champion Awards Enterprises	WC/Liab-Admin Layer	Board Meetings	52503	11/30/2016	159.72
11058	Town of Paradise	WC/Liab-Admin Layer	Police Risk Mgmt Comm Svcs	52203	11/30/2016	2,239.42
11059	Astrida Trupovnick	WC/Liab-Admin Layer	Seminars and PARMA	52207	11/30/2016	1,059.60
11060	Bruce D Praet	WC/Liab-Admin Layer	Police Risk Mgmt Comm Svcs	52203	11/30/2016	2,168.74
11061	Gibbons and Conley	WC/Liab-Admin Layer	Legal Services	52103	11/30/2016	735.43
11062	James Marta and Company LLP	WC/Liab-Admin Layer	Accounting Services	52403	11/30/2016	5,790.17
11063	Liz Ehrenstrom	WC/Liab-Admin Layer	Member Travel	52502	12/8/2016	64.80
11064	Crowe Horwath	WC/Liab-Admin Layer	Financial Audit	52102	12/8/2016	7,830.00
11065	James Marta and Company LLP	WC/Liab-Admin Layer	Accounting Services/intacct/admin	52403	12/8/2016	5,796.62
11066	York Risk Services Group, Inc.	Laib - Member Layer	Claims Admin - Liability	51135	12/8/2016	39,712.26
11067	Bickmore Risk Services Inc.	WC/Liab-Admin Layer	On Site	52204	12/8/2016	14,726.66
11068	Alliant Insurance Services	WC/Liab-Admin Layer	Program Admin Fee	52401	12/8/2016	24,796.33
11069	City of Dixon	WC - Admin Layer	Wellness Optional	52217	12/8/2016	53.94
11070	Chandler Asset Management, Inc.		Investment Income	44040	12/8/2016	4,602.74
11071	Department of Industrial Relations	WC - Admin Layer	State Funding/Fraud Assessment	52304	12/19/2016	205,151.74
11072	City of Yuba City	WC/Liab-Admin Layer	Seminars and PARMA	52207	12/19/2016	3,300.00
11073	Crystal Peters	WC - Admin Layer	Wellness Optional	52217	12/19/2016	375.95
11074	Aubergine Catering	WC/Liab-Admin Layer	Board Meetings	52503	12/19/2016	560.00
11075	City of Placerville	WC/Liab-Admin Layer	Member Travel	52502	12/19/2016	41.36
11076	Jim Ramsey	WC/Liab-Admin Layer	Member Travel	52502	12/19/2016	35.64
11077	Liz Cottrell	WC/Liab-Admin Layer	Member Travel	52502	12/19/2016	152.28
11078	Liz Ehrenstrom	WC/Liab-Admin Layer	Member Travel	52502	12/19/2016	64.80
11079	Matt Michaelis	WC/Liab-Admin Layer	Member Travel	52502	12/19/2016	42.12
11080	PAULA ISLAS	WC/Liab-Admin Layer	Member Travel	52502	12/19/2016	103.68
11081	Corey Shaver	WC/Liab-Admin Layer	Member Travel	52502	12/19/2016	37.16
11082	Julie Rucker	WC/Liab-Admin Layer	Member Travel	52502	12/19/2016	70.64
11083	Liz Cottrell	WC/Liab-Admin Layer	Member Travel	52502	1/9/2017	162.15
11084	York	WC - Member Layer	Claims Admin - Monthly WC Only	52300	1/9/2017	45,901.75
11085	Liz Ehrenstrom	WC/Liab-Admin Layer	Seminars and PARMA	52207	1/9/2017	1,776.52
11086	Gibbons and Conley	WC/Liab-Admin Layer	Legal Services	52103	1/9/2017	1,417.06
11087	James Marta and Company LLP	WC/Liab-Admin Layer	Accounting Services/intacct	52403	1/9/2017	5,790.17
11088	York Risk Services Group, Inc.	Laib - Member Layer	Claims Admin - Liability	51135	1/9/2017	27,966.54
11089	Bickmore Risk Services Inc.	WC/Liab-Admin Layer	On Site	52204	1/9/2017	14,726.67
11090	Alliant Insurance Services	WC/Liab-Admin Layer	Program Admin Fee	52401	1/9/2017	24,796.33
11091	Chandler Asset Management, Inc.		Investment Income	44040	1/9/2017	4,580.16
11092	VIEVU	WC/Liab-Admin Layer	Safety Contingency	52209	1/26/2017	6,582.52
11093	City of Galt	WC/Liab-Admin Layer	Seminars and PARMA	52207	1/26/2017	3,300.00
11094	City of Red Bluff	WC/Liab-Admin Layer	Risk Mgmt Comm Services	52201	1/26/2017	142.75
11095	York	WC - Member Layer	Claims Admin - Monthly WC Only	52300	1/26/2017	45,901.75
11096	AGRIP	WC/Liab-Admin Layer	Associations Memberships	52504	1/26/2017	1,943.31

NCCSIF
NCCSIF Check Register
November 1, 2016 - February 28, 2017

Check No.	Vendor Name	Allocation	Account title	Account	Payment Date	Payment Amount
11097	Alliant Insurance Services	WC/Liab-Admin Layer	Wellness Optional	52217	1/26/2017	54.95
11098	Catrina Olson	WC/Liab-Admin Layer	Member Travel	52502	1/26/2017	48.59
11099	City of Folsom	Liab- Admin Layer	Other Income	44010	1/26/2017	100.00
11100	Gibbons and Conley	WC/Liab-Admin Layer	Legal Services	52103	2/8/2017	1,112.12
11101	Natalie Springer	WC/Liab-Admin Layer	Member Travel	52502	2/8/2017	38.95
11102	James Marta and Company LLP	WC/Liab-Admin Layer	Accounting Services/intacct/admin	52403	2/8/2017	5,828.56
11103	York Risk Services Group, Inc.	WC - Member Layer	Claims Admin - Liability	51135	2/8/2017	41,102.63
11104	Alliant Insurance Services	WC/Liab-Admin Layer	Program Admin Fee	52401	2/8/2017	24,796.33
11105	Bickmore Risk Services Inc.	WC/Liab-Admin Layer	On Site	52204	2/8/2017	14,726.67
11106	York	WC - Member Layer	Claims Admin - Monthly WC Only	52300	2/8/2017	45,901.75
11107	Chandler Asset Management, Inc.		Investment Income	44040	2/8/2017	4,585.16
11108	Kristine Haile	WC/Liab-Admin Layer	Member Travel	52502	2/8/2017	14.98
11109	City of Dixon	WC - Member Layer	Administration Deposit	41010	2/8/2017	132,122.00
11110	Aubergine Catering	WC/Liab-Admin Layer	Police Risk Mgmt Comm Svcs	52203	2/24/2017	375.00
11111	City of Oroville	WC/Liab-Admin Layer	Risk Mgmt Comm Services	52201	2/24/2017	142.76
11112	City of Red Bluff	WC/Liab-Admin Layer	Safety Contingency	52209	2/24/2017	1,473.74
Voided - 8731	Liz Cottrell	WC/Liab-Admin Layer	Member Travel	52502	1/5/2017	-162.15

Monthly Account Statement

Northern CA Cities Self Ins. Fund Short Term

November 1, 2016 through November 30, 2016

Chandler Team

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

Custodian

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

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PORTFOLIO CHARACTERISTICS

Average Duration	2.43
Average Coupon	1.37 %
Average Purchase YTM	1.44 %
Average Market YTM	1.47 %
Average S&P/Moody Rating	AA+/Aa1
Average Final Maturity	2.64 yrs
Average Life	2.49 yrs

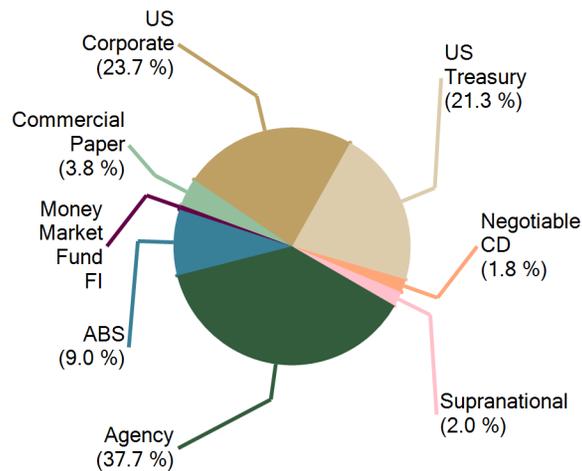
ACCOUNT SUMMARY

	Beg. Values as of 10/31/16	End Values as of 11/30/16
Market Value	26,861,504	26,646,796
Accrued Interest	79,524	73,574
Total Market Value	26,941,028	26,720,370
Income Earned	31,609	31,872
Cont/WD		0
Par	26,737,783	26,786,716
Book Value	26,688,766	26,730,498
Cost Value	26,649,780	26,691,712

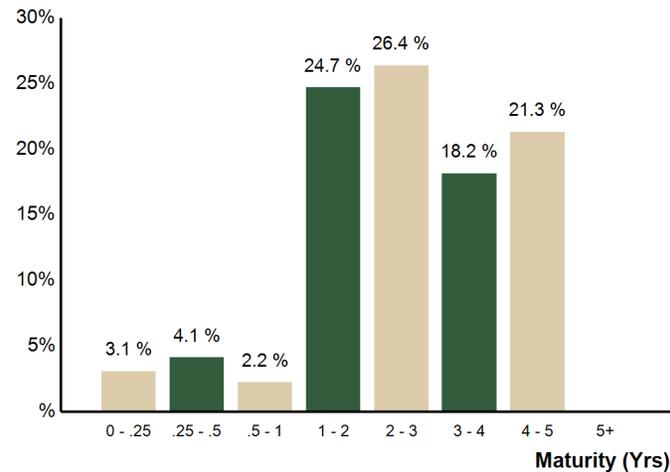
TOP ISSUERS

Issuer	% Portfolio
Government of United States	21.3 %
Federal National Mortgage Assoc	18.5 %
Federal Home Loan Mortgage Corp	10.2 %
Federal Home Loan Bank	6.9 %
Honda ABS	3.1 %
John Deere ABS	2.2 %
Intl Bank Recon and Development	2.0 %
Rabobank Nederland NV NY	2.0 %
	66.4 %

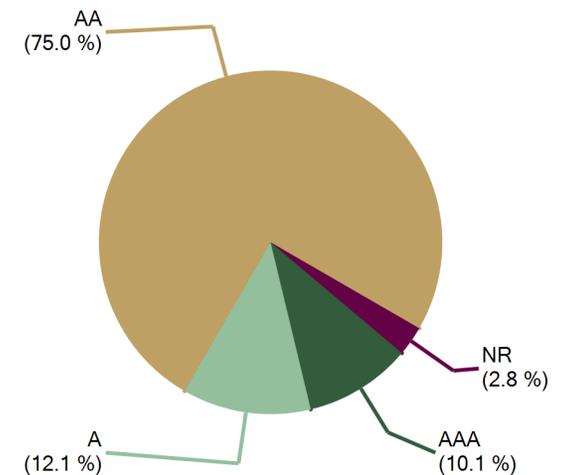
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 11/30/2016	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			Since 12/31/1997	Since 12/31/1997
					3 Yrs	5 Yrs	10 Yrs		
Northern CA Cities Self Ins. Fund Short Term	-0.82 %	-0.86 %	1.26 %	1.15 %	1.15 %	1.22 %	3.03 %	4.08 %	113.00 %
BAML 1-5 Yr US Treasury/Agency Index	-0.90 %	-0.92 %	1.06 %	0.92 %	0.94 %	0.85 %	2.74 %	3.75 %	100.72 %
BAML 1-5 Yr US Issuers Corp/Govt Rated AAA-A Index	-0.90 %	-0.93 %	1.19 %	1.03 %	1.05 %	1.07 %	2.80 %	3.86 %	104.73 %



Northern California Cities Self-Insurance Fund - Short Term

November 30, 2016

COMPLIANCE WITH INVESTMENT POLICY

The portfolio complies with State law and with the investment policy.

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



Reconciliation Summary

As of 11/30/2016

BOOK VALUE RECONCILIATION	
Beginning Book Value	\$26,688,766.31
Acquisition	
+ Security Purchases	\$535,783.66
+ Money Market Fund Purchases	\$148,600.95
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
Total Acquisitions	\$684,384.61
Dispositions	
- Security Sales	\$543,309.91
- Money Market Fund Sales	\$0.00
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$0.00
- Calls	\$0.00
- Principal Paydowns	\$104,667.82
Total Dispositions	\$647,977.73
Amortization/Accretion	
+/- Net Accretion	\$1,414.81
	\$1,414.81
Gain/Loss on Dispositions	
+/- Realized Gain/Loss	\$3,909.71
	\$3,909.71
Ending Book Value	\$26,730,497.71

CASH TRANSACTION SUMMARY	
BEGINNING BALANCE	\$23,467.48
Acquisition	
Contributions	\$0.00
Security Sale Proceeds	\$543,309.91
Accrued Interest Received	\$1,642.73
Interest Received	\$35,454.00
Dividend Received	\$0.76
Principal on Maturities	\$0.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$104,667.82
Total Acquisitions	\$685,075.22
Disposition	
Withdrawals	\$0.00
Security Purchase	\$535,783.66
Accrued Interest Paid	\$690.61
Total Dispositions	\$536,474.27
Ending Book Value	\$172,068.43

Monthly Account Statement

Northern Cal. Cities Self Ins. Fund Long Term

November 1, 2016 through November 30, 2016

Chandler Team

For questions about your account,
please call (800) 317-4747 or
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Custodian

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

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PORTFOLIO CHARACTERISTICS

Average Duration	3.42
Average Coupon	1.94 %
Average Purchase YTM	1.84 %
Average Market YTM	1.76 %
Average S&P/Moody Rating	AA+/Aa1
Average Final Maturity	3.75 yrs
Average Life	3.61 yrs

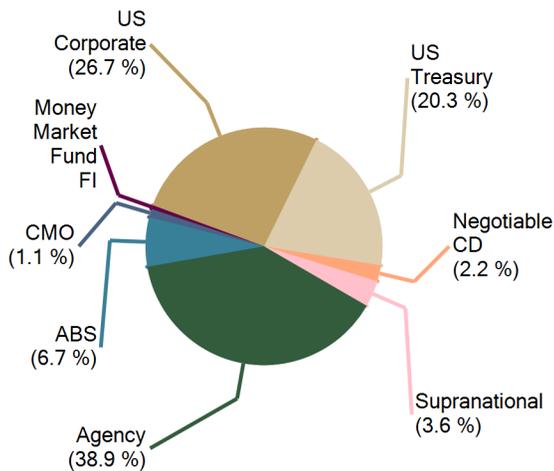
ACCOUNT SUMMARY

	Beg. Values as of 10/31/16	End Values as of 11/30/16
Market Value	27,933,230	27,549,476
Accrued Interest	140,584	121,735
Total Market Value	28,073,815	27,671,211
Income Earned	42,007	42,152
Cont/WD		0
Par	27,436,875	27,500,580
Book Value	27,473,860	27,540,972
Cost Value	27,604,290	27,672,793

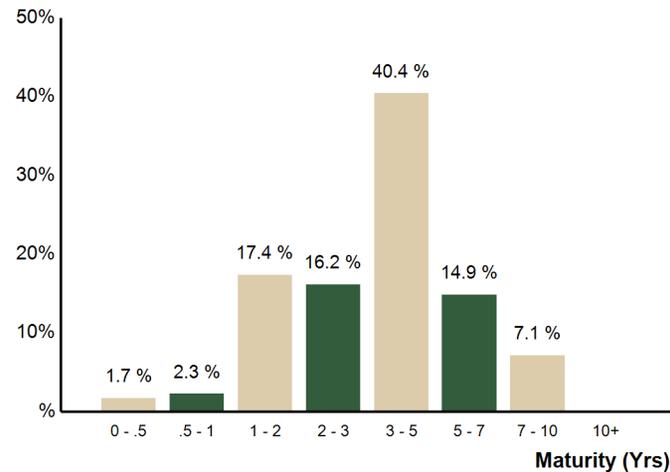
TOP ISSUERS

Issuer	% Portfolio
Government of United States	20.3 %
Federal National Mortgage Assoc	12.7 %
Federal Home Loan Mortgage Corp	11.3 %
Federal Home Loan Bank	10.1 %
Tennessee Valley Authority	6.0 %
Bank of Nova Scotia	2.2 %
JP Morgan ABS	2.2 %
Intl Bank Recon and Development	2.0 %
Total	66.7 %

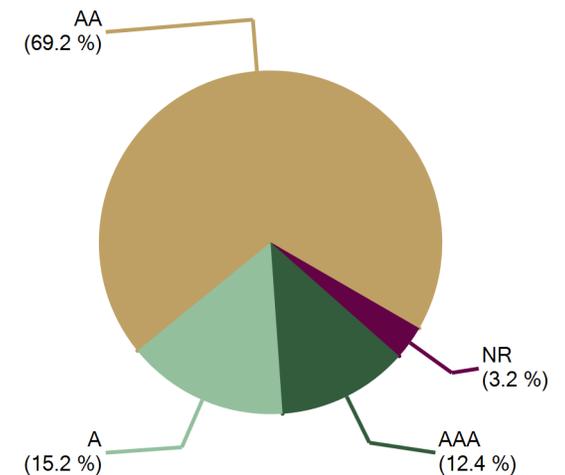
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 11/30/2016	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	-1.43 %	-1.63 %	1.63 %	1.47 %	1.88 %	1.72 %	3.79 %	4.07 %	52.06 %
BAML 1-10 Yr US Treasury/Agency Index	-1.60 %	-1.87 %	1.16 %	0.96 %	1.43 %	1.19 %	3.43 %	3.68 %	46.20 %
BAML 1-10 Yr US Corporate/Govt Rated AAA-A Index	-1.62 %	-1.93 %	1.50 %	1.28 %	1.71 %	1.73 %	3.53 %	3.81 %	48.05 %



Northern California Cities Self-Insurance Fund - Long Term
October 31, 2016

COMPLIANCE WITH INVESTMENT POLICY

The portfolio complies with State law and with the investment policy.

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



Reconciliation Summary

As of 11/30/2016

BOOK VALUE RECONCILIATION	
Beginning Book Value	\$27,473,860.17
Acquisition	
+ Security Purchases	\$451,242.01
+ Money Market Fund Purchases	\$136,436.45
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
Total Acquisitions	\$587,678.46
Dispositions	
- Security Sales	\$381,813.00
- Money Market Fund Sales	\$68,516.81
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$0.00
- Calls	\$0.00
- Principal Paydowns	\$74,214.97
Total Dispositions	\$524,544.78
Amortization/Accretion	
+/- Net Accretion	(\$2,131.91)
	(\$2,131.91)
Gain/Loss on Dispositions	
+/- Realized Gain/Loss	\$6,110.26
	\$6,110.26
Ending Book Value	\$27,540,972.20

CASH TRANSACTION SUMMARY	
BEGINNING BALANCE	\$78,998.42
Acquisition	
Contributions	\$0.00
Security Sale Proceeds	\$381,813.00
Accrued Interest Received	\$2,332.73
Interest Received	\$62,219.77
Dividend Received	\$1.71
Principal on Maturities	\$0.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$74,214.97
Total Acquisitions	\$520,582.18
Disposition	
Withdrawals	\$0.00
Security Purchase	\$451,242.01
Accrued Interest Paid	\$1,420.53
Total Dispositions	\$452,662.54
Ending Book Value	\$146,918.06

Monthly Account Statement

Northern CA Cities Self Ins. Fund Short Term

December 1, 2016 through December 31, 2016

Chandler Team

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

Custodian

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

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PORTFOLIO CHARACTERISTICS

Average Duration	2.47
Average Coupon	1.39 %
Average Purchase YTM	1.47 %
Average Market YTM	1.54 %
Average S&P/Moody Rating	AA+/Aa1
Average Final Maturity	2.69 yrs
Average Life	2.55 yrs

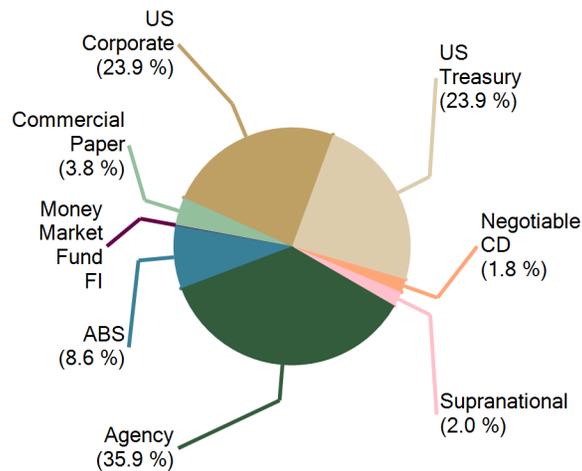
ACCOUNT SUMMARY

	Beg. Values as of 11/30/16	End Values as of 12/31/16
Market Value	26,646,796	26,641,963
Accrued Interest	73,574	92,809
Total Market Value	26,720,370	26,734,772
Income Earned	31,872	32,679
Cont/WD		0
Par	26,786,716	26,817,300
Book Value	26,730,498	26,745,685
Cost Value	26,691,712	26,713,269

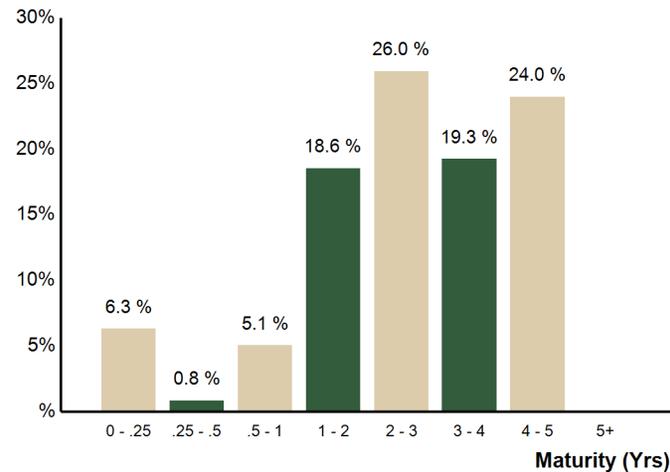
TOP ISSUERS

Issuer	% Portfolio
Government of United States	23.9 %
Federal National Mortgage Assoc	18.5 %
Federal Home Loan Mortgage Corp	8.4 %
Federal Home Loan Bank	6.9 %
Honda ABS	3.0 %
John Deere ABS	2.2 %
Intl Bank Recon and Development	2.0 %
Rabobank Nederland NV NY	2.0 %
Total	66.9 %

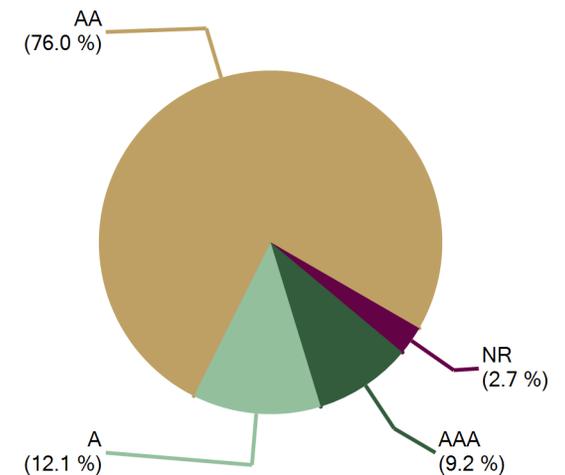
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 12/31/2016	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			Since 12/31/1997	Since 12/31/1997
					3 Yrs	5 Yrs	10 Yrs		
Northern CA Cities Self Ins. Fund Short Term	0.05 %	-0.90 %	1.31 %	1.31 %	1.31 %	1.17 %	3.05 %	4.06 %	113.12 %
BAML 1-5 Yr US Treasury/Agency Index	0.02 %	-1.07 %	1.09 %	1.09 %	1.10 %	0.82 %	2.76 %	3.74 %	100.76 %
BAML 1-5 Yr US Issuers Corp/Govt Rated AAA-A Index	0.04 %	-1.04 %	1.24 %	1.24 %	1.22 %	1.03 %	2.81 %	3.85 %	104.82 %



Northern California Cities Self-Insurance Fund - Short Term

December 31, 2016

COMPLIANCE WITH INVESTMENT POLICY

The portfolio complies with State law and with the investment policy.

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



Reconciliation Summary

As of 12/31/2016

BOOK VALUE RECONCILIATION	
Beginning Book Value	\$26,730,497.71
Acquisition	
+ Security Purchases	\$1,010,240.10
+ Money Market Fund Purchases	\$117,288.11
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
Total Acquisitions	\$1,127,528.21
Dispositions	
- Security Sales	\$744,008.20
- Money Market Fund Sales	\$269,639.64
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$0.00
- Calls	\$0.00
- Principal Paydowns	\$102,064.54
Total Dispositions	\$1,115,712.38
Amortization/Accretion	
+/- Net Accretion	\$1,628.06
	\$1,628.06
Gain/Loss on Dispositions	
+/- Realized Gain/Loss	\$1,743.69
	\$1,743.69
Ending Book Value	\$26,745,685.29

CASH TRANSACTION SUMMARY	
BEGINNING BALANCE	\$172,068.43
Acquisition	
Contributions	\$0.00
Security Sale Proceeds	\$744,008.20
Accrued Interest Received	\$1,538.92
Interest Received	\$15,222.81
Dividend Received	\$0.76
Principal on Maturities	\$0.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$102,064.54
Total Acquisitions	\$862,835.23
Disposition	
Withdrawals	\$0.00
Security Purchase	\$1,010,240.10
Accrued Interest Paid	\$4,946.66
Total Dispositions	\$1,015,186.76
Ending Book Value	\$19,716.90

Monthly Account Statement

Northern Cal. Cities Self Ins. Fund Long Term

December 1, 2016 through December 31, 2016

Chandler Team

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PORTFOLIO CHARACTERISTICS

Average Duration	3.42
Average Coupon	1.95 %
Average Purchase YTM	1.86 %
Average Market YTM	1.81 %
Average S&P/Moody Rating	AA+/Aa1
Average Final Maturity	3.75 yrs
Average Life	3.62 yrs

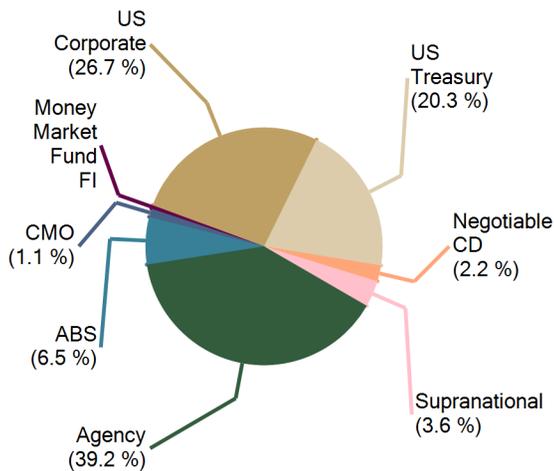
ACCOUNT SUMMARY

	Beg. Values as of 11/30/16	End Values as of 12/31/16
Market Value	27,549,476	27,544,012
Accrued Interest	121,735	133,985
Total Market Value	27,671,211	27,677,998
Income Earned	42,152	42,734
Cont/WD		0
Par	27,500,580	27,568,740
Book Value	27,540,972	27,572,943
Cost Value	27,672,793	27,707,192

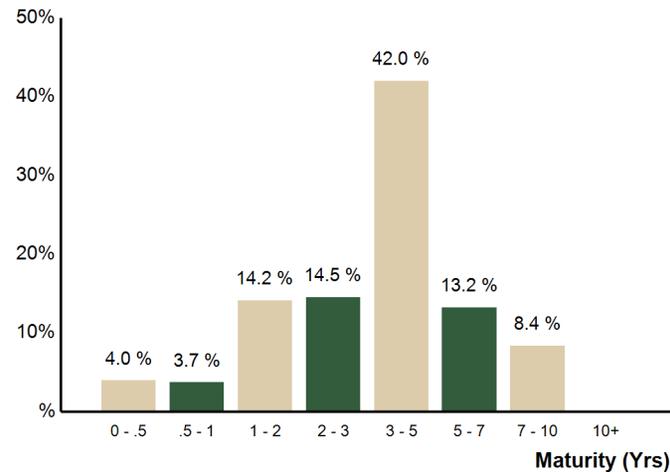
TOP ISSUERS

Issuer	% Portfolio
Government of United States	20.3 %
Federal National Mortgage Assoc	13.0 %
Federal Home Loan Mortgage Corp	11.3 %
Federal Home Loan Bank	10.1 %
Tennessee Valley Authority	6.0 %
Bank of Nova Scotia	2.2 %
JP Morgan ABS	2.1 %
Intl Bank Recon and Development	2.0 %
Total	67.0 %

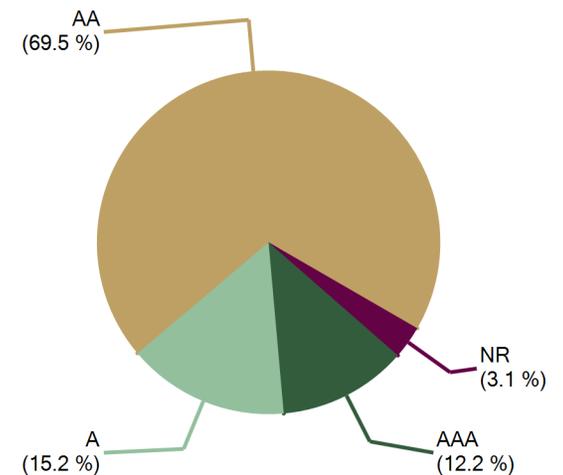
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 12/31/2016	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			Since 5/31/2006	
					3 Yrs	5 Yrs	10 Yrs		
Northern Cal. Cities Self Ins. Fund Long Term	0.02 %	-1.72 %	1.66 %	1.66 %	2.15 %	1.58 %	3.83 %	4.04 %	52.09 %
BAML 1-10 Yr US Treasury/Agency Index	-0.02 %	-2.06 %	1.14 %	1.14 %	1.72 %	1.08 %	3.47 %	3.65 %	46.17 %
BAML 1-10 Yr US Corporate/Govt Rated AAA-A Index	0.01 %	-2.04 %	1.51 %	1.51 %	1.97 %	1.59 %	3.57 %	3.78 %	48.07 %



Northern California Cities Self-Insurance Fund - Long Term
December 31, 2016

COMPLIANCE WITH INVESTMENT POLICY

The portfolio complies with State law and with the investment policy.

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



Reconciliation Summary

As of 12/31/2016

BOOK VALUE RECONCILIATION	
Beginning Book Value	\$27,540,972.20
Acquisition	
+ Security Purchases	\$340,350.00
+ Money Market Fund Purchases	\$332,265.52
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
Total Acquisitions	\$672,615.52
Dispositions	
- Security Sales	\$225,954.00
- Money Market Fund Sales	\$341,892.97
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$0.00
- Calls	\$0.00
- Principal Paydowns	\$72,212.69
Total Dispositions	\$640,059.66
Amortization/Accretion	
+/- Net Accretion	(\$2,072.08)
	(\$2,072.08)
Gain/Loss on Dispositions	
+/- Realized Gain/Loss	\$1,486.61
	\$1,486.61
Ending Book Value	\$27,572,942.59

CASH TRANSACTION SUMMARY	
BEGINNING BALANCE	\$146,918.06
Acquisition	
Contributions	\$0.00
Security Sale Proceeds	\$225,954.00
Accrued Interest Received	\$207.81
Interest Received	\$33,890.22
Dividend Received	\$0.80
Principal on Maturities	\$0.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$72,212.69
Total Acquisitions	\$332,265.52
Disposition	
Withdrawals	\$0.00
Security Purchase	\$340,350.00
Accrued Interest Paid	\$1,542.97
Total Dispositions	\$341,892.97
Ending Book Value	\$137,290.61

Monthly Account Statement

Northern CA Cities Self Ins. Fund Short Term

January 1, 2017 through January 31, 2017

Chandler Team

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

Custodian

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

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



PORTFOLIO CHARACTERISTICS

Average Duration	2.49
Average Coupon	1.42 %
Average Purchase YTM	1.50 %
Average Market YTM	1.55 %
Average S&P/Moody Rating	AA+/Aa1
Average Final Maturity	2.70 yrs
Average Life	2.57 yrs

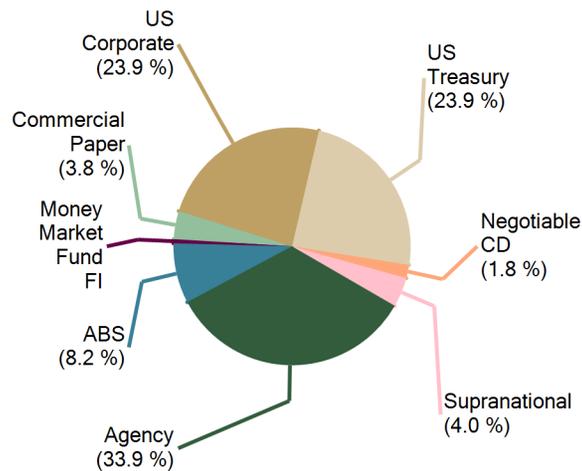
ACCOUNT SUMMARY

	Beg. Values as of 12/31/16	End Values as of 1/31/17
Market Value	26,641,963	26,683,793
Accrued Interest	92,809	99,353
Total Market Value	26,734,772	26,783,146
Income Earned	32,679	33,093
Cont/WD		0
Par	26,817,300	26,842,154
Book Value	26,745,685	26,772,421
Cost Value	26,713,269	26,731,933

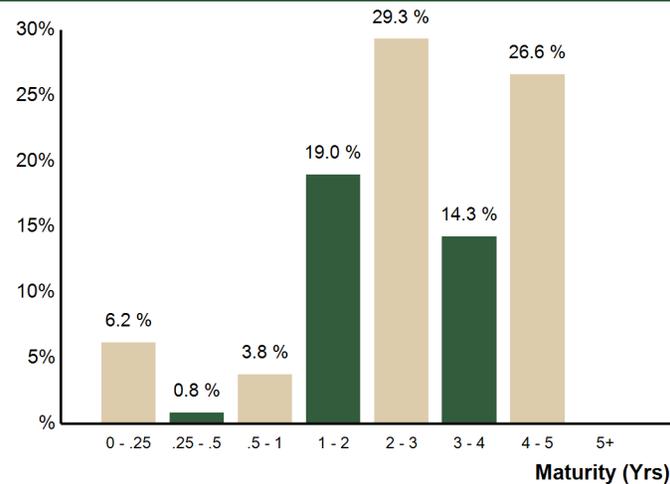
TOP ISSUERS

Issuer	% Portfolio
Government of United States	23.9 %
Federal National Mortgage Assoc	16.5 %
Federal Home Loan Mortgage Corp	8.4 %
Federal Home Loan Bank	6.9 %
Honda ABS	2.8 %
John Deere ABS	2.1 %
Intl Bank Recon and Development	2.0 %
Rabobank Nederland NV NY	2.0 %
Total	64.6 %

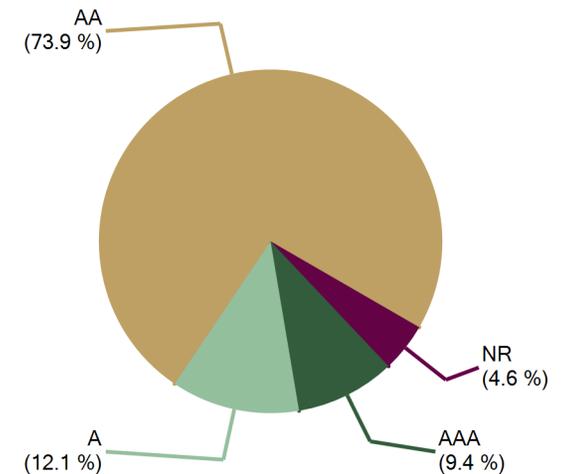
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 1/31/2017	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			Since 12/31/1997	Since 12/31/1997
					3 Yrs	5 Yrs	10 Yrs		
Northern CA Cities Self Ins. Fund Short Term	0.18 %	-0.59 %	0.18 %	0.53 %	1.20 %	1.09 %	3.05 %	4.05 %	113.50 %
BAML 1-5 Yr US Treasury/Agency Index	0.17 %	-0.71 %	0.17 %	0.19 %	1.02 %	0.79 %	2.76 %	3.73 %	101.10 %
BAML 1-5 Yr US Issuers Corp/Govt Rated AAA-A Index	0.18 %	-0.68 %	0.18 %	0.41 %	1.12 %	0.97 %	2.81 %	3.84 %	105.19 %



Northern California Cities Self-Insurance Fund - Short Term
January 31, 2017

COMPLIANCE WITH INVESTMENT POLICY

The portfolio complies with State law and with the investment policy.

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



Reconciliation Summary

As of 1/31/2017

BOOK VALUE RECONCILIATION	
Beginning Book Value	\$26,745,685.29
Acquisition	
+ Security Purchases	\$699,058.15
+ Money Market Fund Purchases	\$829,434.22
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
Total Acquisitions	\$1,528,492.37
Dispositions	
- Security Sales	\$534,098.10
- Money Market Fund Sales	\$699,058.15
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$165,000.00
- Calls	\$0.00
- Principal Paydowns	\$105,522.34
Total Dispositions	\$1,503,678.59
Amortization/Accretion	
+/- Net Accretion	\$1,734.86
	\$1,734.86
Gain/Loss on Dispositions	
+/- Realized Gain/Loss	\$187.44
	\$187.44
Ending Book Value	\$26,772,421.37

CASH TRANSACTION SUMMARY	
BEGINNING BALANCE	\$19,716.90
Acquisition	
Contributions	\$0.00
Security Sale Proceeds	\$534,098.10
Accrued Interest Received	\$377.22
Interest Received	\$24,426.35
Dividend Received	\$10.20
Principal on Maturities	\$165,000.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$105,522.34
Total Acquisitions	\$829,434.21
Disposition	
Withdrawals	\$0.00
Security Purchase	\$699,058.15
Accrued Interest Paid	\$0.00
Total Dispositions	\$699,058.15
Ending Book Value	\$150,092.97

Monthly Account Statement

Northern Cal. Cities Self Ins. Fund Long Term

January 1, 2017 through January 31, 2017

Chandler Team

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

Custodian

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

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PORTFOLIO CHARACTERISTICS

Average Duration	3.43
Average Coupon	1.93 %
Average Purchase YTM	1.87 %
Average Market YTM	1.81 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	3.75 yrs
Average Life	3.63 yrs

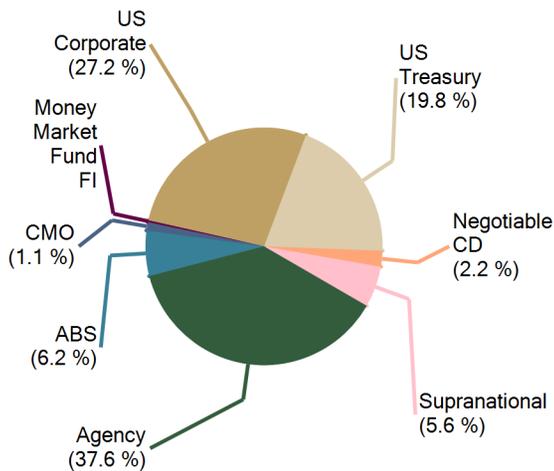
ACCOUNT SUMMARY

	Beg. Values as of 12/31/16	End Values as of 1/31/17
Market Value	27,544,012	27,599,250
Accrued Interest	133,985	142,292
Total Market Value	27,677,998	27,741,542
Income Earned	42,734	42,904
Cont/WD		0
Par	27,568,740	27,625,057
Book Value	27,572,943	27,615,351
Cost Value	27,707,192	27,703,230

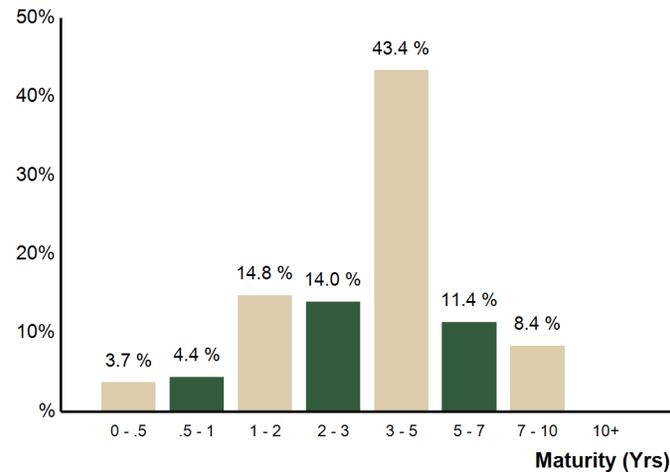
TOP ISSUERS

Issuer	% Portfolio
Government of United States	19.8 %
Federal National Mortgage Assoc	13.1 %
Federal Home Loan Mortgage Corp	10.9 %
Federal Home Loan Bank	8.9 %
Tennessee Valley Authority	6.0 %
Inter-American Dev Bank	3.5 %
Bank of Nova Scotia	2.2 %
JP Morgan ABS	2.1 %
Total	66.5 %

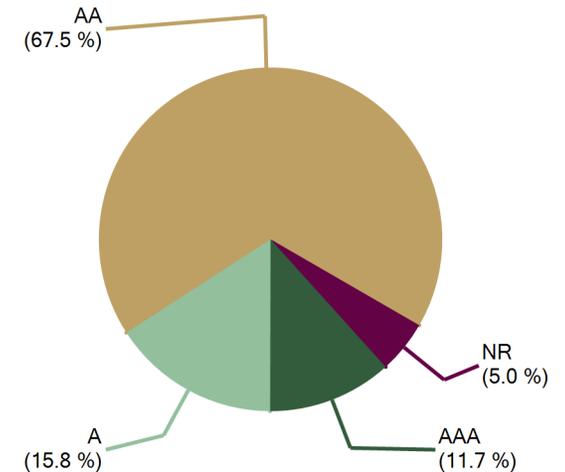
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 1/31/2017	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			5/31/2006	Since 5/31/2006
					3 Yrs	5 Yrs	10 Yrs		
Northern Cal. Cities Self Ins. Fund Long Term	0.23 %	-1.18 %	0.23 %	0.34 %	1.88 %	1.47 %	3.85 %	4.03 %	52.44 %
BAML 1-10 Yr US Treasury/Agency Index	0.19 %	-1.43 %	0.19 %	-0.24 %	1.46 %	1.01 %	3.48 %	3.64 %	46.44 %
BAML 1-10 Yr US Corporate/Govt Rated AAA-A Index	0.21 %	-1.40 %	0.21 %	0.32 %	1.72 %	1.46 %	3.59 %	3.77 %	48.38 %



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

COMPLIANCE WITH INVESTMENT POLICY

The portfolio complies with State law and with the investment policy.

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



Reconciliation Summary

As of 1/31/2017

BOOK VALUE RECONCILIATION	
Beginning Book Value	\$27,572,942.59
Acquisition	
+ Security Purchases	\$724,024.95
+ Money Market Fund Purchases	\$657,558.93
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
Total Acquisitions	\$1,381,583.88
Dispositions	
- Security Sales	\$544,256.49
- Money Market Fund Sales	\$724,024.95
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$0.00
- Calls	\$0.00
- Principal Paydowns	\$77,216.38
Total Dispositions	\$1,345,497.82
Amortization/Accretion	
+/- Net Accretion	(\$1,488.12)
	(\$1,488.12)
Gain/Loss on Dispositions	
+/- Realized Gain/Loss	\$7,810.46
	\$7,810.46
Ending Book Value	\$27,615,350.99

CASH TRANSACTION SUMMARY	
BEGINNING BALANCE	\$137,290.61
Acquisition	
Contributions	\$0.00
Security Sale Proceeds	\$544,256.49
Accrued Interest Received	\$7,261.98
Interest Received	\$28,811.22
Dividend Received	\$12.87
Principal on Maturities	\$0.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$77,216.38
Total Acquisitions	\$657,558.94
Disposition	
Withdrawals	\$0.00
Security Purchase	\$724,024.95
Accrued Interest Paid	\$0.00
Total Dispositions	\$724,024.95
Ending Book Value	\$70,824.59

Monthly Account Statement

Northern CA Cities Self Ins. Fund Short Term

February 1, 2017 through February 28, 2017

Chandler Team

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

Custodian

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

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PORTFOLIO CHARACTERISTICS

Average Duration	2.45
Average Coupon	1.43 %
Average Purchase YTM	1.51 %
Average Market YTM	1.54 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.65 yrs
Average Life	2.53 yrs

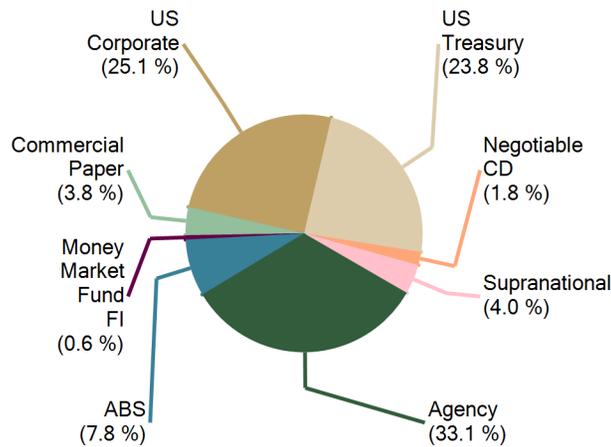
ACCOUNT SUMMARY

	Beg. Values as of 1/31/17	End Values as of 2/28/17
Market Value	26,683,793	26,744,902
Accrued Interest	99,353	92,469
Total Market Value	26,783,146	26,837,371
Income Earned	33,093	32,871
Cont/WD		0
Par	26,842,154	26,878,557
Book Value	26,772,421	26,813,433
Cost Value	26,731,933	26,775,619

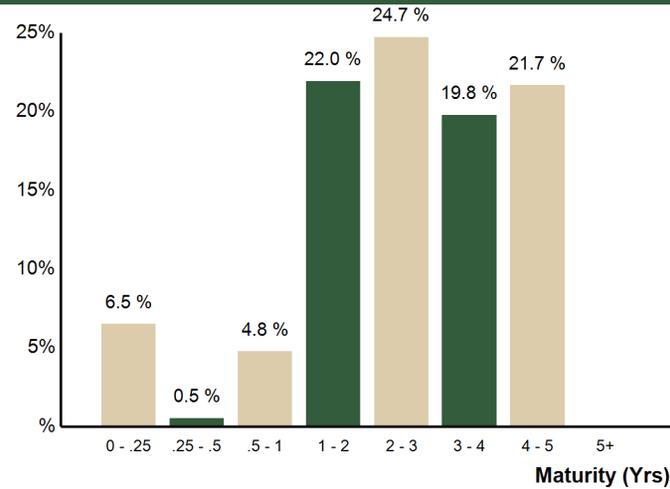
TOP ISSUERS

Issuer	% Portfolio
Government of United States	23.8 %
Federal National Mortgage Assoc	15.7 %
Federal Home Loan Mortgage Corp	8.4 %
Federal Home Loan Bank	6.9 %
Honda ABS	2.6 %
Intl Bank Recon and Development	2.0 %
Rabobank Nederland NV NY	2.0 %
Inter-American Dev Bank	2.0 %
Total	63.5 %

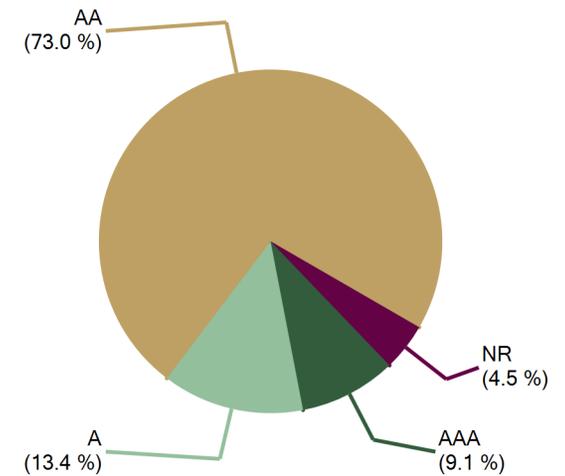
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 2/28/2017	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			Since 12/31/1997	
					3 Yrs	5 Yrs	10 Yrs		
Northern CA Cities Self Ins. Fund Short Term	0.20 %	0.44 %	0.38 %	0.51 %	1.21 %	1.14 %	2.97 %	4.05 %	113.93 %
BAML 1-5 Yr US Treasury/Agency Index	0.15 %	0.34 %	0.32 %	0.10 %	1.02 %	0.87 %	2.67 %	3.72 %	101.41 %
BAML 1-5 Yr US Issuers Corp/Govt Rated AAA-A Index	0.19 %	0.41 %	0.37 %	0.38 %	1.13 %	1.04 %	2.73 %	3.83 %	105.58 %



Northern California Cities Self-Insurance Fund - Short Term

February 28, 2017

COMPLIANCE WITH INVESTMENT POLICY

The portfolio complies with State law and with the investment policy.

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



Reconciliation Summary

As of 2/28/2017

BOOK VALUE RECONCILIATION	
Beginning Book Value	\$26,772,421.37
Acquisition	
+ Security Purchases	\$336,577.85
+ Money Market Fund Purchases	\$349,508.69
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
Total Acquisitions	\$686,086.54
Dispositions	
- Security Sales	\$199,746.00
- Money Market Fund Sales	\$338,632.51
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$0.00
- Calls	\$0.00
- Principal Paydowns	\$109,472.93
Total Dispositions	\$647,851.44
Amortization/Accretion	
+/- Net Accretion	\$1,518.63
	\$1,518.63
Gain/Loss on Dispositions	
+/- Realized Gain/Loss	\$1,258.37
	\$1,258.37
Ending Book Value	\$26,813,433.47

CASH TRANSACTION SUMMARY	
BEGINNING BALANCE	\$150,092.97
Acquisition	
Contributions	\$0.00
Security Sale Proceeds	\$199,746.00
Accrued Interest Received	\$369.44
Interest Received	\$39,899.39
Dividend Received	\$20.93
Principal on Maturities	\$0.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$109,472.93
Total Acquisitions	\$349,508.69
Disposition	
Withdrawals	\$0.00
Security Purchase	\$336,577.85
Accrued Interest Paid	\$2,054.66
Total Dispositions	\$338,632.51
Ending Book Value	\$160,969.15

Monthly Account Statement

Northern Cal. Cities Self Ins. Fund Long Term

February 1, 2017 through February 28, 2017

Chandler Team

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Custodian

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PORTFOLIO CHARACTERISTICS

Average Duration	3.38
Average Coupon	1.93 %
Average Purchase YTM	1.87 %
Average Market YTM	1.77 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	3.69 yrs
Average Life	3.57 yrs

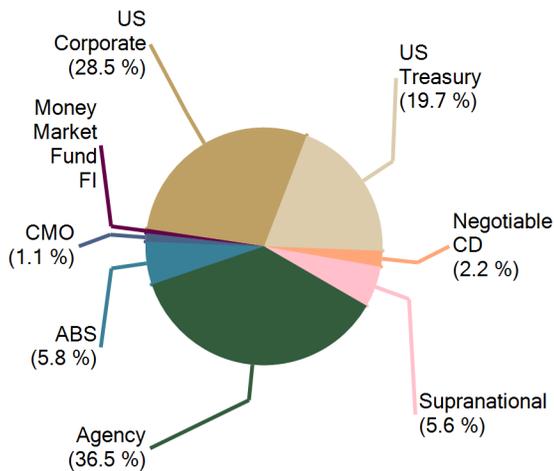
ACCOUNT SUMMARY

	Beg. Values as of 1/31/17	End Values as of 2/28/17
Market Value	27,599,250	27,707,274
Accrued Interest	142,292	123,721
Total Market Value	27,741,542	27,830,995
Income Earned	42,904	42,626
Cont/WD		0
Par	27,625,057	27,688,741
Book Value	27,615,351	27,678,912
Cost Value	27,703,230	27,766,772

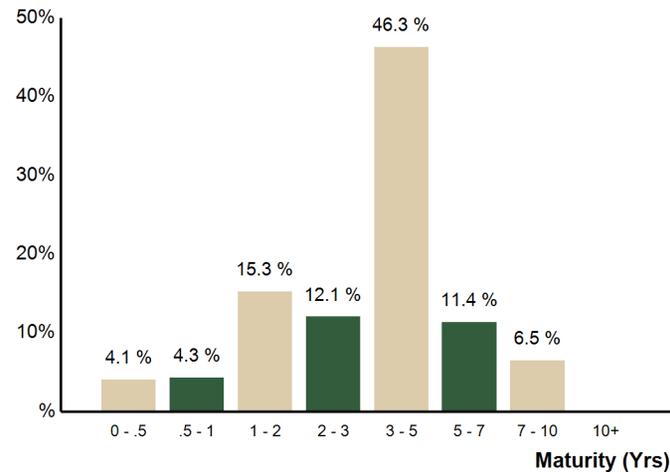
TOP ISSUERS

Issuer	% Portfolio
Government of United States	19.7 %
Federal National Mortgage Assoc	13.1 %
Federal Home Loan Mortgage Corp	9.8 %
Federal Home Loan Bank	8.9 %
Tennessee Valley Authority	5.9 %
Inter-American Dev Bank	3.6 %
Bank of Nova Scotia	2.2 %
JP Morgan ABS	2.1 %
Total	65.2 %

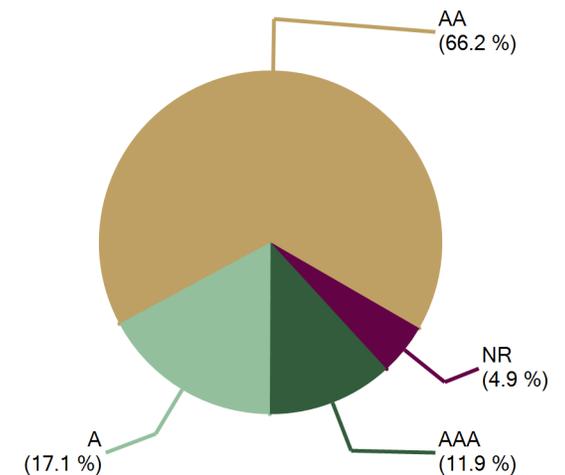
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 2/28/2017	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			5/31/2006	Since 5/31/2006
					3 Yrs	5 Yrs	10 Yrs		
Northern Cal. Cities Self Ins. Fund Long Term	0.32 %	0.58 %	0.55 %	0.24 %	1.90 %	1.56 %	3.76 %	4.03 %	52.93 %
BAML 1-10 Yr US Treasury/Agency Index	0.28 %	0.45 %	0.47 %	-0.45 %	1.48 %	1.15 %	3.38 %	3.64 %	46.85 %
BAML 1-10 Yr US Corporate/Govt Rated AAA-A Index	0.37 %	0.60 %	0.58 %	0.21 %	1.74 %	1.57 %	3.49 %	3.77 %	48.93 %



Northern California Cities Self-Insurance Fund - Long Term
February 28, 2017

COMPLIANCE WITH INVESTMENT POLICY

The portfolio complies with State law and with the investment policy.

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



Reconciliation Summary

As of 2/28/2017

BOOK VALUE RECONCILIATION	
Beginning Book Value	\$27,615,350.99
Acquisition	
+ Security Purchases	\$346,624.95
+ Money Market Fund Purchases	\$448,537.39
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
Total Acquisitions	\$795,162.34
Dispositions	
- Security Sales	\$302,937.00
- Money Market Fund Sales	\$348,740.95
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$0.00
- Calls	\$0.00
- Principal Paydowns	\$81,112.71
Total Dispositions	\$732,790.66
Amortization/Accretion	
+/- Net Accretion	(\$1,174.48)
	(\$1,174.48)
Gain/Loss on Dispositions	
+/- Realized Gain/Loss	\$2,363.81
	\$2,363.81
Ending Book Value	\$27,678,912.00

CASH TRANSACTION SUMMARY	
BEGINNING BALANCE	\$70,824.59
Acquisition	
Contributions	\$0.00
Security Sale Proceeds	\$302,937.00
Accrued Interest Received	\$977.08
Interest Received	\$63,484.18
Dividend Received	\$26.42
Principal on Maturities	\$0.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$81,112.71
Total Acquisitions	\$448,537.39
Disposition	
Withdrawals	\$0.00
Security Purchase	\$346,624.95
Accrued Interest Paid	\$2,116.00
Total Dispositions	\$348,740.95
Ending Book Value	\$170,621.03



BETTY T. YEE
California State Controller

**LOCAL AGENCY INVESTMENT FUND
 REMITTANCE ADVICE**

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

As of 01/13/2017, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 12/31/2016.

Earnings Ratio		.00001851848158529
Interest Rate		0.68%
Dollar Day Total	\$	105,615,788.60
Quarter End Principal Balance	\$	274,892.94
Quarterly Interest Earned	\$	1,955.84

NCCSIF

Northern California Cities Self Insurance Fund

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

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

NCCSIF INVESTMENT REPORT FOR THE QUARTER ENDING DECEMBER 31, 2016

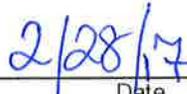
	<u>MARKET VALUE</u>
CASH:	
(1) Tri Counties Checking	\$ 308,097.61
(2) Local Agency Inv Fund (LAIF)	274,892.94
Total Cash	<u>582,990.55</u>
INVESTMENTS (Unrestricted):	
(3) Chandler Investments	
Account no. 170	26,641,963.00
Account no. 171	<u>27,544,012.00</u>
Total Unrestricted Investments	<u>54,185,975.00</u>
TOTAL CASH AND INVESTMENTS	<u><u>\$ 54,768,965.55</u></u>

- (1) This consists of one checking account and two pass-thru accounts (liability and workers comp claims).
- (2) The LAIF rate of return as of quarter ended December 31, 2016 0.68%
- (3) See attached Investment Activity Reports.

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



Tim Sailsbery, Treasurer



Date

A Joint Powers Authority

Members: Cities of Anderson, Auburn, Colusa, Corning, Dixon, Elk Grove, Folsom, Galt, Gridley, Ione, Jackson, Lincoln, Marysville, Nevada City, Oroville, Town of Paradise, Placerville, Red Bluff, Rio Vista, Rocklin, Willows and Yuba City.



Agenda Item G.1.a.

ACTUARIAL STUDIES - FY 17/18 WORKERS' COMPENSATION PROGRAM

ACTION ITEM

ISSUE: NCCSIF's actuary provides an annual report to assist Members in making funding, dividend and assessment decisions. A summary of this year's report is provided below and will be discussed in more detail at the meeting.

FY 17/18 Funding

Total recommended funding for the banking and shared risk layers is \$9,058,000 at the current 70% Confidence Level (CL). *Overall the rates have decreased 3.6%, from \$4.434 to \$4.275, with a 5% decrease in the Banking Layer and a 1.5% decrease for the Shared Layer.*

Outstanding Liabilities at June 30th

The actuary estimates that NCCSIF will have total assets of approximately \$42,896,000 on June 30, 2017, compared to \$39,612,000 last year. The estimated total Outstanding Liability at June 30 is \$36,711,000 at the 90% Confidence Level (CL), compared to \$37,266,000 last year. *This results in an estimated \$6,185,000 in net position above the 90% CL, compared to \$2,346,000 last year.*

Assets for the Banking Layer are estimated at \$22,081,000 as of June 30, 2017, almost \$3,800,000 above the estimate of \$19,824,000 in 2016. Banking Layer liabilities are \$16,892,000 at the 90% CL, compared to \$18,352,000 last year. *This means the Banking Layer net position above the 90% CL is estimated at \$5,189,000 compared to \$1,472,000 last year.*

Assets for the Shared Risk Layer are estimated to be \$20,815,000 at June 30, 2017, compared to \$19,788,000 in 2016. Liabilities are estimated at \$19,819,000 at the 90% CL, compared to \$18,914,000 last year. *The net position in excess of the 90% CL is estimated to be \$996,000, compared to \$874,000 last year.*

RECOMMENDATION: Request the actuary to finalize the report for presentation to the full Board at the April, 27, 2017, Board of Directors meeting.

FISCAL IMPACT: T.B.D.; while rates are decreasing the overall funding is increasing due to an increase in payroll of 7.7%, from \$196 to \$211 million. *Note the FY 17/18 rate at the 75% CL, \$4.434, is the same as the current 70% CL rate, so this represents a good opportunity to increase the funding confidence level.*

BACKGROUND: NCCSIF annually receives an actuary report to determine the estimated Outstanding Liabilities (OL) for the Workers' Compensation program as of June 30 and to estimate the amount of funding required for the upcoming fiscal year. These figures are used for financial reporting purposes and to prepare the budget for member deposits. The funding CL was increased from 67.5% to 70% for FY 16/17.

ATTACHMENT(S): FY 17/18 Workers' Compensation Actuarial Study - **DRAFT** Summary
(without Exhibits or Appendices)



Actuarial Review of the Self-Insured Workers' Compensation Program

*Outstanding Liabilities as of June 30, 2017
Forecast for Program Year 2017-18*

Presented to
Northern California Cities Self-Insurance Fund

March 9, 2017



Thursday, March 9, 2017

Mr. Marcus Beverly
Vice President
Northern California Cities Self Insurance Fund
c/o Alliant Insurance Services, Inc.
1792 Tribute Road, Suite 450
Sacramento, CA 95815

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

Dear Mr. Beverly:

As you requested, we have completed our review of Northern California Cities Self Insurance Fund's self-insured workers' compensation program. Assuming an SIR of \$500,000 per occurrence, we estimate the ultimate cost of claims and expenses for claims incurred during the 2017-18 program year to be \$8,205,000. This amount includes allocated loss adjustment expenses (ALAE), unallocated loss adjustment expenses (ULAE), and a discount for anticipated investment income, but excludes 4850 TD (Temporary Disability) and 4850 SC (Salary Continuation). Of this amount, \$5,546,000 is for the banking layer (\$0 – \$100,000 per occurrence) and \$2,659,000 is for the shared layer (\$100,000 – \$500,000 per occurrence). ALAE is the direct cost associated with the defense of individual claims (e.g. legal fees, investigation fees, court charges). ULAE is the cost to administer all claims to final settlement, which may be years into the future (e.g. claims adjusters' salaries, taxes). The discount for investment income is calculated based on the likely payout pattern of NCCSIF's claims, assuming a 1.5% return on investments per year. For budgeting purposes, the expected cost of 2017-18 claims translates to a rate of \$3.872 per \$100 of payroll, \$2.617 for the banking layer and \$1.255 for the shared layer (assuming \$211,900,000 in rated payroll).

In addition, we estimate the program's liability for outstanding claims to be \$29,205,000 as of June 30, 2017 again including ALAE and ULAE, and discounted for anticipated investment income, but excluding 4850 TD and 4850 SC benefits. Given estimated program assets of \$42,896,000 as of June 30, 2017, the program will be funded above the 90% confidence level on a combined basis and for both the banking layer and shared layer separately (see Graphs 1a, 1b and 1c on pages 11, 12, and 13).

The \$29,205,000 estimate is the minimum liability to be booked by NCCSIF at June 30, 2017 for its workers' compensation program, in accordance with Governmental Accounting Standards Board (GASB) Statement #10. GASB #10 requires NCCSIF to accrue a liability on its financial statements for the ultimate cost of claims and expenses associated with all reported and unreported claims, including ALAE and ULAE. GASB #10 does not prohibit the discounting of losses to recognize investment income.

Our conclusions regarding NCCSIF's liability for unpaid loss and loss adjustment expenses (LAE) at June 30, 2017 are summarized in the table below.

Northern California Cities Self Insurance Fund
Self-Insured Workers' Compensation Program
Estimated Liability for Unpaid Loss and LAE
Banking and Shared Layer Combined
at June 30, 2017
Net of 4850 TD and 4850 SC

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$29,203,000					
ULAE	1,702,000					
Investment Income Offset	(1,700,000)					
Discounted Loss and LAE	\$29,205,000	\$31,600,000	\$32,534,000	\$33,615,000	\$34,958,000	\$36,711,000
Assets	42,896,000					
Surplus or (Deficit)	\$13,691,000	\$11,296,000	\$10,362,000	\$9,281,000	\$7,938,000	\$6,185,000

Northern California Cities Self Insurance Fund
Self-Insured Workers' Compensation Program
Estimated Liability for Unpaid Loss and LAE
Banking Layer
at June 30, 2017
Net of 4850 TD and 4850 SC

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$13,395,000					
ULAE	1,702,000					
Investment Income Offset	(830,000)					
Discounted Loss and LAE	\$14,267,000	\$15,180,000	\$15,508,000	\$15,879,000	\$16,321,000	\$16,892,000
Assets	22,081,000					
Surplus or (Deficit)	\$7,814,000	\$6,901,000	\$6,573,000	\$6,202,000	\$5,760,000	\$5,189,000

Northern California Cities Self Insurance Fund
 Self-Insured Workers' Compensation Program
 Estimated Liability for Unpaid Loss and LAE
 Shared Layer
 at June 30, 2017
 Net of 4850 TD and 4850 SC

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$15,808,000					
ULAE	0					
Investment Income Offset	(870,000)					
Discounted Loss and LAE	\$14,938,000	\$16,420,000	\$17,026,000	\$17,736,000	\$18,637,000	\$19,819,000
Assets	20,815,000					
Surplus or (Deficit)	\$5,877,000	\$4,395,000	\$3,789,000	\$3,079,000	\$2,178,000	\$996,000

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

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

The table below shows our funding recommendations for Northern California Cities Self Insurance Fund for the 2017-18 fiscal year.

Northern California Cities Self Insurance Fund
 Self-Insured Workers' Compensation Program
 Loss and LAE Funding Guidelines for 2017-18
 Banking and Shared Layers Combined
 Banking Layer: \$0 to \$100,000
 Shared Layer: \$100,000 to \$500,000
 Net of 4850 TD and 4850 SC

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$7,830,000					
ULAE	706,000					
Investment Income Offset	(331,000)					
Discounted Loss and LAE	\$8,205,000	\$9,058,000	\$9,395,000	\$9,780,000	\$10,256,000	\$10,888,000
Rate per \$100 of 2017-18 Payroll	\$3.872	\$4.275	\$4.434	\$4.615	\$4.840	\$5.138

Northern California Cities Self Insurance Fund
 Self-Insured Workers' Compensation Program
 Loss and LAE Funding Guidelines for 2017-18
 Banking Layer: \$0 to \$100,000
 Net of 4850 TD and 4850 SC

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$5,064,000					
ULAE	706,000					
Investment Income Offset	(224,000)					
Discounted Loss and LAE	\$5,546,000	\$6,001,000	\$6,162,000	\$6,345,000	\$6,566,000	\$6,860,000
Rate per \$100 of 2017-18 Payroll	\$2.617	\$2.832	\$2.908	\$2.994	\$3.099	\$3.237

Northern California Cities Self Insurance Fund
 Self-Insured Workers' Compensation Program
 Loss and LAE Funding Guidelines for 2017-18
 Shared Layer: \$100,000 to \$500,000
 Net of 4850 TD and 4850 SC

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$2,766,000					
ULAE	0					
Investment Income Offset	(107,000)					
Discounted Loss and LAE	\$2,659,000	\$3,057,000	\$3,233,000	\$3,435,000	\$3,690,000	\$4,028,000
Rate per \$100 of 2017-18 Payroll	\$1.255	\$1.443	\$1.526	\$1.621	\$1.741	\$1.901

The funding recommendations shown in the table above do not include any recognition of the existing funding margin (surplus or deficit) at June 30, 2017. They are for losses and loss adjustment expenses only, and do not include a provision for loss control, overhead, excess insurance premiums, and other expenses associated with the program. They do not include 4850 TD and 4850 SC benefits.

The loss projections in this report reflect the estimated impact of benefit legislation contained in AB749, AB227, SB228, SB899, SB863, and recent WCAB court decisions based upon information provided by the WCIRB.

The ultimate impact on loss costs of legislated benefit adjustments are generally difficult to forecast in advance because the changes typically take place over a period of several years following enactment. Furthermore, actuarially derived benefit level evaluations often underestimate actual future cost levels. The shortfalls result from a variety of circumstances, including: increases in utilization levels, unanticipated changes in administrative procedures, and cost shifting among benefit categories. Thus, actual cost increases could differ, perhaps substantially, from the WCIRB's estimates.

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

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

Sincerely,

Bickmore

DRAFT

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

DRAFT

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

DRAFT

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

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I. BACKGROUND

Northern California Cities Self Insurance Fund began its self-insured workers' compensation program on July 1, 1979. Its purpose was to provide excess workers' compensation coverage to its members which consist of Northern California municipalities. The original NCCSIF program was comprised of eight members. Currently, the program includes the twenty two members shown below.

ANDERSON	ELK GROVE	JACKSON	PARADISE	WILLOWS
AUBURN	FOLSOM	LINCOLN	PLACERVILLE	YUBA CITY
COLUSA	GALT	MARYSVILLE	RED BLUFF	
CORNING	GRIDLEY	NEVADA CITY	RIO VISTA	
DIXON	IONE	OROVILLE	ROCKLIN	

The Program's current self-insured retention is \$500,000, and excess coverage is provided by the CSAC Excess Insurance Authority. Claims administration services are provided by York Insurance Services. Additional background on the program is given in Appendix K. Please note that the estimates contained in this report exclude costs for 4850 TD (temporary disability) and 4850 SC (salary continuation).

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

Accident Year	Shared Layer	Banking Layer
1996-97	70%	70%
1997-01	80%	70%
1998-99	80%	70%
1999-00	80%	70%
2000-01	80%	70%
2001-02	80%	Expected
2002-03	60%	70%
2003-04	70%	70%
2004-05	70%	Expected
2005-06	70%	70%
2006-07	70%	70%
2007-08	70%	70%
2008-09	60%	60%
2009-10	60%	60%
2010-11	60%	60%
2011-12	60%	60%
2012-13	60%	60%
2013-14	60%	60%
2014-15	65%	65%
2015-16	67.5%	67.5%
2016-17	67.5%	67.5%

The purpose of this review is to provide a guide to NCCSIF to determine reasonable funding levels for its self-insurance program according to the funding policy NCCSIF has adopted and to comply with Governmental Accounting Standards Board Statements #10 and #30. The specific objectives of the study are to estimate NCCSIF's liability for outstanding claims as of June 30, 2017, project ultimate loss costs for 2017-18, and provide funding guidelines to meet these liabilities and future costs.

II. CONCLUSIONS AND RECOMMENDATIONS

A. LIABILITY FOR OUTSTANDING CLAIMS

Graphs 1a, 1b and 1c on the following pages summarize our assessment of NCCSIF's funding position as of June 30, 2017. The dark-colored bars indicate our estimates of the program's liability for outstanding claims before recognition of the investment income that can be earned on the assets held before the claim payments come due. The horizontal line across each graph indicates NCCSIF's available assets at June 30, 2017.

Our best estimate of the full value of NCCSIF's liability for outstanding claims within its pool limit is \$30,905,000, \$15,097,000 is for the banking layer and \$15,808,000 is for the shared layer as of June 30, 2017. These amounts include losses, allocated loss adjustment expenses (ALAE) and unallocated loss adjustment expenses (ULAE), but exclude 4850 TD and 4850 SC benefits. ALAE is the direct cost associated with the defense of individual claims (e.g. legal fees, investigation fees, court charges). ULAE is the cost to administer claims to final settlement, which may be years in the future (e.g. claims adjusters' salaries, taxes).

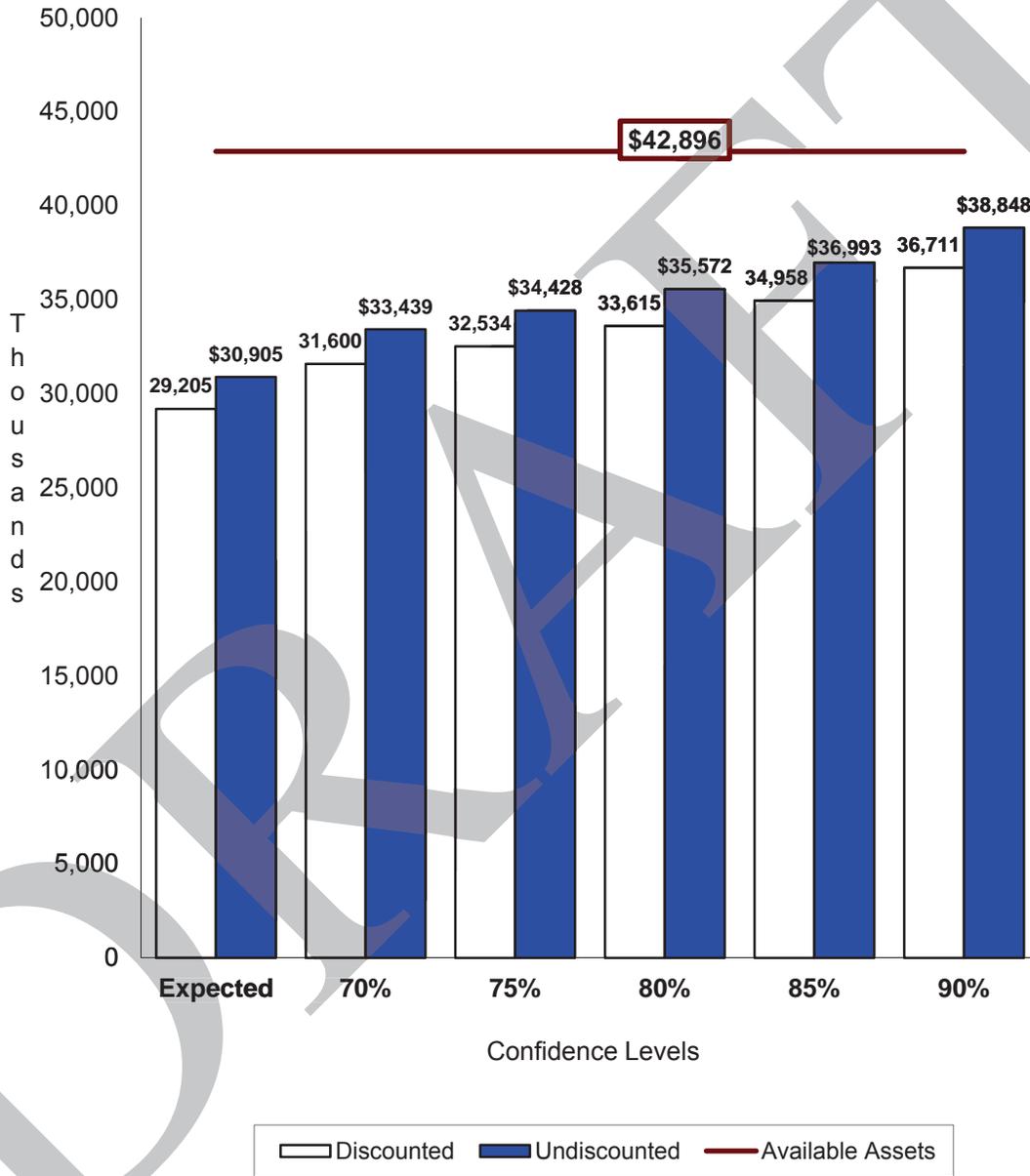
There is some measure of uncertainty associated with our best estimate because of the random nature of much of the process that determines ultimate claims costs. For this reason, we generally recommend that a program such as this include some funding margin for the possibility that actual loss costs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

NCCSIF can earn investment income on the assets it holds until claims payments come due. Assuming a long-term average annual return on investments of 1.5%, we estimate the impact of investment income earnings to be about 5.5% if the program is funded within the range indicated in the graphs, resulting in a discounted liability for outstanding claims of \$29,205,000, \$14,267,000 for the banking layer and \$14,938,000 for the shared layer as of June 30, 2017.

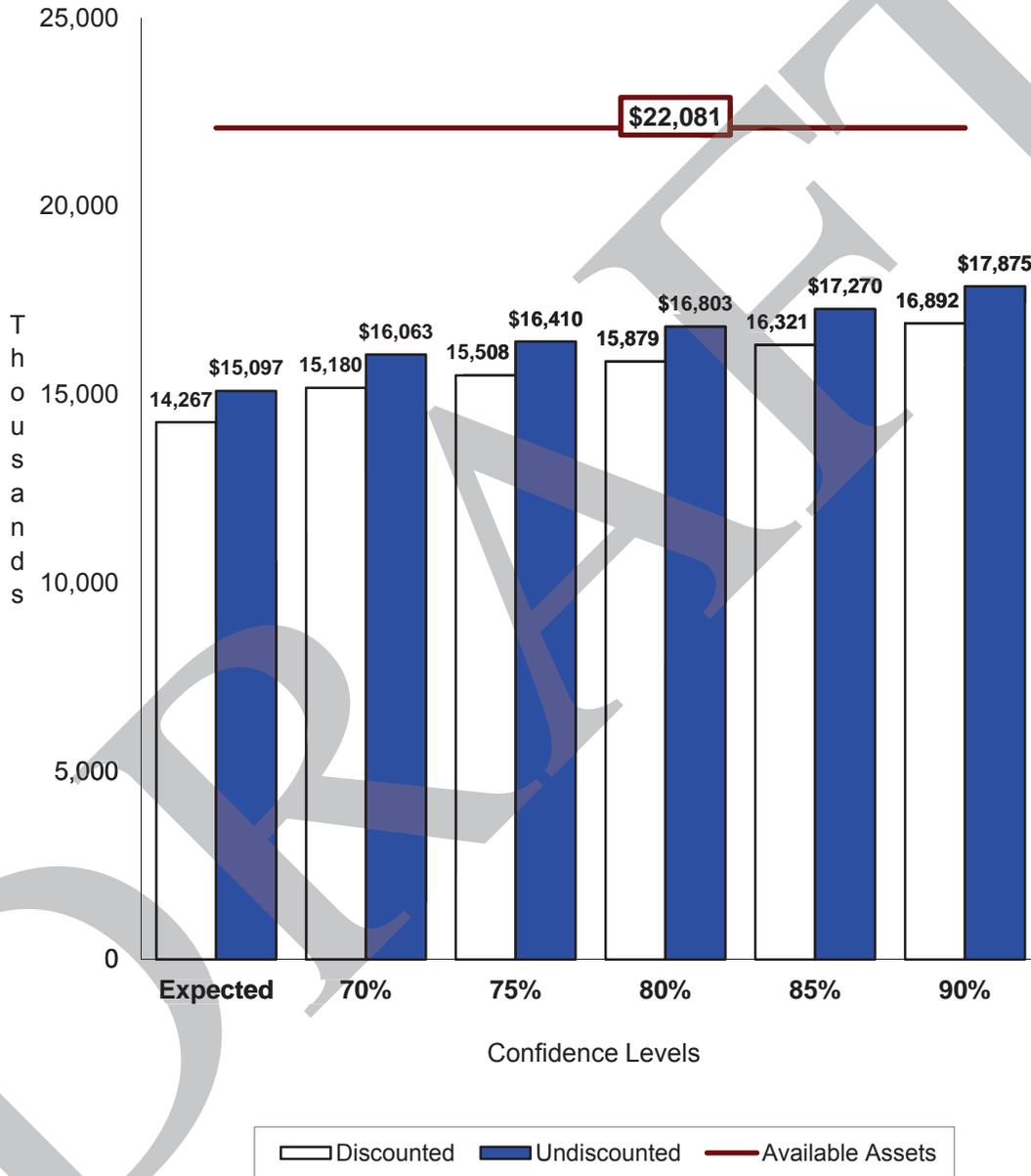
Investment income earnings will be less than this when the program does not maintain sufficient funding, and more when there is excess funding. Thus, thinking in terms of liabilities discounted for investment income can actually mask funding deficiencies and redundancies that might otherwise be obvious.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

Graph 1a

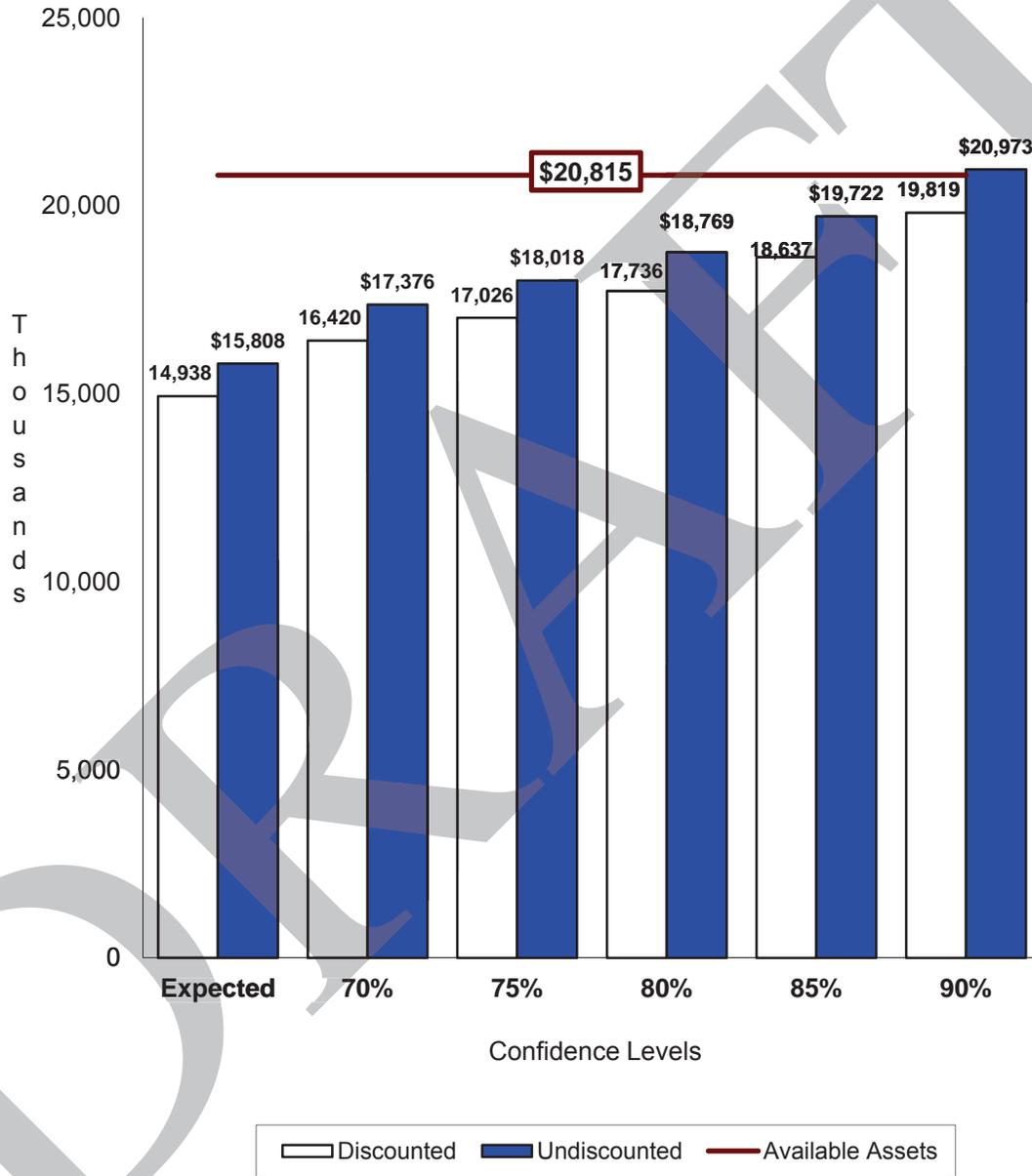
NCCSIF - Workers' Compensation
Available Assets vs Outstanding Liability (\$000's)
at June 30, 2017
Banking and Shared Layers Combined
Net of 4850 TD and 4850 SC



NCCSIF - Workers' Compensation
 Available Assets vs Outstanding Liability (\$000's)
 at June 30, 2017
 Banking Layer
 Net of 4850 TD and 4850 SC



NCCSIF - Workers' Compensation
 Available Assets vs Outstanding Liability (\$000's)
 at June 30, 2017
 Shared Layer
 Net of 4850 TD and 4850 SC



The table below displays a breakdown of the program's outstanding loss and LAE liabilities into case reserves and incurred but not reported (IBNR) reserves at June 30, 2017, before recognition of investment income.

Northern California Cities Self Insurance Fund
 Self-Insured Workers' Compensation Program
 Estimated Liability for Unpaid Loss and LAE at June 30, 2017
 Banking and Shared Layers Combined
 Net of 4850 TD and 4850 SC

Year	Case Reserves	IBNR Reserves	Total Outstanding
Prior	\$772,814	\$32,239	\$805,053
1996-97	150,383	8,972	159,355
1997-98	133,589	20,670	154,259
1998-99	124,527	20,880	145,407
1999-00	385,924	51,006	436,930
2000-01	432,308	67,603	499,911
2001-02	152,632	64,686	217,318
2002-03	638,192	133,301	771,493
2003-04	224,202	98,154	322,356
2004-05	433,601	98,023	531,624
2005-06	676,217	114,223	790,440
2006-07	756,103	190,608	946,711
2007-08	534,249	161,902	696,151
2008-09	777,098	220,744	997,842
2009-10	606,525	286,228	892,753
2010-11	626,294	322,320	948,614
2011-12	1,745,481	410,679	2,156,160
2012-13	1,156,277	319,957	1,476,234
2013-14	1,480,262	497,931	1,978,193
2014-15	3,064,348	651,994	3,716,342
2015-16	1,901,809	2,355,913	4,257,722
2016-17	1,802,748	4,499,047	6,301,795
Loss and ALAE	\$18,575,583	\$10,627,080	\$29,202,663
ULAE		1,702,439	1,702,439
Total	\$18,575,583	\$12,329,519	\$30,905,102

B. PROGRAM FUNDING: GOALS AND OBJECTIVES

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

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

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

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

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

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

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

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

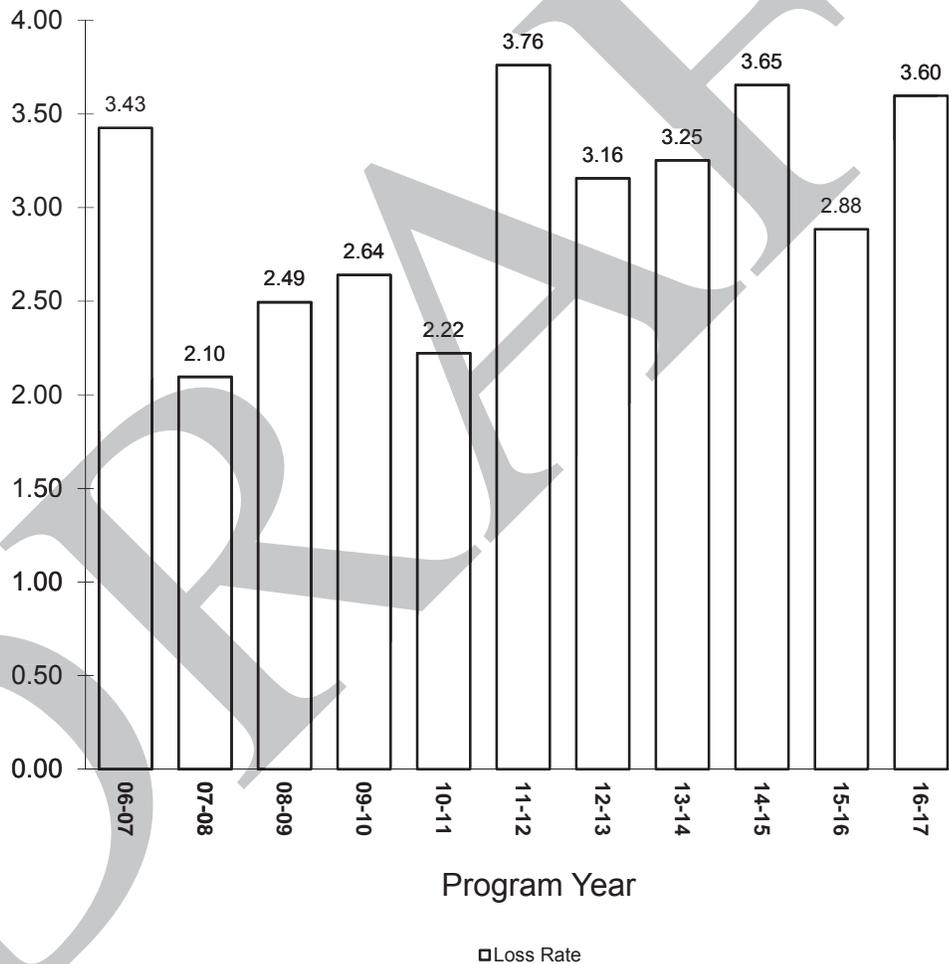
It is estimated that program assets will be \$42,896,000 at June 30, 2017, \$22,081,000 for the banking layer and \$20,815,000 for the shared layer, resulting in the program being funded above the 90% confidence level on a combined basis and for both the banking layer and shared layer separately

C. HISTORICAL TRENDS IN THE SELF-INSURANCE PROGRAM

The program's loss rate per \$100 payroll has varied substantially from year to year, but followed a generally increasing trend. We selected a loss rate of \$3.60 per \$100 of payroll for the 2016-17 program year based on the assumption that this trend will continue. See Graph 2a below.

Graph 2a

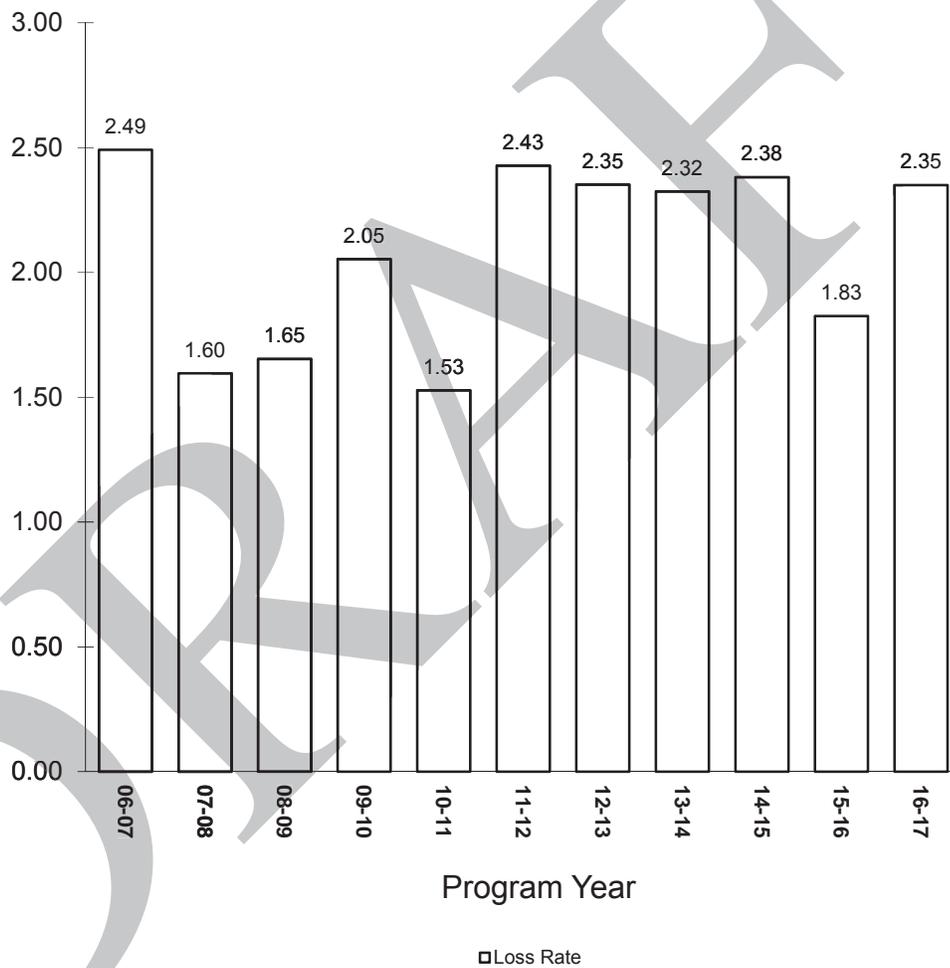
NCCSIF - Workers' Compensation
Banking and Shared Layers Combined
Dollars of Loss per
\$100 of Payroll
Net of 4850 TD and 4850 SC



The banking layer loss rate per \$100 payroll has also been trending upward during most recent nine years but has been relatively stable since 2011-12. Our projected 2016-17 loss rate of \$2.35 per \$100 of payroll reflects this trend. See Graph 2b below.

Graph 2b

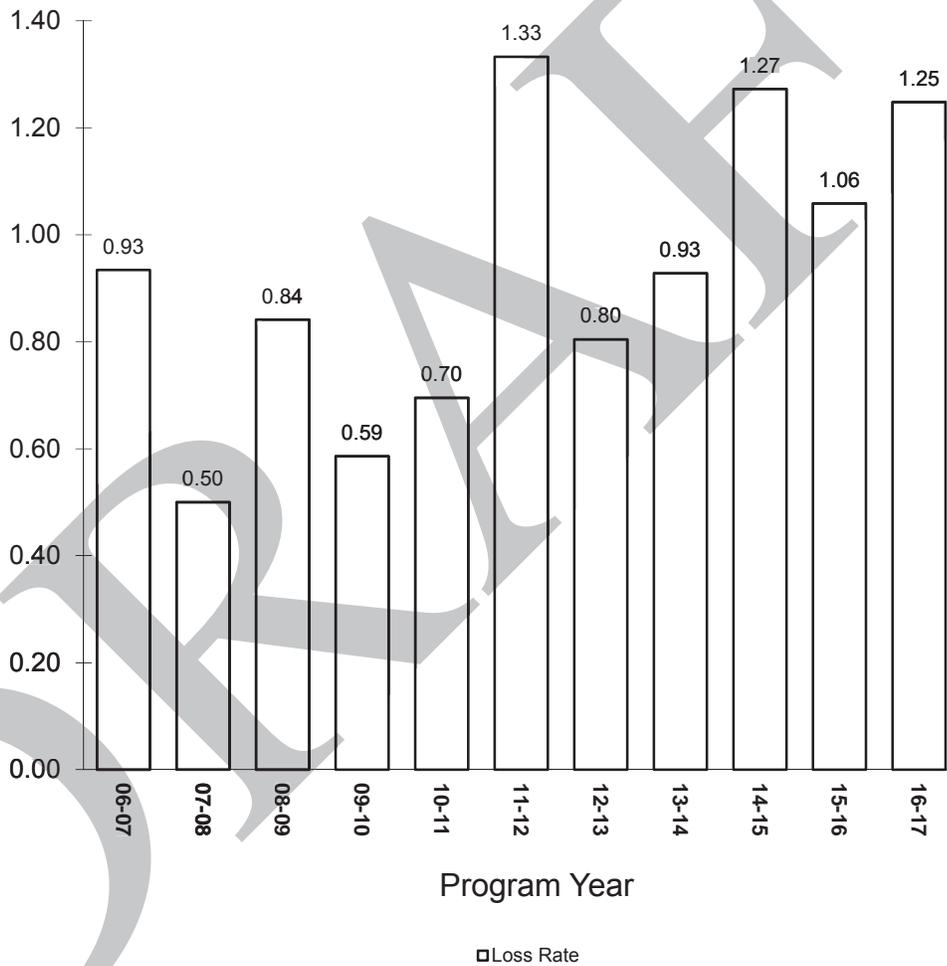
NCCSIF - Workers' Compensation
Banking Layer
Dollars of Loss per
\$100 of Payroll
Net of 4850 TD and 4850 SC



The shared layer loss rate has varied a great deal over the last ten years, typical for excess layers losses. Overall rates appear to follow an increasing trend in the most recent nine years. We projected 2016-17 loss rate of \$1.25 based on this recent trend. See Graph 2c below.

Graph 2c

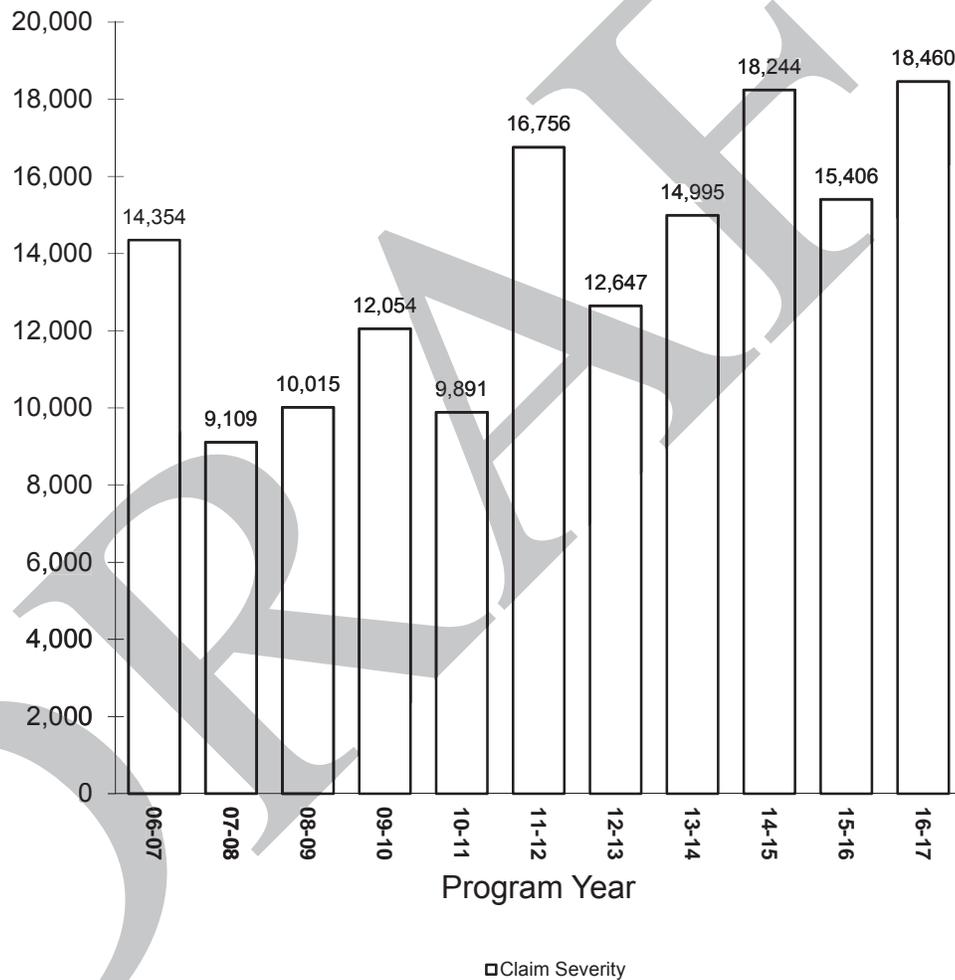
NCCSIF - Workers' Compensation
Shared Layer
Dollars of Loss per
\$100 of Payroll
Net of 4850 TD and 4850 SC



The program's average cost per claim has been following a generally increasing trend over the past ten years. The program's average cost per claim has ranged from a low of \$9,109 to a high of \$18,244. Our projected 2016-17 average cost of \$18,460 per claim reflects this trend. See Graph 3a below.

Graph 3a

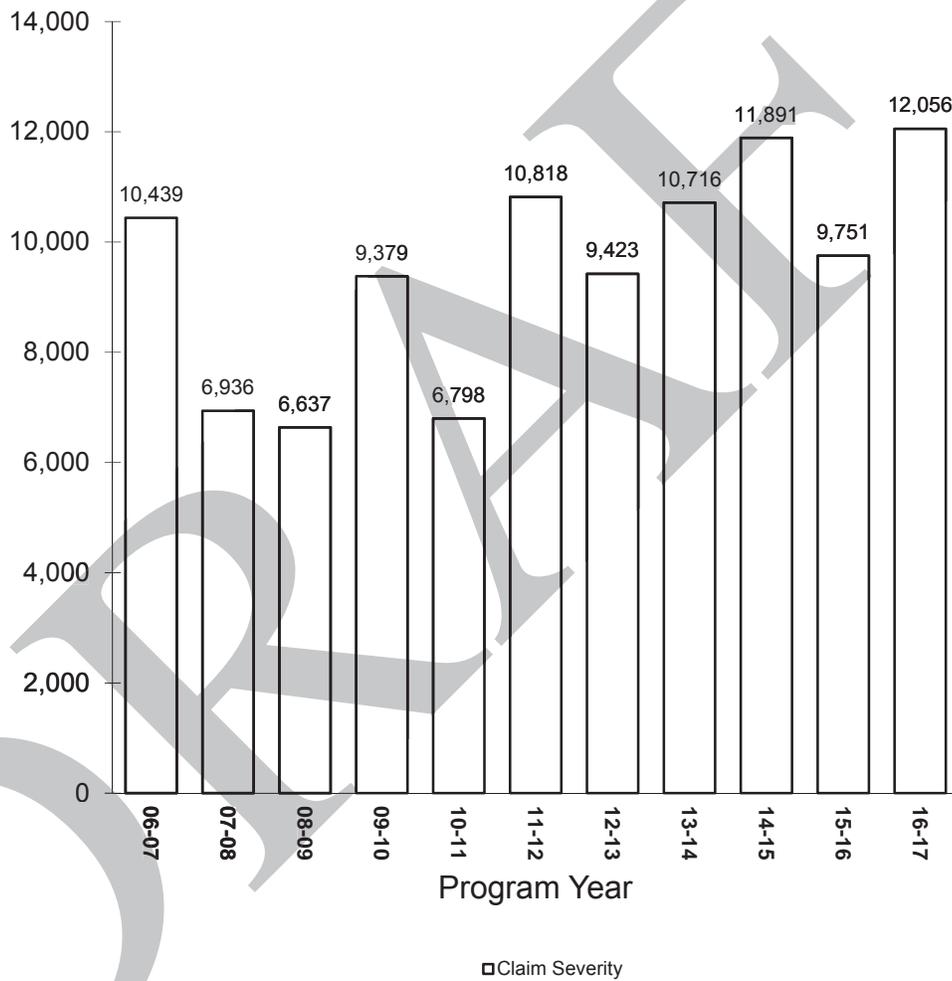
NCCSIF - Workers' Compensation
Banking and Shared Layers Combined
Dollars of Loss per Claim
Net of 4850 TD and 4850 SC



The banking layer's average cost per claim has varied considerably, ranging from a low of \$6,637 to a high of \$11,891. Our projected 2016-17 average cost is \$12,056. See Graph 3b below.

Graph 3b

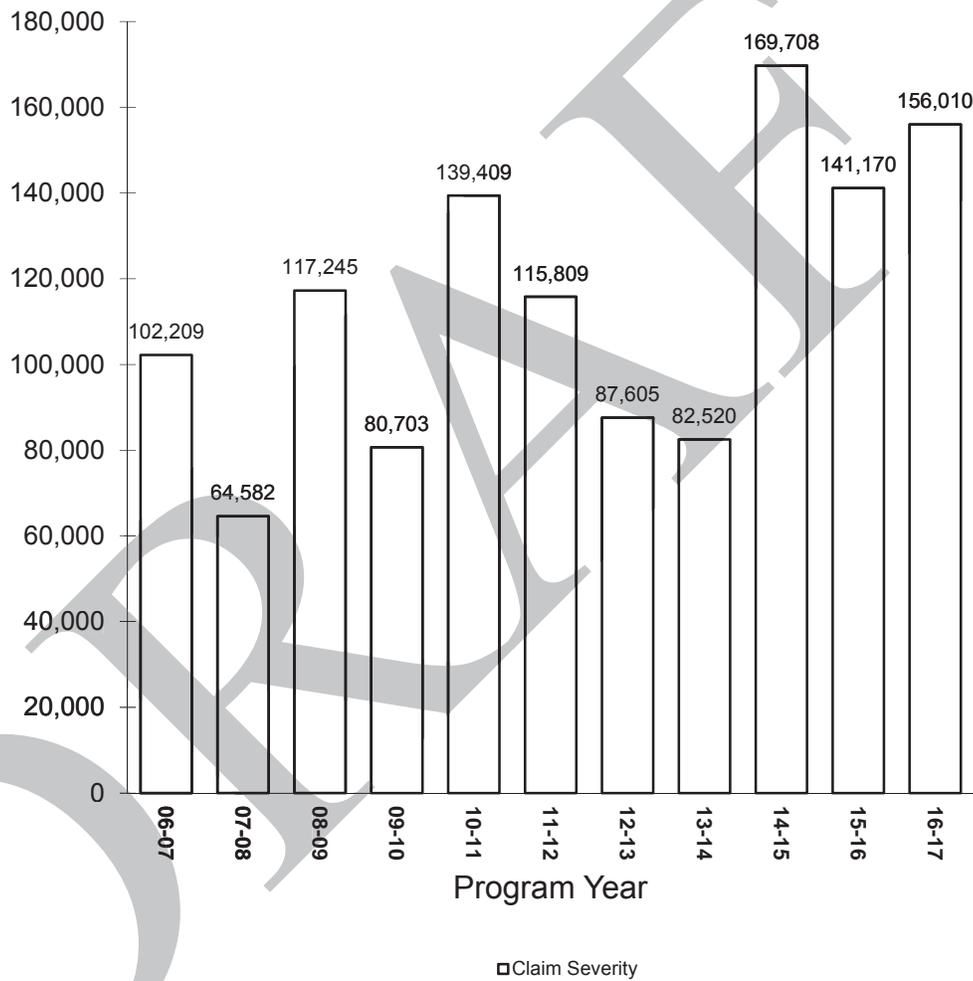
NCCSIF - Workers' Compensation
Banking Layer
Dollars of Loss per Claim
Net of 4850 TD and 4850 SC



The shared layer average cost per claim has been volatile over the period shown below but has been generally increasing. We project the 2016-17 shared layer severity to be \$156,010 per claim. See Graph 3c Below.

Graph 3c

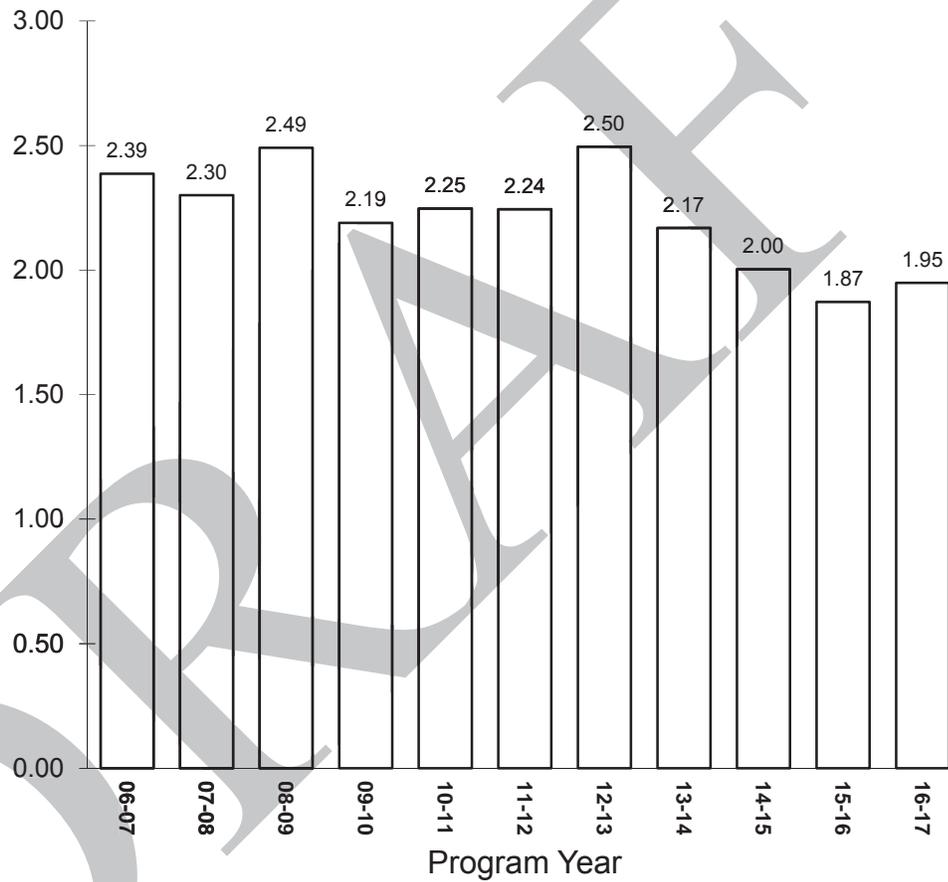
NCCSIF - Workers' Compensation
Shared Layer
Dollars of Loss per Claim
Net of 4850 TD and 4850 SC



The program's frequency of claims per \$1 million payroll has been generally trending downward. The projected 2016-17 frequency of 1.95 is based on that decreasing trend. See Graph 4a below. (Note that banking layer frequency is the same as shown below for the program.)

Graph 4a

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

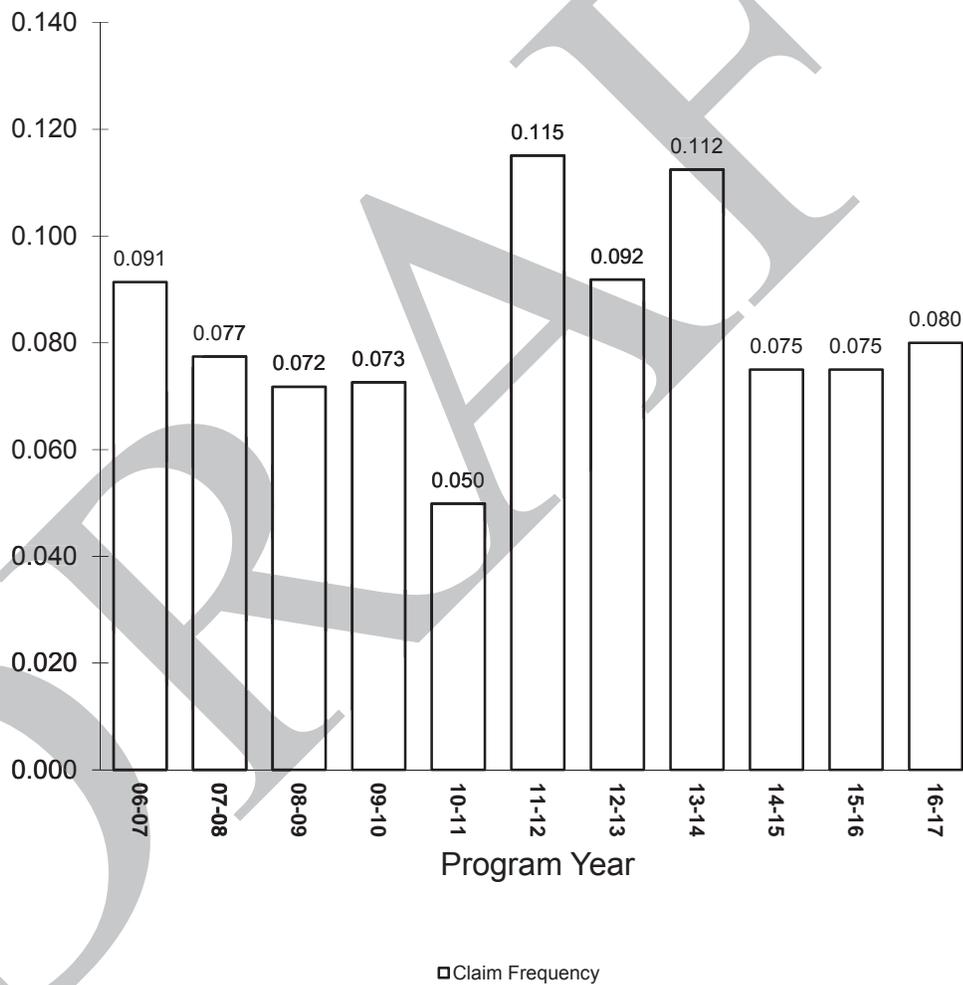


□ Claim Frequency

The shared layer frequency of claims per \$1 million payroll has been quite volatile, following no discernable pattern. Such volatility is not unexpected since the program receives very few claims per year. Thus even one additional claim can have a significant impact. We project the 2016-17 shared layer frequency to be 0.080 claims per \$1M payroll. See Graph 4b below.

Graph 4b

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



D. COMPARISON WITH PREVIOUS RESULTS

The prior report for Northern California Cities Self Insurance Fund was dated March 9, 2016. In the table below we display actual versus expected development of incurred losses and ALAE by accident year between the 12/31/2015 evaluation date of the prior report and the 12/31/2016 evaluation date of the current report.

Actual Versus Expected Incurred Loss and ALAE Development

Net of 4850 TD and 4850 SC

Accident Year	Expected Incurred Development	Actual Incurred Development	Actual Minus Expected
Prior	\$36,000	(\$143,000)	(\$179,000)
1996-97	9,000	(47,000)	(56,000)
1997-98	12,000	(10,000)	(22,000)
1998-99	8,000	(24,000)	(32,000)
1999-00	14,000	11,000	(3,000)
2000-01	15,000	(43,000)	(58,000)
2001-02	11,000	0	(11,000)
2002-03	19,000	57,000	38,000
2003-04	13,000	(62,000)	(75,000)
2004-05	15,000	74,000	59,000
2005-06	19,000	(59,000)	(78,000)
2006-07	54,000	(66,000)	(120,000)
2007-08	37,000	(89,000)	(126,000)
2008-09	65,000	(117,000)	(182,000)
2009-10	87,000	(120,000)	(207,000)
2010-11	101,000	99,000	(2,000)
2011-12	117,000	255,000	138,000
2012-13	68,000	(358,000)	(426,000)
2013-14	220,000	102,000	(118,000)
2014-15	515,000	968,000	453,000
2015-16	3,394,000	2,221,000	(1,173,000)
Total	\$4,829,000	\$2,649,000	(\$2,180,000)

As shown, actual incurred development was lower than anticipated since the prior report. Based on the assumptions from the prior report, it was expected that incurred losses would increase by \$4,829,000 between the two evaluation dates. However, actual development was approximately \$2,649,000; or about \$2,180,000 less than expected. With the exception of 2002-03, 2004-05, 2011-12, and 2014-15, most accident years have developed lower than expected.

In the table below we display actual versus expected development of paid losses and ALAE by accident year between the 12/31/2015 evaluation date of the prior report and the 12/31/2016 evaluation date of the current report.

Actual Versus Expected Paid Loss and ALAE Development

Net of 4850 TD and 4850 SC

Accident Year	Expected Paid Development	Actual Paid Development	Actual Minus Expected
Prior	\$143,000	\$77,000	(\$66,000)
1996-97	33,000	6,000	(27,000)
1997-98	30,000	49,000	19,000
1998-99	22,000	13,000	(9,000)
1999-00	51,000	53,000	2,000
2000-01	55,000	38,000	(17,000)
2001-02	20,000	10,000	(10,000)
2002-03	72,000	61,000	(11,000)
2003-04	42,000	46,000	4,000
2004-05	59,000	67,000	8,000
2005-06	151,000	188,000	37,000
2006-07	206,000	62,000	(144,000)
2007-08	164,000	53,000	(111,000)
2008-09	248,000	214,000	(34,000)
2009-10	228,000	253,000	25,000
2010-11	202,000	166,000	(36,000)
2011-12	539,000	313,000	(226,000)
2012-13	569,000	501,000	(68,000)
2013-14	1,010,000	1,127,000	117,000
2014-15	1,450,000	1,205,000	(245,000)
2015-16	1,929,000	876,000	(1,053,000)
Total	\$7,223,000	\$5,378,000	(\$1,845,000)

As shown, actual paid development was less than anticipated since the prior report. Based on the assumptions from the prior report, it was expected that paid losses would increase by \$7,223,000 between the two evaluation dates. However, actual development was approximately \$5,378,000; or about \$1,845,000 less than expected.

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

Change in Ultimate Loss and ALAE

Net of 4850 TD and 4850 SC

Accident Year	Prior Report	Current Report	Change In Ultimate
Prior	\$32,252,000	\$32,101,000	(\$151,000)
1995-96	3,122,000	3,066,000	(56,000)
1996-97	4,462,000	4,439,000	(23,000)
1997-98	2,752,000	2,721,000	(31,000)
1998-99	5,175,000	5,172,000	(3,000)
1999-00	5,211,000	5,151,000	(60,000)
2000-01	3,958,000	3,946,000	(12,000)
2001-02	7,112,000	7,152,000	40,000
2002-03	4,223,000	4,144,000	(79,000)
2003-04	3,762,000	3,822,000	60,000
2004-05	4,327,000	4,246,000	(81,000)
2005-06	5,805,000	5,684,000	(121,000)
2006-07	3,967,000	3,835,000	(132,000)
2007-08	4,768,000	4,577,000	(191,000)
2008-09	4,644,000	4,424,000	(220,000)
2009-10	3,656,000	3,620,000	(36,000)
2010-11	5,864,000	5,982,000	118,000
2011-12	5,252,000	4,907,000	(345,000)
2012-13	5,976,000	5,923,000	(53,000)
2013-14	6,782,000	7,170,000	388,000
2014-15	7,391,000	5,993,000	(1,398,000)
Total	\$130,461,000	\$128,075,000	(\$2,386,000)

As shown, overall we have decreased our estimated ultimates by \$2,386,000 since our prior report. These changes track well with actual versus expected incurred and paid development mentioned above.

At the time of the prior report, we estimated the liability for outstanding claims as of June 30, 2016 to be \$29,647,000 at the discounted, expected level. Our current estimate as of June 30, 2017, is \$29,205,000, a decrease in our assessment of NCCSIF's outstanding liabilities, as shown below:

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

	Prior Report at June 30, 2016	Current Report at June 30, 2017	Change
(A) Case Reserves:	\$19,912,000	\$18,576,000	(\$1,336,000)
(B) IBNR Reserves:	9,769,000	10,627,000	858,000
(C) Claims Administration Reserves:	1,692,000	1,702,000	10,000
(D) Total Reserves:	\$31,373,000	\$30,905,000	(\$468,000)
(E) Offset for Investment Income:	(1,726,000)	(1,700,000)	26,000
(F) Total Outstanding Claim Liabilities:	\$29,647,000	\$29,205,000	(\$442,000)

As shown, our estimate of outstanding claims liabilities at the discounted, expected level has decreased between June 30, 2016 and June 30, 2017 as reflected in our prior and current reports respectively.

At the time of the prior report, available assets were estimated to be \$39,612,000 as of June 30, 2016, which corresponded to the then-estimated discounted liability for outstanding claims above the 90% confidence level. Available assets are currently estimated to be \$42,896,000 as of June 30, 2017, which corresponds to the currently estimated liability for outstanding claims above the 90% confidence level. It can be summarized as follows:

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

	Prior Report at June 30, 2016	Current Report at June 30, 2017	Change
(A) Outstanding Liability at the Discounted Expected Level:	\$29,647,000	\$29,205,000	(\$442,000)
(B) Estimated Assets At June 30:	39,612,000	42,896,000	3,284,000
(C) Surplus/(Deficit):	\$9,965,000	\$13,691,000	\$3,726,000

At the time of the prior report, our funding estimate for the 2016-17 year was \$7,912,000 at the discounted, expected level. That amount included allocated loss adjustment expenses (ALAE), unallocated loss adjustment expenses (ULAE), and a discount for anticipated investment income. Our current estimate for the 2017-18 year is \$8,205,000 at the discounted, expected level, an increase in the program's expected loss costs, as shown in the table below:

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

	Prior Report 2016-17 Pool Limit = \$500,000	Current Report 2017-18 Pool Limit = \$500,000	Change
(A) Ultimate Loss and ALAE:	\$7,562,000	\$7,830,000	\$268,000
(B) Ultimate Claims Administration (ULAE):	670,000	706,000	36,000
(C) Total Claim Costs:	\$8,232,000	\$8,536,000	\$304,000
(D) Offset for Investment Income:	(320,000)	(331,000)	(11,000)
(E) Total Recommended Funding:	\$7,912,000	\$8,205,000	\$293,000
(F) Funding per \$100 of Payroll:	\$4.02	\$3.87	(\$0.15)

As you can see, our funding recommendations at the discounted, expected level have increased between 2016-17 and 2017-18, as shown in our prior and current reports respectively. This increase is largely due to an increase in payroll. It should be noted that our estimated rate per \$100 of payroll has decreased when compared to the estimated rate in our prior report.

E. DATA PROVIDED FOR THE ANALYSIS

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

Comments and issues regarding the data are as follows:

- We have assumed that the program's self-insured retention will remain at \$500,000 per occurrence for 2016-17 and 2017-18 (See Appendix K).
- We estimated the 6/30/2017 asset balance by beginning with the 12/31/2016 asset balance, and adjusting for anticipated revenue and expense for the second half of 2016-17 (see Appendix L).
- We received loss data evaluated as of 12/31/2016 (See Appendix M). We also utilized the data from NCCSIF's most recent actuarial study for our assessment of loss development.
- We have assumed that NCCSIF's payroll for 2017-18 will be \$211,897,739 based upon information provided by NCCSIF (See Appendix N).
- Please note that the estimates contained in this report do not include costs for 4850 TD (Temporary Disability) and 4850 SC (salary continuation). The loss run provided separated losses into various layers, including Banking and Shared. However, additional fields were developed which removed voucher amounts which are not paid from the insurance fund. These vouchers are the responsibility of the individual member.

The data provided for the analysis appears to be reasonable for use in this actuarial valuation of liabilities and projection of loss costs.

III. ASSUMPTIONS AND LIMITATIONS

Any quantitative analysis is developed within a very specific framework of assumptions about conditions in the outside world, and actuarial analysis is no exception. We believe that it is important to review the assumptions we have made in developing the estimates presented in this report. By doing so, we hope you will gain additional perspective on the nature of the uncertainties involved in maintaining a self-insurance program. Our assumptions, and some observations about them, are as follows:

- Our analysis is based on loss experience, exposure data, and other general and specific information provided to us by NCCSIF. We have accepted all of this information without audit.
- We have also made use of loss statistics that have been developed from the information gathered and compiled from other California counties participating in the CSAC Excess Insurance Authority's workers' compensation program.
- We have assumed that the future development of incurred and paid losses can be reasonably predicted on the basis of development of such losses in the recent past. We have also assumed that the historical development patterns for the participants of the CSAC Excess Insurance Authority's workers' compensation program in the aggregate form a reasonable basis of comparison to the patterns from Northern California Cities Self Insurance Fund's data.
- We have made use of cost relationships for claims of various sizes derived from the most recent actuarial review of the CSAC Excess Insurance Authority's workers' compensation program.
- We have assumed that there is a continuing relationship between past and future loss costs.
- It is not possible to predict future claim costs precisely. Most of the costs of workers' compensation claims arise from a small number of incidents involving serious injury. A relatively small number of such claims could generate enough loss dollars to significantly reduce, or even deplete, the self-insurance fund.
- We cannot predict and have not attempted to predict the impact of future law changes and court rulings on claims costs. This is one major reason why we believe our funding recommendations are reasonable now, but should not be extrapolated into the future.
- The changes in cost levels associated with benefit increases and administrative changes typically take place over a period of several years following their enactment, and these changes are very difficult to forecast in advance. We have based our benefit level factors on those produced by the Workers' Compensation Insurance Rating Bureau of California (WCIRB). See Appendix E for a display of the benefit level cost indices by fiscal year.

- We have assumed that the loss rate trend associated with claim costs increases at 1.5% per year. We have assumed that claim severity increases at 1.5% per year, and that claim frequency will remain flat.
- We have assumed that payroll and other inflation-sensitive exposure measures increase 2.5% annually due to inflation.
- We have assumed that assets held for investment will generate an average annual return of 1.5% over the duration of payment of the loss liabilities. It should be noted that actual future investment returns may vary significantly from this assumption, depending upon the prevailing investment market conditions.
- The claims costs we have estimated include indemnity and medical payments, and all loss adjustment expenses. We have not included estimates for excess insurance contributions to the CSAC-EIA and other expenses associated with the program based upon information provided by NCCSIF.
- Our funding recommendations do not include provisions for catastrophic events not in NCCSIF's history, such as earthquakes, flooding, mass civil disorder, or mass occupational disease.
- Our estimates assume that all excess insurance is valid and collectible. Further, our funding recommendations do not include a provision for losses greater than NCCSIF's excess coverage.
- NCCSIF's assets available for the program are estimated to be \$42,896,000 as of June 30, 2017 for use in this report. This is shown in further detail in Appendix L.

IV. GLOSSARY OF ACTUARIAL TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Paid Losses - Losses actually paid on all reported claims.

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

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

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

Severity - Average claim cost.

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

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



Agenda Item G.1.b.

ACTUARIAL STUDIES - FY 17/18 LIABILITY PROGRAM

ACTION ITEM

ISSUE: NCCSIF's actuary provides an annual report to assist members in making funding, dividend and assessment decisions. A summary of this year's report is provided below and will be discussed in more detail at the meeting.

FY 17/18 Funding

Total recommended funding for banking and shared risk layer is \$3,625,000 at the current 70% Confidence Level (CL), almost \$200,000 below the funding of \$3,823,000 for FY 16/17. *The rate at the 70% CL is \$2.225 per \$100 of payroll, compared to \$2.370 last year, a decrease of 5.7%.*

Outstanding Liabilities at June 30th

The Actuary estimates the Liability Program will have total assets of approximately \$11,811,000 on June 30, 2017, compared to \$11,489,000 last year. The estimated total Outstanding Liability at June 30 is \$11,048,000 at the 90% Confidence Level (CL), compared to 13,345,000 last year. *This results in an estimated net position of \$763,000 above the 90% C.L., compared to a deficit of \$1,856,000 last year.*

Assets for the Banking Layer are estimated at \$5,277,000 as of June 30, 2017, compared to \$5,109,000 in 2016. Banking Layer liabilities are \$3,176,000 at the 90% confidence level, compared to \$3,474,000 last year. *This means the Banking Layer net position above the 90% CL is estimated at \$2,101,000, compared to \$1,635,000 in 2016.*

Assets for the Shared Risk Layer are estimated to be \$6,534,000 at June 30, 2017, compared to \$6,380,000 in 2016. Liabilities are estimated at \$7,872,000 at the 90% CL, compared to \$9,871,000 last year. *This results in an estimated deficit of \$1,338,000 in net position above the 90% CL, compared to a deficit of \$3,491,000 last year.*

RECOMMENDATION: Request the actuary to finalize the report for presentation to the full Board at the April, 27, 2017, Board of Directors meeting.

FISCAL IMPACT: T.B.D.; depending on chosen Confidence Level. Note the FY 17/18 rate at the 75% CL is \$2.38, just \$0.01 above the current rate at the 70% CL. Although much improved, due to the continued deficit at the 90% CL the Shared Layer assessment will also continue.

BACKGROUND: NCCSIF annually receives an actuary report to determine the estimated Outstanding Liabilities (OL) for the Liability program as of June 30 and to estimate the amount of funding required for the upcoming fiscal year. These figures are used for financial reporting purposes and to prepare the budget for member deposits. The funding CL was increased from 67.5% to 70% for FY 16/17.

ATTACHMENT(S): FY 17/18 Liability Actuarial Study - **DRAFT** Summary
(without Exhibits or Appendices)



Actuarial Review of the Self-Insured Liability Program

*Outstanding Liabilities as of June 30, 2017
Forecast for Program Year 2017-18*

Presented to
Northern California Cities Self-Insurance Fund

March 9, 2017



Thursday, March 9, 2017

Mr. Marcus Beverly
Vice President
Northern California Cities Self Insurance Fund
C/o Alliant Insurance Services, Inc.
1792 Tribute Road, Suite 450
Sacramento, CA 95815

Re: Actuarial Review of the Self-Insured Liability Program

Dear Mr. Beverly:

As you requested, we have completed our review of Northern California Cities Self Insurance Fund's self-insured liability program. Assuming a pool limit of \$500,000 per occurrence, we estimate the ultimate cost of claims and expenses for claims incurred during the 2017-18 program years to be \$3,104,000. Of this amount, \$1,542,000 is for the banking layer (\$0 – \$50,000 per occurrence) and \$1,562,000 is for the shared layer (\$50,000 – \$500,000 per occurrence). These amounts include allocated loss adjustment expenses (ALAE), unallocated loss adjustment expenses (ULAE), and a discount for anticipated investment income. ALAE is the direct cost associated with the defense of individual claims (e.g. legal fees, investigation fees, court charges). ULAE is the cost to administer all claims to final settlement, which may be years into the future (e.g. claims adjusters' salaries, taxes). The discount for investment income is calculated based on the likely payout pattern of NCCSIF's claims, assuming a 1.5% return on investments per year. For budgeting purposes, the expected cost of 2017-18 claims translates to rates of \$1.906 per \$100 payroll, \$0.947 for the banking layer and \$0.959 for the shared layer (assuming \$162,895,212 in rated payroll).

In addition, we estimate the program's liability for outstanding claims to be \$7,948,000 as of June 30, 2017, again including ALAE and ULAE, and discounted for anticipated investment income. Of this amount, \$2,377,000 is for the banking layer and \$5,571,000 is for the shared layer. Given estimated program assets of \$11,811,000 as of June 30, 2017, the program is expected to be funded above the 90% confidence levels on a combined basis. The banking layer is expected to be funded above the 90% confidence level. The shared layer is expected to be funded at the 75% confidence level. (See Graphs 1a, 1b and 1c on pages 10, 11, and 12.)

The \$7,948,000 estimate is the minimum liability to be booked by NCCSIF at June 30, 2017 for Northern California Cities Self Insurance Fund's liability program, in accordance with Governmental Accounting Standards Board (GASB) Statement #10. GASB #10 requires NCCSIF to accrue a liability on its financial statements for the ultimate cost of claims and expenses associated with all reported and unreported claims, including ALAE and ULAE. GASB #10 does not prohibit the discounting of losses to recognize investment income.

Our conclusions regarding NCCSIF's liability for unpaid loss and loss adjustment expenses (LAE) at June 30, 2017 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, 2017

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$8,169,000					
ULAE*	0					
Investment Income Offset	(221,000)					
Discounted Loss and LAE	\$7,948,000	\$8,846,000	\$9,244,000	\$9,705,000	\$10,285,000	\$11,048,000
Assets	11,811,000					
Surplus or (Deficit)	\$3,863,000	\$2,965,000	\$2,567,000	\$2,106,000	\$1,526,000	\$763,000

* ULAE is included with Loss and ALAE

Northern California Cities Self Insurance Fund
Self-Insured Liability Program
Estimated Liability for Unpaid Loss and LAE
Banking Layer
at June 30, 2017

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$2,443,000					
ULAE*	0					
Investment Income Offset	(66,000)					
Discounted Loss and LAE	\$2,377,000	\$2,610,000	\$2,712,000	\$2,831,000	\$2,978,000	\$3,176,000
Assets	5,277,000					
Surplus or (Deficit)	\$2,900,000	\$2,667,000	\$2,565,000	\$2,446,000	\$2,299,000	\$2,101,000

* ULAE is included with Loss and ALAE

Northern California Cities Self Insurance Fund
 Self-Insured Liability Program
 Estimated Liability for Unpaid Loss and LAE
 Shared Layer
 at June 30, 2017

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$5,726,000					
ULAE*	0					
Investment Income Offset	(155,000)					
Discounted Loss and LAE	\$5,571,000	\$6,236,000	\$6,532,000	\$6,874,000	\$7,307,000	\$7,872,000
Assets	6,534,000					
Surplus or (Deficit)	\$963,000	\$298,000	\$2,000	(\$340,000)	(\$773,000)	(\$1,338,000)

* ULAE is included with Loss and ALAE

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

The table below shows our funding recommendations for Northern California Cities Self Insurance Fund for the 2017-18 fiscal year.

Northern California Cities Self Insurance Fund
Self-Insured Liability Program
Loss and LAE Funding Guidelines for 2017-18
Banking and Shared Layers Combined
Banking Layer: \$0 to \$50,000
Shared Layer: \$50,000 to \$500,000

	Expected	Marginally Acceptable		Recommended Range		
		60% CL	65% CL	Low 70% CL	Target 75% CL	High 80% CL
Loss and ALAE	\$3,206,000					
ULAE	0					
Investment Income Offset	(102,000)					
Discounted Loss and LAE	\$3,104,000	\$3,206,000	\$3,408,000	\$3,625,000	\$3,877,000	\$4,169,000
Rate per \$100 of 2017-18 Payroll	\$1.906	\$1.968	\$2.092	\$2.225	\$2.380	\$2.559

* ULAE is included with Loss and ALAE

Northern California Cities Self Insurance Fund
Self-Insured Liability Program
Loss and LAE Funding Guidelines for 2017-18
Banking Layers
Banking Layer: \$0 to \$50,000

	Expected	Marginally Acceptable		Recommended Range		
		60% CL	65% CL	Low 70% CL	Target 75% CL	High 80% CL
Loss and ALAE	\$1,573,000					
ULAE	0					
Investment Income Offset	(31,000)					
Discounted Loss and LAE	\$1,542,000	\$1,595,000	\$1,693,000	\$1,800,000	\$1,923,000	\$2,067,000
Rate per \$100 of 2017-18 Payroll	\$0.947	\$0.979	\$1.039	\$1.105	\$1.181	\$1.269

* ULAE is included with Loss and ALAE

Northern California Cities Self Insurance Fund
 Self-Insured Liability Program
 Loss and LAE Funding Guidelines for 2017-18
 Shared Layers
 Shared Layer: \$50,000 to \$500,000

	Expected	Marginally Acceptable		Recommended Range		
		60% CL	65% CL	Low 70% CL	Target 75% CL	High 80% CL
Loss and ALAE	\$1,633,000					
ULAE	0					
Investment Income Offset	(71,000)					
Discounted Loss and LAE	\$1,562,000	\$1,611,000	\$1,715,000	\$1,825,000	\$1,954,000	\$2,102,000
Rate per \$100 of 2017-18 Payroll	\$0.959	\$0.989	\$1.053	\$1.120	\$1.200	\$1.290

* ULAE is included with Loss and ALAE

The funding recommendations shown in the table above do not include any recognition of the existing funding margin (surplus or deficit) at June 30, 2017. They are for losses and loss adjustment expenses only, and do not include a provision for loss control, overhead, excess insurance premiums, and other expenses associated with the program.

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

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

Sincerely,

Bickmore

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I. BACKGROUND

Northern California Cities Self Insurance Fund began its self-insured liability program on July 1, 1981. The program began with eight members and now includes nineteen Northern California municipalities delineated below.

ANDERSON	FOLSOM	LINCOLN	RIO VISTA
AUBURN	GALT	MARYSVILLE	ROCKLIN
COLUSA	GRIDLEY	OROVILLE	WILLOWS
CORNING	IONE	PARADISE	YUBA CITY
DIXON	JACKSON	RED BLUFF	

Its current self-insured retention is \$500,000, and excess coverage is provided by CJPRMA. Claims administration services are provided by York Insurance Services. Additional background on the program is shown in Appendix K.

As of June 30, 2017, NCCSIF is expected to have assets of \$11,811,000 for the program. Additional background on program funding is given in Appendix L.

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

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

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

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

The purpose of this review is to provide a guide to NCCSIF to determine reasonable funding levels for its self-insurance program according to the funding policy NCCSIF has adopted and to comply with Governmental Accounting Standards Board Statements #10 and #30. The specific objectives of the study are to estimate NCCSIF's liability for outstanding claims as of June 30, 2017, project ultimate loss costs for 2017-18, and provide funding guidelines to meet these liabilities and future costs.

II. CONCLUSIONS AND RECOMMENDATIONS

A. LIABILITY FOR OUTSTANDING CLAIMS

Graphs 1a, 1b and 1c on the following pages summarize our assessment of NCCSIF's funding position as of June 30, 2017. The dark-colored bars indicate our estimates of the program's liability for outstanding claims before recognition of the investment income that can be earned on the assets held before the claim payments come due. The horizontal line across each graph indicates NCCSIF's available assets at June 30, 2017.

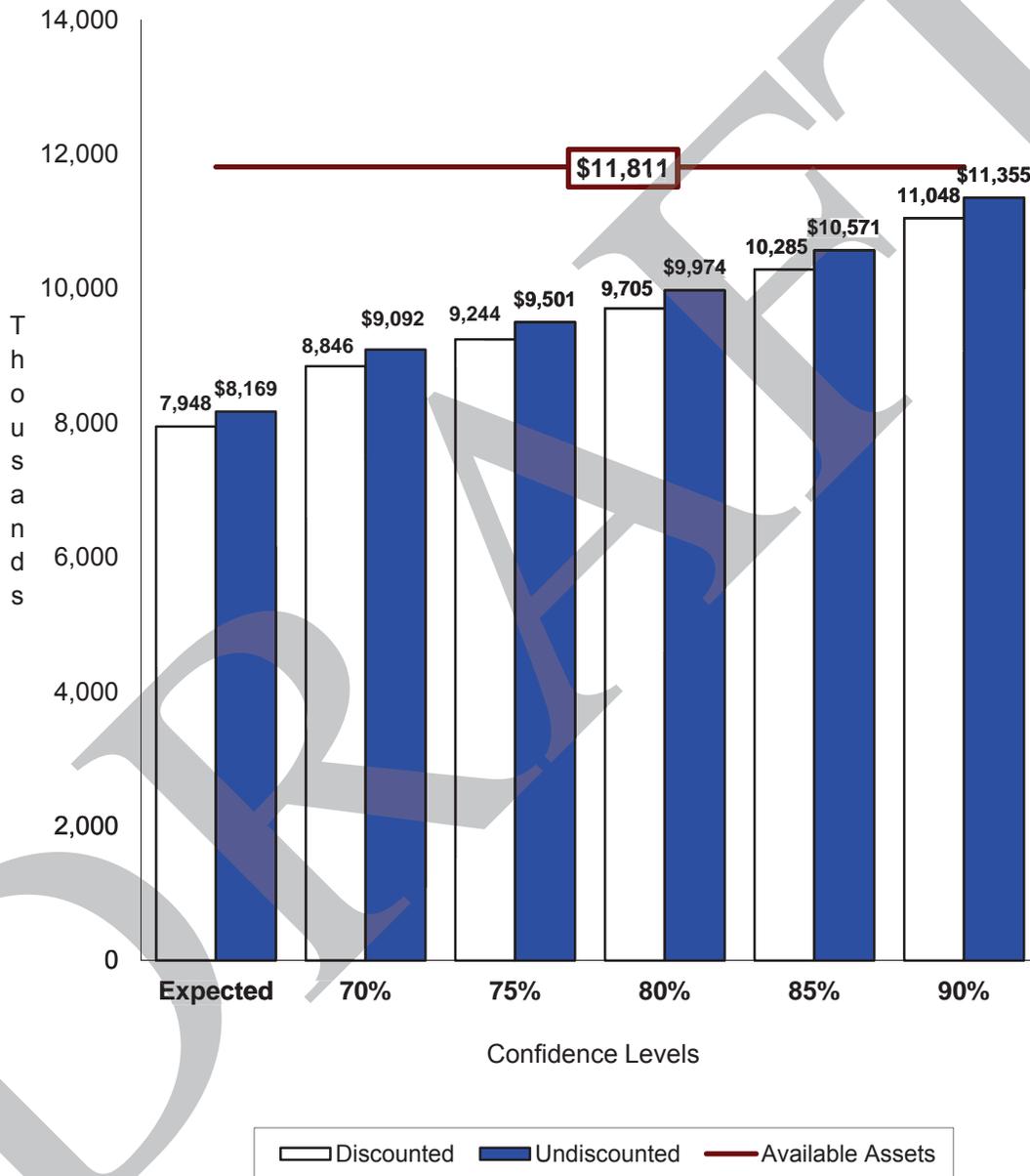
Our best estimate of the full value of NCCSIF's liability for outstanding claims within its pool limit is \$8,169,000, \$2,443,000 for the banking layer and \$5,726,000 for the shared layer as of June 30, 2017. These amounts include losses, allocated loss adjustment expenses (ALAE), and unallocated loss adjustment expenses (ULAE). ALAE is the direct cost associated with the defense of individual claims (e.g. legal fees, investigation fees, court charges). ULAE is the cost to administer claims to final settlement, which may be years in the future (e.g. claims adjusters' salaries, taxes).

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

NCCSIF can earn investment income on the assets it holds until claims payments come due. Assuming a long-term average annual return on investments of 1.5%, we estimate the impact of investment income earnings to be about 2.7% if the program is funded within the range indicated in the graphs, resulting in a discounted liability for outstanding claims of \$7,948,000, \$2,377,000 for the banking layer, and \$5,571,000 for the shared layer as of June 30, 2017.

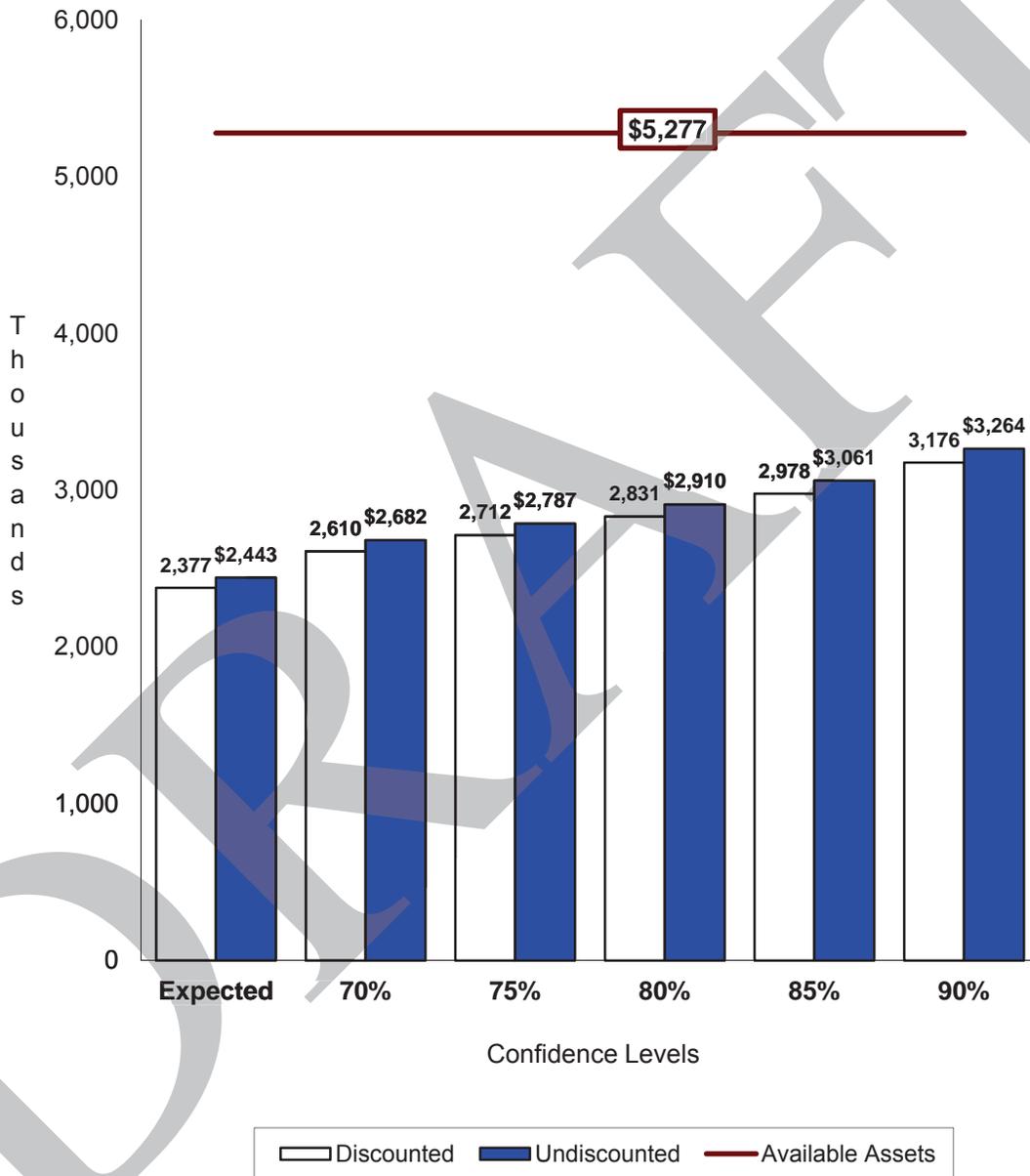
Investment income earnings will be less than this when the program does not maintain sufficient funding, and more when there is excess funding. Thus, thinking in terms of liabilities discounted for investment income can actually mask funding deficiencies and redundancies that might otherwise be obvious.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

NCCSIF - Liability
 Available Assets vs Outstanding Liability (\$000's)
 at June 30, 2017
 Banking and Shared Layers Combined



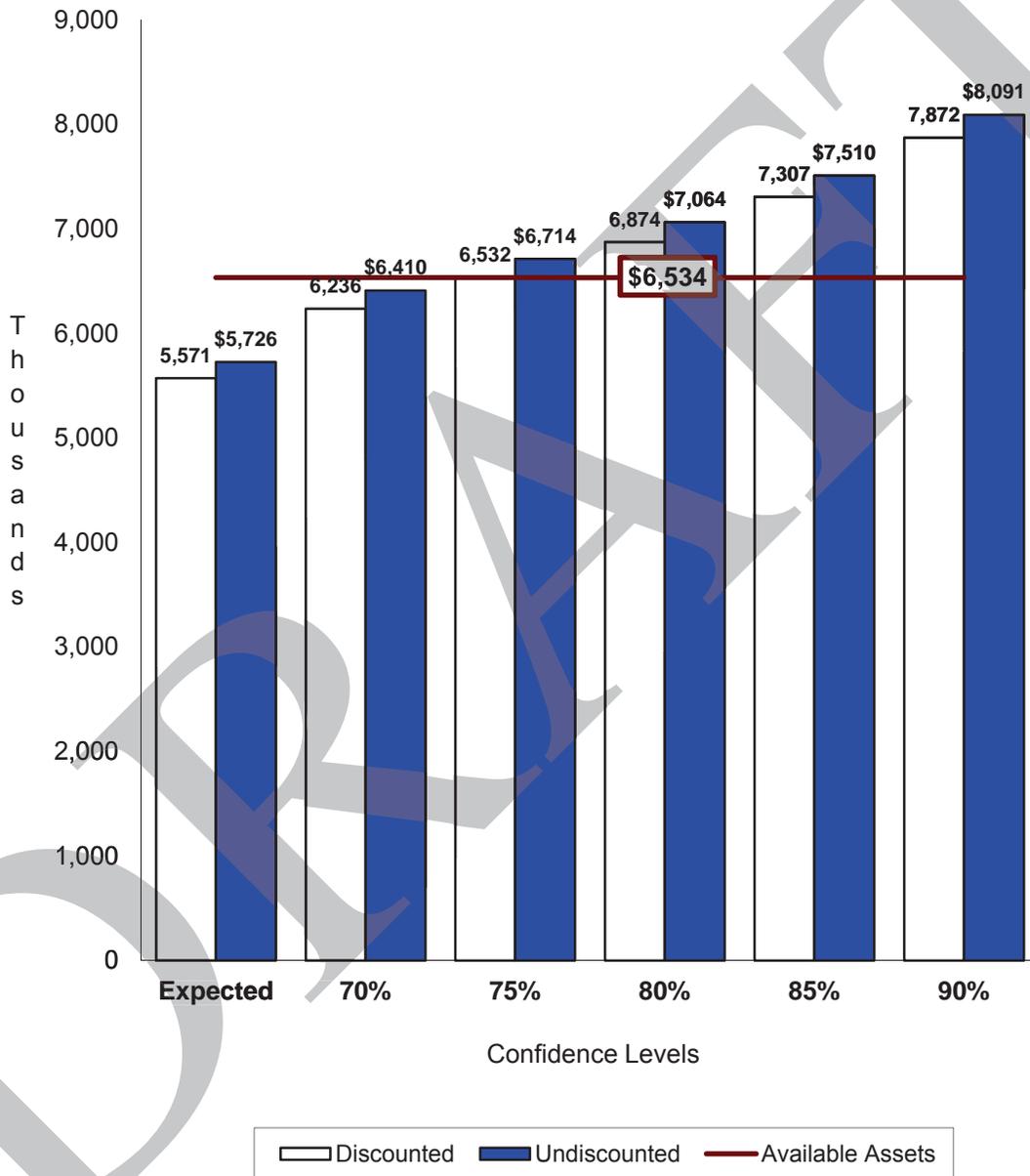
Graph 1b

NCCSIF - Liability
Available Assets vs Outstanding Liability (\$000's)
at June 30, 2017
Banking Layer



Graph 1c

NCCSIF - Liability
Available Assets vs Outstanding Liability (\$000's)
at June 30, 2017
Shared Layer



The table below displays a breakdown of the program's outstanding loss and LAE liabilities into case reserves and incurred but not reported (IBNR) reserves at June 30, 2017, before recognition of investment income.

Northern California Cities Self Insurance Fund
 Self-Insured Liability Program
 Estimated Liability for Unpaid Loss and LAE at June 30, 2017

Year	Case Reserves	IBNR Reserves	Total Outstanding
Prior	\$0	\$0	\$0
2008-09	190,221	12,296	202,517
2009-10	192,520	31,363	223,883
2010-11	38,638	36,933	75,571
2011-12	259,615	65,321	324,936
2012-13	435,280	113,499	548,779
2013-14	267,549	152,691	420,240
2014-15	1,064,790	257,304	1,322,094
2015-16	1,558,522	832,710	2,391,232
2016-17	696,870	1,962,786	2,659,656
Loss and ALAE	\$4,704,005	\$3,464,903	\$8,168,908
ULAE		0	0
Total	\$4,704,005	\$3,464,903	\$8,168,908

B. PROGRAM FUNDING: GOALS AND OBJECTIVES

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

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

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

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

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

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

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

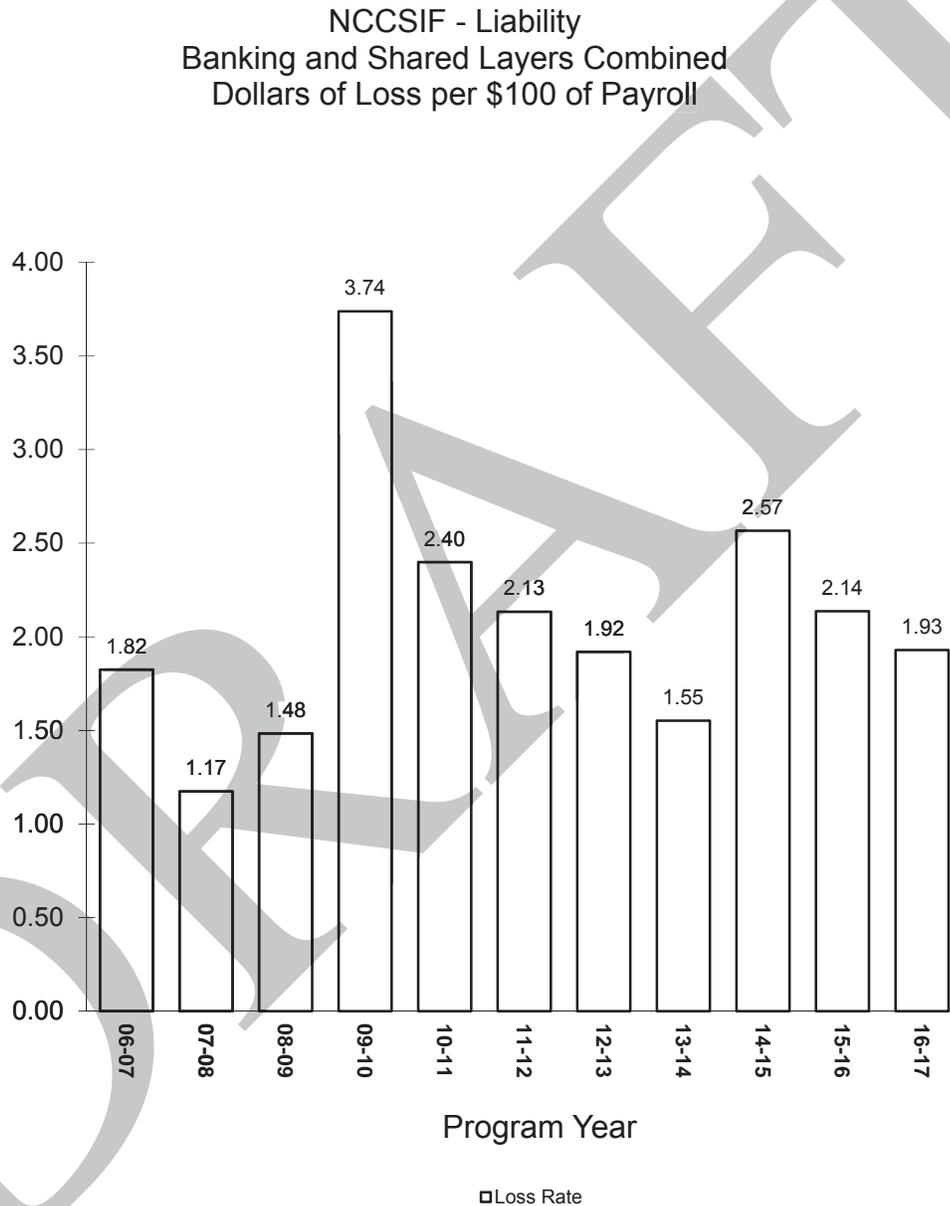
In general, we recommend funding each year's claims costs in that year. When surpluses or deficits have developed on outstanding liabilities and funding adjustments are necessary, they should be clearly identified as such so that the habit of funding each year's claims costs that year is maintained.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

It is estimated that program assets will be \$11,811,000 at June 30, 2017, \$5,277,000 for the banking layer and \$6,534,000 for the shared layer, resulting in the banking layer being funded above the 90% confidence levels on a combined basis. The banking layer is expected to be funded above the 90% confidence level. The shared layer is expected to be funded at the 75% confidence level.

C. HISTORICAL TRENDS IN THE SELF-INSURANCE PROGRAM

The program's loss rate per \$100 payroll has varied during the past ten years, but has followed a generally increasing trend. Losses during the 2007-08 to 2012-13 years reflect the higher pool limit of \$1,000,000. Effective 7/1/2013, NCCSIF decreased the pool limit to \$500,000. See Graph 2a below.

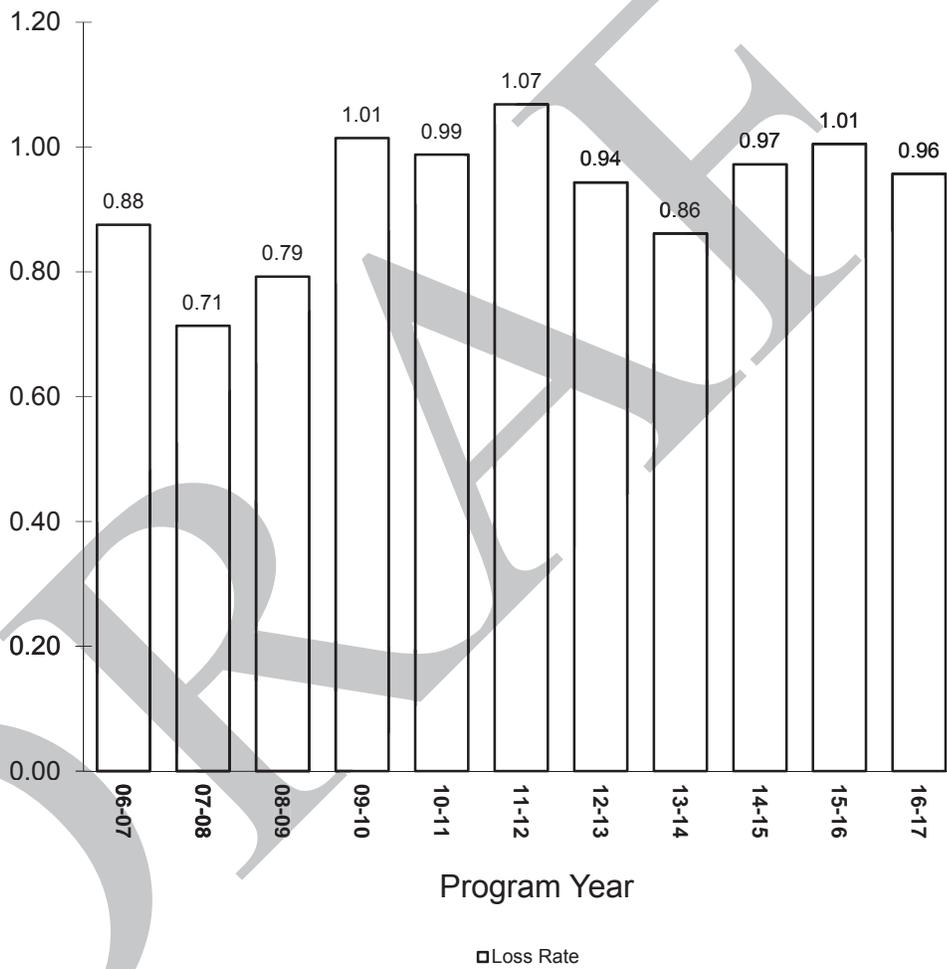
Graph 2a



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

Graph 2b

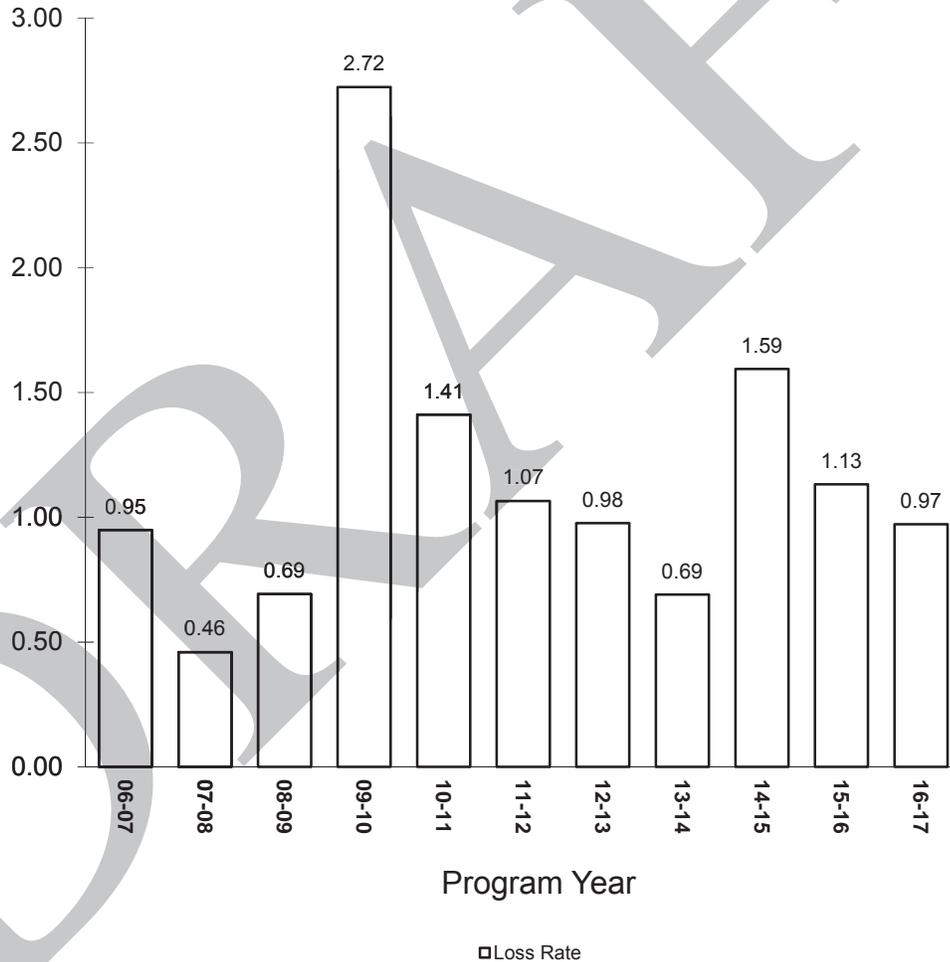
NCCSIF - Liability
Banking Layer
Dollars of Loss per \$100 of Payroll



The shared layer loss rate per \$100 payroll has varied over the past ten years, typical for excess layers, with no apparent trend. The 2006-07 year reflects the shared layer from \$25,000 to \$500,000 per occurrence, while the 2007-08 to 2012-13 years reflect the shared layer from \$50,000 to \$1,000,000 per occurrence. The 2013-14 to 2016-17 years reflect the shared layer from \$50,000 to \$500,000 per occurrence. See Graph 2c below.

Graph 2c

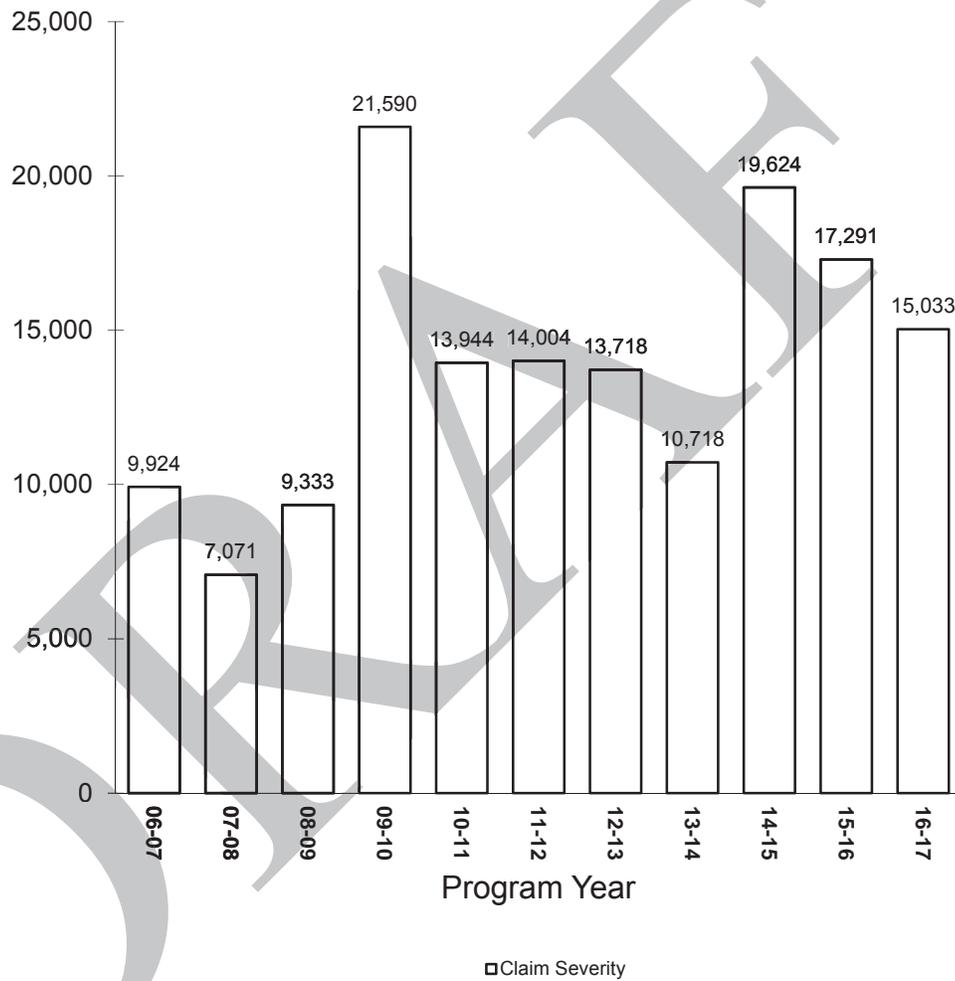
NCCSIF - Liability
Shared Layer
Dollars of Loss per \$100 of Payroll



The program's average cost per claim, or severity, has followed a generally increasing trend over the past ten years, with recent years coming in particularly high. See Graph 3a below.

Graph 3a

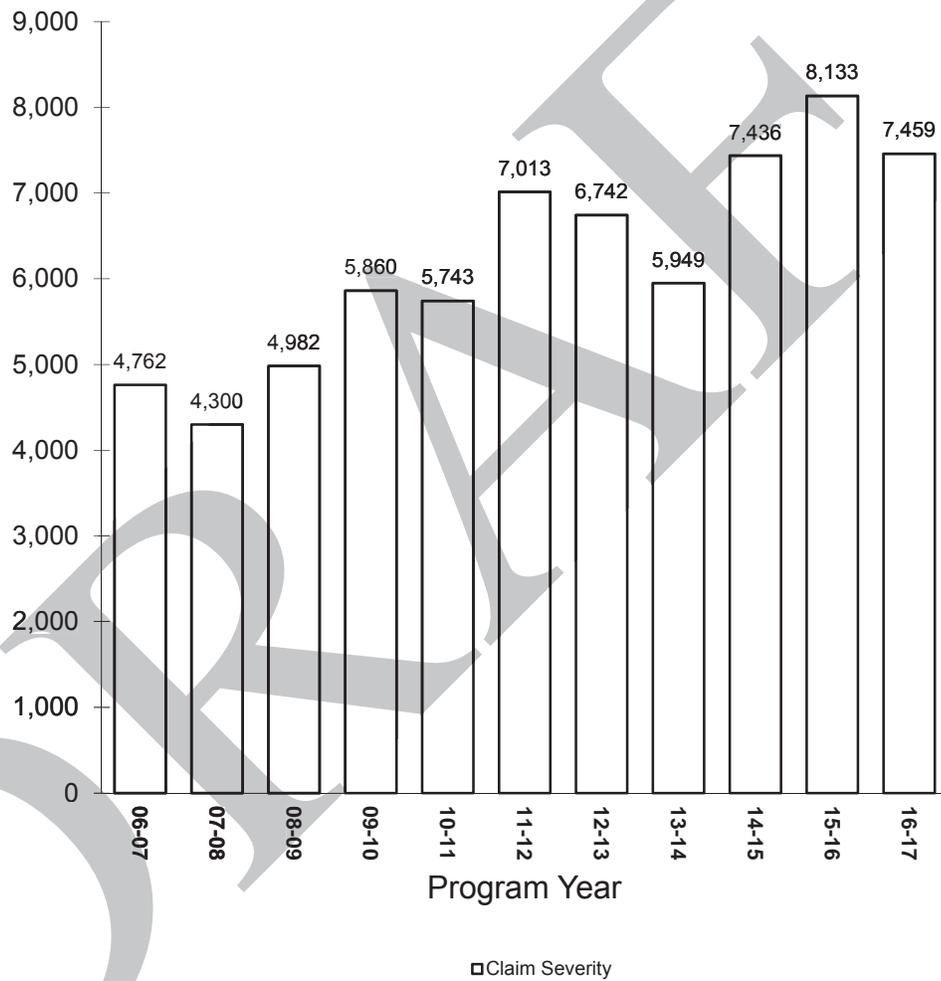
NCCSIF - Liability
Banking and Shared Layers Combined
Dollars of Loss per Claim



The banking layer average cost per claim, or severity, has followed a generally increasing trend over the past ten years. The projected 2016-17 severity reflects that increasing trend. See Graph 3b below.

Graph 3b

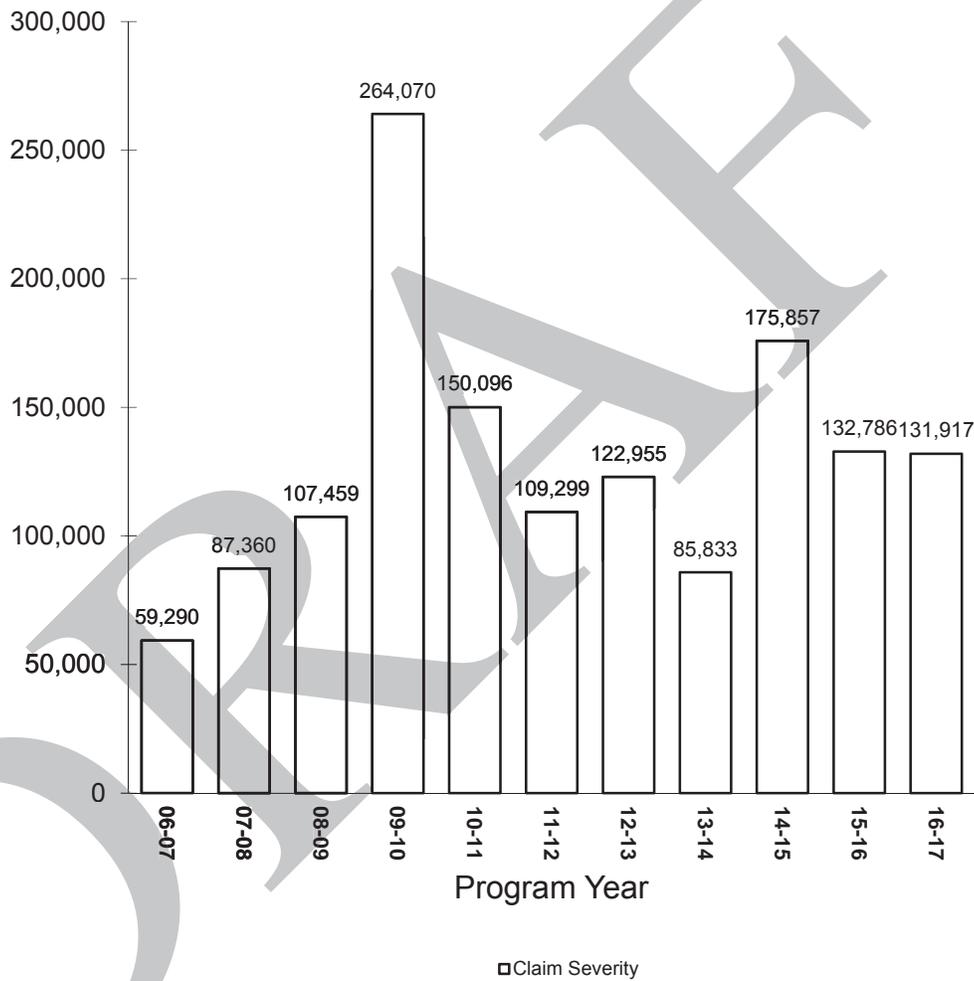
NCCSIF - Liability
Banking Layer
Dollars of Loss per Claim



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

Graph 3c

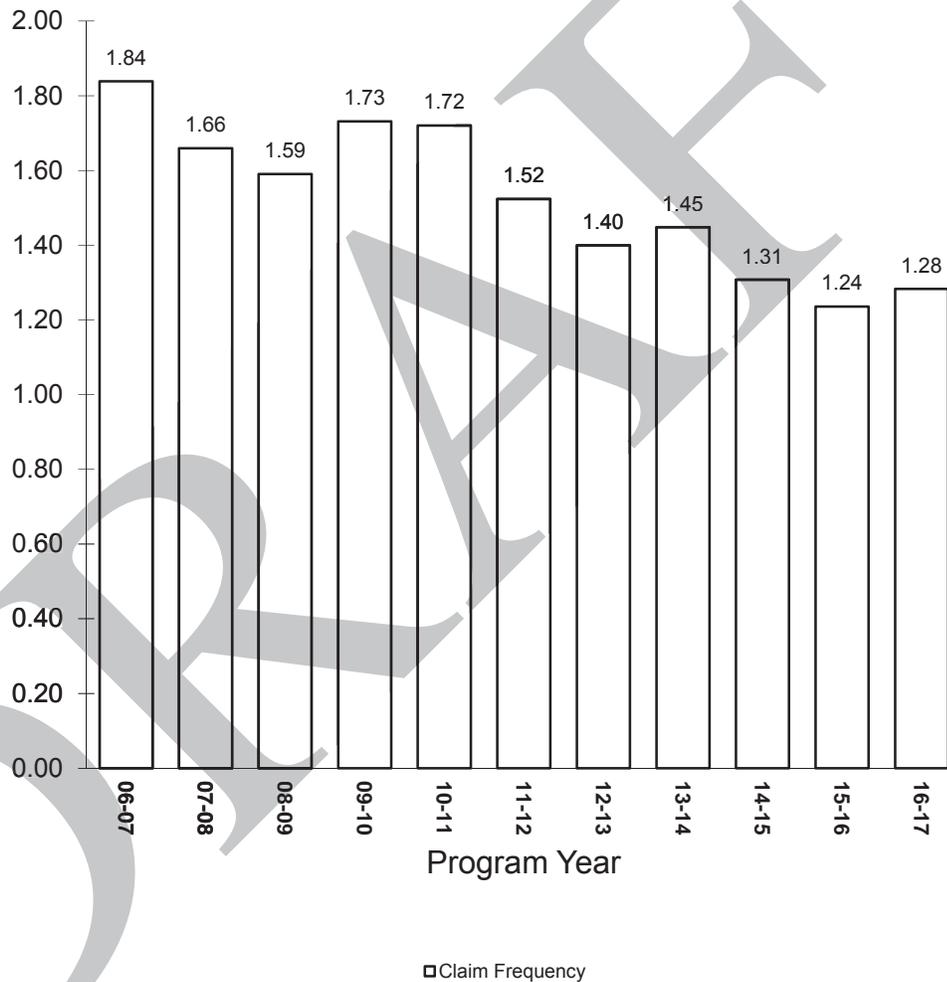
NCCSIF - Liability
Shared Layer
Dollars of Loss per Claim



The program's frequency of claims per \$1 million payroll has been generally decreasing over the past ten years. The projected 2016-17 frequency reflects that decreasing trend. See Graph 4a below. (Note that banking layer frequency is the same as shown below for the program.)

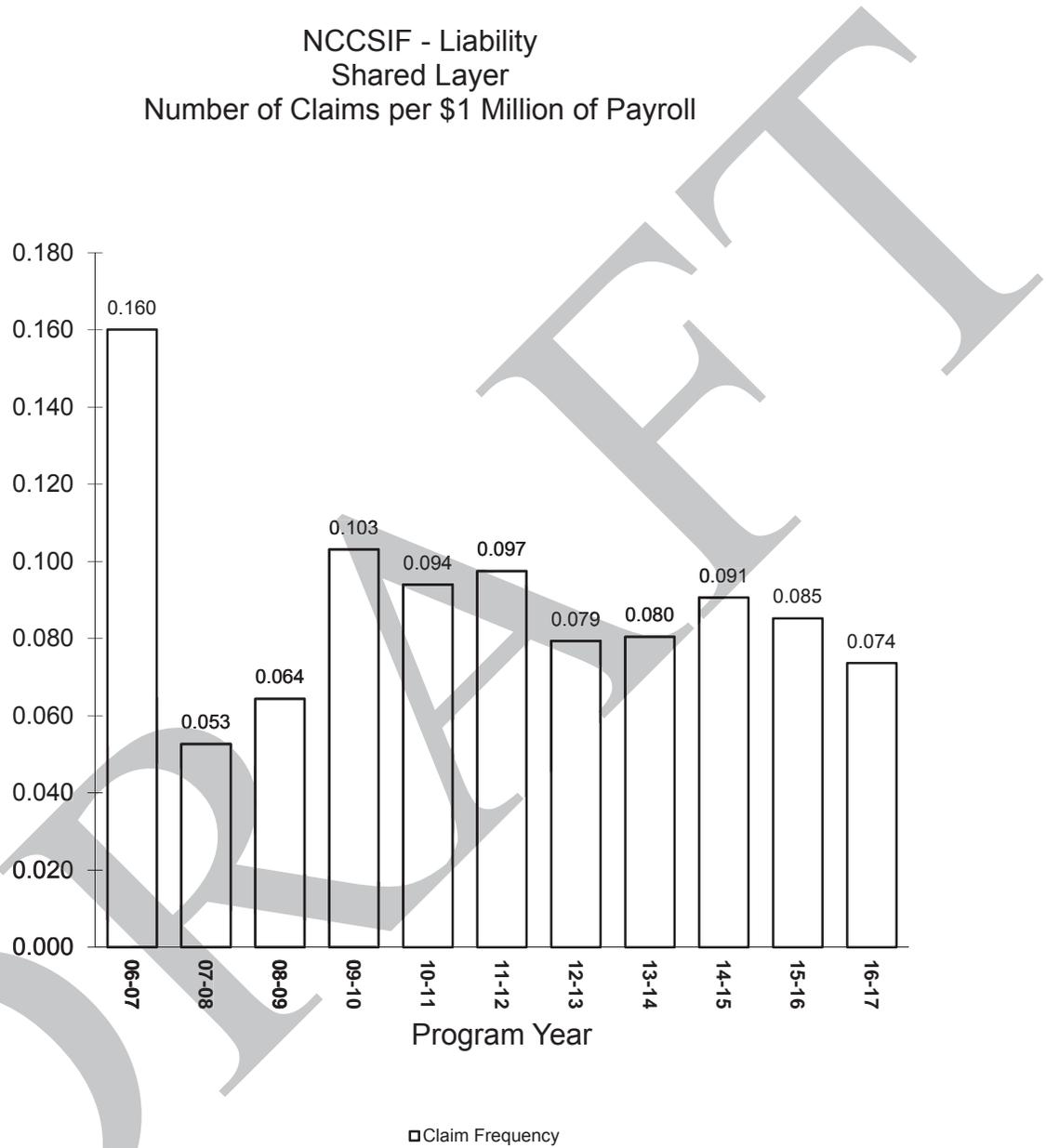
Graph 4a

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



The shared program's frequency of claims per \$1 million payroll has been generally decreasing over the past ten years. See Graph 4b below.

Graph 4b



D. COMPARISON WITH PREVIOUS RESULTS

The prior report for Northern California Cities Self Insurance Fund was dated March 23, 2016. In the table below we display actual versus expected development of incurred losses and ALAE by accident year between the 12/31/2015 evaluation date of the prior report and the 12/31/2016 evaluation date of the current report.

Actual Versus Expected Incurred Loss and ALAE Development

Banking and Shared Layers Combined

Accident Year	Expected Incurred Development	Actual Incurred Development	Actual Minus Expected
Prior	\$0	\$0	\$0
1996-97	1,000	0	(1,000)
1997-98	0	0	0
1998-99	0	0	0
1999-00	0	0	0
2000-01	0	25,000	25,000
2001-02	0	0	0
2002-03	0	0	0
2003-04	0	0	0
2004-05	0	0	0
2005-06	0	0	0
2006-07	0	0	0
2007-08	4,000	(168,000)	(172,000)
2008-09	8,000	(152,000)	(160,000)
2009-10	23,000	(49,000)	(72,000)
2010-11	50,000	0	(50,000)
2011-12	67,000	(588,000)	(655,000)
2012-13	59,000	168,000	109,000
2013-14	226,000	(573,000)	(799,000)
2014-15	574,000	563,000	(11,000)
2015-16	1,531,000	1,921,000	390,000
Total	\$2,543,000	\$1,147,000	(\$1,396,000)

* ULAE is included with Loss and ALAE

As shown, actual incurred development was less than anticipated since the prior report. Based on the assumptions from the prior report, it was expected that incurred losses would increase by \$2,543,000 between the two evaluation dates. However, actual development was approximately \$1,147,000; or about \$1,396,000 less than expected.

In the table below we display actual versus expected development of paid losses and ALAE by accident year between the 12/31/2015 evaluation date of the prior report and the 12/31/2016 evaluation date of the current report.

Actual Versus Expected Paid Loss and ALAE Development

Banking and Shared Layers Combined

Accident Year	Expected Paid Development	Actual Paid Development	Actual Minus Expected
Prior	\$0	\$0	\$0
1996-97	18,000	0	(18,000)
1997-98	0	0	0
1998-99	0	0	0
1999-00	0	0	0
2000-01	0	5,000	5,000
2001-02	0	0	0
2002-03	0	0	0
2003-04	0	0	0
2004-05	0	0	0
2005-06	0	0	0
2006-07	0	0	0
2007-08	74,000	(4,000)	(78,000)
2008-09	197,000	9,000	(188,000)
2009-10	417,000	688,000	271,000
2010-11	71,000	2,000	(69,000)
2011-12	470,000	102,000	(368,000)
2012-13	696,000	701,000	5,000
2013-14	1,000,000	685,000	(315,000)
2014-15	952,000	1,080,000	128,000
2015-16	781,000	548,000	(233,000)
Total	\$4,676,000	\$3,816,000	(\$860,000)

* ULAE is included with Loss and ALAE

As shown, actual paid development was less than anticipated since the prior report. Based on the assumptions from the prior report, it was expected that paid losses would increase by \$4,676,000 between the two evaluation dates. However, actual development was approximately \$3,816,000; or about \$860,000 less than expected.

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

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

Accident Year	Prior Report	Current Report	Change In Ultimate
Prior	\$10,458,000	\$10,458,000	\$0
1996-97	2,148,000	2,148,000	0
1997-98	2,915,000	2,915,000	0
1998-99	1,842,000	1,842,000	0
1999-00	2,774,000	2,774,000	0
2000-01	2,011,000	2,038,000	27,000
2001-02	2,038,000	2,038,000	0
2002-03	2,291,000	2,291,000	0
2003-04	2,054,000	2,054,000	0
2004-05	3,058,000	3,058,000	0
2005-06	2,338,000	2,338,000	0
2006-07	2,898,000	2,898,000	0
2007-08	2,232,000	2,051,000	(181,000)
2008-09	2,765,000	2,604,000	(161,000)
2009-10	6,075,000	6,002,000	(73,000)
2010-11	3,789,000	3,737,000	(52,000)
2011-12	3,911,000	3,249,000	(662,000)
2012-13	2,753,000	2,867,000	114,000
2013-14	3,115,000	2,315,000	(800,000)
2014-15	3,970,000	3,964,000	(6,000)
2015-16	3,300,000	3,510,000	210,000
Total	\$68,735,000	\$67,151,000	(\$1,584,000)

* ULAE is included with Loss and ALAE

As shown, overall we have decreased our estimated ultimates by \$1,584,000 since our prior report. The less than anticipated incurred loss development mentioned above translates to a decrease in our estimates of ultimate losses. The changes by accident year generally track well with the actual versus expected incurred loss development.

At the time of the prior report, we estimated the liability for outstanding claims as of June 30, 2016 to be \$9,770,000 at the discounted, expected level. Our current estimate as of June 30, 2017, is \$7,948,000, a decrease in our assessment of NCCSIF's outstanding liabilities, as shown below:

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

	Prior Report at June 30, 2016	Current Report at June 30, 2017	Change
(A) Case Reserves:	\$6,511,000	\$4,704,000	(\$1,807,000)
(B) IBNR Reserves:	3,520,000	3,465,000	(55,000)
(C) Claims Administration (ULAE*):	0	0	0
(D) Total Reserves:	\$10,031,000	\$8,169,000	(\$1,862,000)
(E) Offset for Investment Income:	(261,000)	(221,000)	40,000
(F) Total Outstanding Claim Liabilities:	\$9,770,000	\$7,948,000	(\$1,822,000)

* ULAE is included with Loss and ALAE

As shown, our estimate of outstanding claims liabilities at the discounted, expected level has decreased between June 30, 2016 and June 30, 2017 as reflected in our prior and current reports respectively.

The decrease in claim reserves (case and IBNR) is driven primarily by a large decrease in case reserves. Reserves for future claims administration expenses are included with Loss and ALAE, resulting in a \$1,862,000 decrease in total claim reserves. This decrease in reserves leads to a smaller offset for investment income. The net change due to the above factors is an overall decrease of \$1,822,000 in our estimate of outstanding claim liabilities for loss and LAE.

At the time of the prior report, available assets were estimated to be \$11,476,000 as of June 30, 2016, which corresponded to the then-estimated discounted liability for outstanding claims between the 75% and 80% confidence levels. Available assets are currently estimated to be \$11,811,000 as of June 30, 2017, which corresponds to the currently estimated liability for outstanding claims above the 90% confidence level. It can be summarized as follows:

Funding Margin
Banking and Shared Layers Combined

	Prior Report at June 30, 2016	Current Report at June 30, 2017	Change
(A) Outstanding Liability at the Discounted Expected Level:	\$9,770,000	\$7,948,000	(\$1,822,000)
(B) Estimated Assets At June 30:	11,476,000	11,811,000	335,000
(C) Surplus/(Deficit):	\$1,706,000	\$3,863,000	\$2,157,000

As you can see, our estimate of the program's funding margin at the discounted, expected level has decreased by \$1,822,000 between June 30, 2016 (as previously estimated) and June 30, 2017 (as currently estimated). This is driven by an increase in the estimated fund assets between the two points, coupled with a decrease in the estimated outstanding liability.

At the time of the prior report, our funding estimate for the 2016-17 year was \$3,273,000 at the discounted, expected level. That amount included allocated loss adjustment expenses (ALAE), unallocated loss adjustment expenses (ULAE), and a discount for anticipated investment income. Our current estimate for the 2017-18 year is \$3,104,000 at the discounted, expected level, a decrease in the program's expected loss costs, as shown in the table below:

Comparison of Funding for Loss and LAE
Banking and Shared Layers Combined

	Prior Report 2016-17 Pool Limit = \$500,000	Current Report 2017-18 Pool Limit = \$500,000	Change
(A) Ultimate Loss and ALAE:	\$3,380,000	\$3,206,000	(\$174,000)
(B) Ultimate Claims Administration (ULAE):	0	0	0
(C) Total Claim Costs:	\$3,380,000	\$3,206,000	(\$174,000)
(D) Offset for Investment Income:	(107,000)	(102,000)	5,000
(E) Total Recommended Funding:	\$3,273,000	\$3,104,000	(\$169,000)
(F) Funding per \$100 of Payroll:	\$2.029	\$1.906	(\$0.124)

* ULAE is included with Loss and ALAE

As you can see, our funding recommendations at the discounted, expected level have decreased between 2016-17 and 2017-18, as shown in our prior and current reports respectively.

Our estimates of ultimate loss and ALAE have decreased by \$174,000, driven primarily by favorable loss development. Investment income is expected to be lower. The net change due to the above factors is an overall decrease of \$169,000 in our annual funding estimate for loss and LAE. The average funding rate has decreased by 6.1%.

E. DATA PROVIDED FOR THE ANALYSIS

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

Comments and issues regarding the data are as follows:

- We have assumed that the program's self-insured retention will remain at \$500,000 per occurrence for 2016-17 and 2017-18 (See Appendix K).
- We estimated the 6/30/2017 asset balance by beginning with the 12/31/2016 asset balance, and adjusting for anticipated revenue and expense for the last six months of 2016-17 (see Appendix L).
- We received loss data evaluated as of 12/31/2016 (See Appendix M). We also utilized the data from NCCSIF's most recent actuarial study for our assessment of loss development.
- We have assumed that NCCSIF's payroll for 2017-18 will be \$162,895,212, based upon information provided by NCCSIF (See Appendix N).

The data provided for the analysis appears to be reasonable for use in this actuarial valuation of liabilities and projection of loss costs.

III. ASSUMPTIONS AND LIMITATIONS

Any quantitative analysis is developed within a very specific framework of assumptions about conditions in the outside world, and actuarial analysis is no exception. We believe that it is important to review the assumptions we have made in developing the estimates presented in this report. By doing so, we hope you will gain additional perspective on the nature of the uncertainties involved in maintaining a self-insurance program. Our assumptions, and some observations about them, are as follows:

- Our analysis is based on loss experience, exposure data, and other general and specific information provided to us by NCCSIF. We have accepted all of this information without audit.
- We have also made use of loss statistics that have been developed from the information gathered and compiled from other California public entities with self-insured liability programs.
- We have assumed that the future development of incurred and paid losses can be reasonably predicted on the basis of development of such losses in the recent past. We have also assumed that the historical development patterns for other California public entities with self-insured liability programs in the aggregate form a reasonable basis of comparison to the patterns from Northern California Cities Self Insurance Fund's data.
- We have made use of cost relationships for claims of various sizes derived from the most recent actuarial review of other California public entities with self-insured liability programs in the aggregate.
- We have assumed that there is a continuing relationship between past and future loss costs.
- It is not possible to predict future claim costs precisely. Most of the costs of liability claims arise from a small number of incidents involving serious injury. A relatively small number of such claims could generate enough loss dollars to significantly reduce, or even deplete, the self-insurance fund.
- We cannot predict and have not attempted to predict the impact of future law changes and court rulings on claims costs. This is one major reason why we believe our funding recommendations are reasonable now, but should not be extrapolated into the future.
- We have assumed that the loss rate trend associated with claim costs increases at 0.9% per year. We have assumed that claim severity increases at 3.5% per year, and that claim frequency decreases at 2.5% per year.
- We have assumed that payroll and other inflation-sensitive exposure measures increase 2.5% annually due to inflation.

- We have assumed that assets held for investment will generate an average annual return of 1.5% over the duration of payment of the loss liabilities. It should be noted that actual future investment returns may vary significantly from this assumption, depending upon the prevailing investment market conditions.
- The claims costs we have estimated include indemnity and medical payments, and all loss adjustment expenses. We have not included estimates for excess insurance contributions and other expenses associated with the program based upon information provided by NCCSIF.
- Our funding recommendations do not include provisions for catastrophic events not in NCCSIF's history, such as earthquakes, flooding, mass civil disorder, or mass occupational disease.
- Our estimates assume that all excess insurance is valid and collectible. Further, our funding recommendations do not include a provision for losses greater than NCCSIF's excess coverage.
- NCCSIF's assets available for the program are estimated to be \$11,811,000 as of June 30, 2017 for use in this report. This is shown in further detail in Appendix L.

IV. GLOSSARY OF ACTUARIAL TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Paid Losses - Losses actually paid on all reported claims.

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

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

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

Severity - Average claim cost.

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

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



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

ACTION ITEM

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

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

FISCAL IMPACT: Total recommended dividend is \$1,684,823 with assessments of \$215,275. (*For comparison, last year's dividend was \$524,914 with assessments of \$357,373.*)

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

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

ATTACHMENT(S): Workers' Compensation Banking Layer Adjustments

NCCSIF

Banking Layer Targeted Equity and Dividend and Assessment Worksheet

Workers Compensation Banking Layer as of 12/31/16

EQUITY	LIABILITIES		
Adjusted Net Position at 12/31/16 A	Adjusted O/S Claims Liability at 12/31/16 B	O/S @ Expt x 90% Factor C (B x 1.184)	Margin to 90% claims liability D (C - B)
		1.184	
ANDERSON	(120,750)	492,381	582,979
AUBURN	283,323	503,523	596,171
COLUSA	68,400	78,418	92,847
CORNING	198,604	109,207	129,301
DIXON	458,103	463,487	548,769
ELK GROVE	444,868	1,182,801	1,400,436
FOLSOM	3,216,837	2,971,461	3,518,210
GALT	351,379	596,203	705,904
GRIDLEY	401,753	90,972	107,711
IONE	100,916	9,747	11,540
JACKSON	115,600	128,786	152,483
LINCOLN	672,030	406,504	481,301
MARYSVILLE	259,975	502,315	594,741
NEVADA CITY	87,476	207,823	246,062
OROVILLE	(231,311)	778,052	921,214
PARADISE	19,474	572,901	678,315
PLACERVILLE	399,084	372,982	441,611
RED BLUFF	(34,541)	883,531	1,046,101
RIO VISTA	139,749	105,932	125,423
ROCKLIN	651,487	1,184,326	1,402,242
WILLOWS	233,336	71,208	84,310
YUBA CITY	515,915	1,428,359	1,691,177

Evaluation of Equity by member above 90% confidence level					Assessment
10 X SIR Allocated E (C MEMBER / C TOTAL) X \$1M	Net Margin above (below) 90% and 10XSIR F (A - D - E)	Members above target amount available G (Positive Col F only)	Limited amount available above target H (G MEMBER / G TOTAL X AMT ABOVE MARGIN)	35% Net Equity above pool 10xsir and 90% conf. level I (H X 35%)	\$10,000 or less assess 100%, else 20% Expected Assessment J (Negative Col F only x 20% or 100% under \$10K)
37,469	(248,817)	-	-	-	(49,763)
38,317	152,358	152,358	124,516	43,581	-
5,967	48,004	48,004	39,232	13,731	-
8,310	170,200	170,200	139,097	48,684	-
35,271	337,550	337,550	275,865	96,553	-
90,009	137,224	137,224	112,147	39,251	-
226,123	2,443,965	2,443,965	1,997,349	699,072	-
45,370	196,308	196,308	160,434	56,152	-
6,923	378,091	378,091	308,998	108,149	-
742	98,381	98,381	80,403	28,141	-
9,800	82,103	82,103	67,099	23,485	-
30,934	566,299	566,299	462,812	161,984	-
38,225	129,324	129,324	105,691	36,992	-
15,815	33,422	33,422	27,314	9,560	-
59,208	(433,681)	-	-	-	(86,736)
43,597	(129,537)	-	-	-	(25,907)
28,383	302,072	302,072	246,871	86,405	-
67,235	(264,346)	-	-	-	(52,869)
8,061	112,197	112,197	91,694	32,093	-
90,125	343,446	343,446	280,684	98,239	-
5,419	214,815	214,815	175,559	61,446	-
108,696	144,401	144,401	118,013	41,305	-
8,231,707	13,140,919	15,558,848	2,417,929	999,999	4,813,779
				5,890,160	4,813,778
					1,684,823
					(215,275)

TARGET EQUITY CONSIDERATIONS----->	Total	2,417,929		
	Margin to 90%	1,000,000		
	Plus 10x SIR	3,417,929		
	Total Target Margin	4,813,779		
	Amount above (below) Margin	-		



BACK TO AGENDA

Northern California Cities Self Insurance Fund
Executive Committee Meeting
March 23, 2017

Agenda Item G.2.b.

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

ACTION ITEM

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

Based on the review as of 12/31/16, the Fund has \$707,000 in excess of the minimum required assets, defined as outstanding liabilities at the 90% Confidence Level or five times the SIR of \$400,000 (\$2,000,000). Please refer to the attached for details and discussion points, including how much of the available funds to disburse to each member.

RECOMMENDATION: Refund no more than 50% of the available amount, or \$353,500, per the attached breakdown by member.

FISCAL IMPACT: T.B.D., reduction of Net Position by amount of dividend approved.

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

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

Shared Risk Layer Plan Fund Adjustments - Workers' Compensation for 2017 Distribution

Total Available Assets at 12/31/16				Discounted Outstanding Liabilities @ Expected	Outstanding Liabilities @ 80%	Outstanding Liabilities @ 90%	5 times SIR	Available Refund, Lesser of the Two Formulas
A	B			C	D	E	F	A-(C+G) or A-F
\$20,565,000				\$14,987,000	\$17,781,000	\$19,858,000	\$2,000,000	\$707,000
Net Position/NP over 5x SIR =				\$5,578,000	\$2,784,000	\$707,000	\$3,578,000	
				Recommended Refund 50% =			\$353,500	
Members	Historical Shared Layer Contributions 2001/02 to 2014/15*	Total %	Available Refund	Assessment	50% of Available Refund			
Anderson	\$714,612	2.45%	\$17,349		\$8,674			
Auburn	\$974,924	3.35%	\$23,669		\$11,834			
Colusa	\$430,404	1.48%	\$10,449		\$5,225			
Corning	\$490,739	1.69%	\$11,914		\$5,957			
Dixon	\$1,290,921	4.43%	\$31,340		\$15,670			
Elk Grove	\$1,244,374	4.27%	\$30,210		\$15,105			
Folsom	\$6,845,071	23.51%	\$166,181		\$83,090			
Galt	\$1,534,327	5.27%	\$37,250		\$18,625			
Gridley	\$682,461	2.34%	\$16,568		\$8,284			
Ione	\$120,440	0.41%	\$2,924		\$1,462			
Jackson	\$373,210	1.28%	\$9,061		\$4,530			
Lincoln	\$1,666,464	5.72%	\$40,458		\$20,229			
Maysville	\$765,744	2.63%	\$18,590		\$9,295			
Nevada City	\$360,061	1.24%	\$8,741		\$4,371			
Oroville	\$1,298,895	4.46%	\$31,534		\$15,767			
Placerville	\$1,175,244	4.04%	\$28,532		\$14,266			
Paradise	\$1,144,158	3.93%	\$27,777		\$13,889			
Red Bluff	\$1,219,099	4.19%	\$29,597		\$14,798			
Rio Vista	\$495,254	1.70%	\$12,024		\$6,012			
Rocklin	\$3,015,064	10.35%	\$73,198		\$36,599			
Willows	\$405,333	1.39%	\$9,840		\$4,920			
Yuba City	\$2,874,860	9.87%	\$69,794		\$34,897			
Total	\$29,121,659	100.00%	\$707,000		\$353,500			

Any Available Refund should be in excess of the liabilities at the 90% confidence level and excess of the liabilities at expected plus 3-5 times SIR. This year we suggest 5 times SIR

* Missing data from 2001/02 and 2004/05



**PRELIMINARY FY 17/18 DEPOSIT PREMIUM CALCULATIONS
WORKERS' COMPENSATION PROGRAM**

ACTION ITEM

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

- Total funding at the current 70% Confidence Level (CL) for FY 17/18 is estimated at \$11,215,966, compared to \$10,570,741 for FY 16/17, an increase of 6.10%. Given the rate has decreased, the overall increase is due to increased payroll of 7.7% and an increase of 23% in excess coverage. For comparison, total funding increased 18.38% last year with no change in payroll.
- Total funding at a 75% CL is estimated at \$11,552,966, an increase of 9.2% over current funding and \$337,000, or 3%, more than total FY 17/18 funding at the 70% CL. The individual member increase cap of 40% is not applicable this year, with the largest member increase at almost 30% at the 70% CL and 33% at the 75% CL.

RECOMMENDATION: Either maintain funding at the 70% CL (or increase to the 75% CL).

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

BACKGROUND: Members have steadily increased the Confidence Level of annual funding from 60% to 67.5% to the current 70% CL. Over the same period the Discount Factor has decreased from 3% to 1.5%. Both of these changes have contributed to an increase in total funding, in addition to increases in payroll in prior years.

ATTACHMENTS:

1. Preliminary FY 17/18 Workers' Compensation Deposit Calculations, 70% CL (with 75% CL comparison)
2. CSAC-EIA FY 17/18 Excess Workers' Compensation Budget Estimate

NCCSIF FY 2017/18 Workers' Compensation Allocation FINAL

70% Confidence Level			Total Admin = \$686,925							
A	B	C	D	E	F	G	H	I	J	
Formula/Allocation		Member Weighted Share Last 5 Years 25% Payroll, 75% WCIRB Premium	Member Share of EX MOD Adjusted Payroll	Member Weighted Share Last 5 Years 75% Payroll, 25% WCIRB Premium	Member Share of Banking, Shared & Excess Premium	22 Equal Shares	C+D+E+F+G			
Member Entity	2017/18 Estimated PAYROLL (P)	BANKING LAYER \$0 to \$100K	SHARED LAYER \$100K to \$500K	CSAC-EIA EXCESS LAYER \$500K TO STATUTORY	Variable ADMIN EXPENSE 65%	Fixed ADMIN EXPENSE 35%	FY 17-18 DEPOSIT 70% CL	FY 16-17 DEPOSIT 70% CL	% Change DEPOSIT	
Rate/Amount	Exposure Base	\$ 6,001,000	\$ 3,057,000	\$ 1,471,041	\$ 446,501	\$ 240,424	70% CL	70% CL		
Anderson	\$ 3,354,498	\$ 178,060	\$ 69,211	\$ 29,553	\$ 11,739	\$ 10,928	\$ 299,493	\$ 282,379	6.06%	
Auburn	\$ 7,916,837	\$ 215,260	\$ 102,166	\$ 59,817	\$ 15,998	\$ 10,928	\$ 404,169	\$ 353,841	14.22%	
Colusa	\$ 1,966,977	\$ 63,389	\$ 33,278	\$ 18,294	\$ 4,875	\$ 10,928	\$ 130,765	\$ 139,781	-6.45%	
Corning	\$ 2,388,300	\$ 50,322	\$ 48,172	\$ 14,264	\$ 4,782	\$ 10,928	\$ 128,468	\$ 149,217	-13.91%	
Dixon	\$ 8,982,975	\$ 304,809	\$ 153,233	\$ 75,203	\$ 22,613	\$ 10,928	\$ 566,787	\$ 528,488	7.25%	
Elk Grove	\$ 36,710,148	\$ 654,083	\$ 406,197	\$ 175,479	\$ 52,404	\$ 10,928	\$ 1,299,092	\$ 1,330,045	-2.33%	
Folsom	\$ 40,270,106	\$ 1,013,836	\$ 490,892	\$ 285,679	\$ 75,925	\$ 10,928	\$ 1,877,261	\$ 1,868,779	0.45%	
Galt	\$ 11,314,378	\$ 289,613	\$ 156,864	\$ 67,801	\$ 21,809	\$ 10,928	\$ 547,015	\$ 467,040	17.12%	
Gridley	\$ 3,801,769	\$ 67,426	\$ 56,130	\$ 22,060	\$ 6,175	\$ 10,928	\$ 162,720	\$ 150,330	8.24%	
Ione	\$ 1,130,943	\$ 9,287	\$ 18,050	\$ 5,963	\$ 1,412	\$ 10,928	\$ 45,642	\$ 44,058	3.59%	
Jackson	\$ 2,101,191	\$ 70,065	\$ 32,043	\$ 16,727	\$ 5,039	\$ 10,928	\$ 134,803	\$ 128,017	5.30%	
Lincoln	\$ 12,464,564	\$ 302,732	\$ 173,689	\$ 83,495	\$ 23,744	\$ 10,928	\$ 594,588	\$ 631,798	-5.89%	
Marysville	\$ 3,244,568	\$ 146,703	\$ 55,753	\$ 26,751	\$ 9,720	\$ 10,928	\$ 249,855	\$ 257,463	-2.95%	
Nevada City	\$ 2,522,165	\$ 83,009	\$ 35,078	\$ 19,228	\$ 5,823	\$ 10,928	\$ 154,067	\$ 128,132	20.24%	
Oroville	\$ 7,060,401	\$ 184,518	\$ 107,175	\$ 49,040	\$ 14,449	\$ 10,928	\$ 366,111	\$ 325,820	12.37%	
Paradise	\$ 3,917,312	\$ 235,630	\$ 92,502	\$ 36,568	\$ 15,466	\$ 10,928	\$ 391,094	\$ 300,992	29.94%	
Placerville	\$ 6,321,107	\$ 135,040	\$ 79,958	\$ 41,224	\$ 10,866	\$ 10,928	\$ 278,016	\$ 281,616	-1.28%	
Red Bluff	\$ 6,066,197	\$ 394,222	\$ 136,548	\$ 62,914	\$ 25,176	\$ 10,928	\$ 629,788	\$ 584,340	7.78%	
Rio Vista	\$ 3,833,651	\$ 78,350	\$ 48,164	\$ 27,349	\$ 6,525	\$ 10,928	\$ 171,316	\$ 146,968	16.57%	
Rocklin	\$ 22,258,058	\$ 515,418	\$ 254,279	\$ 139,807	\$ 38,569	\$ 10,928	\$ 959,002	\$ 874,990	9.60%	
Willows	\$ 1,804,372	\$ 115,488	\$ 38,238	\$ 17,508	\$ 7,261	\$ 10,928	\$ 189,423	\$ 186,713	1.45%	
Yuba City	\$ 22,467,222	\$ 893,738	\$ 469,379	\$ 196,316	\$ 66,130	\$ 10,928	\$ 1,636,492	\$ 1,409,941	16.07%	
Total:	\$ 211,897,739	\$ 6,001,000	\$ 3,057,000	\$ 1,471,041	\$ 446,501	\$ 240,424	\$ 11,215,966	\$ 10,570,747	6.10%	
Actuary/Verification		\$ 6,001,000	\$ 3,057,000							

A	K	O	P	Q
Formula/Allocation	Member % of Total Payroll Without Capped Members x Capped Amount			
Member Entity	Cap 40% Increase	FY 17-18 FINAL DEPOSIT 75% CL	\$ Increase from 70% to 75% CL	% Increase from 70% to 75% CL
Rate/Amount	Not Applic.			
Anderson		\$ 308,254	\$ 8,762	2.93%
Auburn		\$ 415,826	\$ 11,657	2.88%
Colusa		\$ 134,381	\$ 3,617	2.77%
Corning		\$ 132,592	\$ 4,123	3.21%
Dixon		\$ 583,786	\$ 17,000	3.00%
Elk Grove		\$ 1,340,026	\$ 40,934	3.15%
Folsom		\$ 1,932,723	\$ 55,462	2.95%
Galt		\$ 563,816	\$ 16,801	3.07%
Gridley		\$ 167,760	\$ 5,041	3.10%
Ione		\$ 46,930	\$ 1,288	2.82%
Jackson		\$ 138,527	\$ 3,725	2.76%
Lincoln		\$ 612,710	\$ 18,122	3.05%
Marysville		\$ 257,001	\$ 7,146	2.86%
Nevada City		\$ 158,314	\$ 4,247	2.76%
Oroville		\$ 377,232	\$ 11,121	3.04%
Paradise		\$ 402,742	\$ 11,647	2.98%
Placerville		\$ 286,242	\$ 8,226	2.96%
Red Bluff		\$ 648,226	\$ 18,438	2.93%
Rio Vista		\$ 176,191	\$ 4,875	2.85%
Rocklin		\$ 987,469	\$ 28,468	2.97%
Willows		\$ 194,723	\$ 5,300	2.80%
Yuba City		\$ 1,687,494	\$ 51,001	3.12%
Total:		\$ 11,552,966	\$ 337,000	3.00%

Actuary/Verification



CSAC Excess Insurance Authority
2017/18 Early Budget Estimates, March 2017

Northern California Cities Self Insurance Fund (NCCSIF)

This final round of early estimates has been prepared to further aid you in budgeting for the 2017/18 fiscal year. At this time, updated estimates are being provided for all major programs. Since the December version: (1) The budget estimates have been updated with actuarial rates for the pooled layers; (2) The reinsurance rates were updated where we have proposals; (3) Where we have not yet received proposals we updated our reinsurance assumptions; and (4) We have incorporated more accurate administrative budget numbers. While the estimates provided are more refined from the previous version, they still may contain a range if there are still outstanding items specific to the program. The estimates are still intended to be conservative. There may be a chance that final numbers may come in higher than the assumptions currently in place. For this reason we recommend continuing to budget toward the high end of the estimate range if one is provided.

Excess Workers' Compensation Program

Premium

15/16 Premium:	\$1,066,955	15/16 Estimated Payroll:	\$196,561,647
16/17 Premium:	\$1,177,155	16/17 Estimated Payroll:	\$196,762,337
17/18 Estimated Premium:	\$1,450,000	17/18 Estimated Payroll:	\$211,897,739
Payroll Audit:	\$21,041		
Estimated Collectible:	\$1,471,041		

The EWC premium projections have been updated to reflect your entity's estimated 2017/18 exposure, as provided on your renewal application, as well as losses based on the June 30, 2016 data collection. Since the December estimate, we have updated the projected Program Administrative costs, and received and updated the pool rates and the reinsurance rates.

Pool rates have changed from last year as follows:

- County rates are down 10% on average
- Low Safety rates are down 13% on average
- High Safety rates are up 13% on average
- School rates are down 9.5% on average

Reinsurance Premiums changed from last year as follows:

- Ace layer \$45m x \$5M - 6.1% increase
- Liberty Mutual layer \$50M to Statutory - 6.6% increase

Since the December estimates, the phase-in process for the split between the Low and High Safety groups was increased from 3 years to 5 years. The Underwriting Committee elected to extend this phase-in period to 5 years to mitigate the actuarial rate increases experienced for the High Safety group. The estimates you are receiving (if a City/Other member) reflect a premium that is 2/5th of the new rating methodology premium and 3/5th of current methodology premium.

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



**ANNUAL BANKING PLAN ADJUSTMENTS
LIABILITY PROGRAM**

ACTION ITEM

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

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

FISCAL IMPACT: Total recommended dividend is \$607,526 with assessments of \$34,369. (*For comparison, last year's dividend was \$392,021 with assessments of \$110,145*).

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

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

ATTACHMENT(S): Liability Banking Layer Adjustments

NCCSIF Banking Layer Targeted Equity and Dividend and Assessment Worksheet Liability Banking Layer as of 12/31/2016				Evaluation of Equity by member above 90% confidence level					Assessment	
EQUITY		LIABILITIES		Net margin above (below) 90% & 10 x SIR	Net margin above (below) 90% & 10xSIR	Members above target amount available	Limited amount available above target	35% Net Equity above pool 10xsir and 90% conf. level	\$10K OR LESS 100%, ELSE 20% Expected Assessment	
Adjusted Net Position at 12/31/16	Adjusted O/S Claims Liability at 12/31/16	O/S @ Exp times 90% Factor	margin to 90% claims	E (C MEMBER / C TOTAL X \$500k)	F (A-D-E)	G (Positive Col F only)	H (G MEMBER / G TOTAL X AMT ABOVE MARGIN)	I (H X 35%)	J (NEG COL F ONLY X 20% OR 100% UNDER \$10K)	
A	B	C (B x 1.336)	D (C - B)							
ANDERSON	125,116	5,332	7,124	1,792	1,123	122,201	122,201	113,283	39,649	-
AUBURN	31,044	137,600	183,834	46,234	28,976	(44,166)	-	-	-	(8,833)
COLUSA	(16,869)	18,007	24,057	6,050	3,792	(26,711)	-	-	-	(5,342)
CORNING	25,166	64,485	86,152	21,667	13,579	(10,080)	-	-	-	(2,016)
DIXON	128,968	44,291	59,173	14,882	9,327	104,759	104,759	97,114	33,990	-
FOLSOM	950,881	832,318	1,111,977	279,659	175,267	495,955	495,955	459,760	160,916	-
GALT	228,421	95,918	128,146	32,228	20,198	175,995	175,995	163,151	57,103	-
GRIDLEY	94,786	30,579	40,854	10,275	6,439	78,072	78,072	72,374	25,331	-
IONE	(1,058)	14,164	18,923	4,759	2,983	(8,800)	-	-	-	(8,800)
JACKSON	(13,979)	60,217	80,450	20,233	12,680	(46,892)	-	-	-	(9,378)
LINCOLN	290,000	108,309	144,701	36,392	22,807	230,801	230,801	213,957	74,885	-
MARYSVILLE	108,726	153,904	205,616	51,712	32,409	24,605	24,605	22,809	7,983	-
OROVILLE	76,095	104,015	138,964	34,949	21,903	19,243	19,243	17,839	6,244	-
PARADISE	112,297	182,210	243,433	61,223	38,369	12,705	12,705	11,778	4,122	-
RED BLUFF	306,526	32,706	43,695	10,989	6,887	288,650	288,650	267,584	93,654	-
RIO VISTA	33,384	25,495	34,061	8,566	5,369	19,449	19,449	18,030	6,311	-
ROCKLIN	144,839	230,710	308,229	77,519	48,582	18,738	18,738	17,371	6,080	-
WILLOWS	41,514	27,472	36,703	9,231	5,785	26,498	26,498	24,564	8,597	-
YUBA CITY	367,738	206,691	276,139	69,448	43,524	254,766	254,766	236,173	82,661	-
	3,033,595	2,374,423	3,172,231	797,808	499,999	1,735,788	1,872,437	1,735,787	607,526	(34,369)

TARGET EQUITY CONSIDERATIONS-->	Margin to 90% conf. level	797,808
	Plus 10x SIR	500,000
	Total target equity	1,297,808
	Amount above/(below) margin	1,735,787



**ANNUAL SHARED RISK PLAN ADJUSTMENTS
LIABILITY PROGRAM**

ACTION ITEM

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

Based on the review as of 12/31/16, the Fund has assets of \$6,746,000. This is \$725,000 above Outstanding Liabilities at the Expected Confidence Level (CL) and, while much improved over last year, well below the two benchmarks used to evaluate Shared Layer adjustments, liabilities at a 90% CL (\$1,525,000 below that mark) or *5 times the SIR of \$450,000 (\$2,250,000, or \$1,525,000 below that benchmark).*

Members previously agreed to assess themselves \$600,000 per year for up to five years in an effort to increase assets and meet target funding goals, and that is planned to continue this year. The attached provides the allocation of the assessment among the members, assuming members will agree to allocate all of this year's refund of \$231,952 from CJPRMA to the assessment. *Members previously discussed increasing the assessment to \$800,000 this year and/or increasing the funding confidence level from 70% to 72.5% or more in order to make more progress in alleviating the deficit.*

RECOMMENDATION: The scheduled assessment of \$600,000 should continue. Members may continue to offset the assessment by the full amount of the CJPRMA, consider not counting the refund, and/or increase the annual funding confidence level in order to make faster progress at reducing the deficit at the 90% CL.

FISCAL IMPACT: Total assessment of \$600,000 (net \$368,048) if use the CJPRMA refund, up to \$831,952 if the assessment is added to the refund.

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

ATTACHMENT(S): Liability Shared Risk Layer Fund Adjustments

NCCSIF Shared Risk Layer Plan Fund Adjustments - LIABILITY for 2017

Total Available Assets as of 12/31/16		Outstanding Liabilities @ Expected 12/31/16	Outstanding Liabilities @ 70%	Outstanding Liabilities @ 80%	Outstanding Liabilities @ 90%	Refund Available
A	B	C	D	E	F	A-F
\$6,746,000		\$6,021,000	\$6,555,000	\$7,224,000	\$8,271,000	(\$1,525,000)
	Surplus/Deficit	\$725,000	\$191,000	(\$478,000)	(\$1,525,000)	
		-\$				No refund available
Members	Historical Shared Layer Contributions 2001/02 to 2014/15*	Total %		Assessment Allocation	Less CJPRMA Refund	Assessment Amount
				\$600,000	\$ (231,952)	
Anderson	\$448,753	2.61%		\$15,679	-6,061	\$9,618
Auburn	\$945,212	5.50%		\$33,025	-12,767	\$20,258
Colusa	\$284,690	1.66%		\$9,947	-3,845	\$6,102
Corning	\$426,439	2.48%		\$14,899	-5,760	\$9,140
Dixon	\$892,109	5.19%		\$31,170	-12,050	\$19,120
Elk Grove	\$0					
Folsom	\$2,846,711	16.58%		\$99,462	-38,451	\$61,011
Galt	\$1,140,979	6.64%		\$39,865	-15,411	\$24,454
Gridley	\$458,569	2.67%		\$16,022	-6,194	\$9,828
Ione	\$71,389	0.42%		\$2,494	-964	\$1,530
Jackson	\$325,473	1.90%		\$11,372	-4,396	\$6,976
Lincoln	\$1,396,708	8.13%		\$48,800	-18,865	\$29,934
Marysville	\$679,694	3.96%		\$23,748	-9,181	\$14,567
Nevada City	\$0					
Oroville	\$1,059,847	6.17%		\$37,030	-14,315	\$22,715
Paradise	\$760,768	4.43%		\$26,581	-10,276	\$16,305
Placerville	\$0					
Red Bluff	\$973,379	5.67%		\$34,009	-13,147	\$20,862
Rio Vista	\$380,549	2.22%		\$13,296	-5,140	\$8,156
Rocklin	\$1,786,838	10.41%		\$62,431	-24,135	\$38,296
Willows	\$218,492	1.27%		\$7,634	-2,951	\$4,683
Yuba City	\$2,076,093	12.09%		\$72,537	-28,042	\$44,495
Total	\$17,172,692	100.00%		\$600,000	-231,952	\$368,048

* Missing data from 2001/02 and 2004/05

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



**PRELIMINARY FY 17/18 DEPOSIT PREMIUM CALCULATIONS
LIABILITY PROGRAM**

ACTION ITEM

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

- Total funding at the current 70% Confidence Level (CL) for FY 17/18 is estimated at \$5,261,889, compared to \$5,392,923 for FY 16/17 (a decrease of 2.43%, or \$131,024). Payroll for the liability program increased only 1%.
- Total funding at a 75% CL is estimated at \$5,513,899, an increase of 2.2% over FY 16/17 funding at the 70% CL and \$252,000, or 4.8%, more than total FY 17/18 funding. *Individual member increases do not need to be capped at 25% this year, with the largest increase at 22.5%.*

RECOMMENDATION: Maintain funding at 70% CL and consider increase to 75% CL given the decrease in rates and need to continue to shore up funding of the Shared Layer.

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

BACKGROUND: Members have steadily increased the Confidence Level of annual funding from 60% to 67.5% to the current 70% CL. Over the same period the Discount Factor has decreased from 3% to 1.5%. Both of these changes have contributed to an increase in total funding, in addition to increases in payroll in prior years. In addition, members have been assessed \$600,000 per year for the last several years to increase Shared Layer assets.

ATTACHMENTS: Preliminary FY 17/18 Liability Deposit Calculations, 70% CL (with 75% CL comparison)

NCCSIF FY 2017/18 General Liability Funding Allocation FINAL

70% Confidence Level		Total Administration Expense					\$ 536,899				
A	B	C	D	E	F	G	H	I	J	K	L
Formula/Allocation	Payroll (P)	Member Weighted Share Last 5 Years 25% Payroll, 75% Losses	Member Share of EX MOD Adjusted Payroll X Total Funding	Member Weighted Share Last 5 Years 75% Payroll, 25% Losses	(Admin/2) X Member % of Total Payroll	(Admin/2) ÷ 19 Equal Shares					Member % of Total Uncapped Payroll X Capped Amount
Member Entity	2016 Calendar Year Payroll	BANKING LAYER \$0 to \$50K	SHARED LAYER \$50K to \$500K	CJPRMA EXCESS LAYER \$500k to \$40M	ADMIN EXPENSE 50%	ADMIN EXPENSE 50%	FY 17-18 TOTAL DEPOSIT	FY 16-17 TOTAL DEPOSIT	\$ Change Overall	% Change Overall	Cap 25%*
Rate/Amount	Exposure Base	\$ 1,800,000	\$ 1,825,000	\$ 1,100,000	\$ 268,449	\$ 268,449	70% CL	70% CL			N/A
Anderson	\$3,564,429	\$ 27,680.82	\$ 38,374	\$ 20,766.68	\$5,874	\$14,129	\$ 106,824	\$110,093	\$ (3,268)	-2.97%	
Auburn	\$6,348,787	\$ 104,845.29	\$ 84,124	\$ 48,670.60	\$10,463	\$14,129	\$ 262,232	\$266,483	\$ (4,251)	-1.60%	
Colusa	\$2,304,648	\$ 30,341.94	\$ 27,733	\$ 16,065.00	\$3,798	\$14,129	\$ 92,067	\$75,158	\$ 16,909	22.50%	
Corning	\$3,140,249	\$ 29,532.75	\$ 35,155	\$ 19,978.23	\$5,175	\$14,129	\$ 103,970	\$118,039	\$ (14,068)	-11.92%	
Dixon	\$7,693,827	\$ 36,036.33	\$ 62,766	\$ 40,664.20	\$12,679	\$14,129	\$ 166,275	\$163,197	\$ 3,078	1.89%	
Elk Grove											
Folsom*	\$37,958,470	\$ 551,214.18	\$ 489,248	\$ 297,892.03	\$62,555	\$14,129	\$ 1,415,038	\$1,383,319	\$ 31,719	2.29%	
Galt	\$9,787,885	\$ 89,326.33	\$ 99,142	\$ 60,394.55	\$16,130	\$14,129	\$ 279,122	\$346,417	\$ (67,295)	-19.43%	
Gridley	\$3,599,942	\$ 44,137.94	\$ 57,097	\$ 31,176.61	\$5,933	\$14,129	\$ 152,473	\$140,280	\$ 12,193	8.69%	
Ione	\$1,273,191	\$ 16,284.00	\$ 15,267	\$ 9,284.83	\$2,098	\$14,129	\$ 57,063	\$54,694	\$ 2,369	4.33%	
Jackson	\$2,223,818	\$ 68,953.30	\$ 36,341	\$ 24,077.82	\$3,665	\$14,129	\$ 147,166	\$120,428	\$ 26,738	22.20%	
Lincoln	\$12,897,112	\$ 103,782.95	\$ 119,125	\$ 73,827.73	\$21,254	\$14,129	\$ 332,119	\$421,829	\$ (89,710)	-21.27%	
Marysville	\$3,325,857	\$ 106,221.02	\$ 49,371	\$ 35,819.25	\$5,481	\$14,129	\$ 211,022	\$215,767	\$ (4,745)	-2.20%	
Nevada City											
Oroville	\$7,008,304	\$ 58,738.88	\$ 85,731	\$ 46,490.52	\$11,550	\$14,129	\$ 216,639	\$212,240	\$ 4,399	2.07%	
Paradise	\$4,094,565	\$ 64,404.63	\$ 58,730	\$ 34,163.30	\$6,748	\$14,129	\$ 178,175	\$172,776	\$ 5,399	3.12%	
Placerville											
Red Bluff	\$5,798,073	\$ 61,092.62	\$ 64,372	\$ 35,824.24	\$9,555	\$14,129	\$ 184,972	\$261,437	\$ (76,465)	-29.25%	
Rio Vista	\$3,736,526	\$ 27,475.20	\$ 32,343	\$ 19,679.01	\$6,158	\$14,129	\$ 99,783	\$96,538	\$ 3,245	3.36%	
Rocklin	\$22,156,572	\$ 190,719.54	\$ 245,978	\$ 136,153.14	\$36,514	\$14,129	\$ 623,494	\$619,547	\$ 3,946	0.64%	
Willows	\$1,836,025	\$ 18,249.86	\$ 22,951	\$ 13,017.94	\$3,026	\$14,129	\$ 71,374	\$67,222	\$ 4,152	6.18%	
Yuba City	\$24,146,931	\$ 170,962.44	\$ 201,151	\$ 136,054.35	\$39,794	\$14,129	\$ 562,090	\$547,459	\$ 14,632	2.67%	
Total:	\$162,895,212	\$ 1,800,000	\$ 1,825,000	\$ 1,100,000.00	\$ 268,449	\$ 268,449	\$ 5,261,899	\$5,392,923	\$ (131,024)	-2.43%	
Verification/Actuary		\$ 1,800,000	\$ 1,825,000	\$ 1,100,000			\$ 5,261,899				
Don't Participate In GL Program				Estimate							

A	I	O	P	Q
Formula/Alloca				
Member Entity	FY 16-17 TOTAL DEPOSIT	FY 17-18 FINAL DEPOSIT	\$ Increase from 70% CL to 75% CL	% Increase from 67.5% to 70% CL
Rate/Amount	70% CL	75% CL		
Anderson	\$110,093	\$ 111,428	\$ 4,604	4.31%
Auburn	\$266,483	\$ 275,342	\$ 13,111	5.00%
Colusa	\$75,158	\$ 96,100	\$ 4,034	4.38%
Corning	\$118,039	\$ 108,473	\$ 4,503	4.33%
Dixon	\$163,197	\$ 173,174	\$ 6,899	4.15%
Elk Grove				
Folsom*	\$1,383,319	\$ 1,487,287	\$ 72,249	5.11%
Galt	\$346,417	\$ 292,234	\$ 13,112	4.70%
Gridley	\$140,280	\$ 159,525	\$ 7,052	4.63%
Ione	\$54,694	\$ 59,255	\$ 2,192	3.84%
Jackson	\$120,428	\$ 154,446	\$ 7,281	4.95%
Lincoln	\$421,829	\$ 347,631	\$ 15,512	4.67%
Marysville	\$215,767	\$ 221,770	\$ 10,748	5.09%
Nevada City				
Oroville	\$212,240	\$ 226,713	\$ 10,074	4.65%
Paradise	\$172,776	\$ 186,727	\$ 8,552	4.80%
Placerville				
Red Bluff	\$261,437	\$ 193,697	\$ 8,725	4.72%
Rio Vista	\$96,538	\$ 103,947	\$ 4,164	4.17%
Rocklin	\$619,547	\$ 653,913	\$ 30,419	4.88%
Willows	\$67,222	\$ 74,243	\$ 2,869	4.02%
Yuba City	\$547,459	\$ 587,991	\$ 25,901	4.61%
Total:	\$5,392,923	\$ 5,513,899	\$ 252,000	4.79%

Verification/Act
Don't Participat



CJPRMA REFUND ALLOCATION

ACTION ITEM

ISSUE: On an annual basis NCCSIF's excess coverage provider, CJPRMA, calculates their assets and liabilities for each Program Year and makes adjustments as needed. **This year NCCSIF has received a refund of \$231,952.** The Executive Committee recommends to the Board how to distribute these funds.

RECOMMENDATION: Apply the CJPRMA refund against the Liability Shared Risk Layer assessment.

FISCAL IMPACT: TBD – allocation of \$231,952 as directed by members.

BACKGROUND: For the past nine years, CJPRMA has paid a refund to NCCSIF, ranging from \$40,000 to \$600,000.

CJPRMA has changed the method used to calculate yearly deposits, but NCCSIF still maintains a large surplus with CJPRMA; this means that for the next few years NCCSIF will continue to receive refunds, but they will likely begin diminishing each year. Historically, NCCSIF has used the CJPRMA refund to offset their Liability funding costs.

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 to also have a Net Position to SIR ratio of 3 to 5 to 1.

Since contingency margins were not met, in FY 13/14 NCCSIF determined to use a portion of the CJPRMA refund annually to assist with the building of the contingency, in addition to assessments of up to \$600,000 per year. In FY 14/15 the CJPRMA refund of \$399,360 was distributed 67% (\$267,571) to the Liability Shared Risk Layer and 33% (\$131,789) to the deposit calculation. In FY 15/16 and FY 16/17 the full amount of the CJPRMA refund, \$251,186 and \$274,337, respectively, was applied to the assessment.

ATTACHMENT(S): None



PRELIMINARY FY 17/18 NCCSIF BUDGET

INFORMATION ITEM

ISSUE: The Executive Committee reviews and recommends to the Board the budget for the next fiscal year. Attached is the preliminary budget for review and discussion. The Administrative Costs are discussed in more detail below. The budget to actual revenues provided by our accountant are used in creating the FY 17/18 budget.

Administrative Expenses

1. The Claims Audits - Every year either the Liability or Workers' Compensation claims are audited. The Workers' Compensation claims audit was performed in FY 16/17. Budgeted expense of \$7,500 is allocated for a Liability Claims audit in FY 17/18.
2. The Financial Audit amount has been increased by 2% in anticipation of an increase.
3. Actuarial Services are included at \$5,650 for liability and \$5,650 for WC, including the \$2,000 credit we received from CSAC EIA for the actuarial each year.
4. Computer Services has been moved to Accounting Services as it is part of James Marta and Company's contract for the Intacct Accounting System. The annual cost allocated for FY 17/18 is \$3,330, of which \$2,580 is for the accounting system and \$750.00 for e-check delivery.
5. The budgeted expense for the CAJPA accreditation is \$4,500 and is due this FY 17/18. This occurs every three years.
6. *Fidelity Bonds are under negotiation and reduced to a total of \$1,100 based on this year's expense. This is the bond for the JPA/Treasurer.*
7. Accounting Services are expected to increase up to 3.5%, net of software re-classification.
8. Bickmore's services is the same as last year based on the current three-year contract.
9. State Funding/Fraud Assessment has been estimated to increase by 34%, or *10% from the actual expense for FY 16/17.*
10. Program Administration costs have been increased 2% based on the fee schedule in the current program administration agreement.



BACK TO AGENDA

**Northern California Cities Self Insurance Fund
Executive Committee Meeting
March 23, 2017**

Agenda Item G.4. (continued)

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

FISCAL IMPACT: Total administrative expenses are estimated to be \$1,228,324, a 2% increase over FY 16/17, not counting the increase in the State Fund Assessment, or 7% with the assessment increase. A small amount of surplus offset may also be available. Last year's increase was 2%.

BACKGROUND: None

ATTACHMENT(S): Preliminary FY 17/18 NCCSIF Budget

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
FINAL ADMIN BUDGET
July 1, 2017 to June 30, 2018

EXPENSES:		WORK COMP	LIABILITY	2017-18 TOTAL	2016-17 PRIOR YEAR	\$ CHANGE	% CHANGE	
Administrative Expenses:								
Consultants								
52101	Claims Audit	\$0	\$7,500	\$7,500	\$8,000	(\$500)	-6%	Based on proposal
52102	Financial Audit	\$13,050	\$13,050	\$26,100	\$27,000	(\$900)	-3%	
52103	Legal Services	\$3,000	\$7,000	\$10,000	\$10,000	\$0	0%	
52104	Actuarial Review	\$5,650	\$5,650	\$11,300	\$11,800	(\$500)	-4%	
52105	Computer Services			\$0	\$8,400	(\$8,400)	n/a	moved as part of Accounting Services
52106	CAJPA Accreditation (2018)			\$4,500	\$0	\$4,500	n/a	
52107	Employee Dishonesty Bonds	\$1,300	\$1,300	\$2,600	\$1,100	\$1,500	136%	Estimate for higher limit
52109	Misc. Consulting/Contingency	\$2,500	\$2,500	\$5,000	\$5,000	\$0	0%	
	Total Consultant Expenses	\$25,500	\$37,000	\$67,000	\$71,300	(\$4,300)	-6%	
Safety Services:								
52204	Bickmore Onsite Risk Assessments	\$52,500	\$31,500	\$84,000	\$84,000	\$0	0%	
52203	Bickmore Police Risk Mgmt Comm Training	\$3,950	\$3,950	\$7,900	\$7,900	\$0	0%	
52204	Bickmore Risk Control Service Days	\$18,230	\$18,230	\$36,460	\$36,460	\$0	0%	
52204	Bickmore Phone Consultation	\$9,300	\$9,300	\$18,600	\$18,600	\$0	0%	
52204	Bickmore Newsletter	\$2,790	\$2,790	\$5,580	\$5,580	\$0	0%	
52204	Bickmore Safety Training Coordination	\$7,440	\$7,440	\$14,880	\$14,880	\$0	0%	
52204	Bickmore Meeting Preparation	\$4,650	\$4,650	\$9,300	\$9,300	\$0	0%	
52214	OCCUMED Occupational Health Consulting	\$0	\$0	\$0	\$0	\$0	0%	
52215	Online Risk Management Services			\$0	\$0	\$0	0%	
52217	ACI - Wellness Optional	\$30,000	0	\$30,000	\$15,072	\$14,928	99%	More members join wellness?
52201	Outside Training	\$15,000	\$15,000	\$30,000	\$30,000	\$0	0%	
52202	Risk Mgmt Comm Mtg Expense	\$750	\$750	\$1,500	\$1,500	\$0	0%	
52207	Seminars and PARMA	\$40,000	\$32,600	\$72,600	\$72,600	\$0	0%	
52208	Lexipol Law Enforcement Policy Manual Updates DTBs	\$15,903	\$116,643	\$132,546	\$132,546	\$0	0%	
52209	Police Risk Management Funds	\$25,000	\$25,000	\$50,000	\$50,000	\$0	0%	Pending RMC recommendation
	Total Safety Services Expenses	\$225,513	\$267,853	\$493,366	\$478,438	\$14,928	3%	
Claims Administration								
52302	Claims Administration Fee (Reports, etc.)	\$28,350	\$19,800	\$48,150	\$48,150	\$0	0%	
	Claims Adjustment Fee*							
52303	Fraud Hotline	0	0	\$0	\$0	\$0		
52305	MPN Services	0	0	\$0	\$0	\$0		
52304	State Funding/Fraud Assessment	\$225,667		\$225,667	\$168,000	\$57,667	34%	Actual 16/17 = \$205,152 Est. 10% increase
	Total Claims Administration Expenses	\$254,017	\$19,800	\$273,817	\$216,150	\$57,667	27%	
Program Administration								
52401	Program Administration and Brokerage Fee	\$137,957	\$165,548	\$303,505	\$297,556	\$5,949	2%	Per contract
52403	Accounting Services	\$36,318	\$36,318	\$72,636	\$66,962	\$5,674	8%	Per proposal, including Intacct Software
	Total Program Administration Expenses	\$174,275	\$201,866	\$376,141	\$365,176	\$10,966	3%	
Board Expenses								
52501	Executive Committee	\$1,500	\$1,500	\$3,000	\$3,000	\$0	0%	
52502	Executive Committee Member Travel	\$1,500	\$1,500	\$3,000	\$3,000	\$0	0%	
52503	Board of Directors Meetings (includes Travel)	\$3,000	\$3,000	\$6,000	\$6,000	\$0	0%	
XXXX	Board of Directors Long Range Planning Session (@3 years, 2017)	\$1,000	\$1,000	\$2,000	\$2,000	\$0	0%	
52504	Association Memberships (PARMA, CAJPA, AGRIP)	\$2,000	\$2,000	\$4,000	\$4,000	\$0	0%	
	Total Board Expenses	\$9,000	\$9,000	\$18,000	\$18,000	\$0	0%	
Other Administration Expenses - Not identified with above budget line items								
52000	Administrative Expense	\$0	\$0	\$0	\$0	\$0	0%	
52001	Administration Expense - Other	\$0	\$0	\$0	\$0	\$0	0%	
52900	Member Identity Theft Protection**	\$11,500	0	\$11,500	\$11,500	\$0	0%	Pending quote
	Total Other Admin	\$0	\$0	\$0	\$0	\$0	0%	
						\$0		
	Total Admin Expenses	\$688,305	\$535,519	\$1,228,324	\$1,149,064	\$79,260	7%	
	Net Loss/Admin Surplus Offset				TBD	\$79,260	7%	Possible offset TBD
						\$21,594	2%	Without State Fund Increase

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



Agenda Item G.5.

ACCOUNTING AND FINANCIAL SERVICES AGREEMENT

ACTION ITEM

ISSUE: James Marta & Company has provided the attached renewal agreement for financial accounting and consulting services. The Program Administrators have discussed the terms with Jim Marta and have requested further discussion and negotiations involving Jim and the Executive Committee, specifically related to Item 3. Compensation. Note the fees for the software subscription need to be amended to state the fees are per year, not per month.

Item 9. Fidelity Bond is still being negotiated by the Program Administrators, with the intent to have James Marta provide a \$1,000,000 bond in favor of NCCSIF, rather than the current requirement to have NCCSIF purchase a \$100,000 bond. (Negotiations are still underway with NCCSIF's own Crime insurer to make sure excess coverage is properly secured before finalizing the language in the contract).

RECOMMENDATION: Negotiate agreement and make a recommendation to the Board of Directors.

FISCAL IMPACT: The FY 16/17 fee for services is \$66,962 (\$5,580.17 per month), with an additional \$210 per month (\$2,520 per year) for the Intacct software subscription fee and \$750 per year for the electronic check delivery subscription.

The fees in the attached represent a 3.5% increase per year for each of the next three years. The subscription fees represent a range of 2.4% to 2.2% increase each year, with no change in the check processing fee.

If NCCSIF is able to drop the individual bond currently purchased for James Marta that could save as much as \$897 per year, with the final amount T.B.D., while increasing the available limit.

BACKGROUND: James Marta & Company has provided accounting services to NCCSIF since September 1, 2002.

ATTACHMENT(S): Agreement for Financial Accounting and Consulting Services

AGREEMENT FOR FINANCIAL ACCOUNTING AND CONSULTING SERVICES

This Agreement is made and entered into effective July 1, 2017, by and between Northern California Cities Self Insurance Fund (“NCCSIF”) and James Marta & Company LLP.

WHEREAS, NCCSIF requires accounting and consulting services, and James Marta & Company LLP is agreeable to performing such services for NCCSIF;

NOW, THEREFORE, the parties agree as follows:

- 1. RETENTION OF ACCOUNTANT.** NCCSIF agrees to retain James Marta & Company LLP to provide Financial Consulting Services for NCCSIF under the terms and conditions set forth in this Agreement, and the NCCSIF JPA Agreement and Bylaws. James Marta & Company LLP agrees to accept that assignment and to perform all of the duties for which the firm has been retained.

- 2. DESCRIPTION OF WORK.** James Marta & Company LLP agrees to perform the following services:
 - a. Prepare all bank reconciliations;

 - b. Process payables:
 - i. Receive and record all invoices;
 - ii. Obtain approval when necessary; and
 - iii. Prepare and issue checks per NCCSIF policy.

 - c. Process receivables:
 - i. Receive and record invoices;
 - ii. Receive and record payments; and
 - iii. Follow up delinquent accounts.

 - d. Maintain check registers of all applicable accounts and submit to Board in a timely manner;

 - e. Maintain general ledger - prepare and enter periodic adjusting entries;

 - f. Reconcile Investments and manage investment transfers;

 - g. Act as liaison between associated banks and/or investment agencies, as required;

 - h. Perform cash management — perform the required money transfers between accounts and/or financial institutions per the NCCSIF investment and banking policies;

 - i. Facilitate the annual financial audit:
 - i. Prepare audit schedules; and
 - ii. Coordinate audit fieldwork.

- j. Prepare quarterly and annual financial reports and attend Executive Committee and Board of Directors' meetings to discuss them; (in the event of scheduling conflicts, James Marta may meet with the Treasurer and provide the required reports and update and or send an alternate accountant to attend).
- k. Review quarterly financial reports with the Treasurer.
- l. Assist with budget preparation;
- m. Annually file the State Controller's Annual Report of Financial Transactions and Local Government Compensation Report with the State of California;
- n. Prepare special reports, as required; and annually prepare and submit to the Program Administrator a completed Conflict of Interest form.
- o. Attend Finance Committee meetings, as necessary
- p. Complete any other related duties as requested by a duly authorized official.
- q. Quarterly balance sheets and income statements
- r. Quarterly budget to actual financial reporting
- s. Quarterly claims reconciliation among the York reports, actuary reports and the general ledger
- t. Quarterly claims analysis reporting (graphs and reconciliation statements)
- u. Maintain a suitable backup and recovery system for data and develop and implement processes for the protection of electronic data including a written policy with respect to:
 - i. Disaster recovery
 - ii. Physical and electronic data security
 - iii. Electronic data retention

James Marta & Company LLP will compile, from information you provide, the annual and interim balance sheets and the related statements of income, retained earnings, and cash flows of Northern California Cities Self Insurance Fund. We will not audit or review such financial statements. Our report on the annual financial statements of Northern California Cities Self Insurance Fund is presently expected to read as follows:

We have compiled the accompanying balance sheet of Northern California Cities Self Insurance Fund as of [Year End(s)], and the related statements of income, retained earnings, for the [Year or Years] then ended. We have not audited or reviewed the accompanying financial statements 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.

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

If, for any reason, we are unable to complete the compilation of your financial statements, we will not issue a report on such statements as a result of this engagement.

Our engagement cannot be relied upon to disclose errors, fraud or illegal acts that may exist. However, we will inform you of any material errors that come to our attention and any fraud or illegal acts that come to our attention, unless they are clearly inconsequential. In addition, we have no responsibility to identify and communicate significant deficiencies or material weaknesses in your internal control as part of this engagement

3. COMPENSATION. As compensation to James Marta & Company LLP for services rendered hereunder, NCCSIF agrees to pay James Marta & Company LLP an annual fee of:

- \$69,306 for the 2017-18 year. (\$5,775.50 per month)
- \$71,730 for the 2018-19 year. (\$5,977.50 per month)
- \$74,240 for the 2019-20 year. (\$6,186.66 per month)
- The cost of meeting attendance within one-hour of Sacramento California is included. In the event that we are required to attend meetings beyond this range we will charge mileage at the current federal reimbursement rate and time at \$125/hr. The fee will be reviewed and agreed upon each year prior to commencement of the fiscal year. For this purposes of this agreement, approval is the Executive Committee's authorization.

FEES. NCCSIF agrees to pay in addition to the monthly fee for accounting services, of:

Intacct software subscription service fees:

- \$215 for the 2017-18 year. (\$2,580 per month)
- \$220 for the 2018-19 year. (\$2,640 per month)
- \$225 for the 2019-20 year. (\$2,700 per month)

Plus \$750 annually for the annual subscription of electronic check delivery.

4. CONTRACT TERM. The term of this Agreement shall be for thirty-six (36) months commencing July 1, 2017 through June 30, 2020. The Agreement shall automatically renew annually thereafter unless terminated pursuant to Article 7 below.

- 5. OWNERSHIP OF RECORDS.** NCCSIF maintains ownership of all products, files, records, computations, studies and other data, prepared or obtained in connection with this Agreement. James Marta & Company LLP may maintain copies of records that may be required for professional liability insurance purposes and required professional practices.
- 6. DISCLOSURES OF CONFLICTS.** James Marta & Company LLP shall be responsible for disclosing financial interests that may be a conflict. Disclosure may be satisfied through completion of the related Fair Political Practice Commission form on an annual basis.
- 7. TERMINATION.** This Agreement may be terminated at any time by James Marta & Company LLP upon ninety (90) days advance written notice to NCCSIF. Further, this agreement may be terminated at any time by NCCSIF upon sixty (60) days written notice to James Marta & Company LLP. Upon termination, James Marta & Company LLP shall give to NCCSIF copies of all products, files, records, computations, studies and other data, prepared or obtained in connection with this Agreement, which shall become the permanent property of NCCSIF. James Marta & Company LLP may maintain copies of records that may be required for professional liability insurance purposes and required professional practices.
- 8. COMPLIANCE WITH LAWS.** James Marta & Company LLP agrees that all work will be conducted, and the services will be performed in compliance with all laws and regulations; with the policies; procedures and directives of NCCSIF, particularly those related to fiscal and management matters; and with generally accepted accounting principles applicable to governmental entities.
- 9. FIDELITY BOND.** NCCSIF, at its sole expense, shall provide a \$100,000 Fidelity Bond for James Marta & Company LLP.
- 10. INSURANCE.** James Marta & Company LLP shall provide Auto Liability and Professional Liability insurance with separate limits of \$1,000,000, and shall annually provide a certificate of insurance to NCCSIF if requested.
- 11. MUTUAL INDEMNIFICATION.** James Marta & Company LLP agrees to indemnify and hold harmless NCCSIF its officers, directors and member agencies from any liability arising from James Marta & Company LLP's negligence or willful misconduct or omissions in the performance of the Agreement. And NCCSIF, its officers, directors and member agencies agree to indemnify and hold harmless James Marta & Company LLP from any liability arising from the negligence, willful misconduct or omissions of NCCSIF, its officers, directors and member agencies in the performance of the Agreement.
- 12. INDEPENDENT CONTRACTOR.** It is expressly agreed by the parties that James Marta & Company LLP's relationship to NCCSIF is that of an independent contractor. As such, NCCSIF will not be providing Workers' Compensation coverage or any benefits to James Marta & Company LLP.
- 13. SUCCESSORS AND ASSIGNMENT.** James Marta & Company LLP agrees it will not assign, transfer, convey or otherwise dispose of this Agreement or any part thereof, or its rights, title or interest therein, without the prior written consent of NCCSIF.
- 14. ENTIRE AGREEMENT.** This writing constitutes the entire agreement between the parties relative to the services specified herein, and no modifications shall be effective unless and until such modification is evidenced by a writing signed by both parties.



BACK TO AGENDA

Northern California Cities Self Insurance Fund
Executive Committee Meeting
March 23, 2017

Agenda Item G.6.

INDEPENDENT FINANCIAL AUDIT SERVICES AGREEMENT

ACTION ITEM

ISSUE: Crowe Horwath, LLP has submitted a proposal to provide financial audit services for the next three fiscal years. The Program Administrators contacted Arthur Ngo, CPA, at Crowe to discuss the proposal and negotiate the final terms of the agreement. In addition to adjusting the yearly fee, Arthur confirmed they would be replacing the audit team lead and staff going forward, to provide a fresh set of eyes for the audit.

RECOMMENDATION: Approve new contract as presented.

FISCAL IMPACT: The fee will increase 2% per year, from last year's fee of \$26,100 to \$26,622 for FYE 2017, \$26,900 for FYE 2018, and \$27,700 for FYE 2019.

BACKGROUND: NCCSIF is required to conduct an annual financial audit. Crow Horwath has provided auditing services since 2003. An RFP for Financial Auditing Services was last performed in 2008, for which Crowe was selected. Given the length of service Crowe has been asked to change the audit team to maintain a fresh review of NCCSIF's financial operations.

ATTACHMENT(S): Audit Engagement Letter 2017 – 2019, dated February 24, 2017

February 24, 2017

Mr. Marcus Beverly
First Vice President, NCCSIF Program Manager
Alliant Insurance Services
2150 Harvard Street, Suite 460
Sacramento, CA 95815

Dear Salutation:

This letter confirms the arrangements for Crowe Horwath LLP (“Crowe” or “us” or “we” or “our”) to provide the professional services discussed in this letter to Northern California Cities Self Insurance Fund (“the Fund” or “you”, “your” or “Fund” or “Client”) for the years ending June 30, 2017, 2018 and 2019. The attached Crowe Engagement Terms is an integral part of this letter, and its terms are incorporated herein.

AUDIT SERVICES

Our Responsibilities

We will audit and report on the basic financial statements of the Fund for the periods indicated.

In addition to our report on the financial statements, we plan to evaluate the presentation of the following supplementary information in relation to the financial statements as a whole, and to report on whether this supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

- Combining Statement of Net Position and Combining Statement of Revenues, Expenses and Change in Net Position
- Statement of Net Position by Member
- Statement of Revenues, Expenditures, and Change in Net Position by Member

In addition to our report on the financial statements, we also plan to perform specified procedures in order to describe in our report whether the following required supplementary information is presented in accordance with applicable guidelines. However, we will not express an opinion or provide any assurance on this information due to our limited procedures.

- Management’s Discussion and Analysis
- Reconciliation of Claims Liability by Type of Contract
- Claims Development Information

The objective of the audit is the expression of an opinion on the financial statements. We will plan and perform the audit in accordance with auditing standards generally accepted in the United States of America, and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement whether caused by error or fraud. Because of inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected

exists, even though the audit is properly planned and performed in accordance with applicable standards. An audit is not designed to detect error or fraud that is immaterial to the financial statements. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks that the financial statements could be misstated by an amount we believe would influence the financial statement users. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

In making our risk assessments, we consider internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. However, we will communicate in writing to those charged with governance and management concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. We will communicate to management other deficiencies in internal control identified during the audit that have not been communicated to management by other parties and that, in our professional judgment, are of sufficient importance to merit management's attention. We will also communicate certain matters related to the conduct of the audit to those charged with governance, including (1) fraud involving senior management, and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements, (2) illegal acts that come to our attention (unless they are clearly inconsequential) (3) disagreements with management and other significant difficulties encountered in performing the audit and (4) various matters related to the Fund's accounting policies and financial statements. Our engagement is not designed to address legal or regulatory matters, which matters should be discussed by you with your legal counsel.

We expect to issue a written report upon completion of our audit of the financial statements. Our report will be addressed to Board of Directors of the Fund. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis of matter or other matter paragraph, or withdraw from the engagement.

In addition to our report on the financial statements and supplemental information, we plan to issue the following reports:

- Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards — The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of your compliance with applicable laws, regulations, contracts and grants. However, because of the concept of reasonable assurance and because we will not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud or defalcations, may exist and not be detected by us. The objective of our audit of compliance relative to the financial statements will not be to provide an opinion on overall compliance with such provisions, and we will not express such an opinion. We will advise you, however, of any matters of that nature that come to our attention, unless they are clearly inconsequential.

Our audit and work product are intended for the benefit and use of the Fund only. The audit will not be planned or conducted in contemplation of reliance by any other party or with respect to any specific transaction and is not intended to benefit or influence any other party. Therefore, items of possible interest to a third party may not be specifically addressed or matters may exist that could be assessed differently by a third party.

The working papers for this engagement are the property of Crowe and constitute confidential information. However, we may be requested to make certain working papers available to your oversight agency or grantors pursuant to authority given to them by law, regulation, or contract. If requested, access to such working papers will be provided under the supervision of our personnel. Furthermore, upon request, we may provide photocopies of selected working papers to your oversight agency or grantors. The working papers for this engagement will be retained for a minimum of three years after the date our report is issued or for any additional period requested by the oversight agency or pass-through Fund. If we are aware that a federal awarding agency, pass-through Fund, or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the working papers.

Government Auditing Standards require that we provide you with a copy of our most recent peer review report, which accompanies this letter.

The Fund's Responsibilities

The Fund's 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. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud. The Fund's management is also responsible for complying with applicable laws, regulations, contracts and grants and such responsibility extends to identifying the requirements and designing internal control policies and procedures to provide reasonable assurance that compliance is achieved.

Management has the responsibility to adopt sound accounting policies, maintain an adequate and efficient accounting system, safeguard assets, and design and implement programs and controls to prevent and detect fraud. Management's judgments are typically based on its knowledge and experience about past and current events and its expected courses of action. Management's responsibility for financial reporting includes establishing a process to prepare the accounting estimates included in the financial statements.

Management is responsible for providing to us, on a timely basis, all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters. Management is also responsible for providing such other additional information we may request for the purpose of the audit, and unrestricted access to persons within the Fund from whom we determine it necessary to obtain audit evidence. Additionally, those charged with governance are responsible for informing us of their views about the risks of fraud within the Fund, and their knowledge of any fraud or suspected fraud affecting the Fund.

Management is responsible for adjusting the financial statements to correct material misstatements related to accounts or disclosures. As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit, including that the effects of any uncorrected misstatements aggregated by us during the audit are immaterial, both individually and in the aggregate, to the financial statements and to compliance with the requirements of its Federal programs. Management acknowledges the importance of management's representations and responses to our inquiries, and that they will be utilized as part of the evidential matter we will rely on in forming our opinion. Because of the importance of management's representations to an effective audit, you agree to

release Crowe and its personnel from any liability and costs relating to our services under this letter attributable to any misrepresentations by management.

Management is responsible for the preparation of the supplementary information identified above in accordance with the applicable criteria. As part of our audit process, we will request from management certain written representations regarding management's responsibilities in relation to the supplementary information presented, including but not limited to its fair presentation in accordance with the applicable criteria, the method of measurement and presentation and any significant assumptions or interpretations underlying the supplementary information. In addition, it is management's responsibility to include the auditor's report on supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information. It is also management's responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the Fund of the supplementary information and the auditor's report thereon.

Management is responsible for the preparation of the required supplementary information identified above in accordance with the applicable guidelines. We will request from management certain written representations regarding management's responsibilities in relation to the required supplementary information presented, including but not limited to whether it has been measured and presented in accordance with prescribed guidelines, the method of measurement and presentation and any significant assumptions or interpretations underlying the supplementary information.

OTHER SERVICES

Financial Statement Preparation

The Fund will provide us with the necessary information to assist in the preparation of the draft financial statements including the notes thereto. We are relying on the Fund to provide us with the detailed trial balance, note disclosure information and any other relevant report information in a timely fashion and ensure the data is complete and accurate. Management is solely responsible for the presentation of the financial statements.

With respect to the above other services, you agree to: assume all management responsibilities including making all management decisions; oversee the service by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services.

FEES

Our fees, including out-of-pocket expenses, are outlined below. Our invoices are due and payable upon receipt. Invoices that are not paid within 30 days of receipt are subject to a monthly interest charge of one percent per month or the highest interest rate allowed by law, whichever is less, which we may elect to waive at our sole discretion, plus costs of collection including reasonable attorneys' fees.

Audit of the Fund's financial statements for the years ending June 30, 2017	\$ 26,622
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Circumstances may arise under which we must perform additional work and, thus, require additional billings for our services. Examples of such circumstances include, but are not limited to:

- Changing audit requirements
- New professional standards or regulatory requirements
- New financial statement disclosures
- Work caused due to the identification of, and management's correction of, inappropriate application of accounting pronouncements
- Erroneous or incomplete accounting records
- New or unusual transactions
- Change in your organizational structure or size due to merger and acquisition activity or other events
- Change in your controls
- Agreed-upon level of preparation and assistance from your personnel not provided
- Failure of your staff to prepare information in a timely manner
- Numerous revisions to your information
- Lack of availability of appropriate Fund personnel during audit fieldwork.

Additionally, to accommodate requests to reschedule audit fieldwork without reasonable notice, additional billings for our services could be required, and our assigned staffing and ability to meet agreed-upon deadlines could be impacted.

Our fee assumes that we will be provided with auditable trial balances for all funds at year end, that all bank accounts and investment accounts will be reconciled through the end of the year being audited to the trial balances, that interfund and transfer accounts will balance, that subsidiary ledgers will reconcile to the general ledger and that beginning fund equity amounts will be reconcilable to prior year audited ending fund equity. We assume that the Fund will cooperate with our requests for information such as explanations of account activity.

We assume that requested records such as invoices, contracts, grant agreements and supporting documentation will be located and provided to us. We also assume the Fund will prepare confirmation letters, the MD&A section and the Supplemental Information and Required Supplementary Information sections of the report.

Our fee does not include implementation of any other future accounting or auditing pronouncements and/or government requirements that may change, thus, the scope or amount of auditing necessary to complete our engagements may increase beyond what is currently anticipated. Should such events occur, we would present you with our estimate of any possible increase prior to beginning our audit for the given year. An equitable adjustment in the proposed fee will be negotiated if the cost of time required for performance of the audit service is increased or decreased pursuant to a change in scope of the audit requested by the Fund or required by State or Federal regulations.

When we become aware of circumstances which impact the amount or scheduling of our work, we will issue, for your approval, a formal change order detailing the reason and the anticipated impact of the change.

PROVISION FOR THREE-YEAR PROPOSAL:

We have agreed to the following fees for the next two subsequent years as follows:

Audit of the Fund's financial statements for the years ending June 30, 2018	\$	27,154
Audit of the Fund's financial statements for the years ending June 30, 2019	\$	27,700

Because each year is a separate engagement and this three-year period does not constitute a continuous engagement, we will require execution of a new engagement letter for each subsequent year listed above. However, we agree to the fees listed above for each year unless we both agree in writing to a modification. In recognition of the significant start-up investment incurred by Crowe during the initial year of the three-year period, should you terminate Crowe during the three-year period for reasons other than failure of Crowe to perform, you agree to pay our fees and expenses for services performed up to the date of termination (which will be immediately due and payable) and a termination fee of 25% of the next year's fee if terminated after year one or 15% of the next year's fee if terminated after year two.

Our fees are exclusive of taxes or similar charges, as well as customs, duties or tariffs, imposed in respect of the Services, any work product or any license, all of which Client agrees to pay if applicable or if they become applicable (other than taxes imposed on Crowe's income generally), without deduction from any fees or expenses invoiced to Client by Crowe.

To facilitate Crowe's presence at Client's premises, Client will provide Crowe with internet access while on Client's premises. Crowe will access the internet using a secure virtual private network. Crowe will be responsible for all internet activity performed by its personnel while on Client's premises.

MISCELLANEOUS

For purposes of this Miscellaneous section, the Acceptance section below, and all of the Crowe Engagement Terms, "Client" will mean the Fund(ies) defined in the first paragraph of this letter and will also include all related parents, subsidiaries, and affiliates of Client who may receive or claim reliance upon any Report.

Crowe will provide the services to Client under this Agreement as an independent contractor and not as Client's partner, agent, employee, or joint venturer under this Agreement. Neither Crowe nor Client will have any right, power or authority to bind the other party.

This engagement letter agreement (the "Agreement") reflects the entire agreement between the parties relating to the services (or any reports, deliverables or other work product) covered by this Agreement. The engagement letter and any attachments (including without limitation the attached Crowe Engagement Terms) are to be construed as a single document, with the provisions of each section applicable throughout. This Agreement may not be amended or varied except by a written document signed by each party. It replaces and supersedes any other proposals, correspondence, agreements and understandings, whether written or oral, relating to the services covered by this letter, and each party agrees that in entering this Agreement, it has not relied on any oral or written representations, statements or other information not contained in or incorporated into this Agreement. Any non-disclosure or other confidentiality agreement is replaced and superseded by this Agreement. The agreements of the parties contained in this Agreement will survive the completion or termination of this Agreement. If any provision (in whole or in part) of this Agreement is found unenforceable or invalid, this will not affect the remainder of the provision or any other provisions in this Agreement, all of which will continue in effect as if the stricken portion had not been included. This Agreement may be executed in two or more actual, scanned, emailed, or electronically copied counterparts, each and all of which together are one and the same instrument. Accurate transmitted copies (transmitted copies are reproduced documents that are sent via

Mr. Marcus Beverly
Alliant Insurance Services
February 24, 2017
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mail, delivery, scanning, email, photocopy, facsimile or other process) of the executed Agreement or signature pages only (whether handwritten or electronic signature), will be considered and accepted by each party as documents equivalent to original documents and will be deemed valid, binding and enforceable by and against all parties. This Agreement must be construed, governed, and interpreted under the laws of the State of Illinois, without regard for choice of law principles.

We are pleased to have this opportunity to serve you, and we look forward to a continuing relationship. If the terms of this letter and the attached Crowe Engagement Terms are acceptable to you, please sign below and return one copy of this letter at your earliest convenience. Please contact us with any questions or concerns.

ACCEPTANCE

I have reviewed the arrangements outlined above and in the attached "Crowe Engagement Terms," and I accept on behalf of the Client the terms and conditions as stated. By signing below, I represent and warrant that I am authorized by Client to accept the terms and conditions as stated.

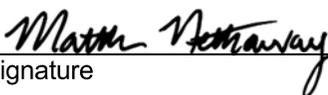
IN WITNESS WHEREOF, Northern California Cities Self Insurance Fund and Crowe have duly executed this engagement letter effective the date first written above.

Crowe Horwath LLP and the Engagement Authorized Signer below are licensed or otherwise authorized by the California Board of Accountancy.

Northern California Cities Self Insurance Fund

CROWE HORWATH LLP

Signature



Signature

Printed Name

Matthew Nethaway

Printed Name

Title

Partner

Title

Date

February 24, 2017

Date

Crowe Engagement Terms

Crowe wants Client to understand the terms under which Crowe provides its services to Client and the basis under which Crowe determines its fees. These terms are part of the Agreement and apply to all services described in the Agreement as well as all other services provided to Client (collectively, the “Services”), unless and until a separate written agreement is executed by the parties for separate services. Any advice provided by Crowe is not intended to be, and is not, investment advice.

CLIENT’S ASSISTANCE – For Crowe to provide Services effectively and efficiently, Client agrees to provide Crowe timely with information requested and to make available to Crowe any personnel, systems, premises, records, or other information as reasonably requested by Crowe to perform the Services. Access to such personnel and information are key elements for Crowe’s successful completion of Services and determination of fees. If for any reason this does not occur, a revised fee to reflect additional time or resources required by Crowe will be mutually agreed. Client agrees Crowe will have no responsibility for any delays related to a delay in providing such information to Crowe. Such information will be accurate and complete, and Client will inform Crowe of all significant tax, accounting and financial reporting matters of which Client is aware.

PROFESSIONAL STANDARDS – As a regulated professional services firm, Crowe must follow professional standards when applicable, including the Code of Professional Conduct of the American Institute of Certified Public Accountants (“AICPA”). Thus, if circumstances arise that, in Crowe’s professional judgment, prevent it from completing the engagement, Crowe retains the right to take any course of action permitted by professional standards, including declining to express an opinion or issue other work product or terminating the engagement.

REPORTS – Any information, advice, recommendations or other content of any memoranda, reports, deliverables, work product, presentations, or other communications Crowe provides under this Agreement (“Reports”), other than Client’s original information, are for Client’s internal use only, consistent with the purpose of the Services. Client will not rely on any draft Report. Unless required by an audit or other attestation professional standard, Crowe will not be required to update any final Report for circumstances of which we become aware or events occurring after delivery.

CONFIDENTIALITY – Except as otherwise permitted by this Agreement or as agreed in writing, neither Crowe nor Client may disclose to third parties the contents of this Agreement or any information provided by or on behalf of the other that ought reasonably to be treated as confidential and/or proprietary. Client use of any Crowe work product will be limited to its stated purpose and to Client business use only. However, Client and Crowe each agree that either party may disclose such information to the extent that it: (i) is or becomes public other than through a breach of this Agreement, (ii) is subsequently received by the recipient from a third party who, to the recipient’s knowledge, owes no obligation of confidentiality to the disclosing party with respect to that information, (iii) was known to the recipient at the time of disclosure or is thereafter created independently, (iv) is disclosed as necessary to enforce the recipient’s rights under this Agreement, or (v) must be disclosed under applicable law, regulations, legal process or professional standards.

THIRD PARTY PROVIDER – Crowe may use a third-party provider in providing Services to Client, which may require Crowe to share Client confidential information with the provider. If Crowe uses a third-party provider, Crowe will enter into a confidentiality agreement with the provider to require the provider to protect the confidentiality of Client’s confidential information, and Crowe will be responsible to Client for maintaining its confidentiality.

CLIENT-REQUIRED CLOUD USAGE – If Client requests that Crowe access files, documents or other information in a cloud-based or web-accessed hosting service or other third-party system accessed via the internet, including, without limitation iCloud, Dropbox, Google Docs, Google Drive, a data room hosted by a third-party, or a similar service or website (collectively, “Cloud Storage”), Client will confirm with any third-parties assisting with or hosting the Cloud Storage that either such third-party or Client (and not Crowe) is responsible for complying with all applicable laws relating to the Cloud Storage and any information contained in the Cloud Storage, providing Crowe access to the information in the Cloud Storage, and protecting the information in the Cloud Storage from any unauthorized access, including without limitation unauthorized access to the information when in transit to or from the Cloud Storage. Client represents that

it has authority to provide Crowe access to information in the Cloud Storage and that providing Crowe with such access complies with all applicable laws, regulations, and duties owed to third-parties.

DATA PROTECTION – If Crowe holds or uses Client information that can be linked to specific individuals who are Client’s customers (“Personal Data”), Crowe will treat it as confidential as described above and comply with applicable US state and federal law and professional regulations in disclosing or using such information to carry out the Services. Crowe has implemented and will maintain physical, electronic and procedural safeguards reasonably designed to (i) protect the security, confidentiality and integrity of the Personal Data, (ii) prevent unauthorized access to or use of the Personal Data, and (iii) provide proper disposal of the Personal Data (collectively, the “Safeguards”). Client warrants that it has the authority to provide the Personal Data to Crowe in connection with the Services and that Client has processed the Personal Data provided to Crowe in accordance with applicable law. To provide the Services, Client may also need to provide Crowe with access to Personal Data consisting of protected health information, financial account numbers, Social Security or other government-issued identification numbers, or other data that, if disclosed without authorization, would trigger notification requirements under applicable law (“Restricted Personal Data”). In the event Client provides Crowe access to Restricted Personal Data, Client will consult with Crowe on appropriate measures (consistent with professional standards applicable to Crowe) to protect the Restricted Personal Data, such as: deleting or masking unnecessary information before making it available to Crowe, encrypting it when transferring it to Crowe, or providing it to Crowe only during on-site review on Client’s site. Client will provide Crowe with Restricted Personal Data only in accordance with mutually agreed protective measures. Otherwise, Client and Crowe agree each may use unencrypted electronic media to correspond or transmit information and such use will not in itself constitute a breach of this Agreement.

INTELLECTUAL PROPERTY – Crowe may use ideas, concepts, methodologies, data, software, designs, utilities, tools, models, techniques, systems, Reports, or other know-how that it develops, owns or licenses (“Materials”) in performing the Services. Crowe retains all intellectual property rights in the Materials (including any improvements or knowledge developed while performing the Services), and in any working papers compiled in providing the Services, but not in the Client information reflected in them. Upon payment for Services and subject to the other terms of this Agreement, Client will use Reports, as well as any Materials therein, only to the extent necessary and permitted under this Agreement.

AGGREGATED DATA – Client agrees Crowe may from time to time use and process Client’s confidential information for data aggregation or industry benchmarking purposes. In using Client’s confidential information in this way, Crowe will maintain the information as confidential unless Crowe removes data that specifically identifies Client and Client customers.

LEGAL AND REGULATORY CHANGE – Crowe may periodically communicate to Client changes in laws, rules or regulations. However, Client has not engaged Crowe, and Crowe does not undertake an obligation, to advise Client of changes in (a) laws, rules, regulations, industry or market conditions, or (b) Client’s own business practices or other circumstances (except to the extent required by professional standards). The scope of Services and the fees for Services are based on current laws and regulations. If changes in laws or regulations change Client’s requirements or the scope of the Services, Crowe’s fees will be modified to a mutually agreed amount to reflect the changed level of Crowe’s effort.

PUBLICATION – Client agrees to obtain Crowe’s specific permission before using any Report or Crowe work product or Crowe’s firm’s name in a published document, and Client agrees to submit to Crowe copies of such documents to obtain Crowe’s permission before they are filed or published.

CLIENT REFERENCE – From time to time Crowe is requested by prospective clients to provide references for Crowe service offerings. Client agrees that Crowe may use Client’s name and generally describe the nature of Crowe’s engagement(s) with Client in marketing to prospects, and Crowe may also provide prospects with contact information for Client personnel familiar with Crowe’s Services.

NO PUNITIVE OR CONSEQUENTIAL DAMAGES – Any liability of Crowe will not include any consequential, special, incidental, indirect, punitive, or exemplary damages or loss, nor any lost profits, goodwill, savings, or business opportunity, even if Crowe had reason to know of the possibility of such damages.

LIMIT OF LIABILITY – Except where it is judicially determined that Crowe performed its Services with gross negligence or willful misconduct, Crowe’s liability will not exceed fees paid by Client to Crowe for the portion of the work giving rise to liability. A claim for a return of fees paid is the exclusive remedy for any damages. This limit of liability will apply to the full extent allowed by law, regardless of the grounds or nature of any claim asserted, including, without limitation, to claims based on principles of contract, negligence or other tort, fiduciary duty, warranty, indemnity, statute or common law. This limit of liability will also apply after this Agreement.

INDEMNIFICATION FOR THIRD-PARTY CLAIMS – In the event of a legal proceeding or other claim brought against Crowe by a third party, except where it is judicially determined that Crowe performed Services with gross negligence or willful misconduct, Client agrees to indemnify and hold harmless Crowe and its personnel against all costs, fees, expenses, damages and liabilities, including attorney fees and any other fees or defense costs, associated with such third-party claim, relating to or arising from any Services performed or work product provided by Crowe that Client uses or discloses to others or this engagement generally. This indemnification is intended to apply to the full extent allowed by law, regardless of the grounds or nature of any claim, liability, or damages asserted, including, without limitation, to claims, liability or damages based on principles of contract, negligence or other tort, fiduciary duty, warranty, indemnity, statute or common law. This indemnification will also apply after termination of this Agreement.

NO TRANSFER OR ASSIGNMENT OF CLAIMS – No claim against Crowe, or any recovery from or against Crowe, may be sold, assigned or otherwise transferred, in whole or in part.

TIME LIMIT ON CLAIMS – In no event will any action against Crowe, arising from or relating to this engagement letter or the Services provided by Crowe relating to this engagement, be brought after the earlier of 1) two (2) years after the date on which occurred the act or omission alleged to have been the cause of the injury alleged; or 2) the expiration of the applicable statute of limitations or repose.

RESPONSE TO LEGAL PROCESS – If Crowe is requested by subpoena, request for information, or through some other legal process to produce documents or testimony pertaining to Client or Crowe’s Services, and Crowe is not named as a party in the applicable proceeding, then Client will reimburse Crowe for its professional time, plus out-of-pocket expenses, as well as reasonable attorney fees, Crowe incurs in responding to such request.

MEDIATION – If a dispute arises, in whole or in part, out of or related to this engagement, or after the date of this agreement, between Client or any of Client’s affiliates or principals and Crowe, and if the dispute cannot be settled through negotiation, Client and Crowe agree first to try, in good faith, to settle the dispute by mediation administered by the American Arbitration Association, under its mediation rules for professional accounting and related services disputes, before resorting to litigation or any other dispute-resolution procedure. The results of mediation will be binding only upon agreement of each party to be bound. Costs of any mediation will be shared equally by both parties. Any mediation will be held in Chicago, Illinois.

JURY TRIAL WAIVER – FOR ALL DISPUTES RELATING TO OR ARISING BETWEEN THE PARTIES, THE PARTIES AGREE TO WAIVE A TRIAL BY JURY TO FACILITATE JUDICIAL RESOLUTION AND TO SAVE TIME AND EXPENSE. EACH PARTY AGREES IT HAS HAD THE OPPORTUNITY TO HAVE ITS LEGAL COUNSEL REVIEW THIS WAIVER. THIS WAIVER IS IRREVOCABLE, MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND APPLIES TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, OR MODIFICATIONS TO THIS AGREEMENT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS WRITTEN CONSENT TO A BENCH TRIAL WITHOUT A JURY. HOWEVER, AND NOTWITHSTANDING THE FOREGOING, IF ANY COURT RULES OR FINDS THIS JURY TRIAL WAIVER TO BE UNENFORCEABLE AND INEFFECTIVE IN WAIVING A JURY, THEN ANY DISPUTE RELATING TO OR ARISING FROM THIS ENGAGEMENT OR THE PARTIES’ RELATIONSHIP GENERALLY WILL BE RESOLVED BY ARBITRATION AS SET FORTH IN THE PARAGRAPH BELOW REGARDING “ARBITRATION.”

ARBITRATION – If any court rules or finds that the JURY TRIAL WAIVER section is not enforceable, then any dispute between the parties relating to or arising from this Agreement or the parties’ relationship generally will be settled by binding arbitration in Chicago, Illinois (or a location agreed in writing by the parties). Any issues concerning the extent to which any dispute is subject to arbitration, or concerning the

applicability, interpretation, or enforceability of any of this Section, will be governed by the Federal Arbitration Act and resolved by the arbitrator(s). The arbitration will be governed by the Federal Arbitration Act and resolved by the arbitrator(s). The parties will use the International Institute for Conflict Prevention & Resolution (the "CPR Institute") Global Rules for Accelerated Commercial Arbitration (the "Accelerated Rules") then in effect, or such other rules or procedures as the parties may agree in writing. In the event of a conflict between those rules and this Agreement, this Agreement will control. The parties may alter each of these rules by written agreement. If a party has a basis for injunctive relief, this paragraph will not preclude a party seeking and obtaining injunctive relief in a court of proper jurisdiction. The parties will agree within a reasonable period of time after notice is made of initiating the arbitration process whether to use one or three arbitrators, and if the parties cannot agree within fifteen (15) business days, the parties will use a single arbitrator. In any event the arbitrator(s) must be retired federal judges or attorneys with at least 15 years commercial law experience and no arbitrator may be appointed unless he or she has agreed to these procedures. If the parties cannot agree upon arbitrator(s) within an additional fifteen (15) business days, the arbitrator(s) will be selected by the CPR Institute. Discovery will be permitted only as authorized by the arbitrator(s), and as a rule, the arbitrator(s) will not permit discovery except upon a showing of substantial need by a party. To the extent the arbitrator(s) permit discovery as to liability, the arbitrator(s) will also permit discovery as to causation, reliance, and damages. The arbitrator(s) will not permit a party to take more than six depositions, and no depositions may exceed five hours. The arbitrator(s) will have no power to make an award inconsistent with this Agreement. The arbitrator(s) will rule on a summary basis where possible, including without limitation on a motion to dismiss basis or on a summary judgment basis. The arbitrator(s) may enter such prehearing orders as may be appropriate to ensure a fair hearing. The hearing will be held within one year of the initiation of arbitration, or less, and the hearing must be held on continuous business days until concluded. The hearing must be concluded within ten (10) business days absent written agreement by the parties to the contrary. The time limits in this section are not jurisdictional. The arbitrator(s) will apply substantive law and may award injunctive relief or any other remedy available from a judge. The arbitrator(s) may award attorney fees and costs to the prevailing party, and in the event of a split or partial award, the arbitrator(s) may award costs or attorney fees in an equitable manner. Any award by the arbitrator(s) will be accompanied by a reasoned opinion describing the basis of the award. Any prior agreement regarding arbitration entered by the parties is replaced and superseded by this agreement. The arbitration will be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1 et seq., and judgment upon the award rendered by the arbitrator(s) may be entered by any court having jurisdiction thereof. All aspects of the arbitration will be treated by the parties and the arbitrator(s) as confidential.

NOTIFICATION OF NON-LICENSEE OWNERSHIP – Crowe ("the Firm") and certain owners of the Firm are licensed by the California State Board of Accountancy. However, the Firm has owners not licensed by the California State Board of Accountancy who may provide Services under this agreement. If Client has any questions regarding licensure of the personnel performing Services under this engagement, please do not hesitate to contact Crowe.

NON-SOLICITATION – Client and Crowe acknowledge the importance of retaining key personnel. Accordingly, both parties agree that during the period of this agreement, and for one (1) year after its expiration or termination, neither party will solicit any personnel or subcontractors (if any) of the other party for employment without the written consent of the other party. If an individual becomes an employee of the other party, the other party agrees to pay a fee equal to the individual's compensation for the prior full twelve-month period to the original employer.

AFFILIATES – Crowe Horwath LLP is an independent member of Crowe Horwath International, a Swiss verein. Each member firm of Crowe Horwath International is a separate and independent legal Fund. Crowe Horwath LLP and its affiliates are not responsible or liable for any acts or omissions of Crowe Horwath International or any other member of Crowe Horwath International and specifically disclaim any and all responsibility or liability for acts or omissions of Crowe Horwath International or any other member of Crowe Horwath International. Crowe Horwath International does not render any professional services and does not have an ownership or partnership interest in Crowe Horwath LLP. Crowe Horwath International and its other member firms are not responsible or liable for any acts or omissions of Crowe Horwath LLP and specifically disclaim any and all responsibility or liability for acts or omissions of Crowe Horwath LLP.

System Review Report

To the Partners of Crowe Horwath LLP
and the AICPA National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Crowe Horwath LLP (the "firm") applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, audits of employee benefit plans, audits performed under FDICIA, audits of carrying broker-dealers, and examinations of service organizations [Service Organizations Control (SOC) 1 and SOC 2 engagements].

In our opinion, the system of quality control for the accounting and auditing practice of Crowe Horwath LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2016, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Crowe Horwath LLP has received a peer review rating of *pass*.

Cherry Bekaert LLP

Cherry Bekaert LLP
August 23, 2016



October 31, 2016

James L Powers
Crowe Horwath LLP
225 W Wacker Dr Ste 2600
Chicago, IL 60606

Dear Mr. Powers:

It is my pleasure to notify you that on October 27, 2016 the National Peer Review Committee accepted the report on the most recent system peer review of your firm. The due date for your next review is September 30, 2019. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Sincerely,

Michael Fawley
Chair—National PRC
nprc@aicpa.org 919 4024502

cc: Samuel Edward Johnson; Scot D Ivey

Firm Number: 10014904

Review Number 446067

Letter ID: 1122915A



Agenda Item G.7.

CLAIMS COMMITTEE MEMBERSHIP APPOINTMENT

ACTION ITEM

ISSUE: Members of the Claims Committee are annually selected by the Executive Committee.

RECOMMENDATION: The Committee is asked to approve members of the Claims Committee with volunteers from the Executive Committee.

FISCAL IMPACT: None.

BACKGROUND: Section 6 of the Bylaws authorizes the Board of Directors or the Executive Committee to form a committee for the purpose of overseeing functions that the Board of Directors or Executive Committee has authority to control. The Claims Committee is traditionally made up of at least five members of the Executive Committee and holds regular meetings prior to the Executive Committee's regular meetings, with the Vice President serving as the Chairperson, the President as the Alternative Chair and two or more other members of the Executive Committee.

Most of their activities concern settlement of claims though they also review and recommend changes to the approved counsel list and policies and procedures dealing with claims and litigation management. Special meetings are held by teleconference as needed to grant authority on pressing claims.

The NCCSIF Claims Committee for 2016 is as follows:

1. Liz Ehrenstrom, City of Oroville, Chair
2. Jon Hanken, City of Ione – no longer on EC
3. Michael Daly, City of Jackson – no longer on EC
4. David Warren, City of Placerville – Vice Chair
5. Tim Sailsbery, City of Willows
6. Natalie Springer, City of Yuba City

ATTACHMENT(S): None



BACK TO AGENDA

Northern California Cities Self Insurance Fund
Executive Committee Meeting
March 23, 2017

Agenda Item G.8.

**SELECTION OF THE CJPRMA BOARD AND
ALTERNATE REPRESENTATIVES**

ACTION ITEM

ISSUE: Paula Islas is the current Board Representative and she is retiring from the City of Galt. Michael Daly is the current Alternate Representative and also retired from the City of Jackson.

RECOMMENDATION: The Committee will be asked to appoint a new Board and Alternate Representatives on the CJPRMA Board.

FISCAL IMPACT: None.

BACKGROUND: None.

ATTACHMENT(S): None.



Agenda Item G.9.

**NCCSIF WORKERS' COMPENSATION CLAIMS ADMINISTRATION
FOLLOW-UP SURVEY RESULT**

ACTION ITEM

ISSUE: At the June 2016 Board meeting, York Risk Services was put on a Performance Plan for their Management of Workers' Compensation Claims Administration. A follow up survey was sent to the members to gauge the progress made to date by York.

Committee Members are asked to discuss the follow up survey results and provide direction if York's progress is satisfactory for the anticipated fee increase of up to 3% as scheduled in their current agreement for FY 17/18.

RECOMMENDATION: Accept and file the Follow-up Survey results. Provide direction as needed for the fee increase in York's contract.

FISCAL IMPACT: TBD.

BACKGROUND: NCCSIF regularly surveys members regarding service provider performance and the Board uses that feedback to make changes as needed when working with service providers or considering contract renewal terms.

ATTACHMENT(S):

1. Follow-up Workers' Compensation Claims Administration Performance Plan Survey Results
2. Second Amendment to the Workers' Compensation Self-Insurance Claims Administration Agreement

**NCCSIF Workers' Compensation Claims Administration Performance Plan
Follow-up Survey Result as of March 13, 2017**

From last survey 5/31/2016

1. Controls the claims management process well.

Answer Options	Response Percent	Response Count	Response Percent	Response Count
Very Good (Above Expectations)	26.7%	4	13.6%	3
Good (Meets Expectations)	73.3%	11	63.6%	14
Fair (Below Expectations)	0.0%	0	22.7%	5
Poor (Does Not Meet Expectations)	0.0%	0	0.0%	0
N/A (Don't have sufficient experience to evaluate)	0.0%	0	0.0%	0
Comment (please provide specific example where appropriate)		1		7
		answered question		22
		skipped question		0

Number	Response Date	Comment (please provide specific example where appropriate)	Categories
1	Mar 8, 2017 12:02 AM	Our claims examiner returns calls and emails promptly	

2. Have you had a claims review with York in the past year?

Answer Options	Response Percent	Response Count	Response Percent	Response Count
Yes	73.3%	11	54.5%	12
No	26.7%	4	45.5%	10
Comment (please provide specific example where appropriate)		3		4
		answered question		22
		skipped question		0

Number	Response Date	Comment (please provide specific example where appropriate)	Categories
1	Mar 8, 2017 12:02 AM	We have quarterly claim reviews	
2	Feb 27, 2017 11:18 PM	I have one scheduled for March.	
3	Feb 7, 2017 5:17 PM	Yes, but not formal with the departments like we really should start doing.	

3. Are the reserves set on claims reasonable?

Answer Options	Response Percent	Response Count	Response Percent	Response Count
Very Good (Above Expectations)	6.7%	1	9.1%	2
Good (Meets Expectations)	73.3%	11	68.2%	15
Fair (Below Expectations)	6.7%	1	0.0%	0
Poor (Does Not Meet Expectations)	0.0%	0	0.0%	0
N/A (Don't have sufficient experience to evaluate)	13.3%	2	22.7%	5
Comment (please provide specific example where appropriate)		0		1
		answered question		22
		skipped question		0

4. Submits timely written status reports.

Answer Options	Response Percent	Response Count	Response Percent	Response Count
Very Good (Above Expectations)	40.0%	6	31.8%	7
Good (Meets Expectations)	60.0%	9	63.6%	14
Fair (Below Expectations)	0.0%	0	4.5%	1
Poor (Does Not Meet Expectations)	0.0%	0	0.0%	0
N/A (Don't have sufficient experience to evaluate)	0.0%	0	0.0%	0
Comment (please provide specific example where appropriate)		0		2
		answered question		22
		skipped question		0

5. Recommendations concerning claims settlement or denial are clear and generally accepted.

Answer Options	Response Percent	Response Count	Response Percent	Response Count
Very Good (Above Expectations)	20.0%	3	27.3%	6
Good (Meets Expectations)	73.3%	11	68.2%	15
Fair (Below Expectations)	0.0%	0	4.5%	1
Poor (Does Not Meet Expectations)	0.0%	0	0.0%	0
N/A (Don't have sufficient experience to evaluate)	6.7%	1	0.0%	0
Comment (please provide specific example where appropriate)		0		2
		answered question		22
		skipped question		0

6. Maintains good contact and keeps member apprised on all important matters.

Answer Options	Response Percent	Response Count	Response Percent	Response Count
Very Good (Above Expectations)	53.3%	8	27.3%	6
Good (Meets Expectations)	46.7%	7	50.0%	11
Fair (Below Expectations)	0.0%	0	18.2%	4
Poor (Does Not Meet Expectations)	0.0%	0	4.5%	1
N/A (Don't have sufficient experience to evaluate)	0.0%	0	0.0%	0
Comment (please provide specific example where appropriate)		3		5
		answered question		22
		skipped question		0

Number	Response Date	Comment (please provide specific example where appropriate)	Categories
1	Mar 8, 2017 5:20 AM	York calls our HR Officer every two weeks and provides status updates on all major claims, which has been very helpful in keeping the City informed.	
2	Mar 8, 2017 12:02 AM	Kara Kennedy is awesome!	
3	Feb 7, 2017 8:11 PM	Rachelle Duesing is amazing	

7. Provides high quality advice and assistance.

Answer Options	Response Percent	Response Count	Response Percent	Response Count
Very Good (Above Expectations)	40.0%	6	50.0%	11
Good (Meets Expectations)	60.0%	9	36.4%	8
Fair (Below Expectations)	0.0%	0	9.1%	2
Poor (Does Not Meet Expectations)	0.0%	0	4.5%	1
N/A (Don't have sufficient experience to evaluate)	0.0%	0	0.0%	0
Comment (please provide specific example where appropriate)		1		4
		answered question		22
		skipped question		0

Number	Response Date	Comment (please provide specific example where appropriate)	Categories
1	Feb 7, 2017 8:11 PM	I'd like to be more involved discussion "whats next" but all in all Great job!	

8. Communicates well both orally and in writing.

Answer Options	Response Percent	Response Count	Response Percent	Response Count
Very Good (Above Expectations)	46.7%	7	18.2%	4
Good (Meets Expectations)	53.3%	8	68.2%	15
Fair (Below Expectations)	0.0%	0	13.6%	3
Poor (Does Not Meet Expectations)	0.0%	0	0.0%	0
N/A (Don't have sufficient experience to evaluate)	0.0%	0	0.0%	0
Comment (please provide specific example where appropriate)		1		7
		answered question		22
		skipped question		0

Number	Response Date	Comment (please provide specific example where appropriate)	Categories
1	Mar 8, 2017 5:20 AM	Dori Zumwalt presented the latest trending report to the City Council, which was well received by both the Council and the Public.	

9. Accomplishes goals and objectives and also provides additional value.

Answer Options	Response Percent	Response Count	Response Percent	Response Count
Very Good (Above Expectations)	13.3%	2	22.7%	5
Good (Meets Expectations)	86.7%	13	50.0%	11
Fair (Below Expectations)	0.0%	0	13.6%	3
Poor (Does Not Meet Expectations)	0.0%	0	4.5%	1
N/A (Don't have sufficient experience to evaluate)	0.0%	0	9.1%	2
Comment (please provide specific example where appropriate)		1		5
		answered question		22
		skipped question		0

Number	Response Date	Comment (please provide specific example where appropriate)	Categories
1	Mar 8, 2017 5:20 AM	The worker's compensation 101 training was well received by staff.	

10. Provides feedback and suggestions for mitigating claims.

Answer Options	Response Percent	Response Count	Response Percent	Response Count
Very Good (Above Expectations)	20.0%	3	18.2%	4
Good (Meets Expectations)	80.0%	12	54.5%	12
Fair (Below Expectations)	0.0%	0	27.3%	6
Poor (Does Not Meet Expectations)	0.0%	0	0.0%	0
N/A (Don't have sufficient experience to evaluate)	0.0%	0	0.0%	0
Comment (please provide specific example where appropriate)		1		4
		answered question		22
		skipped question		0

Number	Response Date	Comment (please provide specific example where appropriate)	Categories
1	Feb 7, 2017 8:11 PM	Could have a little more interaction on decision deciding	

11. Overall level of satisfaction.

Answer Options	Response Percent	Response Count	Response Percent	Response Count
Very Good (Above Expectations)	20.0%	3	27.3%	6
Good (Meets Expectations)	80.0%	12	54.5%	12
Fair (Below Expectations)	0.0%	0	18.2%	4
Poor (Does Not Meet Expectations)	0.0%	0	0.0%	0
N/A (Don't have sufficient experience to evaluate)	0.0%	0	0.0%	0
Comment (please provide specific example where appropriate)		0		5
		answered question		22
		skipped question		0

12. Should NCCSIF issue an RFP for Workers' Compensation TPA services in the near future?

Answer Options	Response Percent	Response Count	Response Percent	Response Count
Yes	20.0%	3	40.9%	9
No	80.0%	12	59.1%	13
Comment (please provide specific example where appropriate)		2		9
		answered question		22
		skipped question		0

Number	Response Date	Comment (please provide specific example where appropriate)	Categories
1	Mar 8, 2017 5:20 AM	York appears to be meeting or exceeding most if not all of the performance plan goals and objectives.	
2	Feb 8, 2017 4:48 PM	It wouldn't be a bad idea to see what else is out there and how they compare to York.	

13. Who is your Workers' Compensation Claims Examiner?

Answer Options	Response Count	Response Count
	15	22
answered question	15	22
skipped question	0	0

Number	Response Date	Response Text	Categories
1	Mar 8, 2017 5:24 PM	Kara Kennedy	
2	Mar 8, 2017 5:20 AM	Sara Marshall	
3	Mar 8, 2017 12:02 AM	Kara Kennedy	
4	Mar 2, 2017 12:51 AM	Rachelle Duesing	
5	Mar 1, 2017 12:46 AM	Cristal Rhea	
6	Feb 28, 2017 4:25 PM	Work with Rachelle	
7	Feb 27, 2017 11:28 PM	Have gone through several people so it has been difficult to build relationships. I currently am not sure Rachelle Duesing, Kristin Maddox, Rebecca Summers?	
8	Feb 27, 2017 11:18 PM	Jennifer Gorgen	
9	Feb 8, 2017 4:48 PM	Cristal Rhea	
10	Feb 7, 2017 8:17 PM	Kara Kennedy	
11	Feb 7, 2017 8:11 PM	Rachelle Duesing	
12	Feb 7, 2017 6:44 PM	Sara Marshall	
13	Feb 7, 2017 5:47 PM	I don't know. I believe this changed recently.	
14	Feb 7, 2017 5:17 PM	Kara Kennedy	
15	Feb 7, 2017 1:08 AM	Sara Marshall	

14. Please provide any comments on what York is doing well and/or needs to improve on?

Answer Options	Response Count	Response Count
	15	22
<i>answered question</i>	15	22
<i>skipped question</i>	0	0

Number	Response Date	Response Text	Categories
1	Mar 8, 2017 5:24 PM	Kara is well organized, professional and provides great feedback.	
2	Mar 8, 2017 5:20 AM	Continue to encourage cities to maintain return to work programs.	
3	Mar 8, 2017 12:02 AM	They are providing excellent service. Needs for improvement is not identified at this time.	
4	Mar 2, 2017 12:51 AM	n/a	
5	Mar 1, 2017 12:46 AM	Staff retention is an issue. The level of turnover should be a signal.	
6	Feb 28, 2017 4:25 PM	None	
7	Feb 27, 2017 11:28 PM	Would like one point of contact on all WC claims.	
8	Feb 27, 2017 11:18 PM	I have had no problems with York. Even when my claims adjuster suddenly left, Jennifer picked the ball up and ran with it! She has been very helpful.	
9	Feb 8, 2017 4:48 PM	Continue to provide regular communication on cases.	
10	Feb 7, 2017 8:17 PM	Kara and Dori have been very responsive and we hope to continue working with them as a team to manage our claims as successfully as possible.	
11	Feb 7, 2017 8:11 PM	Keep Rachelle Duesing	
12	Feb 7, 2017 6:44 PM	satisfied with performance	
13	Feb 7, 2017 5:47 PM	York does a great job. Very happy with their service.	
14	Feb 7, 2017 5:17 PM	n/a	
15	Feb 7, 2017 1:08 AM	Have answered questions specific to claims very well.	

15. Would you like to speak to an Alliant Representative regarding the service you're receiving from York?

Answer Options	Response Percent	Response Count	Response Percent	Response Count
Yes	0.0%	0	9.1%	2
No	100.0%	15	90.9%	20
If yes, please contact Marcus Beverly via email at Marcus.Beverly@alliant.com or by		0		1
<i>answered question</i>		15		22
<i>skipped question</i>		0		0

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

This Second Amendment, dated as of July 1, 2016, to that certain Workers' Compensation Self-Insurance Claims Administration Agreement dated as of July 12, 2010 and as subsequently amended (collectively the "Agreement") by and between Northern California Cities Self Insurance Fund ("Client") and York Insurance Services Group, Inc. - California, the obligations of which were later assigned to York Risk Services Group, Inc. ("York");

WITNESSETH

WHEREAS, York has moved to a new corporate office and herein provides notice of the address change for purposes of Client providing any notice to York as required by the Agreement;

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

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

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

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

"This term of this Agreement has been further extended from July 1, 2016 through June 30, 2019."

2. Section 2(a) shall be revised to add the following thereto:

York's monthly Claims Administration fee shall be revised as follows:

- Effective July 1, 2016, the monthly Claims Administration fee shall increase by 1% over the fees paid prior to such date.
- Effective July 1, 2017, the monthly Claims Administration fee shall increase by the 3%, provided however, that if the Client does not agree with such increase, it may, prior to July 1, 2017, request in writing an alternative increase (such request, an "Alternative Increase Request"), and failing agreement by the Parties on the amount of increase, the Agreement will terminate 60 days following the delivery of the Alternative Increase Request.
- Effective July 1, 2018, the monthly Claims Administration fee shall increase by 2% provided however, that if the Client does not agree with such increase, it may, prior to July 1, 2018, provide an Alternative Increase Request, and failing agreement by the Parties on the amount of increase, the Agreement will terminate 60 days following the delivery of the Alternative Increase Request.

Section 2(a) shall also be amended to provide that from and after July 1, 2016, the Bill Review fee shall be a flat rate of \$11.75 per bill.

3. The Agreement is hereby revised so that any notice to York shall be sufficient if sent via certified or express mail (with capacity to demonstrate receipt) and addressed to:

York Risk Services Group, Inc.
Attn: Jody Moses
333 City Blvd W #1500
Orange, CA 92868

with a copy to:
York Risk Services Group, Inc.
Attn: General Counsel
One Upper Pond Road, Building F, Fourth Floor,
Parsippany, New Jersey 07054.

Any notice to Client shall be sufficient if sent via certified or express mail (with capacity to demonstrate receipt) and addressed to:

NCCSIF c/o Alliant Insurance Services, Inc.
2180 Harvard Street, Suite 460
Sacramento CA 95815

4. Except as noted above, the Agreement shall remain unchanged.

In witness whereof, the parties have executed this amendment to be effective as of July 1, 2016.

NORTHERN CALIFORNIA CITIES SELF
INSURANCE FUND

YORK RISK SERVICES GROUP, INC.

By: 

Name: David R. Warren

By: 

Jody Moses,
Senior Vice President



BACK TO AGENDA

Northern California Cities Self Insurance Fund
Executive Committee Meeting
March 23, 2017

Agenda Item G.10.

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.



BACK TO AGENDA

Northern California Cities Self Insurance Fund
Executive Committee Meeting
March 23, 2017

Agenda Item H.

INFORMATION ITEMS

INFORMATION ITEM

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

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

FISCAL IMPACT: None.

BACKGROUND: None

ATTACHMENT(S):

1. Glossary of Terms
2. NCCSIF Organizational Chart
3. NCCSIF 2017 Meeting Calendar
4. NCCSIF Vendor Services Matrix
5. NCCSIF Resource Contact Guide
6. NCCSIF Travel Reimbursement

GLOSSARY OF TERMS

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

GLOSSARY OF TERMS

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

GLOSSARY OF TERMS

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

GLOSSARY OF TERMS

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

GLOSSARY OF TERMS

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

GLOSSARY OF TERMS

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

GLOSSARY OF TERMS

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

GLOSSARY OF TERMS

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

GLOSSARY OF TERMS

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

2017 NCCSIF Organizational Chart

MEMBER ENTITY	BOARD OF DIRECTORS	BOARD ALTERNATES	RISK MANAGEMENT COMMITTEE	POLICE RISK MANAGEMENT COMMITTEE
City of ANDERSON	EC Liz Cottrell	Jeff Kiser	Liz Cottrell	Chief Michael L. Johnson
City of AUBURN	Nita Wracker	<i>Vacant</i>	Shari Harris	Chief John Ruffcorn (Chair)
City of COLUSA	EC Toni Benson	<i>Vacant</i>	<i>Vacant</i>	Chief Josh Fitch
City of CORNING	EC Kristina Miller	Tom Watson	Tom Watson	Chief Jeremiah Fears
City of DIXON	Michelle Pellegrino	Kim Stalie	Michelle Pellegrino	Michelle Pellegrino
City of ELK GROVE	Brad Koehn	Kara Reddig	Jim Ramsey	Lieutenant Jeff Scott
City of FOLSOM	Jim Francis	Kristine Haile	Kristine Haile	Chief Cynthia Renaud
City of GALT	EC / CJPRMA Rep. Paula Islas	Steven Rudolph	Paula Islas	Chief Tod Sockman
City of GRIDLEY	Matt Michaelis	Elisa Arteaga	Matt Michaelis	Chief Dean Price
City of IONE	Jon Hanken	Anna Daneri	Jon Hanken	Chief Tracy Busby
City of JACKSON	<i>Vacant</i>	Dalacie Blankenship	Dalacie Blankenship	Chief Scott Morrison
City of LINCOLN	Astrida Trupovnieks	Ruthann Codina	Astrida Trupovnieks	Sergeant Brent Craft
City of MARYSVILLE	EC Satwant Takhar	Walter Munchheimer	Satwant Takhar	Chief Aaron W. Easton
City of NEVADA CITY	S / EC Corey Shaver	Catrina Olson	Corey Shaver	Chief Tim Foley
City of OROVILLE	VP / EC / CC Liz Ehrenstrom (Vice-Chair)	<i>Vacant</i>	Liz Ehrenstrom (Chair)	Asst. Chief Allen Byers
Town of PARADISE	Gina Will	Crystal Peters	Crystal Peters	Lieutenant Eric Reinbold
City of PLACERVILLE	P / EC / CC Dave Warren (Chair)	Cleve Morris	Dave Warren	Commander Kim Nida
City of RED BLUFF	EC Sandy Ryan	Anita Rice	Sandy Ryan	Chief Kyle Sanders (Vice-Chair)
City of RIO VISTA	Donna Lee	Robert Hickey	Donna Lee	Chief Dan Ruden
City of ROCKLIN	Kimberly Sarkovich	Jason Johnson	Kimberly Sarkovich	Chief Chad Butler
City of WILLOWS	T / EC / CC Tim Sailsbery	<i>Vacant</i>	Wayne Peabody	Chief Jason Dahl
City of YUBA CITY	EC / CC Natalie Springer	Robin Bertagna	Natalie Springer	Chief Robert Landon

OFFICERS

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

EC = Executive Committee
CC = Claims Committee **2017 CC tbd at 3/23/2017 Meeting**

PROGRAM ADMINISTRATORS (Alliant Insurance Services)
Marcus Beverly
Michael Simmons
Raychelle Maranan
Michelle Minnick
Joan Crossley

CLAIMS ADMINISTRATORS (York Risk Services)
Dorienne Zumwalt
Jeff Ponta (Workers' Comp)
Cameron Dewey (Liability)

RISK CONTROL CONSULTANTS (Bickmore)
Enriqueta (Henri) Castro
Tom Kline
Jeff Johnston

ADVISORS
Byrne Conley (Legal)
James Marta (Accounting)
Alana Theiss (Accounting)



2017 MEETING CALENDAR

- February 2, 2017..... **Police Risk Management Committee** - 10:00 a.m.

- March 23, 2017..... **Claims Committee** - 10:00 a.m.
Executive Committee - 11:30 a.m.

- April 27, 2017..... **Risk Management Committee** - 10:00 a.m.
Board of Directors - 12 noon

- May 4, 2017..... **Police Risk Management Committee** - 10:00 a.m.

- May 18, 2017..... **Claims Committee** - 10:00 a.m.
Executive Committee - 11:30 a.m.

- June 15, 2017..... **Risk Management Committee** - 10:00 a.m.
Board of Directors - 12 noon

- August 3, 2017 **Police Risk Management Committee** - 10:00 a.m.

- September 21, 2017 **Claims Committee** - 10:00 a.m.
Executive Committee - 11:30 a.m.

- Thursday, October 19, 2017 **Risk Management Committee** Expanded Meeting- 10:00 a.m.
(Claims Analysis)
Board of Directors - 12:30 p.m.
(Finance Focus)

- November 2, 2017 **Police Risk Management Committee** - 10:00 a.m.

- December 7, 2017..... **Board of Directors** - 10:00 a.m. - 3:00 p.m.
(Long Range Planning)

MEETING LOCATION: Rocklin Event Center - Garden Room
2650 Sunset Boulevard, Rocklin, CA 95677

NOTE: All meetings are scheduled on Thursdays and will be held at the Rocklin Event Center, Garden Room, except for February and March, in the Ballroom.



RISK MANAGEMENT VENDOR SERVICES MATRIX

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

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

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



RISK MANAGEMENT VENDOR SERVICES MATRIX

Vendor Contact Information

Vendor Name	Contact Information	Services Provided
BRS - Bickmore Risk Services Risk Management Services Provider	Enriqueta Castro (Henri) Office: 800.541.4591, ext. 4614 Email: hcastro@brsrisk.com Website: http://riskcontrol.brsrisk.com/	<ul style="list-style-type: none"> ▪ Telephone Hotline - Questions & Guidance ▪ Hazard & Safety Assessment ▪ Program/Policy Development ▪ Ergonomic Evaluations ▪ On-site Training ▪ Safety Materials ▪ On-line Streaming Videos ▪ Webinars - WC and Liability Risk Management Topics
CSAC-EIA Excess Workers' Compensation Coverage	Travis Clemmer Kristen Calderon (video library) Office: 916.850.7300 Email: tclemmer@csac-eia.org Website: www.CSAC-EIA-eia.org	<ul style="list-style-type: none"> ▪ Program/Policy Development (additional member cost) ▪ On-site Training ▪ Safety Materials ▪ Video Library ▪ Webinars - WC Risk Management Topics
Target Solutions Web-based Resources available through CSAC-EIA	Website: http://www.targetolutions.com/eia/	<ul style="list-style-type: none"> ▪ Web-based Courses ▪ Records Management
CJPRMA - California Joint Powers Risk Management Authority Excess Liability Coverage	David Clovis - General Manager Office: 925.290.1316 Email: david@cjprma.org Website: http://www.cjprma.org/	<ul style="list-style-type: none"> ▪ Regional Training provided on a variety of Liability-related Topics





RISK MANAGEMENT VENDOR SERVICES MATRIX

Vendor Contact Information

Vendor Name	Contact Information	Services Provided
Occu-Med Pre-employment Medical Services	Bill Vogeler Office: 559.435.2800, ext. 101 Email: bvogeler@occu-med.com Website: www.occu-med.com	<ul style="list-style-type: none"> Review of Pre-placement Medical Exams Job Analysis Additional cost to Member
APIP - Alliant Property Insurance Program	Contact Marcus Beverly, Alliant Insurance Services, for questions.	<ul style="list-style-type: none"> Webinars - Property Risk Management Topics
Lexipol Police risk management policies	Contact Marcus Beverly, Alliant Insurance Services, for policy updates.	<ul style="list-style-type: none"> Police Risk Management Policies and Procedures
ACI Wellness Employee assistance program	Kathryn Mullis, Account Manager Office: 800.932.0034 Website: www.acieap.com	<ul style="list-style-type: none"> Wellness Resources Employee Assistance Program provided at an Additional Cost
CalTIP - California Transit Insurance Pool Self-insurance program for public transit operators	Lee Sorenson, Bickmore Risk Services Office: 800.541.4516. ext. 1168 Email: lsorenson@brsrisk.com Website: http://www.caltiponline.org/	<ul style="list-style-type: none"> Transit Specific Risk Management Resources for Member Cities (Auburn, Dixon, Folsom, and Lincoln)
DKF Solutions Group, LLC	David Patzer Office: 707.373.9709 Email: dpatzer@dkfsolutions.com Website: http://www.dkfsolutions.com	<ul style="list-style-type: none"> Sewer Risk Management Additional cost to member





RISK MANAGEMENT VENDOR SERVICES MATRIX

Vendor Contact Information

Vendor Name	Contact Information	Services Provided
Total Aquatic Management	Jim Wheeler Office: 510.523.3155 Email: jim@totalaquaticmanagement.com swimnjim@hotmail.com Website: http://www.totalaquaticmanagement.webs.com	<ul style="list-style-type: none">▪ Aquatic Safety services▪ Certified Pool Operator (CPO) Trainings▪ Additional cost to member





RISK MANAGEMENT VENDOR SERVICES MATRIX

<p>Telephone Hot Line Questions/Guidance</p>	<p>BICKMORE RISK SERVICES BRS is NCCSIF’s risk control services provider. Henri is your point of contact for your risk management questions and guidance.</p> <p>Enriqueta Castro, CSP (Henri) 800.541.4591, ext. 4614 Email: hcastro@brsrisk.com</p>
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<p>Hazard & Safety Assessment</p>	<p>BICKMORE RISK SERVICES A comprehensive Hazard & Safety Assessment is completed for each city to help identify risk management strengths and improvement opportunities. The assessment is used as a tool to help prioritize risk management efforts. It includes best practices in the following areas:</p> <table border="0"> <tr> <td>1. Risk Management Program Overview</td> <td>12. Emergency Response & Management</td> <td>23. Lockout-Tagout</td> </tr> <tr> <td>2. Aerial Lift Operations</td> <td>13. Employment Practices Liability</td> <td>24. Parks & Recreation Operations</td> </tr> <tr> <td>3. Aerosol Transmissible Diseases (ATD) Control</td> <td>14. Ergonomic Injury Management</td> <td>25. Personal Protection Equipment</td> </tr> <tr> <td>4. ADA Compliance</td> <td>15. Fire Department Operations</td> <td>26. Police Department Operations</td> </tr> <tr> <td>5. Animal Control Services</td> <td>16. Fire Prevention Program</td> <td>27. Respiratory Protection Program</td> </tr> <tr> <td>6. Automobile & Fleet Liability</td> <td>17. Forklifts & Powered Industrial Trucks</td> <td>28. Return-to-Work & Transitional Duty</td> </tr> <tr> <td>7. Blood Borne Pathogens ECP</td> <td>18. Hazard Communication Program</td> <td>29. Sewers Liability Management</td> </tr> <tr> <td>8. Business Continuity Plan</td> <td>19. Hearing Conservation Program</td> <td>30. Sidewalks Liability Management</td> </tr> <tr> <td>9. Confined Space Entry Program</td> <td>20. Heat Illness Prevention Program</td> <td>31. Traffic Engineering</td> </tr> <tr> <td>10. Contractor Selection & Control</td> <td>21. Information Technology</td> <td>32. Trenching & Excavation Operations</td> </tr> <tr> <td>11. Contractual Transfer of Risk</td> <td>22. Injury & Illness Prevention Program</td> <td>33. Urban Forest Management</td> </tr> <tr> <td></td> <td></td> <td>34. Work Zone Safety</td> </tr> </table>	1. Risk Management Program Overview	12. Emergency Response & Management	23. Lockout-Tagout	2. Aerial Lift Operations	13. Employment Practices Liability	24. Parks & Recreation Operations	3. Aerosol Transmissible Diseases (ATD) Control	14. Ergonomic Injury Management	25. Personal Protection Equipment	4. ADA Compliance	15. Fire Department Operations	26. Police Department Operations	5. Animal Control Services	16. Fire Prevention Program	27. Respiratory Protection Program	6. Automobile & Fleet Liability	17. Forklifts & Powered Industrial Trucks	28. Return-to-Work & Transitional Duty	7. Blood Borne Pathogens ECP	18. Hazard Communication Program	29. Sewers Liability Management	8. Business Continuity Plan	19. Hearing Conservation Program	30. Sidewalks Liability Management	9. Confined Space Entry Program	20. Heat Illness Prevention Program	31. Traffic Engineering	10. Contractor Selection & Control	21. Information Technology	32. Trenching & Excavation Operations	11. Contractual Transfer of Risk	22. Injury & Illness Prevention Program	33. Urban Forest Management			34. Work Zone Safety
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RISK MANAGEMENT VENDOR SERVICES MATRIX

Program & Policy Development	<p>BICKMORE RISK SERVICES Our risk control service includes assistance with the development and implementation of Cal/OSHA required written programs such as Injury & Illness Prevention Program, Hazard Communication Program, Aerosol Transmissible Diseases Procedures for fire and police, Bloodborne Pathogens Exposure Control Plan, etc. Our website also includes sample programs and guides.</p> <p>CSAC-EIA (Additional Cost) CSAC-EIA loss prevention specialists are available to provide assistance with program development at an additional cost to NCCSIF members. Contact CSAC-EIA directly for assistance.</p> <p>LEXIPOL NCCSIF members have access to the police risk management policies offered through Lexipol.</p>
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On-Site Training	<p>BRS On-site training is available to members on a variety of workers' compensation, liability, and EPL exposures. Training topics include, but are not limited to, Cal/OSHA program requirements, hazard inspections, accident investigation, forklift certification, driver training, sexual harassment, CPR certification, various workplace safety topics, and more. Contact Henri Castro to discuss and schedule on-site training.</p> <p>CSAC-EIA CSAC-EIA is available to conduct a variety of workers' compensation related safety training at an additional cost to members. Contact Travis Clemmer to discuss available topics and scheduling.</p> <p>CJPRMA Every year CJPRMA conducts up to five regional training workshops throughout California. In the past, topics have included contractual risk transfer, police liability, parks and recreation liability, and sidewalk liability controls. CJPRMA will send the training announcement to Alliant, who will then forward to all NCCSIF members.</p>
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RISK MANAGEMENT VENDOR SERVICES MATRIX

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



RISK MANAGEMENT VENDOR SERVICES MATRIX

Pre-Employment Medical Services

OCCU-MED

Services offered at no additional cost:

- Review of Pre-Placement Medical Exams
- Job Analysis

Services offered at an additional cost:

- Maintaining a network of qualified and trained medical providers and medical specialists for necessary exams
- Conducting job analyses and preparing job profiles and medical examination profiles
- Providing orientation of client staff in the legal/medical/risk management and human resources aspects of our service
- Scheduling and harvesting of pre-placement medical exams
- Organizing and managing return-to-work and fitness-for-duty exams
- Evaluating medical information in relation to the essential duties of jobs in a legally defensible manner (EXAMQA®)
- Communicating directly with applicants to obtain the confidential medical information that is needed for clearance for a particular job (RDQA)
- Developing “Occu-Panels” with a national laboratory that allows for the selection of only those tests for the blood chemistry panel that are compliant with state law for each job class
- Performing bill review for the medical exams performed by clinics
- Providing customized services such as OSHA Respirator Questionnaire Evaluations, Bloodborne Pathogen Programs, and clinic trainings



RISK MANAGEMENT VENDOR SERVICES MATRIX

<p>Employee Assistance & Wellness Program</p>	<p>ACI WELLNESS Services offered at no additional cost:</p> <ul style="list-style-type: none"> – Wellness The Core Platform wellness program is available to employees. It includes wellness workshops, personalized meal and exercise plans, healthy articles, healthy logs, healthy recipes, exercise tracker and log, and wellness blogs. The annual walking challenge is also available to employees and their families. <p>Services offered at an additional cost:</p> <ul style="list-style-type: none"> – Employee Assistance Program (Additional cost to members) Employees and their family members can receive up to three counseling visits per year. The family members do not need to be within the same residence. The visits are considered short-term resolution. If the person needs additional counseling, ACI will help them transition into their private insurance plan. – Legal and Financial Services (Additional cost to members) Employees and their family members have unlimited access to telephonic legal and financial services.
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<p>Transit Resources</p>	<p>CalTIP - California Transit Insurance Pool Self-insurance program for public transit operators. Member cities include Auburn, Dixon, Folsom, and Lincoln.</p> <p>Programs and Safety Materials</p> <ul style="list-style-type: none"> – System Safety Program Plan (SSPP) Development – SSPP Implementation Assessment & Follow-up Process – SAMPA Fleet Watch Paperless DMV EPN Program – Bus Operator Selection Survey (BOSS) – CalTIP Risk Profile – APTA Membership – Bus Stop Location & Design Evaluation Program – Digital Video Event Recorder System – Mobility Device Marking & Tethering Program – APTA Safety Standards – Best Practices – Bus Stop Toolkit – Pedestrian Safety Guide for Transit Agencies – Safety Posters and Flyers
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NCCSIF RESOURCE CONTACT GUIDE

<p><u>PROGRAM ADMINISTRATION</u> Alliant Insurance Services, Inc. 2180 Harvard Street, Suite 460 Sacramento, CA 95815 Main: (916) 643-2700 Fax: (916) 643-2750 www.alliant.com</p>	
SUBJECT	MAIN CONTACT
<p>JPA MANAGEMENT ISSUES</p> <ul style="list-style-type: none"> ➤ Governance - policies and procedures, program budget/funding, financial analysis, program management, personnel, contracts, consultants. ➤ Coverage - coverage questions, quotations, new members, development of shared risk program coverage agreements, RFPs for services, actuary liaison, excess insurance/additional coverage marketing (Crime coverage, etc.), program development. ➤ Risk Management - Insurance Requirements in Contracts (IRIC), third party contract review, hold harmless and indemnification clauses, risk management program planning, RFPs for JPA payment approval of budgeted funds. 	<p>Marcus Beverly Michael Simmons Raychelle Maranan Michelle Minnick Joan Crossley</p>
<p>JPA ADMINISTRATIVE ISSUES</p> <ul style="list-style-type: none"> ➤ Meetings & Compliance - agendas; minutes; development/maintenance of governing documents, development/interpretation of policies & procedures, JPA state compliance, Form 700, changes in Board members, website updates. ➤ Certificates - certificates of coverage, additions/deletions of coverages, special events liability coverage, automobile identification cards, auto/mobile equipment physical damage programs. 	<p>Raychelle Maranan Michelle Minnick Marcus Beverly Joan Crossley</p>
<p>Michael Simmons (415) 403-1425 / (925) 708-3374 cell Marcus Beverly (916) 643-2704 / (916) 660-2725 cell Raychelle Maranan (916) 643-2712 Michelle Minnick (916) 643-2715 Joan Crossley (916) 643-2708</p>	<p>msimmons@alliant.com Marcus.Beverly@alliant.com Raychelle.Maranan@alliant.com Michelle.Minnick@alliant.com jcrossley@alliant.com</p>
<p style="text-align: center;"><u>ACCOUNTING SERVICES</u> James Marta & Company CPAs 701 Howe Avenue, Suite E3 Sacramento, CA 95825 Main: (916) 993-9494 · Fax: (916) 993-9489 www.jpmpca.com</p> <p>Jim Marta - jmarta@jpmpca.com Alana Theiss - atheiss@jpmpca.com</p>	<p style="text-align: center;"><u>SAFETY & RISK CONTROL SERVICES</u> Bickmore 1750 Creekside Oaks Drive, Suite 200 Sacramento, CA 95833 Main: (800) 541-4591 Fax: (855) 242-8919 www.bickmore.net</p> <p>Henri Castro - hcastro@bickmore.net - (916) 244-1107 Police Risk Management Tom Kline - tkline@bickmore.net - (916) 244-1121</p>

NCCSIF RESOURCE CONTACT GUIDE

<p><u>CLAIMS ADMINISTRATION</u> York Risk Services Group, Inc. P.O. Box 619079 Roseville, CA 95661-9058 Main: (916) 783-0100 · Fax (866) 548-2637 www.yorkrsg.com</p>	<p><u>EMPLOYEE ASSISTANCE PROGRAM</u> ACI Specialty Benefits Corporation 6480 Weathers Place, Suite 300 San Diego, CA 92121 Main: (858) 452-1254 · Fax: (858) 452-7819 www.acispecialtybenefits.com Kathryn Mullis - kmullis@acispecialtybenefits.com</p>
CLAIMS LIABILITY CONTACTS	CLAIMS WORKERS' COMPENSATION CONTACTS
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Northern California Cities Self Insurance Fund

Travel Reimbursement Expense Form

Member Representative: _____

Entity: _____

Payee Address: _____

Meeting or Committee: _____

Date of Meeting: _____

Location of Meeting: _____

Total Mileage: _____

Payment Made to:

Signature _____ Date _____