



**NCCSIF
BOARD OF DIRECTORS
MEETING**

President
Ms. Liz Ehrenstrom
City of Oroville

Vice President
Ms. Karin Helvey
City of Gridley

Treasurer
Mr. Tim Sailsbery
City of Willows

Secretary
Ms. Gina Will
Town of Paradise

Date: Thursday, January 24, 2013
Time: 12:00 p.m.

A – Action
I – Information

Location: Peach Tree Golf and Country Club
2043 Simpson Dantoni Road
Marysville, CA 95901

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

MISSION STATEMENT

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

AGENDA

PRESENTATION

Time Certain 12:00 pm	1. Emerging Risks <i>Michael Simmons will provide a presentation to the Board of Directors regarding Emerging Risks in the Insurance Industry.</i>	I 1
	A. CALL TO ORDER	
	B. PUBLIC COMMENTS <i>This time is reserved for members of the public to address the Board of Directors on matters pertaining to NCCSIF that are of interest to them.</i>	
	C. APPROVAL OF AGENDA AS POSTED	A 1
pg. 01	D. CONSENT CALENDAR <i>All matters listed under the consent calendar are considered routine with no separate discussion necessary. Any member of the public or the Board of Directors may request any item to be considered separately.</i>	A 1
pg. 02	1. Draft Minutes of the Board of Directors Meeting October 18, 2012	
pg. 08	2. Check Register at December 31, 2012	
pg. 09	3. Investment Reports a. Chandler Asset Management Report October, November, December 2012 Short/Long Term	
pg. 21	4. Budget to Actual Report as of December 31, 2012	



pg. 24	E. ACTION TAKEN BY THE EXECUTIVE COMMITTEE	I	4
	1. 2013 Executive Committee Rotation Schedule		
	<i>The Committee approved the 2013 Executive Committee Rotation Schedule.</i>		
	2. 2013 Nominating Committee and Nomination of Officers		
	<i>The Committee appointed themselves as a Nominating Committee for election of officers and nominated officers for the 2013 Calendar Year.</i>		
	3. Resolution 13-01 Authorizing Investment of Monies in LAIF		
	<i>The Committee reviewed and recommends approval of Resolution 13-01 authorizing the new officers to deposit or withdraw monies in the Local Agency Investment Fund (LAIF).</i>		
	4. Long Range Planning Session		
	<i>The Committee reviewed the agenda for the LRP meeting and recommended removing the Financial Solvency of Members item to be discussed at the next Board of Directors Meeting.</i>		
	5. January Executive Committee Meeting		
	<i>The Committee approved a January Executive Committee Meeting Teleconference to review and solidify items discussed at the Long Range Planning Session.</i>		
	F. MINUTES AND REPORTS	I	1
	<i>Minutes and/or summary reports are provided from the Committees noted below.</i>		
pg. 26	1. Risk Management Meeting January 17, 2013 – Verbal Report		
pg. 30	2. Draft Minutes – Executive Committee Meeting January 9, 2013		
pg. 35	3. Draft Minutes – Police Risk Management Committee Meeting January 10, 2013		
	4. Draft Minutes – Risk Management Committee Meeting – October 18, 2012		
	G. ADMINISTRATION REPORTS	I	4
	1. President’s Report		
	<i>Liz Ehrenstrom will address the Board on items pertaining to NCCSIF.</i>		
	2. Program Administrator’s Report		
	<i>Susan Adams will address the Board on items pertaining to NCCSIF.</i>		
	H. FINANCIAL REPORTS		
pg. 39	1. Quarterly Financial Report for Period Ending September 30, 2012	A	1
	<i>The Board of Directors will be asked to receive and file the report from James Marta and Company.</i>		



J. JPA BUSINESS

pg. 58 **1. REVIEW OF ITEMS DISCUS SED DURING THE LONG RANGE A 1**
PLANNING MEETING

Staff will provide the Board with an update on the items discussed and direction given to staff at the Long Range Planning Session. The Board will be asked to review and discuss the Action Plan and recommend any changes as necessary.

a. WORKERS’ COMPENSATION PROGRAM

- pg. 59 1. Workers’ Compensation Claims Administration
- pg. 112 2. Workers’ Compensation Self Inured Retention (SIR) Analysis
- 3. Financial Impact of Confidence Levels and Discounting Rates used in
 Determining Funding of Losses
 - pg. 113 i. Confidence Levels
 - pg. 115 ii. Discount Rates
- pg. 117 4. Excess Pooling Partners
- pg. 128 5. Retrospective Rating Dividends Program

b. LIABILITY PROGRAM

- pg. 129 1. Liability Self Inured Retention (SIR) Analysis
- 2. Financial Impact of Confidence Levels and Discounting Rates used in
 Determining Funding of Losses
 - pg. 133 i. Confidence Levels
 - pg. 135 ii. Discount Rates
- pg. 138 3. Excess Pooling Partners
- pg. 139 4. Retrospective Rating Dividends Program

2. 2013 GOVERNANCE

- pg. 140 **a. 2013 Executive Committee Rotation Schedule** A 1
The Board of Directors will be asked to review and approve the 2013 Executive Committee Rotation Schedule.

- pg. 144 **b. 2013 Slate of Officers** A 1
The Board of Directors will be asked to review and approve the 2013 Slate of Officers.

pg. 146 **3. RESOLUTION 13-01 AUTHORIZING INVESTMENTS OF MONIES IN A 1**
LAIF

The Board of Directors will be asked to review and approve Resolution 13-01 authorizing the new officers to deposit or withdraw monies in the Local Agency Investment Fund (LAIF).



pg. 148	4. 2013/14 INSURANCE MARKET UPDATE & RENEWAL MARKETING PLAN	A	1
	<i>The Board of Directors will be asked to review and approve the 2013/14 Insurance Renewal Marketing Plan.</i>		
pg. 151	5. NCCSIF BYLAWS PROPOSED AMENDMENT	A	1
	<i>The Board of Directors will be asked to review, approve and/or make recommendations to the proposed NCCSIF ByLaws Amendment.</i>		
	6. NCCSIF RETROSPECTIVE RATING PROGRAM AMENDMENTS		
	<i>The Board of Directors will be asked to review, approve and/or make recommendations to the proposed NCCSIF Administrative Policies and Procedures:</i>		
pg. 168	a. P&P A-1- Banking Layer	A	1
pg. 171	b. P&P A-12 Shared Risk Layer	A	1
pg. 175	7. NCCSIF TARGET EQUITY PLAN AMENDMENT	A	1
	<i>The Board of Directors will be asked to review, approve and/or make recommendations to the NCCSIF Target Equity Plan Amendment.</i>		
pg. 179	8. PEPPIP PROPERTY AND CYBER LIABILITY CLAIMS REPORTING BEST PRACTICES	I	1
	<i>Alliant Insurance Services staff will provide the Board with an outline of the reporting procedure guidelines that should be followed immediately after a Property or Cyber Liability loss or incident.</i>		
pg. 192	9. 2012/2013 NCCSIF PROGRAM MANUAL	I	2
	<i>The 2012/2013 NCCSIF Program Manual will be distributed to members.</i>		
pg. 193	10. 2012 NCCSIF ANNUAL REPORT	I	2
	<i>The 2012 NCCSIF Annual Report will be distributed to members.</i>		

K. INFORMATION ITEMS

pg. 194	1. Annual PARMA Conference – Feb. 3-6, 2013 – Ranch Mirage, CA
pg. 204	2. NCCSIF Board Members and Alternates
pg. 206	3. NCCSIF Meeting Calendar 2013
pg. 207	4. NCCSIF Travel Reimbursement Form
pg. 208	5. NCCSIF Resource Contact Guide

L. ADJOURNMENT

UPCOMING MEETINGS

- Executive Committee Meeting – March 14, 2013
- Claims Committee Meeting – March 14, 2013
- Board of Directors Meeting – April 25, 2013



Risk Management Meeting – April 25, 2013

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

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

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



CONSENT CALENDAR

ACTION ITEM

ISSUE: The Board of Directors should review items on the Consent Calendar and, if there is any item requiring clarification or amendment, such item(s) should be removed from the agenda for separate discussion. The Board of Directors should approve the Consent Calendar excluding those items pulled. Any items removed from Consent will be agendized later during the meeting as recommended by the President and approved by the Board.

FISCAL IMPACT: Unknown.

RECOMMENDATION: It is the recommendation of Staff to approve the Consent Calendar after review by the Board of Directors.

BACKGROUND: The Board places the following items on the Consent Calendar for approval. The Board may approve the Consent Calendar items as presented, or any individual may request that an item be pulled for discussion and separate action during the meeting. Remaining items would then be approved by action of the Board.

ATTACHMENT(S):

1. Draft Minutes of the Board of Directors Meeting October 18, 2012
2. Check Register at December 31, 2012
3. Investment Reports
 - a. Chandler Asset Management Report November, December 2012 – Short/Long Term
4. Budget to Actual Report as of December 31, 2012



**MINUTES OF THE
NCCSIF BOARD OF DIRECTORS MEETING
BONANZA INN CONFERENCE CENTER, YUBA CITY, CA
OCTOBER 18, 2012**

MEMBERS PRESENT

John Brewer, City of Corning
Bruce Kline, City of Folsom
Paula Islas, City of Galt
Karin Helvey, City of Gridley
Michael Daly, City of Jackson
Sheila Vanzandt, City of Lincoln
Matt Michaelis, City of Marysville
Catrina Olson, City of Nevada City
Liz Ehrenstrom, City of Oroville
Dave Warren, City of Placerville
Sandy Ryan, City of Red Bluff
Russell Hildebrand, City of Rocklin
Steve Kroeger, City of Yuba City
Gina Will, Town of Paradise

MEMBERS ABSENT

Jeff Kiser, City of Anderson
Andy Heath, City of Auburn
Shelly Kittle, City of Colusa
Steve Johnson, City of Dixon
Jane Wright, City of Ione
Marni Rittburg, City of Rio Vista
Tim Sailsbery, City of Willows

GUESTS & CONSULTANTS

Susan Adams, Alliant Insurance Services, Inc.
Johnny Yang, Alliant Insurance Services, Inc.
Laurence Voiculescu, Alliant Insurance Services, Inc.
Craig Wheaton, York Risk Services
Marcus Beverley, York Risk Services
James Marta, James Marta & Company
Matt Nethaway, Crowe Horwath
Jennifer Hill, Crowe Horwath



A. CALL TO ORDER

The meeting was called to order at 12:01 p.m.

B. PUBLIC COMMENTS

Mr. Steve Kroeger shared information on a recent ADA related claim against the City of Yuba City which was pushed forward to trial.

C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

MOTION: Dave Warren **SECOND:** Steve Kroeger **MOTION CARRIED**

LUNCHTIME SPEAKER – The Board will receive a presentation on Alliant’s Special Events Program

Mr. Johnny Yang gave a presentation to the Board of Directors regarding Alliant’s Special Events Program. This program is designed to assist members in obtaining liability coverage for specific events.

D. CONSENT CALENDAR

1. Draft minutes of the Board of Directors Meeting June 14, 2012
2. Check Register at September 30, 2012
3. Investment Reports
 - a. Chandler Asset Management Report June, July, August, September 2012 - Short/Long Term
4. Budget to Actual Report as of September 30, 2012

Mr. Kroeger requested to have Item D4 pulled for separate discussion.

A motion was made to approve the remaining items on the Consent Calendar.

MOTION: Dave Warren **SECOND:** Catrina Olson **MOTION CARRIED**

D4. Budget to Actual Report as of September 30, 2012

Mr. Kroeger asked that, going forward, this item be presented as a separate discussion item giving staff the opportunity to discuss and/or update the Board regarding budget concerns. There were no updates from staff regarding the Budget to Actual Report as presented.

A motion was made to approve Item D4. Budget to Actual Report as of September 30, 2012.

MOTION: Steve Kroeger **SECOND:** Catrina Olson **MOTION CARRIED**

E. ACTION TAKEN BY THE EXECUTIVE COMMITTEE

E1. Approval of December 2012 Long Range Planning Meeting

E2. Approved AssetWorks Contract for Property Appraisal Services

Ms. Susan Adams explained that the Executive Committee approved entering into a 2 year agreement with AssetWorks for Property Appraisal Services for NCCSIF members who are in the Property Program.

E3. Approved Continuation of Police Risk Management Committee Meetings

Ms. Adams advised that the Executive Committee approved the continuation of Quarterly Police Risk Management Committee Meetings with the next meeting in January.

E4. Approval of the Board of Directors Lunchtime Presentation Topics

F. MINUTES AND REPORTS

F1. Risk Management Meeting October 18, 2012 – Verbal Report

Ms. Liz Ehrenstrom gave a verbal report to the Board regarding the Risk Management Committee advising that the committee requested to adjust the start time of the Board of Directors meeting depending on the length of the Risk Management Committee Agenda. The option of teleconferences was also discussed depending on the Agenda. She also noted the great attendance received during the Police Risk Management Committee meeting.

Ms. Adams advised that Henri began the Risk Assessments process explaining that the process is taking more time due to the large reports, upon which Action Plans will be provided to the member cities. She then discussed upcoming regional trainings that will be held during the year. E-mails will be sent out to member cities when training sessions are made available.

F2. Draft Minutes – Executive Committee Meeting September 13, 2012

There was no discussion on this item.

F3. Draft Minutes – Police Risk Management Committee Meeting August 23, 2012

There was no discussion on this item.

F4. Minutes – Risk Management Committee Meeting June 14, 2012

There was no discussion on this item.

G. ADMINISTRATION REPORTS

G1. President's Report

Ms. Ehrenstrom had no items to report pertaining to matters of NCCSIF.

H. PRESENTATION

H1. Presentation and Acceptance of the CAJPA Accreditation with Excellence

Mr. James Marta presented the CAJPA Accreditation with Excellence plaque to Ms. Ehrenstrom.

I. FINANCIAL REPORTS

I1. Quarterly Financial Report for the Period Ending June 30, 2012

Mr. Marta gave a report to the Board on the Quarterly Financials for the period ending June 30, 2012 explaining that claims liabilities have increased and operating expenses have decreased.

A motion was made to approve the Quarterly Financial Report for the Period Ending June 30, 2012.

MOTION: Karin Helvey **SECOND:** Russell Hildebrand **MOTION CARRIED**

I2. Draft Financial Audit Year Ending June 30, 2012

Mr. Matt Nethaway from Crowe Horwath provided members with copies of the Final Financial Audit for Year Ending June 30, 2012. He explained to the Committee that there were no Audit Adjustments found in the Financial Audit.

I3. Annual Shared Risk Layer Target Equity Ratio Review

Ms. Adams advised that on an annual basis, NCCSIF compares the current claims and financial experience with the Target Equity Plan as stated in Administrative Policy and Procedure A-17, *Shared Risk Layer Plan Target Equity*.

Mr. Marta explained that Expected Liabilities currently exceed Net Assets. The Liability Shared Risk Equity is currently at -\$865,191. He advised that NCCSIF should come up with a plan to recover the Liability Shared Equity in the next three years. Mr. Marta also noted an increasing trend of Employment Practice claims in larger pools.

There was further discussion rather options which consisted of borrowing from other programs, different Self Insured Retentions and lesser to no dividend distributions. This is provided as



information only as further discussion will action will take place during the Long Range Planning Session in December.

14. NCCSIF Investment Policy

Ms. Adams explained the NCCSIF Investment Policy has been reviewed by Chandler Asset Management and James Marta and Company. Mr. Marta explained that NCCSIF's policy follows California Government Code, but within the existing policy, the summary table for permitted investments was not fully descriptive with what could be invested per state code. The proposed Revised Investment Policy includes the permitted investment table within the Appendix.

A motion was made to approve the NCCSIF Investment Policy as provided.

MOTION: Dave Warren **SECOND:** Matt Michaelis **MOTION CARRIED**

J. JPA BUSINESS

J1. SB 863 – Workers' Compensation Reform Summary

Mr. Marcus Beverly gave a presentation regarding Workers' Compensation Reform Senate Bill SB 863. SB 863 was signed into law on September 19, 2012 to be effective January 1, 2013.

J2. PEPPI Polltion Coverage Best Reporting Practices

Ms. Adams advised that Public Entities Property Insurance Program has developed a PEPPI Best Practices for Loss Reporting. This document outlines the steps that should be taken at the time of an environmental incident to assure that the Pollution coverage offered by ACE through PEPPI is fully available for claims payment.

J3. NCCSIF Long Range Planning

J3a. Long Range Planning Items List

Ms. Adams explained that the Long Range Planning Items List provides members with a working document detailing items that have developed from Long Range Planning meetings, the action to be taken and who are responsible for the status. Member Orientation visits will also be included in the future.

J3b. NCCSIF Long Range Planning Session Update

Ms. Adams advised that at the last Executive Committee meeting the Committee decided to have a separate Long Range Planning Session separate to the Board of Directors. Ms. Adams advised that the Risk Management Committee meeting directed staff to hold an entire day dedicated to the Long Range Planning Session.

Upon further discussion the Board directed staff to hold a Long Range Planning Session on December 13, 2012 with Risk Management Committee/Board of Directors Meeting to follow on January with the location open for discussion.

J4. CSAC EIA Payroll Audit 11/12 Assessment

Ms. Adams explained that CSAC EIA conducted a payroll audit for the 2011/2012 policy year and an Assessment is due to CSAC EIA for NCCSIF. She advised that there are two options available to members. One would be to have the assessments billed during the current year or to have the Assessment billed to the 13/14 CSAC EIA premium.

Mr. Marta suggested having the 11/12 Assessments adjusted to member's banking layers accordingly for the current year.

A motion was made to have the 11/12 Assessments adjusted to each member's banking layer accordingly.

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

J5. Preliminary 2013 Meeting Calendar

Ms. Adams advised that during the Risk Management Committee meeting members discussed having a full day devoted for the Long Range Planning Session.

Staff was directed to hold a Long Range Planning Session on December 13, 2012 moving the Risk Management Committee and Board of Directors meeting to January, 2013.

K. INFORMATION ITEMS

K1. NCCSIF Board Members and Alternates

K2. NCCSIF Meeting Calendar 2012

K3. NCCSIF Travel Reimbursement Form

K4. NCCSIF Resource Contact Guide

K5. Annual PARMA Conference – February 3 – 6, 2013 – Rancho Mirage, CA

The meeting was adjourned at 2:10 p.m.

Northern California Cities Self Insurance Fund
Check/Voucher Register
From 10/1/2012 Through 12/31/2012

11010 - Cash - General

Check Number	Check Description	Vendor Name	Effective Date	Check Amount
7963	System Generated Check/Voucher	Chandler Asset Management, Inc.	10/5/2012	4,680.00
7964	System Generated Check/Voucher	James Marta	10/5/2012	5,175.00
7965	System Generated Check/Voucher	Alliant Insurance Services	10/5/2012	22,500.00
7966	System Generated Check/Voucher	Occu-Med Inc.	10/5/2012	1,500.00
7967	System Generated Check/Voucher	Bickmore Risk Services Inc.	10/5/2012	8,628.34
7968	System Generated Check/Voucher	Professional Dynamics Inc.	10/5/2012	1,000.00
7969	System Generated Check/Voucher	DKF Solutions Group, LLC	10/5/2012	700.00
7970	System Generated Check/Voucher	Risk Management Services	10/5/2012	5,520.00
7971	System Generated Check/Voucher	Rescue Training Institute, Inc	10/5/2012	700.00
7972	System Generated Check/Voucher	Crowe Horwath	10/5/2012	20,000.00
7973	System Generated Check/Voucher	Catrina Olson	10/5/2012	87.69
7974	System Generated Check/Voucher	George Silva	10/5/2012	0.00 *
7975	Bonanza Inn Events Center Check	Bonanza Inn	10/18/2012	873.21
7976	System Generated Check/Voucher	York	10/19/2012	75,516.12
7977	System Generated Check/Voucher	Occu-Med Inc.	10/19/2012	1,500.00
7978	System Generated Check/Voucher	City of Anderson	10/19/2012	7,650.00
7979	System Generated Check/Voucher	Steve Johnson	10/19/2012	1,422.41
7980	System Generated Check/Voucher	James Marta	11/5/2012	5,175.00
7981	System Generated Check/Voucher	Gibbons & Conley	11/5/2012	2,858.54
7982	System Generated Check/Voucher	Bickmore Risk Services Inc.	11/5/2012	8,628.34
7983	System Generated Check/Voucher	CSAC Excess Insurance Authority	11/5/2012	22,635.00
7984	System Generated Check/Voucher	Champion Awards Enterprises	11/5/2012	43.10
7985	System Generated Check/Voucher	Crowe Horwath	11/5/2012	5,300.00
7986	System Generated Check/Voucher	Paul Nanfito	11/5/2012	116.55
7987	System Generated Check/Voucher	Sandy Ryan	11/5/2012	116.55
7988	System Generated Check/Voucher	Le Rivage Hotel	11/5/2012	500.00
7989	November 15 2012 BOD Meeting	Residence Inn	11/15/2012	314.99
7990	System Generated Check/Voucher	Chandler Asset Management, Inc.	11/20/2012	4,680.00
7991	System Generated Check/Voucher	York	11/20/2012	118,803.20
7992	System Generated Check/Voucher	Gibbons & Conley	11/20/2012	1,979.60
7993	System Generated Check/Voucher	Alliant Insurance Services	11/20/2012	22,500.00
7994	System Generated Check/Voucher	Occu-Med Inc.	11/20/2012	1,500.00
7995	System Generated Check/Voucher	Professional Dynamics Inc.	11/20/2012	2,000.00
7996	System Generated Check/Voucher	DKF Solutions Group, LLC	11/20/2012	700.00
7997	System Generated Check/Voucher	George Silva	11/20/2012	426.14
7998	System Generated Check/Voucher	York Risk Services Group, Inc.	12/5/2012	33,187.48
7999	System Generated Check/Voucher	James Marta	12/5/2012	5,175.00
8000	System Generated Check/Voucher	Gibbons & Conley	12/5/2012	950.69
8001	System Generated Check/Voucher	Alliant Insurance Services	12/5/2012	22,500.00
8002	System Generated Check/Voucher	Bickmore Risk Services Inc.	12/5/2012	8,628.34
8003	System Generated Check/Voucher	Team Trainers, LLC	12/5/2012	5,250.00
8004	System Generated Check/Voucher	Environmental Safety Training Professionals, Ltd.	12/5/2012	1,500.00
8010	System Generated Check/Voucher	Chandler Asset Management, Inc.	12/20/2012	4,686.00
8011	System Generated Check/Voucher	York	12/20/2012	43,250.00
8012	System Generated Check/Voucher	Occu-Med Inc.	12/20/2012	1,500.00
8013	System Generated Check/Voucher	MICHAEL DALY	12/20/2012	101.57
8014	System Generated Check/Voucher	Le Rivage Hotel	12/20/2012	<u>2,166.38</u>
Report Total				<u>484,625.24</u>

*Duplicate payment voided 11/9/12.

Monthly Account Statement

Northern Cal. Cities Self Ins. Fund Long Term

December 1, 2012 through December 31, 2012

Chandler Team

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

Custodian

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

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



PORTFOLIO CHARACTERISTICS

Average Duration	3.61
Average Coupon	3.00 %
Average Purchase YTM	2.24 %
Average Market YTM	0.79 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	3.95 yrs
Average Life	3.91 yrs

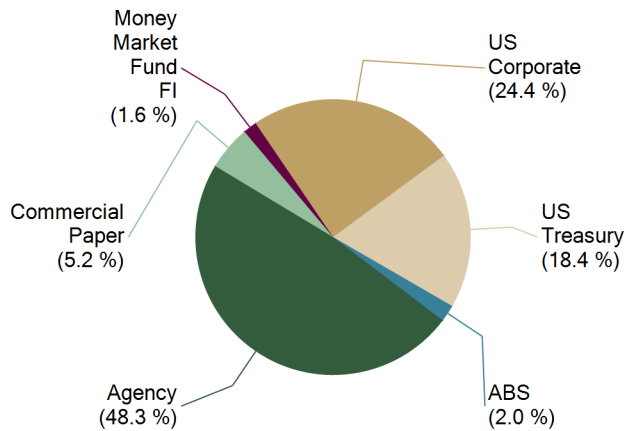
ACCOUNT SUMMARY

	Beg. Values as of 11/30/12	End Values as of 12/31/12
Market Value	23,400,864	22,337,079
Accrued Interest	179,689	149,430
Total Market Value	23,580,553	22,486,509
Income Earned	43,097	50,096
Cont/WD		-1,043,463
Par	21,664,057	20,798,169
Book Value	22,165,189	21,282,596
Cost Value	22,526,641	21,642,675

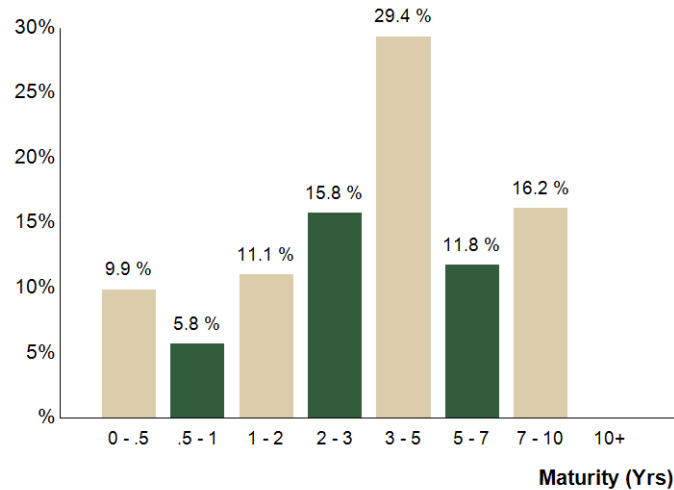
TOP ISSUERS

Issuer	% Portfolio
Government of United States	18.4 %
Tennessee Valley Authority	11.1 %
Federal Farm Credit Bank	10.1 %
Federal National Mortgage Assoc	9.5 %
Federal Home Loan Bank	9.0 %
Federal Home Loan Mortgage Corp	8.4 %
Bank of Nova Scotia	2.1 %
Toyota Motor Corp	2.1 %
Total	70.9 %

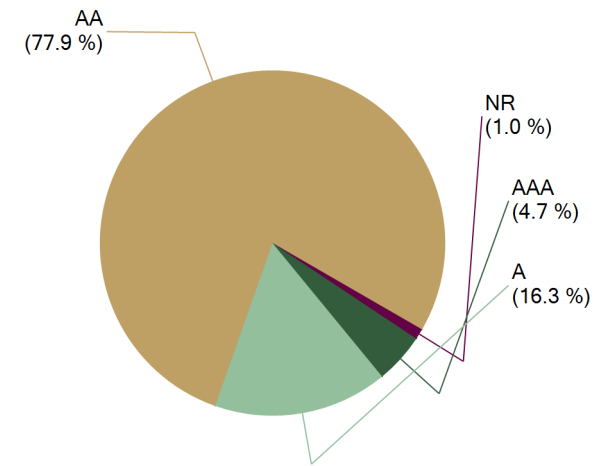
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 12/31/2012	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			Since 5/31/2006	Since 5/31/2006
					3 Yrs	5 Yrs	10 Yrs		
Northern Cal. Cities Self Ins. Fund Long Term	-0.22 %	0.16 %	2.98 %	2.98 %	4.80 %	5.05 %	N/A	5.78 %	44.79 %
1-10 yr Govt	-0.21 %	0.03 %	1.87 %	1.87 %	4.37 %	4.57 %	N/A	5.37 %	41.11 %
1-10 Year Govt/A Rated or better Corporate	-0.16 %	0.22 %	3.29 %	3.29 %	4.88 %	4.71 %	N/A	5.40 %	41.35 %



Northern California Cities Self-Insurance Fund - Long Term

December 31, 2012

COMPLIANCE WITH INVESTMENT POLICY

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

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

Monthly Account Statement

Northern Cal. Cities Self Ins. Fund Long Term

November 1, 2012 through November 30, 2012

Chandler Team

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

Custodian

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

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



PORTFOLIO CHARACTERISTICS

Average Duration	3.67
Average Coupon	3.07 %
Average Purchase YTM	2.32 %
Average Market YTM	0.74 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	4.02 yrs
Average Life	3.97 yrs

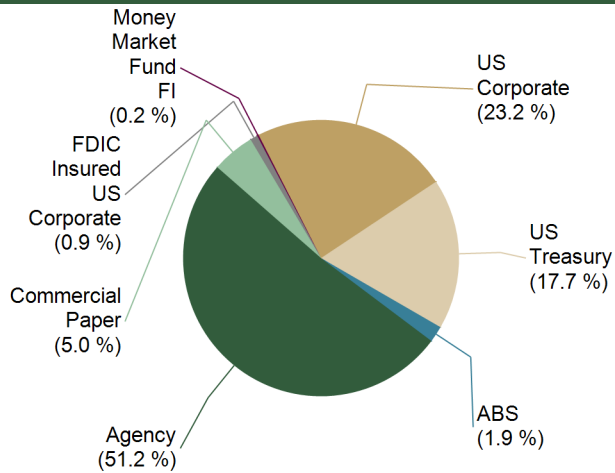
ACCOUNT SUMMARY

	Beg. Values as of 10/31/12	End Values as of 11/30/12
Market Value	23,292,120	23,400,864
Accrued Interest	195,126	179,689
Total Market Value	23,487,246	23,580,553
Income Earned	44,166	43,097
Cont/WD		0
Par	21,599,948	21,664,057
Book Value	22,106,655	22,165,189
Cost Value	22,469,680	22,526,641

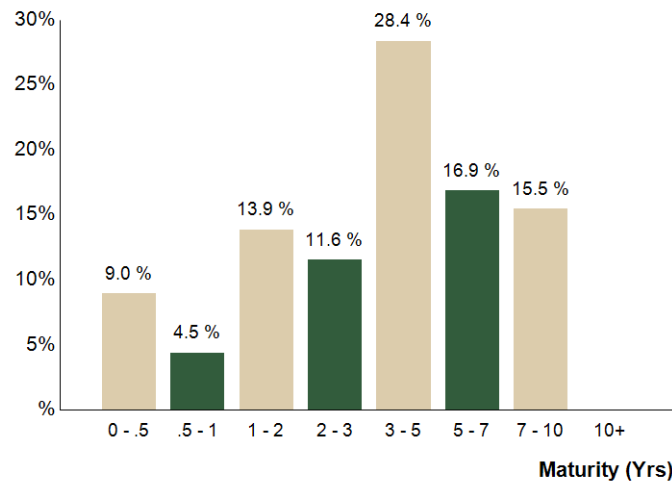
TOP ISSUERS

Issuer	% Portfolio
Government of United States	17.7 %
Federal Home Loan Mortgage Corp	12.6 %
Tennessee Valley Authority	10.8 %
Federal Farm Credit Bank	9.7 %
Federal National Mortgage Assoc	9.4 %
Federal Home Loan Bank	8.7 %
Toyota Motor Corp	2.0 %
Bank of Nova Scotia	2.0 %
Total	72.9 %

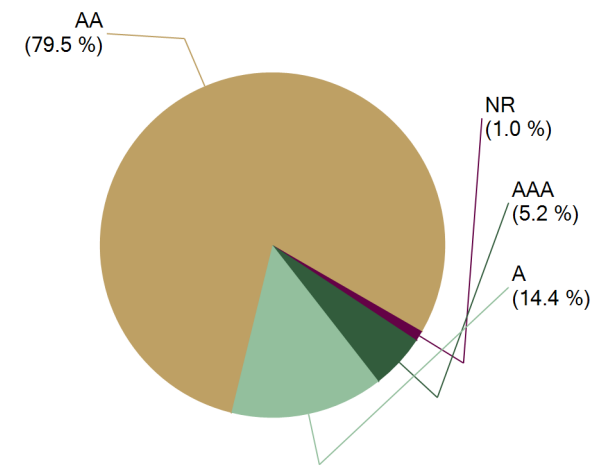
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 11/30/2012	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			Since 5/31/2006	Since 5/31/2006
					3 Yrs	5 Yrs	10 Yrs		
Northern Cal. Cities Self Ins. Fund Long Term	0.40 %	0.40 %	3.21 %	3.95 %	4.28 %	5.20 %	N/A	5.90 %	45.12 %
1-10 yr Govt	0.42 %	0.22 %	2.09 %	2.64 %	3.79 %	4.69 %	N/A	5.47 %	41.40 %
1-10 Year Govt/A Rated or better Corporate	0.38 %	0.52 %	3.46 %	4.17 %	4.34 %	4.79 %	N/A	5.49 %	41.57 %



Northern California Cities Self-Insurance Fund - Long Term

November 30, 2012

COMPLIANCE WITH INVESTMENT POLICY

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

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

Monthly Account Statement

Northern CA Cities Self Ins. Fund Short Term

December 1, 2012 through December 31, 2012

Chandler Team

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

Custodian

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

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



PORTFOLIO CHARACTERISTICS

Average Duration	2.48
Average Coupon	1.91 %
Average Purchase YTM	1.36 %
Average Market YTM	0.51 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.59 yrs
Average Life	2.54 yrs

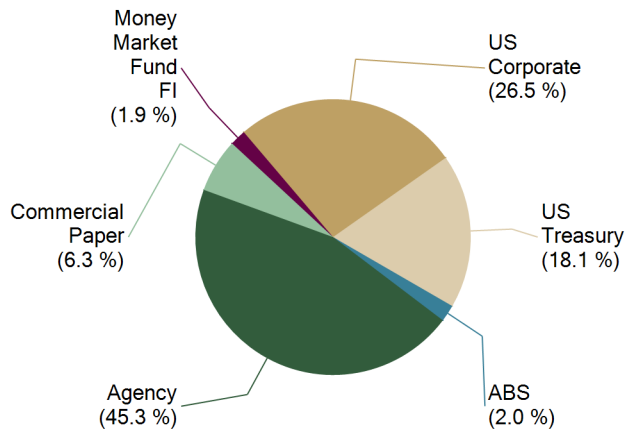
ACCOUNT SUMMARY

	Beg. Values as of 11/30/12	End Values as of 12/31/12
Market Value	22,617,277	21,654,355
Accrued Interest	106,004	99,840
Total Market Value	22,723,281	21,754,196
Income Earned	27,243	35,736
Cont/WD		-957,574
Par	21,944,926	21,058,481
Book Value	22,160,785	21,255,014
Cost Value	22,406,989	21,490,993

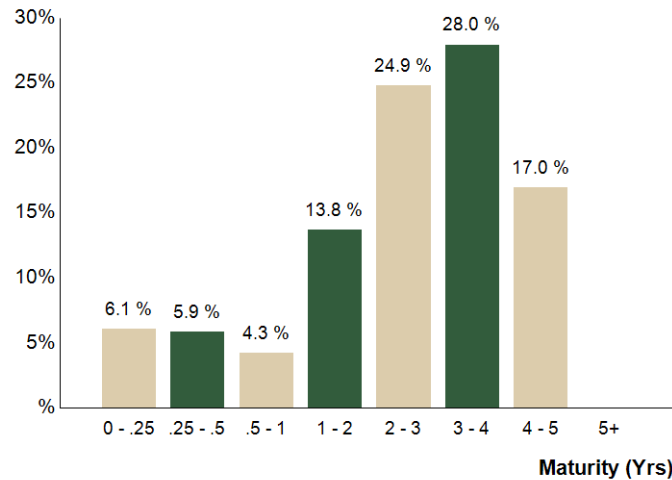
TOP ISSUERS

Issuer	% Portfolio
Government of United States	18.1 %
Federal Farm Credit Bank	12.4 %
Federal National Mortgage Assoc	11.6 %
Federal Home Loan Mortgage Corp	10.2 %
Federal Home Loan Bank	7.7 %
Tennessee Valley Authority	3.3 %
Bank of Nova Scotia	3.1 %
Toyota Motor Corp	2.2 %
	68.6 %

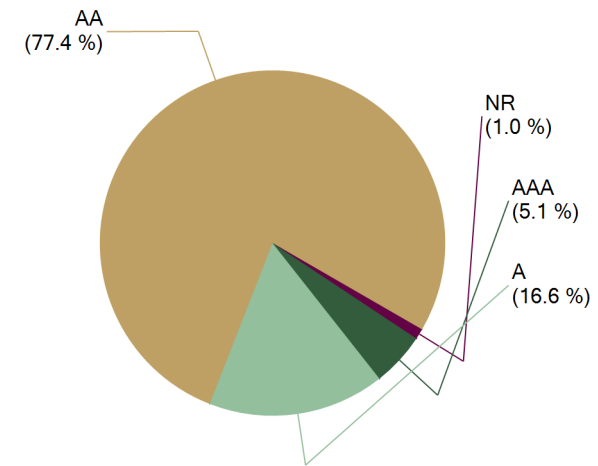
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 12/31/2012	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 %	0.15 %	1.85 %	1.85 %	2.87 %	3.84 %	3.72 %	4.89 %	104.77 %
1-5 yr Govt	-0.05 %	0.06 %	0.98 %	0.98 %	2.54 %	3.35 %	3.36 %	4.54 %	94.59 %
1-5 Year Govt/A Rated or better Corporate	-0.02 %	0.15 %	1.97 %	1.97 %	2.97 %	3.55 %	3.51 %	4.71 %	99.44 %



Northern California Cities Self-Insurance Fund - Short Term

December 31, 2012

COMPLIANCE WITH INVESTMENT POLICY

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

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

Monthly Account Statement

Northern CA Cities Self Ins. Fund Short Term

November 1, 2012 through November 30, 2012

Chandler Team

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Custodian

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

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



PORTFOLIO CHARACTERISTICS

Average Duration	2.43
Average Coupon	2.04 %
Average Purchase YTM	1.47 %
Average Market YTM	0.50 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.55 yrs
Average Life	2.49 yrs

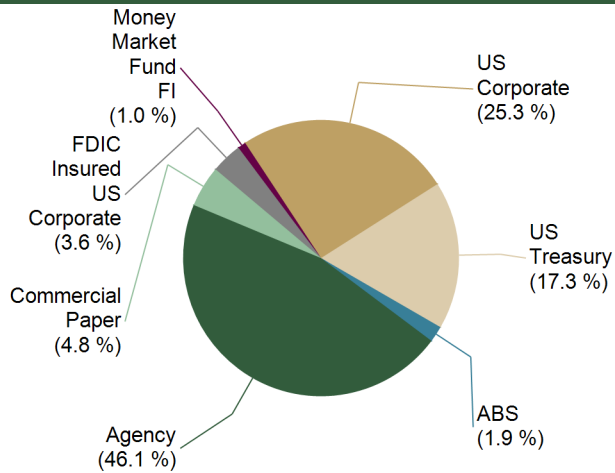
ACCOUNT SUMMARY

	Beg. Values as of 10/31/12	End Values as of 11/30/12
Market Value	22,559,067	22,617,277
Accrued Interest	109,468	106,004
Total Market Value	22,668,535	22,723,281
Income Earned	28,005	27,243
Cont/WD		0
Par	21,912,407	21,944,926
Book Value	22,130,078	22,160,785
Cost Value	22,366,550	22,406,989

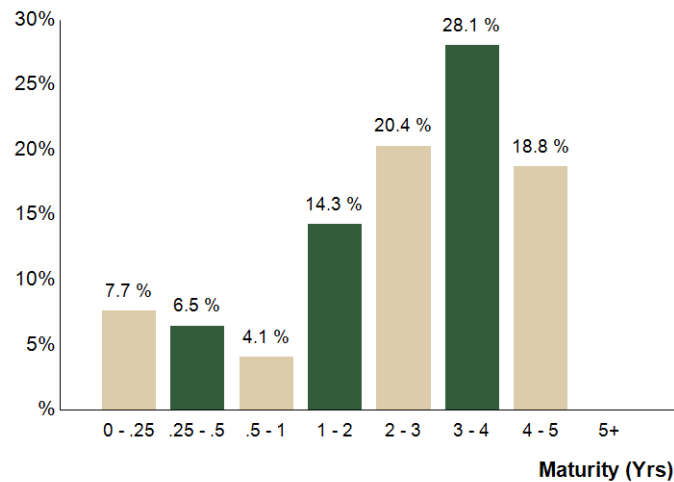
TOP ISSUERS

Issuer	% Portfolio
Government of United States	17.3 %
Federal National Mortgage Assoc	13.2 %
Federal Home Loan Mortgage Corp	11.6 %
Federal Farm Credit Bank	10.7 %
Federal Home Loan Bank	7.4 %
Tennessee Valley Authority	3.1 %
Bank of Nova Scotia	2.1 %
Toyota Motor Corp	2.1 %
Total	67.6 %

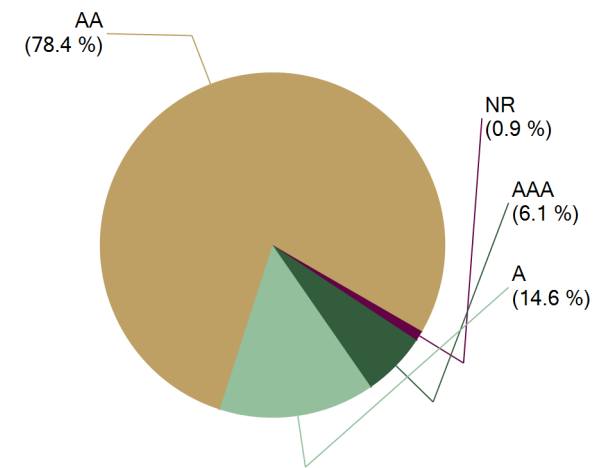
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 11/30/2012	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	0.24 %	0.24 %	1.90 %	2.22 %	2.53 %	3.92 %	3.86 %	4.93 %	104.88 %
1-5 yr Govt	0.22 %	0.11 %	1.02 %	1.20 %	2.16 %	3.43 %	3.49 %	4.57 %	94.68 %
1-5 Year Govt/A Rated or better Corporate	0.18 %	0.26 %	1.96 %	2.22 %	2.60 %	3.60 %	3.66 %	4.74 %	99.42 %



Northern California Cities Self-Insurance Fund - Short Term

November 30, 2012

COMPLIANCE WITH INVESTMENT POLICY

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

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

NCCSIF
 Budget to Actual Report with Historical Data
 Fiscal Year 2012-2013
 As of December 31, 2012

	Budget 2012-2013			YTD Expended 2012-2013			Remaining 2012-2013		
	Total	WC	Liab	Total	WC	Liab	Total	WC	Liab
ADMIN BUDGET									
Administrative Revenue									
41010 Administrative Deposit	\$ 1,032,150	\$ 534,925	\$ 497,225	\$ 516,076	\$ 267,463	\$ 248,613	\$ 516,074	\$ 267,462	\$ 248,612
44030 Change in Fair Value	-	-	-	(5,237)	(3,521)	(1,716)	5,237	3,521	1,716
44040 Interest Income	-	-	-	12,282	9,000	3,282	(12,282)	(9,000)	(3,282)
44080 Risk Management Grants	-	-	-	174,207	174,207	-	(174,207)	(174,207)	-
Total Admin Revenue	\$ 1,032,150	\$ 534,925	\$ 497,225	\$ 697,328	\$ 447,149	\$ 250,179	\$ 334,822	\$ 87,776	\$ 247,046
Administrative Expenses									
52101 Claims Audit	\$ -	\$ -	\$ -	\$ 5,520	\$ -	\$ 5,520	\$ (5,520)	\$ -	\$ (5,520)
52102 Financial Audit	25,500	12,750	12,750	25,300	12,650	12,650	200	100	100
52103 Legal Services	10,000	5,000	5,000	11,199	5,600	5,600	(1,199)	(600)	(600)
52104 Actuarial Services	10,000	4,000	6,000	-	-	-	10,000	4,000	6,000
52105 Computer Services	-	-	-	-	-	-	-	-	-
52106 JPA Accreditation	-	-	-	-	-	-	-	-	-
52107 Fidelity Bonds	2,000	1,000	1,000	626	313	313	1,374	687	687
52109 Miscellaneous Consultants	5,000	2,500	2,500	-	-	-	5,000	2,500	2,500
XXXXX Errors & Omissions	-	-	-	-	-	-	-	-	-
Total Admin Expenses	\$ 52,500	\$ 25,250	\$ 27,250	\$ 42,646	\$ 18,563	\$ 24,083	\$ 9,855	\$ 6,687	\$ 3,167
Safety Services									
52200 Safety Service	\$ 40,000	\$ 40,000	\$ -	\$ 15,194	\$ 14,444	\$ 750	\$ 24,806	\$ 25,556	\$ (750)
52201 Risk Mgmt Comm Services	30,000	15,000	15,000	8,885	4,443	4,443	21,115	10,557	10,557
52202 Risk Mgmt Comm Mtg Expense	1,000	500	500	-	-	-	1,000	500	500
52203 Police Risk Mgmt Comm Svcs	5,000	2,500	2,500	1,500	750	750	3,500	1,750	1,750
52204 On Site	115,000	60,000	55,000	52,470	26,235	26,235	62,530	33,765	28,765
XXXXX Yuba City On Site	-	-	-	-	-	-	-	-	-
52205 Hot Line	-	-	-	-	-	-	-	-	-
52206 Safety Library	-	-	-	-	-	-	-	-	-
52207 Seminars and PARMA	63,200	23,200	40,000	3,956	1,444	2,512	59,244	21,756	37,488
52208 Police Risk Mgmt Manual	100,000	-	100,000	92,650	-	92,650	7,350	-	7,350
52209 Safety Contingency	-	-	-	-	-	-	-	-	-
52210 Process Safety Mgmt Program	-	-	-	-	-	-	-	-	-
52211 Website Development	-	-	-	-	-	-	-	-	-
XXXXX TargetSolutions Fire Training Module	38,000	-	38,000	-	-	-	-	-	-
52212 Safety Service - Other do not use	-	-	-	-	-	-	-	-	-
52214 OCCUMED	23,000	23,000	-	8,500	8,500	-	14,500	14,500	-
52215 Online Risk Management Services	20,000	10,000	10,000	14,837	7,168	7,668	5,163	2,832	2,332
52216 Backsafe	-	-	-	3,446	3,446	-	(3,446)	(3,446)	-
52217 Wellness Optional	12,100	12,100	-	-	-	-	12,100	12,100	-
Total Safety Services Expenses	\$ 447,300	\$ 186,300	\$ 261,000	\$ 201,438	\$ 66,430	\$ 135,008	\$ 207,862	\$ 119,870	\$ 87,992
Claims Administration									
52302 Claims Administration Fee	\$ 49,250	\$ 28,350	\$ 20,900	\$ 49,250	\$ 49,250	\$ -	\$ -	\$ (20,900)	\$ 20,900
52303 Fraud Hotline	-	-	-	-	-	-	-	-	-
52305 MPN Services	12,000	12,000	-	6,000	5,000	1,000	6,000	7,000	(1,000)
52304 State Funding/Fraud Assessment	120,000	120,000	-	-	-	-	120,000	120,000	-
Total Claims Admin Expenses	\$ 181,250	\$ 160,350	\$ 20,900	\$ 55,250	\$ 54,250	\$ 1,000	\$ 126,000	\$ 106,100	\$ 19,900
Program Administration									
52401 Program Administration Fee	\$ 270,000	\$ 122,475	\$ 147,525	\$ 135,000	\$ 62,281	\$ 72,719	\$ 135,000	\$ 60,194	\$ 74,806

	Budget 2012-2013			YTD Expended 2012-2013			Remaining 2012-2013		
52403 Accounting Services	62,100	31,050	31,050	31,060	15,530	15,530	31,040	15,520	15,520
Total Program Admin Expenses	\$ 332,100	\$ 153,525	\$ 178,575	\$ 166,060	\$ 77,811	\$ 88,249	\$ 166,040	\$ 75,714	\$ 90,326
Board Expenses									
52501 Executive Committee	\$ 2,000	\$ 1,000	\$ 1,000	\$ 2,166	\$ 1,083	\$ 1,083	\$ (166)	\$ (83)	\$ (83)
52502 Executive Committee Member Travel	5,000	2,500	2,500	270	135	135	4,730	2,365	2,365
52503 Board of Directors Meetings (includes Tr	6,000	3,000	3,000	2,418	1,209	1,209	3,582	1,791	1,791
XXXXX Board of Directors Long Range Planning	-	-	-	-	-	-	-	-	-
52504 Association Memberships	6,000	3,000	3,000	-	-	-	6,000	3,000	3,000
Total Board Expenses	\$ 19,000	\$ 9,500	\$ 9,500	\$ 4,854	\$ 2,427	\$ 2,427	\$ 14,146	\$ 7,073	\$ 7,073
Other Administration Expenses - Not identified with above budget line items									
52000 Administrative Expense	-	-	-	-	-	-	-	-	-
52001 Administration Expense - Other	-	-	-	-	-	-	-	-	-
Total Other Admin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency Reserves	-	-	-	-	-	-	-	-	-
Total Admin Expenses	\$ 1,032,150	\$ 534,925	\$ 497,225	\$ 470,248	\$ 219,481	\$ 250,767	\$ 523,903	\$ 315,444	\$ 208,458
TOTAL ADMIN REVENUE OVER EXPENSES	\$ -	\$ -	\$ -	\$ 227,080	\$ 227,668	\$ (588)	\$ (189,081)	\$ (227,668)	\$ 38,588
BANKING LAYER BUDGET									
Banking Layer Revenue									
41020 Banking Layer Deposit	\$ 5,349,790	\$ 3,862,019	\$ 1,487,771	\$ 2,670,258	\$ 1,926,370	\$ 743,888	\$ 2,679,532	\$ 1,935,649	\$ 743,883
41050 Banking Layer Refund	-	-	-	-	-	-	-	-	-
43010 Banking Layer Assessment	-	-	-	-	-	-	-	-	-
41060 Liab Shared Risk Layer Transfer	-	-	-	-	-	-	-	-	-
44020 CJPRMA Refund Transfer	(304,007)	-	(304,007)	-	-	-	(304,007)	-	(304,007)
44030 Change in Fair Value	-	-	-	(216,907)	(147,168)	(69,739)	216,907	147,168	69,739
44040 Interest Income	-	-	-	485,782	331,245	154,537	(485,782)	(331,245)	(154,537)
44010 Other Income	-	-	-	10,517	5,365	5,152	(10,517.00)	(5,365.00)	(5,152.00)
Total Banking Layer Revenue	\$ 5,045,783	\$ 3,862,019	\$ 1,183,764	\$ 2,949,650	\$ 2,115,812	\$ 833,838	\$ 2,096,133	\$ 1,746,207	\$ 349,926
Banking Layer Expenses									
51100 Claims Paid*	\$ 4,547,000	\$ 3,638,000	\$ 909,000	\$ 7,015,452	\$ 4,785,948	\$ 2,229,504	\$ (2,468,452)	\$ (1,147,948)	\$ (1,320,504)
51110 Claims Refunds*	-	-	-	(2,020)	(2,020)	-	2,020	2,020	-
51000 Claims Adjusting Fee*	924,000	519,000	405,000	-	-	-	924,000	519,000	405,000
43030 Banking Layer Refund	-	-	-	-	-	-	-	-	-
51050 Voids - claims*	-	-	-	(22,017)	(22,017)	-	22,017	22,017	-
51115 Claims Subrogation/Recoveries*	-	-	-	(63,570)	(63,570)	-	63,570	63,570	-
51130 Claims Investigation Liab and WC*	-	-	-	-	-	-	-	-	-
51135 Claims Admin - Liability	-	-	-	218,759	-	218,759	(218,759)	-	(218,759)
51140 Claims Excess Adj*	-	-	-	(76,897)	(76,897)	-	76,897	76,897	-
51400 OS Liability Adjustment*	-	-	-	(1,432,327)	840,382	(2,272,709)	1,432,327	(840,382)	2,272,709
51800 ULAE Adjustment*	-	-	-	58,669	58,669	-	(58,669)	(58,669)	-
52300 Claims Admin - Monthly WC Only	-	-	-	259,500	259,500	-	(259,500)	(259,500)	-
Total Banking Layer Expenses	\$ 5,471,000	\$ 4,157,000	\$ 1,314,000	\$ 5,955,549	\$ 5,779,995	\$ 175,554	\$ (484,549)	\$ (1,622,995)	\$ 1,138,446
TOTAL BANKING REVENUE OVER EXPENSES	\$ (425,217)	\$ (294,981)	\$ (130,236)	\$ (3,005,899)	\$ (3,664,183)	\$ 658,284	\$ 2,580,682	\$ 3,369,202	\$ (788,520)
SHARED RISK LAYER BUDGET									
Shared Layer Revenue									
41030 Shared Risk Layer Deposit	\$ 3,195,508	\$ 1,958,283	\$ 1,237,225	\$ 1,597,755	\$ 979,142	\$ 618,613	\$ 1,597,753	\$ 979,141	\$ 618,612
41040 OS Liability Adjustment	1,402,733	602,733	800,000	701,367	301,367	400,000	701,366	301,366	400,000
41060 Shared Risk Refund	-	-	-	-	-	-	-	-	-
42000 CJPRMA / Shared Risk Admin	-	-	-	-	-	-	-	-	-
43020 Shared Risk Layer Assessment/Refund	-	-	-	-	-	-	-	-	-

	Budget 2012-2013			YTD Expended 2012-2013			Remaining 2012-2013		
XXXXX CJPRMA Refund	-	-	-	-	-	-	-	-	-
44030 Change in Fair Value	-	-	-	(112,733)	(95,681)	(17,052)	112,733	95,681	17,052
44040 Interest Income	-	-	-	267,429	226,363	41,066	(267,429)	(226,363)	(41,066)
44060 Property Premium	755,883	-	755,883	377,942	-	377,942	377,941	-	377,941
44070 Crime Premium	20,698	-	20,698	10,349	-	10,349	10,349	-	10,349
Total Shared Layer Revenue	\$ 5,374,822	\$ 2,561,016	\$ 2,813,806	\$ 2,842,109	\$ 1,411,191	\$ 1,430,918	\$ 2,532,713	\$ 1,149,825	\$ 1,382,888
Shared Layer Expenses									
51100 Claims Paid*	\$ 3,414,000	\$ 2,100,000	\$ 1,314,000	\$ (2,150,280)	\$ (2,841,489)	\$ 691,209	\$ 5,564,280	\$ 4,941,489	\$ 622,791
52401 CJPRMA/Shared Risk Layer Admin	-	-	-	-	-	-	-	-	-
54100 Excess Deposit/Premium Exp	1,402,733	602,733	800,000	643,846	322,844	321,002	758,887	279,889	478,998
54200 Safety Grant Fund	250,000	250,000	-	48,500	48,500	0	201,500	201,500	-
54150 Member Property Coverage	755,883	-	755,883	388,875	-	388,875	367,008	-	367,008
54150 Member Crime Coverage	20,030	-	20,030	-	-	-	20,030	-	20,030
43020 Shared Risk Layer Refund*	-	-	-	-	-	-	-	-	-
Total Shared Layer Expenses	\$ 5,842,646	\$ 2,952,733	\$ 2,889,913	\$ (1,069,059)	\$ (2,470,145)	\$ 1,401,086	\$ 6,911,705	\$ 5,422,878	\$ 1,488,827
TOTAL SHARED REVENUE OVER EXPENSES	\$ (467,824)	\$ (391,717)	\$ (76,107)	\$ 3,911,168	\$ 3,881,336	\$ 29,832	\$ (4,378,992)	\$ (4,273,053)	\$ (105,939)
OTHER INCOME/(EXPENSE)									
Rounding	-	-	-	(15)	(5)	(10)	-	-	-
Total Other Income/(Expense)	\$ -	\$ -	\$ -	\$ (15)	\$ (5)	\$ (10)	\$ -	\$ -	\$ -
TOTAL INCOME/(EXPENSE)	(893,041)	(686,698)	(206,343)	1,132,334	444,816	687,518	(1,987,391)	(1,131,519)	(855,871)



ACTION TAKEN BY THE EXECUTIVE COMMITTEE
INFORMATION ITEM

ISSUE: This time is allotted for President to address the Board with an overview of actions taken during the recent Executive Committee meeting that was held on November 15, 2012 and a teleconference on January 9, 2013.

FISCAL IMPACT: None.

RECOMMENDATION: None. This item is presented as information.

BACKGROUND: The Executive Committee met on November 15, 2012 and took action on the following items:

1. 2013 Executive Committee Rotation Schedule
2. 2013 Nominating Committee and Nomination of Officers
3. Resolution 13-01 Authorizing Investment of Monies in LAIF
4. Long Range Planning Session
5. January Executive Committee Meeting

The Executive Committee held a teleconference on January 9, 2013 to review the items from the Long Range Planning meeting held on December 13, 2012.

ATTACHMENTS: None.



MINUTES AND REPORTS

INFORMATION ITEM

ISSUE: Minutes and Committee Reports are provided to the Board of Directors for their information.

FISCAL IMPACT: None.

RECOMMENDATION: None. This item is presented as information.

BACKGROUND: Minutes and Committee Reports are provided to the Board of Directors for their information on other committees and excess providers meetings to provide the Board with information from these meetings.

ATTACHMENT(S):

1. Risk Management Meeting January 17, 2013 – Verbal Report
2. Draft Minutes – Police Risk Management Committee Meeting January 10, 2013
3. Draft Minutes – Executive Committee Meeting November 15, 2012
4. Minutes – Risk Management Committee Meeting October 18, 2012



**MINUTES OF THE
POLICE RISK MANGEMENT COMMITTEE MEETING
JANUARY 10, 2013**

MEMBERS PRESENT

Chief John Ruffcorn, City of Auburn
Chief Ross Stark, Cit of Colusa
Capt. Tony Welch, City of Dixon
Chief Bill Bowen, City of Galt
Asst. Chief Dean Price, City of Gridley
Chief Allen Byers, City of Oroville
Chief Paul Nanfito, City of Red Bluff
Chief Ron Lawrence, City of Rocklin
Chief Rob Landon, City of Yuba City
Sgt. Steve Rowe, Town of Paradise,

MEMBERS ABSENT

City of Anderson
City of Corning
City of Ione
City of Jackson
City of Lincoln
City of Marysville
City of Nevada City
City of Placerville
City of Willows
City of Yuba City

GUESTS & CONSULTANTS

Liz Ehrenstrom, City of Oroville
Susan Adams, Alliant Insurance Services
Johnny Yang, Alliant Insurance Services
Tom Kline, Bickmore Risk Services
Carole Barake, Bickmore Risk Services

A. CALL TO ORDER

The meeting was called to order at 10:04 a.m.

B. PUBLIC COMMENTS

Ms. Susan Adams introduced herself to the Committee as the Program Administrator for NCCSIF and also introduced Ms. Liz Ehrenstrom who was also present at the meeting as the NCCSIF president.

C. APPROVAL OF AGENDA AS POSTED

There was no discussion on this item.

D. CONSENT CALENDAR

D1. 08.23.12 Draft Police Risk Management Committee Meeting Minutes

There was no discussion on this item.

E. RISK MANAGEMENT

E1. Police Risk Management Committee Meeting Summary

Ms. Adams gave a brief update of what transpired at the Risk Management Committee meeting. Staff has done analysis on claims during the Long Range Planning losses and noted that the Police Department remains to be the remaining loss leaders for NCCSIF. She mentioned that during the 2013/2014 policy year, the Risk Management Committee will consider budgeting funds for members' Police Department. She also explained that NCCSIF has decided to lower their Self Insured Retention from \$1,000,000 to \$500,000. There was discussion on the excess carrier claims handling procedures and whether they would try to manage claims excess \$500,000 in a way not in favor of the City. Ms. Adams explained the members have expressed positive feedback on CJPRMA claims handling. She also advised the Committee that with respects the Employment Practices Claims a notice needs to be provided to CJPRMA immediately.

E2. Police Liability and Workers' Compensation Claims Analysis

Mr. Tom Kline introduced him as a Risk Control Manager with Bickmore and gave a quick background of what was discussed at the previous Police Risk Management Committee meeting. With respects to the Liability the three most frequent Causes of Loss were Auto Liability, Civil Rights and Third Party Property Damage claims. The three most sever causes of Loss were Auto Liability, Excessive Force and False Arrest.

With respects to Workers' Compensation the five most frequent Causes of Loss were Contagious Disease Exposure, Repetitive Motion, Slip & Fall, Strain and Struck by or Against. The most sever causes of Loss were Miscellaneous, Repetitive Motion, Slip and Fall, Strain and Struck by or Against.

Mr. Kline then mentioned that during the Round Table discussion the Committee also discussed exposures that may be important to consider. The exposures discussed consisted of the following: New vehicles; Tasers; Vehicle Inspection; Technology Advances; Driver Distractions; Fleet Safety.

With respects to Workers' Compensation the Committee discussed the following exposures: Weight Training; Fitness Funding; AB2451 Pension Reform; Defensive Tactics; Equipment Weight; Taser Usage; Contagious Diseases and Aerosol Transmissible Diseases. He mentioned that an Aerosol Transmissible Diseases Training is scheduled for today's meeting.

He then proceeded to explain the Police Liability and Workers' Compensation and Claims Analysis noting the Contagious Disease Exposure is being addressed today during the training session. He then discussed the breakdown of the Strain Injuries and which body part was involved. Strain claims are responsible for 388 claims at \$7,682,096 over a 10 year period.

Explaining the Liability claims, Mr. Kline noted that Civil Rights/Excessive Force/False Arrest is the leading loss leader for Police Liability Claims. He then discussed the top 10 most severe claims for Civil Rights/Excessive Force and False Arrest Claims suggesting that at the upcoming meeting a Use of Force or Officer Involved Shooting Training. He explained that the training would not be tactical training but more from an attorney's perspective.

The Committee discussed a few items be concerned about which were as follows: Medical Marijuana; Employee purchased weapons have to release weapons upon retirement; Oleoresin Capsicum and Crowd Control;

There was discussion regarding the type of training that will be provided for the upcoming training with respects to Excessive Force, False Arrest and Officer Involved Shootings. Police Chiefs wanted to be sure that the right staff personnel would be attending the training sessions. Upon further discussion it was discussed that at future PRMC meetings a brief training sessions would be provided to Police Chiefs and Captains during the meeting and a separate training be available to officers if desired.

The Committee requested that at future meetings, an attorney and the claims administrator be brought to debrief the Committee on Excessive Force, False Arrest and Officer Involved Shootings. The Committee also requested that an analysis be provide on the claimant's age with respects to Workers' Compensation strain claims.

The Committee also inquired about the claims handling procedures regarding Workers' Compensation claims. Specifically if they received a claim which they believe is a fraudulent

claim, what would York's process be in handling these claims? The committee also requested to confirm if the Police Departments are directly responsible for any claims payment with respects to investigation expenses.

E3. Round Table Discussion

G. CAL/OSHA AEROSOL TRANSMISSIBLE DISEASES (ATD) STANDARD: CONTROL PROCEDURES FOR POLICE SERVICES TRAINING

Ms. Carol Barake from Bickmore gave a presentation on the Cal/OSHA Aerosol Transmissible Diseases (ATD): Standard Control Procedures for Police Services Training. The Committee requested to have a training session or possible a regional training provided to officers who would be handling Cal/OSHA policies. Ms. Adams advised that Ms. Henri Castro from Bickmore has been out to member cities to perform Hazard and Risk Assessments and upon receipt of her findings.

H. INFORMATION ITEMS

- H1. NCCSIF Meeting Calendar 2013**
- H2. NCCSIF Resource Contact Guide**

These items were provided as information only.

I. ADJOURNMENT

The meeting was adjourned at 2:04 p.m.



**MINUTES OF THE
NCCSIF EXECUTIVE COMMITTEE MEETING
RESIDENCE INN, CHICO, CA NOVEMBER 15, 2012**

MEMBERS PRESENT

Karin Helvey, City of Gridley
Liz Ehrenstrom, City of Oroville
Tim Sailsbery, City of Willows
Steve Kroeger, City of Yuba City
Gina Will, Town of Paradise

MEMBERS ABSENT

Jeff Kiser, City of Anderson
John Brewer, City of Corning
Sandy Ryan, City of Red Bluff

GUESTS & CONSULTANTS

Michael Simmons, Alliant Insurance Services
Susan Adams, Alliant Insurance Services
Johnny Yang, Alliant Insurance Services
David Becker, James Marta & Company
Craig Wheaton, York Risk Services
Ben Burg, York Risk Services
Debra Yokota, York Risk Services

A. CALL TO ORDER

The meeting was called to order at 10:30 a.m.

B. PUBLIC COMMENTS

There were no public comments made.

C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

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

D. CONSENT CALENDAR

1. Executive Committee Teleconference Meeting Draft Minutes – September 13, 2012
2. Check Register at September 30, 2012
3. Investment Reports
 - a. LAIF as of September 30, 2012
 - b. Chandler Asset Management – Short/Long Term – October, 2012

A motion was made to approve the Consent Calendar.

MOTION: Karin Helvey **SECOND:** Tim Sailsbery **MOTION CARRIED**

E. MINUTES AND REPORTS

1. Risk Management Committee Draft Minutes – October 15, 2012
2. Board of Directors Meeting Draft Minutes – October 15, 2012
3. Claims Committee Teleconference Draft Minutes – September 13, 2012
4. CJPRMA Investment Report ending September 30, 2012
5. CSAC EIA Investment Report – Quarter ending September 30, 2012

These items are provided as information only.

F. ADMINISTRATION REPORTS

F1. President's Report

Ms. Liz Ehrenstrom had no items to address pertaining to NCCSIF.

F2. Program Administrator's Report

Ms. Susan Adams advised that members' have expressed concerns regarding Workers' Compensation Claims handling and that she was contacting the members directly to get specifics to address with York. Staff has been in contact with York Risk Services and a meeting has been scheduled for November 19th to address the issues.

Mr. Ben Burg explained that York is aware of these concerns and is working on improving their services and providing more prompt claims handling. Ms. Debra Yokota advised that York is working on obtaining new personnel in the near future which will be able to resolve members' concerns.

The Committee asked that the new claims adjusters reach out and update members on a quarterly basis. The Committee stated their concerns and is not interested in issuing a RFP for Claims Administration at this time, they want service to increase to the level it was previously at.



G. FINANCIAL REPORTS

G1. Quarterly Financial Report for Period Ending September 30, 2012

Mr. David Becker from James Marta & Company gave a report on the Quarterly Financials for period ending September 30, 2012.

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

H. JPA BUSINESS

H1. 2013 Executive Committee Rotation Schedule

Ms. Adams explained that the Executive Committee members rotate on an annual basis. The members coming off of the Executive Committee are the Cities of Anderson, Corning, Red Bluff and Willows. The Cities of Auburn, Lincoln, Nevada City and Rocklin will be coming on to the Executive Committee as their replacements. Mr. Tim Sailsbery will remain on the Executive Committee as the NCCSIF Treasurer.

A motion was made to approve the 2013 Executive Committee Rotation Schedule.

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

H2. 2013 Nominating Committee and Nomination of Officers

A motion was made to approve the 2013 Nominated Slate of Officers as follows:

President: Liz Ehrenstrom, City of Oroville
Vice President: Andy Heath, City of Auburn
Treasurer: Tim Sailsbery, City of Willows
Secretary: Gina Will, Town of Paradise

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

H3. Resolution 13-01 Authorizing Investment of Monies in LAIF

Ms. Adams advised that on an annual basis, records are updated with the Local Agency Investment Fund (LAIF) to reflect the newly elected officers of NCCSIF.

A motion was made to recommend to the Board of Directors approval of Resolution 13-01, authorizing the newly elected President, Vice President and Treasurer, authority to order the deposits or withdrawal of monies in LAIF.

MOTION: Tim Sailsbery **SECOND:** Gina Will **MOTION CARRIED**

H4. 2013 NCCSIF Board and Committee Meeting Calendar

Ms. Adams presented the 2013 NCCSIF Meeting Calendar noting the addition of the January 17, 2013 Risk Management Committee and Board of Directors meetings. The meeting has been rescheduled from its original December 13, 2012 date due to the Long Range Planning Session scheduled for December 13th.

A motion was made to approve the 2013 NCCSIF Meeting Calendar as proposed.

MOTION: Steve Kroeger **SECOND:** Gina Will **MOTION CARRIED**

H5. 2013 NCCSIF Services Calendar

Ms. Adams explained that on an annual basis, a service calendar is provided to the Executive Committee showing a timeline of the annual activities to be completed on behalf of the organization.

H6. 2013/14 Insurance Market Update and Renewal Marketing Plan

Ms. Adams provided the Executive Committee with an Insurance Market Update and relevant recommendations.

With respects to Workers' Compensation, staff recommends to continue purchasing excess coverage through CSAC EIA. The Workers' Compensation program was marketed last year and staff did not find another program to match the advantages of participating in CSAC EIA. CSAC EIA advises to expect an increase of around 15%. Historically, increases have been less than the initial indications.

CJPRMA has not provided their preliminary calculations for the excess liability coverage at this time. Calculations are expected at their December Board of Directors meeting at which time staff will take note and present these figures at the next Executive Committee meeting in January of 2013.

With respects to Property, staff advised members to expect a rate increase due to insurance losses sustained by Hurricane Sandy. Final loss numbers from the Hurricane has not been confirmed.

H7. Long Range Planning Session

Ms. Adams advised that staff has asked Mr. Kevin Bibler from Alliant Insurance Services to facilitate the Long Range Planning Session. The meeting will be held at Le Rivage Hotel in Sacramento, California on December 13, 2012. Alliant will host a dinner for members traveling in the night prior to the meeting. Mr. Kroeger asked that Chandler Asset Management provide a presentation on expected economic conditions at the Long Range Planning meeting.

The Committee also discussed if the financial solvency of members should be an item of the Long Range Planning Session and whether or not the NCCSIF Bylaws need to be amended to protect to organization financially. Mr. Sailsbery and Mr. Kroeger feel that this item is more of a legal issue rather than a Board decision. Upon further discussion, staff was directed to remove this item from the Long Range Planning Session Agenda. The item will be brought to the next Board of Directors meeting for further discussion.

A motion was made to remove the Financial Solvency of Members Discussion Item off the Long Range Planning Session.

MOTION: Tim Sailsbery **SECOND:** Gina Will **MOTION CARRIED**

H8. January Executive Committee Meeting

Ms. Adams advised that staff is recommending holding a teleconference meeting the week of January 7, 2013 to review and discuss the Long Range Planning Action Plan to be approved at the January Board of Directors meeting.

A motion was made to approve an Executive Committee teleconference meeting on January 9th, 2013 scheduled for 10:00 a.m.

MOTION: Karin Helvey **SECOND:** Tim Sailsbery **MOTION CARRIED**

I. INFORMATION ITEMS

- I1. NCCSIF Board Members and Alternates**
- I2. NCCSIF Meeting Calendar 2012**
- I3. NCCSIF Travel Reimbursement Form**
- I4. PARMA Annual Conference – February 3 – 6, 2013 at Rancho Mirage, CA**
- I5. NCCSIF Resource Contact Guide**

These items were provided as information only.

I. ADJOURNMENT

The meeting was adjourned at 11:54 a.m.



**MINUTES OF THE
NCCSIF RISK MANAGEMENT COMMITTEE MEETING
BONANZA INN CONFERENCE CENTER, YUBA CITY, CA
OCTOBER 18, 2012**

MEMBERS PRESENT

Tom Watson, City of Corning
Paula Islas, City of Galt
Elisa Arteaga, City of Gridley
Sheila Vanzandt, City of Lincoln
Matt Michaelis, City of Marysville
Liz Ehrenstrom, City of Oroville
Dave Warren, City of Placerville
Sandy Ryan, City of Red Bluff
Russell Hildebrand, City of Rocklin
Natalie Walter, City of Yuba City

MEMBERS ABSENT

City of Anderson
City of Auburn
City of Dixon
City of Folsom
City of Ione
City of Jackson
City of Nevada City
City of Rio Vista
City of Willows
Town of Paradise

GUESTS & CONSULTANTS

Chief Paul Nanfito, City of Red Bluff
Susan Adams, Alliant Insurance Services
Johnny Yang, Alliant Insurance Services
Laurence Voiculescu, Alliant Insurance Services

A. CALL TO ORDER

The meeting was called to order at 9:33 a.m.

B. PUBLIC COMMENTS

There were no public comments made.

C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

MOTION: Dave Warren **SECOND:** Sandy Ryan **MOTION CARRIED**

D. CONSENT CALENDAR

1. Minutes of the Risk Management Committee Meeting – June 14, 2012
2. ADA Safety Grant Funds Utilization

A motion was made to approve the consent calendar.

MOTION: Russell Hildebrand **SECOND:** Paula Islas **MOTION CARRIED**

E. PRESENTATIONS

E1. NCCSIF 3rd Annual Walking Challenge

Ms. Karen Reuben, from ACI Core Wellness presented to the Risk Management Committee regarding the NCCSIF 3rd Annual Walking Challenge beginning November 1 – November 29, 2012. Member employees will be able to sign up via the ACI Core Wellness website.

F. INFORMATION ITEMS

F1. Risk Control Services Summary as of October 1, 2012

Ms. Henri Castro advised that several members have received their Comprehensive Risk Assessments with several Assessment Reports completed. The reports to taking more time to complete due to the extensive data included. She then discussed the NCCSIF Risk Control Member Services Report as provided in the Agenda packet explaining that member orientation visits have been completed. She estimated the time needed to bring members into compliance is over 5 years. Several Trainings have also been provided to members as outline in the Summary of Services.

F2. Upcoming Services

Ms. Castro addressed the committee regarding services to be provided in the new few months to members which are as follows:

- Complete the remaining Hazard & Safety Assessments
- Contact each member to develop a 2013 action plan based on the assessment recommendations and individual member requests
- Continue to deliver phone/email consultative services
- Scheduled Training

- Sexual Harassment – Galt
- Confined Space (location specific) – Folsom, Dixon
- A/C Pipe – Yuba City/TBD
- Hazmat - TBD

F3. Police Risk Management Committee Meetings

Chief Paul Nanfito, Red Bluff Police Department, gave a report to the committee regarding the previous Police Risk Management Committee meeting held on August 23, 2012 explaining that he felt Mr. Mark Wittenberg's Training Session was extremely impressive. He then advised that a Chair and Vice Chair was appointed at the meeting and there was discussion the Police Loss Analysis provided by staff.

Ms. Castro asked for feedback regarding the Components involved in the Police Risk Management Committee Meetings.

Ms. Adams advised that there was a request for staff to drill down on Police Loss Analysis in future meetings to determine the types of losses the Committee should be focusing on. She then noted that the Risk Management Committee should consider providing funding to member police departments to assist Risk Management as Police losses are the leading loss leaders for NCCSIF. Fitness Training was a topic which was discussed during the meeting.

Ms. Castro requested to have the police chiefs' respond to a survey regarding the types of training that should be offered at the quarterly Police Risk Management Committee.

Upon further discussion the next Police Risk Management Committee meeting will be held in January, 2013.

F4. Long Range Planning Meeting Topics

Ms. Adams explained the Long Range Planning meeting will be scheduled on December 13, 2012 mainly to discuss the Shared Risk Funding deficit in the Liability Program. Ms. Paula Islas requested that Risk Management Funding for Police Training be discussed during the Planning Meeting.

Upon further discussion the Committee came to a consensus to have the Long Range Planning Session on a separate day from the Board of Directors meeting and the rescheduling of the Risk Management Committee and Board of Directors meetings will be rescheduled at the Board meeting later today.

F5. Rescheduling of December Risk Management Committee Meeting

As discussed in the previous item above, as the Long Range Planning Meeting is to be held on a separate day aside from the Board of Directors meeting there was no further discussion on this item.

G. INFORMATION ITEMS

G1. NCCSIF Travel Reimbursement Form

G2. PARMA Conference at Rancho Mirage, CA on February 13 – 16, 2013

The Information Items are provided as an update only.

There was further discussion by the Committee regarding Pool Access being in compliance with the new ADA regulations. Ms. Castro advised that the new requirement is being extended until March of 2013 and should this item be addressed in the Members' transition plan.

Mr. Russell Hildebrand thanked the Committee for their support on the recent police claim against the City of Rocklin.

G. ADJOURNMENT

The meeting was adjourned at 10:34 a.m.



**QUARTERLY FINANCIAL REPORT FOR PERIOD ENDING
SEPTEMBER 30, 2012**

ACTION ITEM

ISSUE: The Board of Directors receives a quarterly report on the financial status of NCCSIF. James Marta & Company will present NCCSIF's Financials for Quarter ending September 30, 2012 to the Board of Directors for their review.

FISCAL IMPACT: Unknown.

RECOMMENDATION: Receive and file the Quarterly Financials as presented

BACKGROUND: Each quarter the Board of Directors reviews the quarterly financials for accuracy and refers questions for follow-up, or receives and files the report as presented.

ATTACHMENTS: Quarterly Financial Report as of September 30, 2012.

FINANCIAL REPORT

SEPTEMBER 30, 2012

AND FOR THE THREE MONTHS THEN ENDED

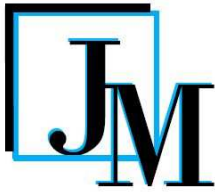
Northern California Cities Self Insurance Fund

Northern California Cities Self Insurance Fund

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James Marta & Company

Certified Public Accountants

Accounting, Auditing, Tax, and Consulting

ACCOUNTANT'S REPORT

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

We have compiled the accompanying balance sheet of Northern California Cities Self Insurance Fund as of September 30, 2012, and the related statement of revenues, expenses and changes in members' equity for the three months then ended, and the supplementary information on pages 4 through 14 are presented for purposes of additional analysis and has been compiled from information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplementary information and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America

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

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

A statement of cash flows for the three months ended September 30, 2012 has not been presented. Accounting principles generally accepted in the United States of America require that such a statement be presented when financial statements purport to present financial position and results of operations.

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

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

James Marta & Company

James Marta & Company
Certified Public Accountants
Sacramento, California
November 8, 2012

Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Balance Sheet
September 30, 2012

Current Assets	
Cash	\$ 2,661,630
Accounts Receivable	106,840
Interest Receivable	285,000
Excess Accounts Receivable	1,079,814
Prepaid Expense	<u>1,515,129</u>
Total Current Assets	<u>5,648,413</u>
Non-Current Assets	
Investments*	<u>45,884,536</u>
Total Assets	<u>\$ 51,532,949</u>
Liabilities & Members' Equity	
Current Liabilities	
Deferred Revenue	<u>\$ 4,567,806</u>
Total Current Liabilities	<u>4,567,806</u>
Non-Current Liabilities	
Outstanding Liabilities*	30,962,466
ULAE*	<u>1,594,511</u>
Total Non-Current Liabilities	<u>32,556,977</u>
Total Liabilities	<u>\$ 37,124,783</u>
Members' Equity	<u>14,408,166</u>
Liability & Members' Equity	<u>\$ 51,532,949</u>

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

**Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Statement of Revenues, Expenses and Changes in Members' Equity
For the Three Months Ended September 30, 2012**

Operating Income	
Administration Deposit	\$ 258,037
Banking Layer Deposit	1,335,134
Shared Risk Layer	798,877
Excess Deposit/Premium	350,683
Property/Crime Insurance Income	194,145
Risk Management Grants	174,207
Total Operating Income	<u>3,111,083</u>
Operating Expenses	
Claims Paid	2,309,457
O/S Liability adj.	(1,041,043)
ULAE	25,220
Consultants	1,200
Administration-Other	2,000
Safety Service	199,524
Claims Administration	158,100
Program Administration	77,850
Board Expenses	366
Excess Insurance	310,606
Property/Crime Insurance Expense	194,438
Total Operating Expenses	<u>2,237,718</u>
Operating Income (Loss)	873,365
Non-Operating Income	
Change in Fair Market Value	9,733
Interest Income	361,130
Total Non-Operating Income	<u>370,863</u>
Change in Members' Equity	1,244,227
Beginning Members' Equity	<u>13,163,939</u>
Ending Members' Equity	<u>\$ 14,408,166</u>

SUPPLEMENTARY INFORMATION

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

**Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Balance Sheet - Liability
September 30, 2012**

	L Shar	L Admin	City of Anderson	City of Auburn	City of Colusa	City of Corning	City of Dixon	City of Folsom	City of Galt	City of Gridley	City of Ione
Current Assets											
Cash	\$ 6,673	\$ 270,435	\$ 55,629	\$ 86,146	\$ 28,605	\$ 23,305	\$ 47,174	\$ 122,381	\$ 189,866	\$ 31,866	\$ 12,526
Accounts Receivable	-	-	-	-	-	-	-	-	27,977	-	1,551
Interest Receivable	47,568	11,327	1,519	4,968	988	586	1,393	25,219	3,108	687	(77)
Excess Accounts Receivable	560,508	-	-	-	-	-	-	-	-	-	-
Prepaid Expense	1,064,815	-	-	-	-	-	-	-	-	-	-
Total Current Assets	1,679,564	281,762	57,148	91,114	29,593	23,891	48,567	147,600	220,951	32,553	14,000
Non-Current Assets											
Investments*	6,365,595	270,300	93,433	133,766	25,598	17,722	153,563	1,781,932	(23,391)	141,210	2,130
Total Assets	\$ 8,045,159	\$ 552,062	\$ 150,581	\$ 224,880	\$ 55,191	\$ 41,613	\$ 202,130	\$ 1,929,532	\$ 197,560	\$ 173,763	\$ 16,130
Current Liabilities											
Deferred Revenue	\$ 2,110,355	\$ 372,919	\$ 40,537	\$ 45,905	\$ 15,809	\$ 12,443	\$ 37,800	\$ 312,238	\$ 67,856	\$ 19,523	\$ 8,568
Total Current Liabilities	2,110,355	372,919	40,537	45,905	15,809	12,443	37,800	312,238	67,856	19,523	8,568
Non-Current Liabilities											
Outstanding Liabilities* ULAE*	6,106,999	-	10,277	106,119	50,307	55,717	24,535	568,270	75,411	10,848	15,193
Total Non-Current	6,106,999	-	10,277	106,119	50,307	55,717	24,535	568,270	75,411	10,848	15,193
Total Liabilities	\$ 8,217,354	\$ 372,919	\$ 50,814	\$ 152,024	\$ 66,116	\$ 68,160	\$ 62,335	\$ 880,508	\$ 143,267	\$ 30,371	\$ 23,761
Members' Equity	(172,195)	179,143	99,767	72,856	(10,925)	(26,547)	139,795	1,049,024	54,293	143,392	(7,631)
Liability & Members'	\$ 8,045,159	\$ 552,062	\$ 150,581	\$ 224,880	\$ 55,191	\$ 41,613	\$ 202,130	\$ 1,929,532	\$ 197,560	\$ 173,763	\$ 16,130

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

**Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Balance Sheet - Liability
September 30, 2012**

	City of Jackson	City of Lincoln	City of Marysville	City of Oroville	City of Paradise	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City	Total
Current Assets											
Cash	\$ 12,547	\$ 179,931	\$ 53,130	\$ 88,853	\$ 122,186	\$ 194,412	\$ 35,038	\$ 61,924	\$ 15,403	\$ 109,883	\$ 1,747,913
Accounts Receivable	-	-	-	-	-	942	-	-	-	-	30,470
Interest Receivable	1,600	5,368	3,832	2,728	2,558	4,147	1,632	4,195	(20)	2,849	126,175
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-	-	560,508
Prepaid Expense	-	-	-	-	-	-	-	-	-	-	1,064,815
Total Current Assets	14,147	185,299	56,962	91,581	124,744	199,501	36,670	66,119	15,383	112,732	3,529,881
Non-Current Assets											
Investments*	85,747	225,667	202,693	96,675	55,590	26,734	38,542	534,032	88,055	513,996	10,829,589
Total Assets	\$ 99,894	\$ 410,966	\$ 259,655	\$ 188,256	\$ 180,334	\$ 226,235	\$ 75,212	\$ 600,151	\$ 103,438	\$ 626,728	\$ 14,359,470
Current Liabilities											
Deferred Revenue	\$ 8,477	\$ 90,199	\$ 38,127	\$ 69,596	\$ 43,764	\$ 68,443	\$ 14,462	\$ 96,388	\$ 12,866	\$ 112,832	\$ 3,599,107
Total Current Liabilities	8,477	90,199	38,127	69,596	43,764	68,443	14,462	96,388	12,866	112,832	3,599,107
Non-Current Liabilities											
Outstanding Liabilities* ULAE*	49,759	175,765	81,721	52,502	166,137	112,968	39,307	160,729	40,017	220,060	8,122,641
Total Non-Current	49,759	175,765	81,721	52,502	166,137	112,968	39,307	160,729	40,017	220,060	8,122,641
Total Liabilities	\$ 58,236	\$ 265,964	\$ 119,848	\$ 122,098	\$ 209,901	\$ 181,411	\$ 53,769	\$ 257,117	\$ 52,883	\$ 332,892	\$ 11,721,748
Members' Equity	41,658	145,002	139,807	66,158	(29,567)	44,824	21,443	343,034	50,555	293,836	2,637,722
Liability & Members'	\$ 99,894	\$ 410,966	\$ 259,655	\$ 188,256	\$ 180,334	\$ 226,235	\$ 75,212	\$ 600,151	\$ 103,438	\$ 626,728	\$ 14,359,470

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

Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Revenues, Expenses and Changes in Members' Equity - Liability
For the Three Months Ended September 30, 2012

	L Shar	L Admin	City of Anderson	City of Auburn	City of Colusa	City of Corning	City of Dixon	City of Folsom	City of Galt	City of Gridley	City of Ione
Operating Income											
Administration Deposit	\$ -	\$ 124,306	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Banking Layer Deposit	-	-	13,512	15,302	5,270	4,148	12,600	104,079	22,619	6,508	2,856
Shared Risk Layer	309,306	-	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	200,000	-	-	-	-	-	-	-	-	-	-
Property/Crime Insurance	194,145	-	-	-	-	-	-	-	-	-	-
Risk Management Grants	-	-	-	-	-	-	-	-	-	-	-
Total Operating Income	703,451	124,306	13,512	15,302	5,270	4,148	12,600	104,079	22,619	6,508	2,856
Operating Expenses											
Claims Paid	1,141,219	-	1,094	6,511	4,055	4,956	8,952	33,417	47,295	1,047	1,523
O/S Liability adj.	(1,464,175)	-	(1,325)	20,755	5,346	(2,528)	(2,232)	83,384	(50,158)	224	7,391
ULAE	-	-	-	-	-	-	-	-	-	-	-
Consultants	-	600	-	-	-	-	-	-	-	-	-
Administration-Other	-	-	-	-	-	-	-	-	-	-	-
Safety Service	-	116,126	-	-	-	-	-	-	-	-	-
Claims Administration	-	-	-	-	-	-	-	-	-	-	-
Program Administration	-	42,056	-	-	-	-	-	-	-	-	-
Board Expenses	-	183	-	-	-	-	-	-	-	-	-
Excess Insurance	160,501	-	-	-	-	-	-	-	-	-	-
Property/Crime Insurance Expense	194,438	-	-	-	-	-	-	-	-	-	-
Total Operating Expense	31,983	158,965	(231)	27,266	9,401	2,428	6,720	116,801	(2,863)	1,271	8,914
Operating Income (Loss)	671,468	(34,659)	13,743	(11,964)	(4,131)	1,720	5,880	(12,722)	25,482	5,237	(6,058)
Non-Operating Income											
Change in Fair Market Value	(89)	(296)	(9)	79	12	(6)	14	(114)	(30)	9	(7)
Interest Income	21,617	1,679	1,732	2,880	788	674	3,229	21,884	3,691	2,096	236
Total Non-Operating Income	21,528	1,383	1,723	2,959	800	668	3,243	21,770	3,661	2,105	229
Change in Members' Equity	692,996	(33,276)	15,466	(9,005)	(3,331)	2,388	9,123	9,048	29,143	7,342	(5,829)
Beginning Members' Equity	(865,191)	212,419	84,301	81,861	(7,594)	(28,935)	130,672	1,039,976	25,150	136,050	(1,802)
Ending Members' Equity	\$ (172,195)	\$ 179,143	\$ 99,767	\$ 72,856	\$ (10,925)	\$ (26,547)	\$ 139,795	\$ 1,049,024	\$ 54,293	\$ 143,392	\$ (7,631)

See Accompanying Accountant's Report

Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Revenues, Expenses and Changes in Members' Equity - Liability
For the Three Months Ended September 30, 2012

	City of Jackson	City of Lincoln	City of Marysville	City of Oroville	City of Paradise	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City	Total
Operating Income											
Administration Deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 124,306
Banking Layer Deposit	2,826	30,066	12,709	23,199	14,588	22,814	4,821	32,129	4,289	37,611	371,946
Shared Risk Layer	-	-	-	-	-	-	-	-	-	-	309,306
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-	-	200,000
Property/Crime Insurance	-	-	-	-	-	-	-	-	-	-	194,145
Risk Management Grants	-	-	-	-	-	-	-	-	-	-	-
Total Operating Income	2,826	30,066	12,709	23,199	14,588	22,814	4,821	32,129	4,289	37,611	1,199,703
Operating Expenses											
Claims Paid	641	26,813	16,655	4,760	14,831	12,318	4,921	11,417	1,888	53,567	1,397,880
O/S Liability adj.	(1,683)	(3,204)	1,776	2,071	18,756	(6,316)	(5,629)	32,306	28,940	(65,975)	(1,402,276)
ULAE	-	-	-	-	-	-	-	-	-	-	-
Consultants	-	-	-	-	-	-	-	-	-	-	600
Administration-Other	-	-	-	-	-	-	-	-	-	-	-
Safety Service	-	-	-	-	-	-	-	-	-	-	116,126
Claims Administration	-	-	-	-	-	-	-	-	-	-	-
Program Administration	-	-	-	-	-	-	-	-	-	-	42,056
Board Expenses	-	-	-	-	-	-	-	-	-	-	183
Excess Insurance	-	-	-	-	-	-	-	-	-	-	160,501
Property/Crime Insurance Expense	-	-	-	-	-	-	-	-	-	-	194,438
Total Operating Expense	(1,042)	23,609	18,431	6,831	33,587	6,002	(708)	43,723	30,828	(12,408)	509,508
Operating Income (Loss)	3,868	6,457	(5,722)	16,368	(18,999)	16,812	5,529	(11,594)	(26,539)	50,019	690,195
Non-Operating Income											
Change in Fair Market Value	28	(19)	88	(24)	(60)	7	150	127	34	134	28
Interest Income	1,325	3,501	3,508	2,503	3,291	3,367	1,782	8,252	1,461	7,315	96,811
Total Non-Operating Income	1,353	3,482	3,596	2,479	3,231	3,374	1,932	8,379	1,495	7,449	96,839
Change in Members' Equity	5,221	9,939	(2,126)	18,847	(15,768)	20,186	7,461	(3,215)	(25,044)	57,468	787,034
Beginning Members' Equity	36,437	135,063	141,933	47,311	(13,799)	24,638	13,982	346,249	75,599	236,368	1,850,688
Ending Members' Equity	\$ 41,658	\$ 145,002	\$ 139,807	\$ 66,158	\$ (29,567)	\$ 44,824	\$ 21,443	\$ 343,034	\$ 50,555	\$ 293,836	\$ 2,637,722

**Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Balance Sheet – Workers’ Compensation
September 30, 2012**

	WC Shar	WC Admin	City of Anderson	City of Auburn	City of Colusa	City of Corning	City of Dixon	City of Folsom	City of Galt	City of Gridley	City of Ione	City of Jackson
Current Assets												
Cash	\$ 1,169	\$ 47,210	\$ 90,215	\$ 56,882	\$ 47,006	\$ 94,260	\$ 191,090	\$ 5,256	\$ 6,618	\$ 11,830	\$ 23,894	\$ 39,656
Accounts Receivable	-	-	-	-	-	8,926	20,164	-	-	-	-	-
Interest Receivable	6,832	7,431	2,632	3,855	4,788	2,968	4,837	46,894	10,913	3,258	(163)	499
Excess Accounts	519,306	-	-	-	-	-	-	-	-	-	-	-
Prepaid Expense	450,314	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	977,621	54,641	92,847	60,737	51,794	106,154	216,091	52,150	17,531	15,088	23,731	40,155
Non-Current Assets												
Investments*	17,091,063	615,791	291,970	627,605	148,178	60,732	630,587	5,120,393	949,413	488,444	37,485	288,189
Total Assets	\$ 18,068,684	\$ 670,432	\$ 384,817	\$ 688,342	\$ 199,972	\$ 166,886	\$ 846,678	\$ 5,172,543	\$ 966,944	\$ 503,532	\$ 61,216	\$ 328,344
Current Liabilities												
Deferred Revenue	\$ 410,449	\$ 3,239	\$ -	\$ 62,247	\$ 12,312	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,124
Total Current Liabilities	410,449	3,239	-	62,247	12,312	-	-	-	-	0	-	11,124
Non-Current Liabilities												
Outstanding Liabilities*	12,561,071	-	257,353	422,797	163,278	165,967	464,981	2,652,079	665,079	108,456	4,935	166,431
ULAE*	876,921	-	17,966	29,517	11,399	11,587	32,462	185,149	46,431	7,572	345	11,619
Total Non-Current	13,437,992	-	275,319	452,314	174,677	177,554	497,443	2,837,228	711,510	116,028	5,280	178,050
Total Liabilities	\$ 13,848,441	\$ 3,239	\$ 275,319	\$ 514,561	\$ 186,989	\$ 177,554	\$ 497,443	\$ 2,837,228	\$ 711,510	\$ 116,028	\$ 5,280	\$ 189,174
Members' Equity	4,220,243	667,194	109,498	173,781	12,983	(10,668)	349,235	2,335,315	255,434	387,504	55,936	139,170
Liability & Members'	\$ 18,068,684	\$ 670,432	\$ 384,817	\$ 688,342	\$ 199,972	\$ 166,886	\$ 846,678	\$ 5,172,543	\$ 966,944	\$ 503,532	\$ 61,216	\$ 328,344

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

**Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Balance Sheet – Workers’ Compensation
September 30, 2012**

	City of Lincoln	City of Marysville	City of Nevada City	City of Oroville	City of Paradise	City of Placerville	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City	Total
Current Assets												
Cash	\$ 96,207	\$ 10,949	\$ 77,180	\$ 4,723	\$ 8,190	\$ 5,820	\$ 5,542	\$ 65,658	\$ 9,877	\$ 8,919	\$ 5,566	\$ 913,717
Accounts Receivable	-	-	-	-	-	47,280	-	-	-	-	-	76,370
Interest Receivable	1,419	1,704	1,527	15,010	8,912	8,634	(87)	1,903	9,155	3,138	12,766	158,825
Excess Accounts	-	-	-	-	-	-	-	-	-	-	-	519,306
Prepaid Expense	-	-	-	-	-	-	-	-	-	-	-	450,314
Total Current Assets	97,626	12,653	78,707	19,733	17,102	61,734	5,455	67,561	19,032	12,057	18,332	2,118,532
Non-Current Assets												
Investments*	530,573	825,038	179,501	576,716	860,404	655,834	701,607	449,438	2,024,696	345,295	1,555,995	35,054,947
Total Assets	\$ 628,199	\$ 837,691	\$ 258,208	\$ 596,449	\$ 877,506	\$ 717,568	\$ 707,062	\$ 516,999	\$ 2,043,728	\$ 357,352	\$ 1,574,327	\$ 37,173,479
Current Liabilities												
Deferred Revenue	\$ -	\$ 28,127	\$ -	\$ -	\$ -	\$ -	\$ 9,332	\$ 73,144	\$ 217,292	\$ 29,425	\$ 112,009	\$ 968,699
Total Current Liabilities	-	28,127	-	-	-	-	9,332	73,144	217,292	29,425	112,009	968,699
Non-Current Liabilities												
Outstanding Liabilities*	546,561	483,091	114,285	386,561	606,096	460,180	589,406	93,415	615,543	204,058	1,108,202	22,839,825
ULAE*	38,157	33,726	7,979	26,987	42,313	32,126	41,148	6,522	42,973	14,246	77,366	1,594,511
Total Non-Current	584,718	516,817	122,264	413,548	648,409	492,306	630,554	99,937	658,516	218,304	1,185,568	24,434,336
Total Liabilities	\$ 584,718	\$ 544,944	\$ 122,264	\$ 413,548	\$ 648,409	\$ 492,306	\$ 639,886	\$ 173,081	\$ 875,808	\$ 247,729	\$ 1,297,577	\$ 25,403,035
Members' Equity	43,481	292,748	135,944	182,901	229,097	225,262	67,176	343,918	1,167,920	109,623	276,750	11,770,444
Liability & Members'	\$ 628,199	\$ 837,691	\$ 258,208	\$ 596,449	\$ 877,506	\$ 717,568	\$ 707,062	\$ 516,999	\$ 2,043,728	\$ 357,352	\$ 1,574,327	\$ 37,173,479

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

**Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Revenues, Expenses and Changes in Members' Equity - Workers' Compensation
For the Three Months Ended September 30, 2012**

	WC Shar	WC Admin	City of Anderson	City of Auburn	City of Colusa	City of Corning	City of Dixon	City of Folsom	City of Galt	City of Gridley	City of Ione	City of Jackson
Operating Income												
Administration Deposit	\$ -	\$ 133,731	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Banking Layer Deposit	-	-	27,409	22,427	8,847	18,044	66,162	238,936	52,957	13,586	7,307	18,453
Shared Risk Layer	489,571	-	-	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	150,683	-	-	-	-	-	-	-	-	-	-	-
Property/Crime Insurance	-	-	-	-	-	-	-	-	-	-	-	-
Risk Management Grants	-	174,207	-	-	-	-	-	-	-	-	-	-
Total Operating Income	640,254	307,938	27,409	22,427	8,847	18,044	66,162	238,936	52,957	13,586	7,307	18,453
Operating Expenses												
Claims Paid	160,519	-	27,532	23,248	8,257	12,337	21,125	74,495	45,545	4,347	-	3,403
O/S Liability adj.	285,054	-	(18,221)	40,950	51,532	(2,983)	(44,327)	51,327	(11,318)	34,127	(939)	27,641
ULAE	19,900	-	(1,272)	2,859	3,598	(208)	(3,095)	3,583	(790)	2,383	(66)	1,930
Consultants	-	600	-	-	-	-	-	-	-	-	-	-
Administration-Other	-	2,000	-	-	-	-	-	-	-	-	-	-
Safety Service	40,850	42,548	-	-	-	-	-	-	-	-	-	-
Claims Administration	-	28,350	3,866	2,785	1,932	2,940	6,652	31,307	7,116	1,545	-	1,857
Program Administration	-	35,794	-	-	-	-	-	-	-	-	-	-
Board Expenses	-	183	-	-	-	-	-	-	-	-	-	-
Excess Insurance	150,105	-	-	-	-	-	-	-	-	-	-	-
Property/Crime Insurance	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	656,428	109,475	11,905	69,842	65,319	12,086	(19,645)	160,712	40,553	42,402	(1,005)	34,831
Operating Income (Loss)	(16,174)	198,463	15,504	(47,415)	(56,472)	5,958	85,807	78,224	12,404	(28,816)	8,312	(16,378)
Non-Operating Income												
Change in Fair Market Value	5,736	162	47	280	55	12	156	608	79	101	(6)	111
Interest Income	105,132	4,465	3,512	5,825	1,598	1,374	6,543	44,307	7,482	4,245	474	2,682
Total Non-Operating Income	110,868	4,627	3,559	6,105	1,653	1,386	6,699	44,915	7,561	4,346	468	2,793
Change in Members' Equity	94,694	203,090	19,063	(41,310)	(54,819)	7,344	92,506	123,139	19,965	(24,470)	8,780	(13,585)
Beginning Members' Equity	4,125,549	464,104	90,435	215,091	67,802	(18,012)	256,729	2,212,176	235,469	411,974	47,156	152,755
Ending Members' Equity	\$ 4,220,243	\$ 667,194	\$ 109,498	\$ 173,781	\$ 12,983	\$ (10,668)	\$ 349,235	\$ 2,335,315	\$ 255,434	\$ 387,504	\$ 55,936	\$ 139,170

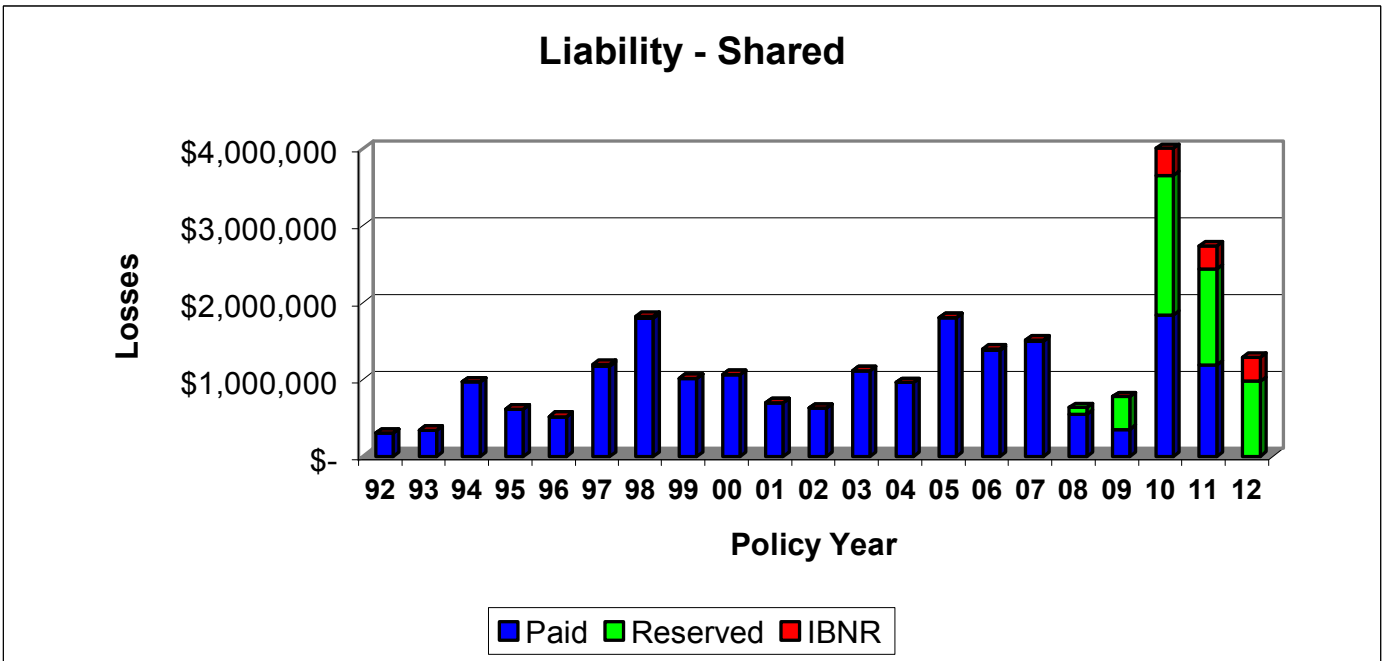
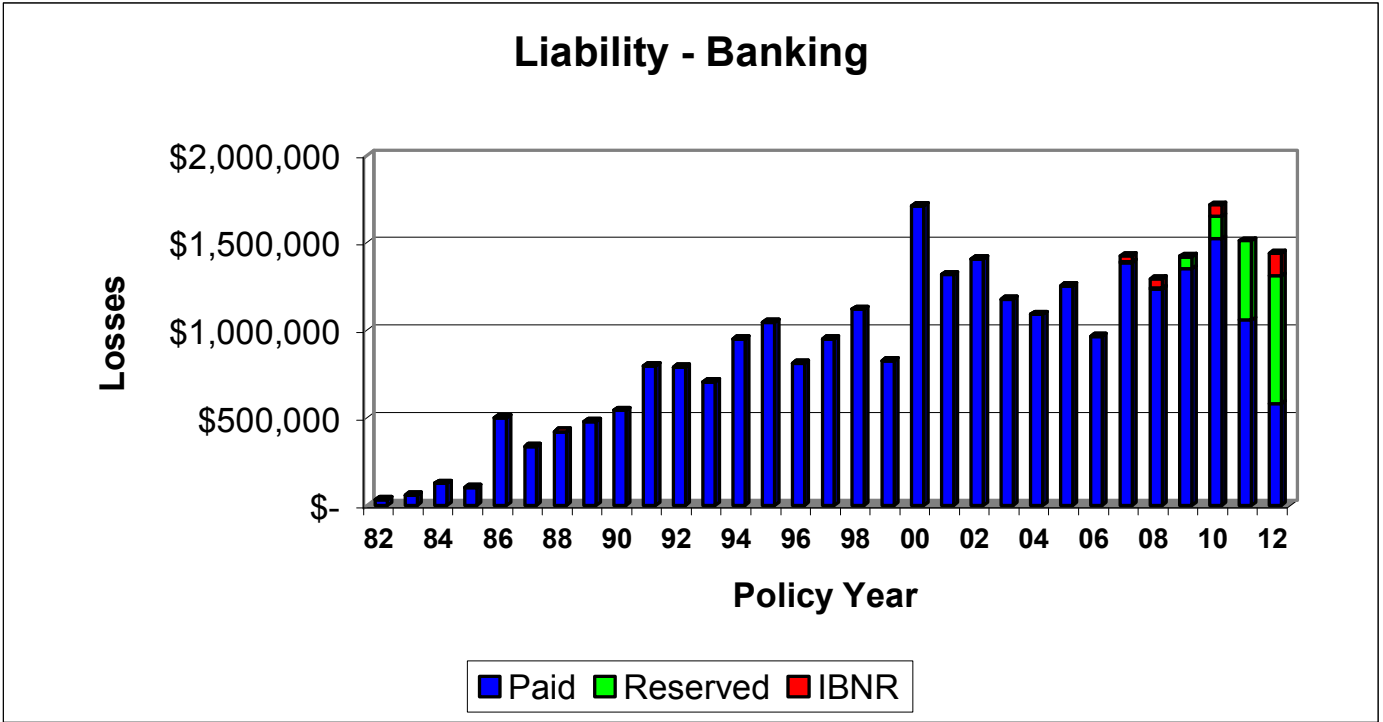
**Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Combining Statement of Revenues, Expenses and Changes in Members' Equity - Workers' Compensation
For the Three Months Ended September 30, 2012**

	City of Lincoln	City of Marysville	City of Nevada City	City of Oroville	City of Paradise	City of Placerville	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City	Total
Operating Income												
Administration Deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	133,731
Banking Layer Deposit	41,133	35,790	20,884	44,714	59,027	48,137	47,890	10,143	97,029	13,044	71,269	963,188
Shared Risk Layer	-	-	-	-	-	-	-	-	-	-	-	489,571
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-	-	-	150,683
Property/Crime Insurance	-	-	-	-	-	-	-	-	-	-	-	-
Risk Management Grants	-	-	-	-	-	-	-	-	-	-	-	174,207
Total Operating Income	41,133	35,790	20,884	44,714	59,027	48,137	47,890	10,143	97,029	13,044	71,269	1,911,380
Operating Expenses												
Claims Paid	70,680	31,237	8,051	55,202	44,151	(23,869)	159,068	11,454	18,830	18,496	137,469	911,577
O/S Liability adj.	(40,381)	(48,231)	(1,464)	(20,869)	(11,698)	24,555	14,034	(9,287)	(23,178)	9,567	55,342	361,233
ULAE	(2,819)	(3,367)	(102)	(1,457)	(817)	1,714	980	(648)	(1,618)	668	3,864	25,220
Consultants	-	-	-	-	-	-	-	-	-	-	-	600
Administration-Other	-	-	-	-	-	-	-	-	-	-	-	2,000
Safety Service	-	-	-	-	-	-	-	-	-	-	-	83,398
Claims Administration	5,965	6,121	2,469	5,962	8,349	5,179	8,190	2,089	8,424	2,931	14,071	158,100
Program Administration	-	-	-	-	-	-	-	-	-	-	-	35,794
Board Expenses	-	-	-	-	-	-	-	-	-	-	-	183
Excess Insurance	-	-	-	-	-	-	-	-	-	-	-	150,105
Property/Crime Insurance	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	33,445	(14,240)	8,954	38,838	39,985	7,579	182,272	3,608	2,458	31,662	210,746	1,728,210
Operating Income (Loss)	7,688	50,030	11,930	5,876	19,042	40,558	(134,382)	6,535	94,571	(18,618)	(139,477)	183,170
Non-Operating Income												
Change in Fair Market	96	324	22	47	2	42	147	391	592	130	571	9,705
Interest Income	7,096	7,097	1,627	5,064	6,640	4,272	6,811	3,599	16,715	2,951	14,808	264,318
Total Non-Operating Income	7,192	7,421	1,649	5,111	6,642	4,314	6,958	3,990	17,307	3,081	15,379	274,023
Change in Members' Equity	14,880	57,451	13,579	10,987	25,684	44,872	(127,424)	10,525	111,878	(15,537)	(124,098)	457,193
Beginning Members' Equity	28,601	235,297	122,365	171,914	203,413	180,390	194,600	333,393	1,056,042	125,160	400,848	11,313,251
Ending Members' Equity	\$ 43,481	\$ 292,748	\$ 135,944	\$ 182,901	\$ 229,097	\$ 225,262	\$ 67,176	\$ 343,918	\$ 1,167,920	\$ 109,623	\$ 276,750	\$ 11,770,444

**Northern California Cities Self Insurance Fund
(Governmental Enterprise Fund)
Reconciliation of Claims Liability by Program as of
September 30, 2012**

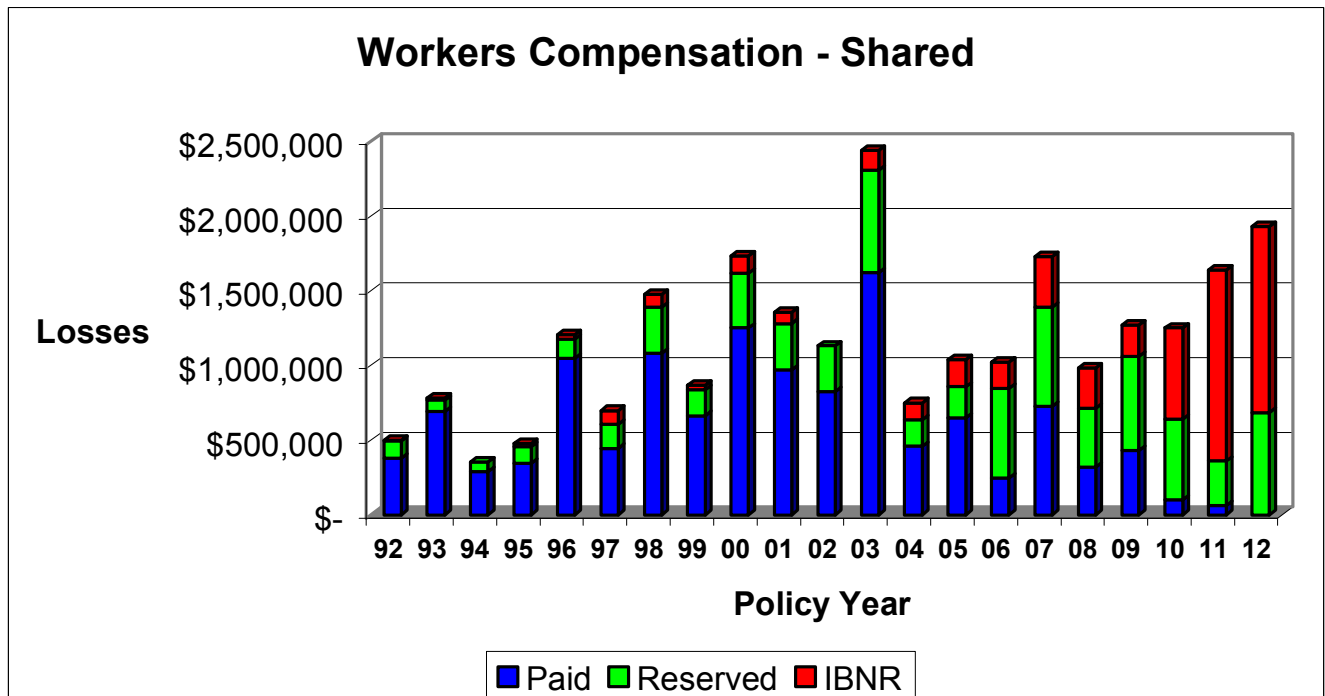
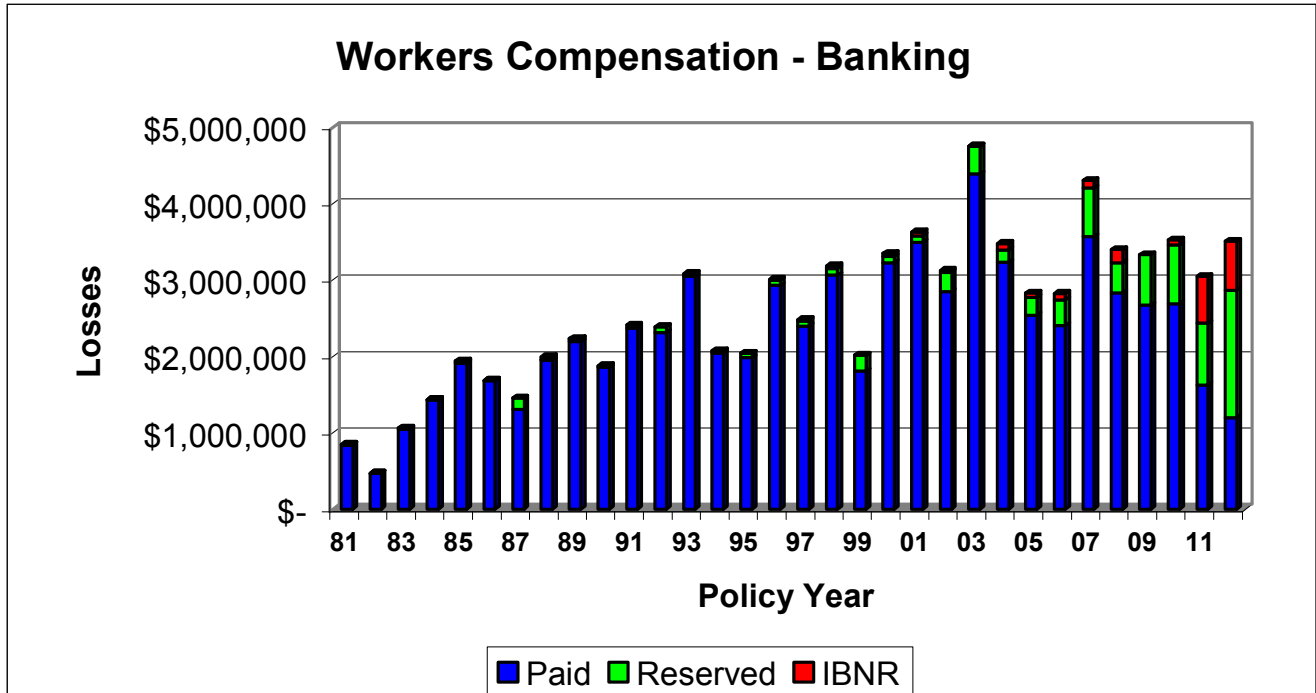
	Liability Banking 2013	Liability Shared Risk 2013	Total Liability Program		WC Banking 2013	WC Shared Risk 2013	Total WC Program		Totals	
			2013	2012			2013	2012	2013	2012
Unpaid claims and claim adjustment expenses at beginning of the fiscal year	1,953,744	7,571,173	9,524,918	6,611,383	10,914,842	13,133,039	24,047,880	23,214,284	33,572,798	29,825,666
Incurred claims and claim adjustment expenses:										
Provision for insured events of the current fiscal year	363,577	328,697	692,275	2,721,521	894,659	525,016	1,419,675	5,411,068	2,111,950	8,132,589
Increases (Decreases) in provision for insured events of prior fiscal years	(45,018)	(651,716)	(696,734)	3,619,779	(67,424)	(79,380)	(146,804)	(836,058)	(843,538)	2,783,720
Change in provision for ULAE in current year	-	-	-	-	5,318	19,900	25,219	54,398	25,219	54,398
Total incurred claims and claim adjustment expenses	<u>318,560</u>	<u>(323,019)</u>	<u>(4,459)</u>	<u>6,341,300</u>	<u>832,554</u>	<u>465,536</u>	<u>1,298,090</u>	<u>4,629,408</u>	<u>1,293,631</u>	<u>10,970,707</u>
Payments:										
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	20,383	-	20,383	502,013	42,822	-	42,822	777,346	63,204	1,279,359
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	236,280	1,141,156	1,377,436	2,925,752	708,235	160,582	868,816	3,018,465	2,246,252	5,944,217
Total Payments	<u>256,663</u>	<u>1,141,156</u>	<u>1,397,819</u>	<u>3,427,765</u>	<u>751,056</u>	<u>160,582</u>	<u>911,638</u>	<u>3,795,811</u>	<u>2,309,457</u>	<u>7,223,576</u>
Total unpaid claims and claim adjustment expenses at end of the fiscal year	<u>2,015,641</u>	<u>6,106,999</u>	<u>8,122,640</u>	<u>9,524,918</u>	<u>10,996,339</u>	<u>13,437,993</u>	<u>24,434,332</u>	<u>24,047,880</u>	<u>32,556,972</u>	<u>33,572,798</u>
Claims Liability	2,015,641	6,106,999	8,122,640	9,524,918	10,278,753	12,561,071	22,839,824	22,478,591	30,962,464	32,003,509
Claims ULAE	-	-	-	-	717,587	876,921	1,594,508	1,569,289	1,594,508	1,569,289
Total Claim Liabilities	<u>2,015,641</u>	<u>6,106,999</u>	<u>8,122,640</u>	<u>9,524,918</u>	<u>10,996,339</u>	<u>13,437,993</u>	<u>24,434,332</u>	<u>24,047,880</u>	<u>32,556,972</u>	<u>33,572,798</u>

Northern California Cities Self Insurance Fund
Graphical Summary of Claims as of
September 30, 2012



See Accompanying Accountant's Report

Northern California Cities Self Insurance Fund
Graphical Summary of Claims as of
September 30, 2012



See Accompanying Accountant's Report



REVIEW OF ITEMS DISCUSSED DURING THE LONG RANGE PLANNING MEETING

ACTION ITEM

ISSUE: NCCSIF held their 2012 Long Range Planning Meeting on December 13, 2013 to discuss specific financial issues that may impact the JPA in the future. These key issues included things such as: the amount of risk NCCSIF is willing to retain, funding levels including confidence levels and discount rates used to pay losses funded in the future and membership issues. The Board took action on some of the items, however requested Staff to provide additional information on the other items before taking action.

FISCAL IMPACT: TBD

RECOMMENDATION: The Board of Directors should review and discuss the *Draft LRP Action Plans* provided for each of these items, including the additional information provided to assist in making a decision.

BACKGROUND: NCCSIF held its 2012 Long Range Planning Session on December 13, 2012. The Board was presented with reports and information to assist them in making decisions on the items presented for the future of the JPA.

ATTACHMENT(S): *Draft LRP Action Plans* and supporting documents.



Item J.1.a.1.

Worker's Compensation Claims Administration

TOPIC: York Risk Services, previously Bragg and Associates, has been NCCSIF's Workers' Compensation Claim Administer since 1990. This time has been allocated to allow members to discuss "What is Working Well and What Isn't" with the overall Workers' Compensation claims administration program. The Board will be presented an Improvement Plan from York that will assist with the following discussion points:

DISCUSSION POINTS:

- Are there any concerns with Workers' Compensation claims handling?
- What next steps should NCCSIF take if there are issues?
- What are programs/services that can assist NCCSIF members with reducing cost of claims?

OBJECTIVE: To address concerns expressed by NCCSIF members regarding the Workers' Compensation claims handling and improve the services provided by York Risk Services. Members have expressed concerns regarding communication issues, staffing issues and timely processing of claims regarding Workers' Compensation.

ACTION(s)/DELIVERABLE(s): Marcus Beverly and Kelli Vitali Carson provided the Board with a presentation on Best Risk Practices for Workers' Compensation claims handling. They also addressed the Board's concerns regarding the decline in claims handling services to members. They introduced the two new Workers' Compensation claims adjusters who were recently hired to replace the prior adjusters who left for personal reasons. Each of the new adjusters have made contact via phone with the members and are in the process of scheduling visits with member cities for introductions and claims review. Members expressed that they are currently satisfied with York Risk Services and will inquire on the issues at upcoming Board of Directors and Claims Committee meetings.

DEADLINE(s): Quarterly Review at Claims Committee meetings.

FINANCIAL IMPACT: None.

RESPONSIBILITY: Board of Directors and Claims Committee will request input from members at future meetings to determine if any further action needs to be taken with respects Workers' Compensation Claims Administration.

ATTACHMENT: Workers' Compensation Claim Audit performed by North Bay Associates in November 2012.



NORTH BAY ASSOCIATES

WORKERS' COMPENSATION
AUDITORS • CONSULTANTS

November 2012

Workers' Compensation Claims Audit

for

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

ADMINISTERED BY

YORK INSURANCE SERVICES

NORTH BAY ASSOCIATES

Salinas, California



Workers' Compensation Claims Audit

November 2012

**EIA, COUNTY OF NAPA AND
NORTHERN CALIFORNIA CITIES
SELF INSURANCE FUND/ALLIANT
INSURANCE
ADMINISTERED BY
YORK INSURANCE SERVICES**

CONFIDENTIAL

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NORTH BAY ASSOCIATES

WORKERS' COMPENSATION
AUDITORS • CONSULTANTS

December 31, 2012

CSAC Excess Insurance Authority
Ms. Kathy McLean
Workers' Compensation Claims Manager

County of Napa
Mr. Kerry John Whitney

Northern California Cities Self Insurance Fund/Alliant Insurance
Ms. Susan Adams

The Workers' Compensation Claims Audit report for November 2012 for these EIA members: County of Napa and Northern California Cities Self Insurance Fund/Alliant Insurance administered by York Insurance Services is presented herewith.

We wish to acknowledge the cooperation of the administrator, York Insurance Services, and for providing us with a comfortable place to review the files in its office and by providing us with direct access to the claims data in its computer.

Quick Overview

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

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

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

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

Respectfully submitted,

NORTH BAY ASSOCIATES

Robert N. Hoyle
President

C:\NBA New Reports\Reports 2012\York Insurance Services November 2012.frm
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Addendum
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A. INTRODUCTION

THIS is the Workers' Compensation Claims Audit report for November 2012 for these EIA members: County of Napa and Northern California Cities Self Insurance Fund/Alliant Insurance.

1. Goals of the Claims Audit.

- ❖ Gather and present statistical data relating to the administration of the members' workers' compensation claims from October 2010, to date.
- ❖ Focus on those claims constituting the bulk of the outstanding reserves, and claims involving key issues and a representative sample of each entity's files.
- ❖ Present and explain industry standards, Division of Workers' Compensation Audit Unit standards, and CSAC/EIA standards and goals.
- ❖ Compare audit findings to the standards, and to prior audits, noting strengths and weaknesses.
- ❖ Recommend ways to meet standards and to reach goals.

2. Report Organization.

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

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

Second, for detailed data and explanation, each numbered paragraph delves into a

particular audit item. Each point is explained and audit findings are compared to standards. Comments about any particular claim file are often amplified by “Summary Memos.” These can be found in the *Addendum* at Tab Three in order by NBA number.

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

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

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

Tab One: Full list of claims audited, sorted by NBA#. These lists may be used to identify claimants; to maintain confidentiality, the body of this report refers only to NBA#'s. If a particular claimant is not on your list, it means that is not your employee.

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

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

Tab Four: The Audit Profile and Audit Data are here. Included with the Audit Data is the composite audit score for the group as well as each entity's audit score.

3. Audit Sample.

The sample used to develop the data for this audit was taken from live data provided to us by York Insurance Services. The sample consisted of 94 files, or 15.0% of the total open inventory of indemnity files. The sample is a carefully selected and structured sample rather than a random sample. It is weighted in favor of claims with significant potential and claims containing certain key issues. This is called the “dollar value” sampling technique. But we also spread the sample to include the work of all the entities and examiners, to look at files newly opened since the last audit.

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

Some important points that need improvement are:

Investigating and deciding on claim compensability. This is an examiner's prime function and a few cases lacked timely and adequate investigation.

Paying indemnity benefits accurately and timely. This occupies the most time and requires mastery of external rules and internal procedures.

Reserving sufficient funds to pay each case. This ensures the self-insured's financial viability and several cases lacked timely addressing of reserves or were not adequately reserved.

Documented case planning with timely follow up. This is crucial to keeping the current issues that need to be acted upon in focus. A number of cases lacked documentation of a current plan of action.

Communication with the injured employees. This helps ensure a large degree of control over the claims process.

Balancing file payments. This is a fiduciary responsibility and this area has shown a significant decrease from the prior audit.

Summarized recommendations for further improvement begin on the next page.

C. SUMMARY OF RECOMMENDATIONS

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

- ❑ We recommend reviewing the AOE-COE investigation process to ensure adequate investigations and timely decisions on compensability. Please see pages 9 and following.
- ❑ We recommend review of the EIA employee contact standard and to ensure compliance. We also recommend an established and enforced ongoing employee contact standard. Please see pages 12 and 13.
- ❑ We recommend review of the indemnity payment process to improve upon the timeliness of these payments and more consistency and compliance with the EIA file balancing standard. Please see pages 14 and following.
- ❑ We recommend better documented and updated case planning with timely follow through. Please see pages 20 and following.
- ❑ We recommend reviewing reserving practices with examiners and closer supervisory review of reserves on diary. Please see pages 33 and 34.
- ❑ We recommend implementation of necessary steps be taken to ensure timely reporting to excess. Please see pages 35 and 36.

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

D. ORGANIZATIONAL INFORMATION

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

1. Claims Examiner's Caseload.

The EIA has set a reasonable standard of 150 to 175 open indemnity files based on "future medical" files counted at a ratio of 2:1 relative to other indemnity files. Examiners with a combination of too many files or too little support have no time for regular communication with their clients' injured employees, consulting with the client on significant cases and developments, and continuing their training. Therefore, the whole picture must be evaluated.

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

	Workload †		Experience ‡		Certification	
	This Account	All Accounts	This Account	Total	SIP	IEA
Teresa Underwood	36	161	12yrs	28yrs	Y	
Michelle Bridges	66	160	New	10yrs	Y	
Lela Casey	116	160	New	11yrs	Y	
Sara Marshall*	62	135	.5yrs	4yrs	Y	
Christine Stillwell (FM)	228	355	8yrs	10yrs	Y	
Federica Simpson (FM)*	69	327	1yr	10yrs	Y	
Sara Marshall*	73	135	.5yrs	4yrs	Y	
Federica Simpson*	66	327	1yr	10yrs	Y	
*On both accounts						

Total	716	† All Indemnity Files			‡ As an Examiner	

2. Claims Assistant’s Duties.

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

Here, there is a separate pool of assistants; the assistants’ duties include TD and PD payments, award payments, and data input.

3. Findings, Summary and Recommendations.

There has been some examiner personnel changes in the past several months but currently both programs are adequately staffed with experienced personnel. Recommendations are not felt to be warranted.

E. AUDIT DETAIL

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

1. **Compensability Determination.**

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

1.1 *Investigated If Necessary.*

This inquiry detects whether a particular file requires an investigation: either an intensive field investigation, a simple phone investigation by the examiner, or a medical investigation by a consultant and, if so, whether this investigation was done. Conversely, we also look for unnecessary sub rosa or compensability investigations that would drive up costs needlessly.

Investigations needed: 26.

Investigations appropriately done: 23 (88.5%).

The exceptions are:

- #20841: Although claim denied without a response thereafter from EE, this claim nevertheless, should have been assigned to an outside investigator for EE and supervisor statements. Examiner's POA note indicating waiting for signed medical releases before assigning outside investigation is not appropriate for a claim of this nature. Further more there never was any direct contact by examiner with EE even though there is 3 documented attempts at the outset.
- #26551: Case was not timely assigned for outside investigation.

- #27173: Examiner had some concerns regarding delayed reporting but was never addressed with ER or EE.

1.2 Correct Compensability Decision.

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

Compensability decisions required: 25.

Compensability decisions correct: 25.

1.3 Basis of Decision Documented.

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

Cases that require documentation: 25.

Cases sufficiently documented: 25.

1.4 Decision Timely.

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

Cases requiring a decision: 25.

Cases decided timely at each stage: 23 (92.0%).

The exceptions are:

- #17758: It does not appear that the decision to accept/deny claim was made within the 90 day determination period.
- #21100: Denial notice was issued 1 day late.

1.5 Employer Contact.

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

Cases requiring contact: 63.

Cases with documented contact: 62 (98.4%).

1.6 Index Bureau.

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

York Insurance Services uses the Index Bureau.

1.7 Findings, Summary and Recommendations.

The exceptions noted in Section 1.1 show that there were a few cases that were not fully investigated or not timely referred for outside investigation. These should be reviewed with the examiner to ensure complete and timely investigation of questionable claims in the future. There were also 2 cases in which the decision to accept/deny was not made within the 90 day determination period. The individual claims need to be reviewed and necessary steps implemented to ensure that there are timely decisions made concerning compensability in the future.

2. Employee Contact.

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

2.1 Prompt Contact With Employee.

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

Files in need of initial contact: 60.

Files showing initial contact: 40 (66.7%).

Exceptions are:

- #10786: EE was never contacted on this subrogation case. Since there seems to be some difficulties recovering from the 3rd party insurer examiner should contact EE to find out whether he is actively pursuing a settlement with the insurer. Perhaps both EE and examiner together can put pressure on insurer to act a little more responsibly in settling this claim.
- #16064: There was only 1 documented contact attempt with the EE. In addition, according to the EE, there were a number of unreturned phone calls to the examiner.
- #18194: Only 2 documented attempts at EE contact and not documented as to dates of attempts.

2.2 Employee Contact Continued.

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

Cases needing continuing employee contact: 32.
Cases with continuing contact: 20 (62.5%).

An exception is:

- #26743: See comment under 3.2.

2.3 Findings, Summary and Recommendations.

Most of the exceptions regarding initial employee contact related to a lack of 3 documented attempts or the initial contact not occurring within 3 days of claim receipt. Ongoing employee contact was inconsistent. We recommend that the EIA's employee-contact standard be reviewed and more vigorously enforced. We also recommend that an ongoing employee contact standard be established and enforced.

3. Benefit Payments.

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

3.1 *Timeliness of First Payment.*

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

Cases on which temporary disability was paid: 46.
Cases paid timely: 45 (97.8%).

The exception is:

- #26198: TD payments were mistakenly issued by voucher instead of directly to the EE. Once this was corrected the TD checks issued to EE should have included the 10% self imposed increase.

3.2 *Subsequent Temporary Disability Biweekly.*

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

Subsequent payments: 42.
Subsequent payments timely: 40 (95.2%).

The exceptions are:

- #14799: EE was determined unable to do the usual and customary occupation as of 5/7/12. LC 4850 up to the full year entitled should have continued or there should have been an IDR effective as of

that date. Also see comment in Section 3.4.

- #26743: The last documentation regarding EE's LT was on 10/10/12. There has been no examiner follow up nor has there been any contact with EE on this issue. Meanwhile, treating MD has EE on TTD for the ortho aspects of the claim.

3.3 *Transportation Expense.*

This inquiry looks at the speed with which employees are reimbursed upon requesting medical transportation expense and if mileage payment is provided in advance of a PQME evaluation. The CSAC/EIA standard calls for payment within five days.

Transportation expense requests: 38.

Transportation expense payments timely: 32 (84.2%).

The exceptions are:

- #13969: Mileage check for the 2nd PQME evaluation was not sent 10 days in advance.
- #14236: Mileage check was not sent for the PQME evaluation.
- #16064: A mileage check was not sent for the PQME evaluation.
- #20939: Mileage check for first PQME evaluation was not sent 10 days in advance.
- #22362: Mileage check was not issued 10 days in advance of PQME evaluation.
- #27584: Mileage check was not sent for the PQME evaluation.

3.4 *Correct Permanent Disability Payments.*

This inquiry is intended to discover whether permanent disability (and advances thereon) are paid correctly by law. This requires advance payment of permanent disability between the end of temporary disability and the date a permanent disability rating is determined. Without such advance of permanent disability payments, a penalty by the Workers'

Compensation Appeals Board is at risk. Further, there is an additional \$100 penalty payable to the state and the 10% automatic penalty that is payable to the claimant with the administrator's own funds. Thus, on a late or absent permanent disability payment, as many as three penalties could apply. Conversely, permanent disability payments should not be made unnecessarily simply to avoid the risk of a penalty.

Cases on which PD (or advances) were required: 39.

Cases with correct PD payments: 26 (66.7%).

The exceptions are:

- #14799: EE was determined unable to do usual and customary occupation on 5/7/12. See comment in previous Section 3.2.
- #16064: PD was either payable upon the receipt of the PQME report or an additional denial notice should have been sent setting forth the basis of the continuing denial. In this case the only basis for a continuing denial would have been based on good faith personnel actions. That is a legal basis and would have needed to be resolved prior to dealing with the medical issues contained in the PQME's opinion. Alternatively, the filing of an application was required in order to continue discovery on the medical issues.
- #20678: PD advances were not timely resumed after receipt of the AME report. The 10% self imposed increase was not paid.
- #20947: PR4 report was received 7/5/12. PD advances were not timely resumed. The 10% self imposed increase was not paid.
- #22111: PD advance was not paid within 14 days of receiving the P&S report. The 10% self imposed increase was not paid.
- #22362: There was 1 underpayment of PD. The 10% self imposed increase was paid.
- #24378: There was 1 PD payment at an incorrect rate. The 10% self imposed increase was paid.
- #24682: Initial PD advance was not paid within 14 days of receiving the PR4 report. The 10 % self imposed increase was not paid.

- #26141: PD advances should have been resumed upon receipt of the P&S report from the psych PQME.
- #26989: There was 1 late PD payment. The 10% self imposed increase was paid.
- #27756: Initial PD advance was not timely. The 10% self imposed increase was not paid.
- #27973: Even though there is potential for some apportionment the EE underwent a surgical procedure with a scheduled PD rating. Some PD advances should have initiated at the termination of LC4850.
- #29475: EE RTW full duty 11/2/12. PD advances have not been initiated per scheduled rating.

3.5 *Permanent Disability Rate Adjustment.*

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

Cases involving a PD rate adjustment: 20.

Cases on which the adjustment was correctly applied: 20.

An observation is:

- #26989: It is noted that EE retired on a non industrial basis prior to P&S status. PD rate was increased as EE was ultimately determined to be unable to do his usual and customary occupation. Since ER was unable to conduct the interactive process it would seem that the correct rate under these circumstances would be at the neutral rate.

3.6 *Self-Imposed 10% Penalty Paid if Required.*

This query records whether the automatic penalty is paid when required. It is automatically triggered by any of several situations. The problem is circuitous because a late or absent penalty triggers yet another penalty.

Cases involving a self-imposed penalty: 9.

Cases on which such a penalty was properly paid: 3 (33.3%).

3.7 *Regular File Balancing.*

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

Cases on which balancing was expected: 60.

Cases with regular balancing: 36 (60.0%).

Exceptions are:

- #10786: Ambulance bill was paid twice. Examiner needs to seek reimbursement and then submit corrected lien to 3rd party insurer.
- #11183: It is noted that there was an issue regarding verification of TD/LC4850 paid which delayed excess reimbursement for a period of time. This should have been verified long ago through effective file balancing and clearly was not.
- #27504: Amount of LC4850 left should be documented.

3.8 *Findings, Summary and Recommendations.*

Two cases lacked sufficient documentation concerning the employee's ongoing disability status and there were a number of cases involving permanent disability payments. We recommend review of the payment process and that these issues be reviewed with the examiners to effect improvement in these areas.

There were a number of instances in which a mileage check was not issued

for a PQME evaluation or not issued 10 days in advance of the evaluation. It is recommended examiners establish a routine of issuing these checks at the time the appointment notice is received or at the time the cover letter is sent to the PQME.

File balancing was inconsistent and/or not adequately documented. The EIA standard for this procedure should be reviewed with examiners to ensure it is being followed.

4. Case Planning & Correspondence.

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

4.1 Case Plan Appropriate.

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

Cases where planning should have been evident: 94.

Cases where appropriate planning was seen: 86 (91.5%).

The exceptions are:

- #16064: See comment under 3.4.
- #22596: There is no current POA in place to resolve the dilemma created by the WCAB in refusing to approve Stips without FM. EE hasn't requested any further treatment in over 2 years. The least costly alternative would be to just amend the Stips to include FM. Then close the file once they are approved.
- #24682: EE was never temporarily disabled. PD was due from P&S date of 3/4/11 and not from the DOI.
- #25234: There is no current POA.
- #25401: The first PQME re-evaluation should have been scheduled sooner. This likely would have resulted in the eventual surgery having occurred sooner. Medical treatment was ineffective for several months.
- #26141: See comment under 6.5. No CSR since 2/12.
- #26397: There is no current POA.

- #27173: The issue regarding the ending of temporary employment and any subsequent employment was not timely pursued. EE is 57 years old and had worked for ER only 4 months before the injury. A detailed medical history is highly recommended to explore for potential apportionment. EE has been on TD for over a year. PQME process should have been initiated before this. Assigning a NCM would be a good idea as well.

4.2 *Apportionment Pursuit.*

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

Cases on which apportionment is an issue: 15.

Cases on which apportionment is thoroughly addressed: 15.

An observation is:

- #24782: Seems like it would have been a good idea for a DA to review the apportionment issues given the prior awards for the knee and shoulder.

4.3 *Required Notices.*

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

Cases with notices required: 81.

Cases with notices: 69 (85.2%).

Exceptions are:

- #14048: Beginning TD notice was not timely sent.
- #14236: Subsequent denial notice was not sent within 14 days of receiving the PQME report.
- #14799: Two LC4850 notices were sent late.
- #20678: The ending LC4850 notice was sent late.
- #20939: A delay of LC4850 notice should have been sent at the outset pending clarification of time lost.
- #22596: PD advice notice was not timely sent.
- #24379: Beginning LC4850 notice was sent late.
- #25234: The beginning/ending LC4850 notice was sent late.
- #26397: Discharge report was received 10/23/12. A no PD advice notice has not been sent.
- #26551: Delay notice was not timely sent.
- #27973: Ending LC4850 notice was sent late.
- #28995: The delay notice was not timely sent.

4.4 File Documentation.

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

Files sampled: 94.

Files with reasonably clear and complete documentation: 89 (94.7%).

The exceptions are:

- #12063: There was no DWC1 in file and no indication of follow up with ER to determine if EE had returned it.
- #14799: File does not contain any documentation as to whether EE is retired, if so if that is an IDR, or whether he is still on the books as an employee.
- #18194: No DWC1 in file and no documented follow up with ER to see if EE had returned it.
- #24682: PQME report for the evaluation occurring on 9/12/11 was not in file. If this is in the other claim a copy should be put in this file.
- #27353: It is not clear whether EE is currently working. If not then it would appear that LC4850 is owed.

4.5 Correspondence.

The EIA standard is that all incoming correspondence shall be date stamped and if a response is required, it shall be within five days.

Files with correspondence: 94.

Files with timely response: 93 (98.9%).

The exception is:

- #27756: Claim was not timely accepted after receipt of the AME report.

4.6 Findings, Summary and Recommendations.

Several claims lacked a current plan of action and current relative issues in some cases were not adequately addressed. These need to be addressed with the examiner to make sure the plan of action is current and issues are timely and adequately addressed. A consistent supervisory diary review is also needed to make sure current issues are addressed in a timely fashion.

Several of the required benefit notices were issued late. This needs review

to effect improvement in this area.

5. Medical Administration.

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

5.1 Physician Contact.

The CSAC/EIA standard is that the physician's office be contacted within five days and as needed thereafter.

Cases that required physician contact: 23.

Cases with regular contact: 23.

5.2 Appropriate Medical Consultations Obtained.

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

Cases needing medical consultations: 20.

Cases on which consultations were obtained: 20.

5.3 Findings, Summary and Recommendations.

There were a few instances that are noted elsewhere in which either a nurse case manager probably could have helped with the medical issues or the PQME process should have been initiated sooner. These would be part of a more aggressive plan of action when medical treatment stagnates or becomes ineffective.

6. Litigation.

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

6.1 *Files Litigated.*

This inquiry is quantitative rather than qualitative. It simply looks at the total number of files sampled with applications filed. Of the cases sampled, 37 were in litigation as of the date of the audit. That is 39.4%. The sample used by North Bay Associates for this claims review is weighted toward the high-dollar indemnity claims that tend to be litigated.

6.2 *Use of Defense Attorney Appropriate.*

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

Litigated cases where inquiry was applied: 32.

Cases where attorneys were used appropriately: 32.

6.3 *Legal Issue Recognition.*

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

This inquiry was directed at each litigated file: 38.

Cases that showed good issue recognition: 37 (97.4%).

6.4 *Litigation Expense Control.*

This inquiry is directed to each case with counsel assigned: 32.
Cases that showed expected level of expense control: 32.

6.5 *Litigation Plan Documented.*

Litigated cases: 36.
Cases with documented plans: 34 (94.4%).

The exceptions are:

- #26141: Case contains no current litigated POA. P&S reports were received 6 months ago. Of major concern is the psych report rated at 92%. DA did not think a depo would be fruitful but that needs to be done with this level of PD. There are clearly issues that are potentially non industrial including financial issues, self medicating, and lack of motivation. It is highly recommended that a POA be developed surrounding PQME's depo.
- #26428: AA requested QME panel 9/7/12. Examiner needs to contact DA/Medical Unit to find out why the panel has not been received yet.

6.6 *Timely and Documented Referral to Counsel.*

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

Files assigned to counsel during this audit period: 32.
Files that were timely: 32.

6.7 Findings, Summary and Recommendations.

Case# 26141 has a high liability potential. Aggressive litigation management is necessary to minimize this liability as much as possible. Otherwise, litigation handling is generally acceptable but litigation plans need to be kept up to date and focused.

7. Finalization.

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

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

7.1 Continuous Finalization Efforts.

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

Cases in which we expect constant finalization efforts: 90.

Cases with constant efforts to finalize: 86 (95.6%).

The exceptions and recommendation (#20148) are:

- #20148: Looks like claim can move forward to resolution based on prior PR4 as there has been no follow up treatment since the flareup event.
- #24378: Settlement authority was received 8/28/12. No activity to resolve claim since then.
- #25234: See no activity to bring case to resolution since the ending of LC4850.

- #26141: There has been no activity to move case to resolution for 6 months.
- #26198: EE failed a follow up appointment so the treating physician could complete an exam for the PR4 report. That was known nearly 3 months ago. Examiner should have contacted the EE and arranged a final evaluation for completion of the PR4 report.

7.2 *Correct Settlement Valuation.*

Here we measure the examiner's technical and tactical evaluation of the settlement value of each case that was or is in the finalization stages. Is the examiner correctly reading the medical reports on which compromise and release or stipulations are based? Is the examiner challenging the state's permanent disability rating if appropriate? Are cases undervalued for any reason?

Cases settled or in the process of being settled: 21.

Cases correctly valued: 20 (95.2%).

The exception is:

- #27001: This is a case where waiting for the DEU rating before settlement should have occurred. It is noted that the DEU rated lower than the examiner's rating.

7.3 *Compromise and Release Offered if Appropriate.*

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

inquiry looks at whether a C&R is attempted if appropriate.

Compromise and release appropriate: 8.

Compromise and release offered: 6 (75.0%).

The exceptions are:

- #24782: Not sure why a C&R was not considered or offered.
- #26989: Examiner indicated it would not be cost effective to consider a C&R. Disagree with that. A reasonable estimation of FM should usually be offered by C&R when appropriate and it should also be pointed out that a C&R closes the right to new and further disability.

7.4 *Timely Closing.*

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

Cases that should have been closed: 7.

Cases closed: 7.

7.5 *Findings, Summary and Recommendations.*

A few cases lacked timely movement toward resolution. An effective diary and a current plan of action with follow through is needed to effect improvement in this area.

8. Reserve Adequacy.

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

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

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

8.1 Reserve Calculation Work Sheets Complete.

This query checks for sufficiently complete use of the examiner’s main reserving tool: a reserve calculation worksheet. A worksheet encourages the examiner to break down the reserves into component parts rather than quickly guessing at totals only. The California Code of Regulations

¹§15300 (b) Rules and Regulations.

“recommends” the use of a worksheet.²

Cases that should have sufficiently complete worksheets: 89.

Cases with such worksheets: 89.

8.2 *Initial Reserves Appropriate.*

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

Files opened during this audit period: 67.

Files with accurate initial reserves: 67.

8.3 *Reserves Revised Appropriately.*

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

Files that needed their reserves revised: 73.

Files with properly revised reserves: 65 (89.0%).

The exceptions are:

- #13969: Do not see any reason not to calculate the FM reserve based on usage and PQME opinion regarding FM as condition is P&S. No need to delay this kind of calculation at this point pending final resolution.
- #14799: No PD reserve on this litigated case for an EE who also has been determined unable to do the usual and customary occupation on a permanent basis. Recommend 15% pending additional discovery.

²§15400 of the Rules and Regulations.

- #16064: Litigated case that lacks an indemnity reserve for settlement purposes. PD is rated at 10%.
- #20538: Looks like LC4850 reserve will run out unless EE RTW in the next couple of weeks.
- #21123: Do not believe the FM reserve is adequate based on medication cost. This appears to have settled into a long term pattern.
- #22700: Although this is a denied claim based on the PQME opinion it is noted this is a cancer presumption claim that will be very costly if the presumption is not overcome. For this reason the current reserves are not adequate. It is not too early to begin thinking about settlement by C&R with injury in issue despite a notoriously unreasonable AA.
- #24119: There is no LC4850 reserve left. Recommend an additional 10 weeks.
- #25705: PD reserve should have been added at the time EE became represented.
- #26141: PD and medical reserves are inadequate. Psych currently rated at 92% and costly medical treatment continues unabated including large amounts of medication.
- #26743: TD reserve is not adequate. All reserves need updated evaluation by examiner. See comment in 3.2.

8.4 Findings, Summary and Recommendations.

Reserves were inadequate on several cases. These should be brought to the examiner's attention and it is also recommended that closer supervisory review on diary occur to ensure reserves are timely adjusted and adequate.

9. Excess Insurance.

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

9.1 Prompt Excess Reporting.

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

Cases requiring reporting to the reinsurer: 16.

Cases reported: 13 (81.3%).

The exceptions and recommendation (#24782) are:

- #22147: Claim is reserved over 50% SIR and not yet reported to excess.
- #22893: Do not see documentation this case has actually been reported to excess or acknowledgement of such.
- #24782: The recent reserve increase now requires reporting to excess.
- #25705: Case was reportable to excess at the time of the reserve increases on 7/23/12. It has not yet been reported.

9.2 Sufficient Subsequent Reports.

Cases requiring subsequent reports: 11.

Cases with subsequent reports: 7 (63.6%).

The exceptions are:

- #11060: See no documentation that the more recent CMR's have been transmitted to excess.
- #11183: See comment in Section 9.3.

- #19227: See no documentation there has been any follow up report to excess since the initial report.
- #20874: Looks like the last report to excess was on 9/1/11
- #26141: There have been no reports to excess since 2/12.

9.3 *Regular Reimbursement Requested.*

Cases over retention, thus entitled to periodic reimbursement: 1.
Cases on which reimbursement regularly requested: 0 (.0%).

The exception is:

- #11183: Although the file documentation indicates quarterly claim status reports, clear documentation lacked showing these reports were being sent to excess. Clear documentation in these reports is needed that excess has been sent a copy and it is also recommended a file note be entered to that affect. It was also noted that there were no reimbursement requests made from from 5/09 until 11/22/11. In addition there was 1 reimbursement received that was not posted to the file at the time it was received. We would highly recommend that quarterly reports and reimbursement requests be made together and that received reimbursements are promptly posted to the file. Medical treatment remains highly active and there is no reason not to be making consistent quarterly reimbursement requests.

9.4 *Findings, Summary and Recommendations.*

Initial and follow up reporting to excess is not occurring at an acceptable level and needs improvement. Initial reports should be done concurrent with reserve increases that exceed 50% of the SIR. Follow up reports should be done every 90 days and it is recommended that occur concurrently with the examiners' 90 day diary. A listing of reportable cases in the audit sample—entitled “Excess Reporting”—is at Tab Two in the *Addendum*.

10. Subrogation.

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

10.1 Prompt and Effective Subrogation.

Cases with at least a potential for subrogation: 8.
Cases identified and acted upon: 8.

10.2 Appropriate Follow-Up.

Actual subrogation cases: 8.
Subrogation cases handled appropriately: 7 (87.5%).

The exception is:

- #23950: See no follow up subrogation pursuit since 3/8/12.

10.3 Findings, Summary and Recommendations.

Subrogation cases were recognized and timely investigated. There was appropriate follow up excepting the 1 noted case above. No specific recommendations are offered.

11. Penalty Summary.

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

11.1 Labor Code § 5814 Penalty.

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

Cases with potential or actual §5814 penalties: 0.

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

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

Cases with self-imposed penalty due: 9.

Cases with self-imposed penalty paid: 3 (33.3%).

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

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

Cases with at least one potential Audit Unit penalty: 25.

11.4 Findings, Summary and Recommendations.

There is some potential for penalties on late disability payments in which the 10% self imposed increase was not paid. There is a mechanism in place for providing the client with prompt reimbursement of self imposed penalties.

Addendum

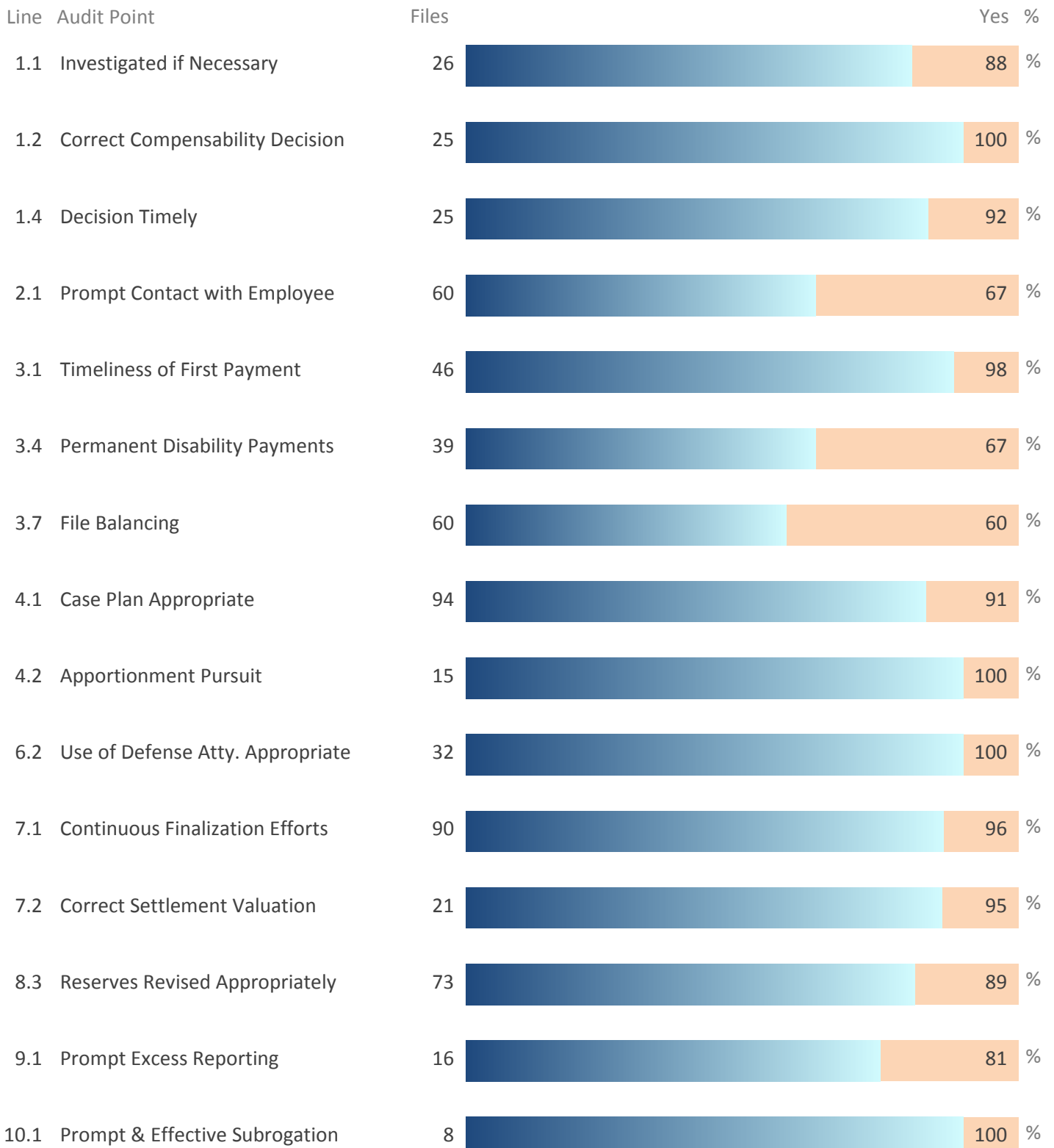
Tab Four

Audit Profile

11/22/2012

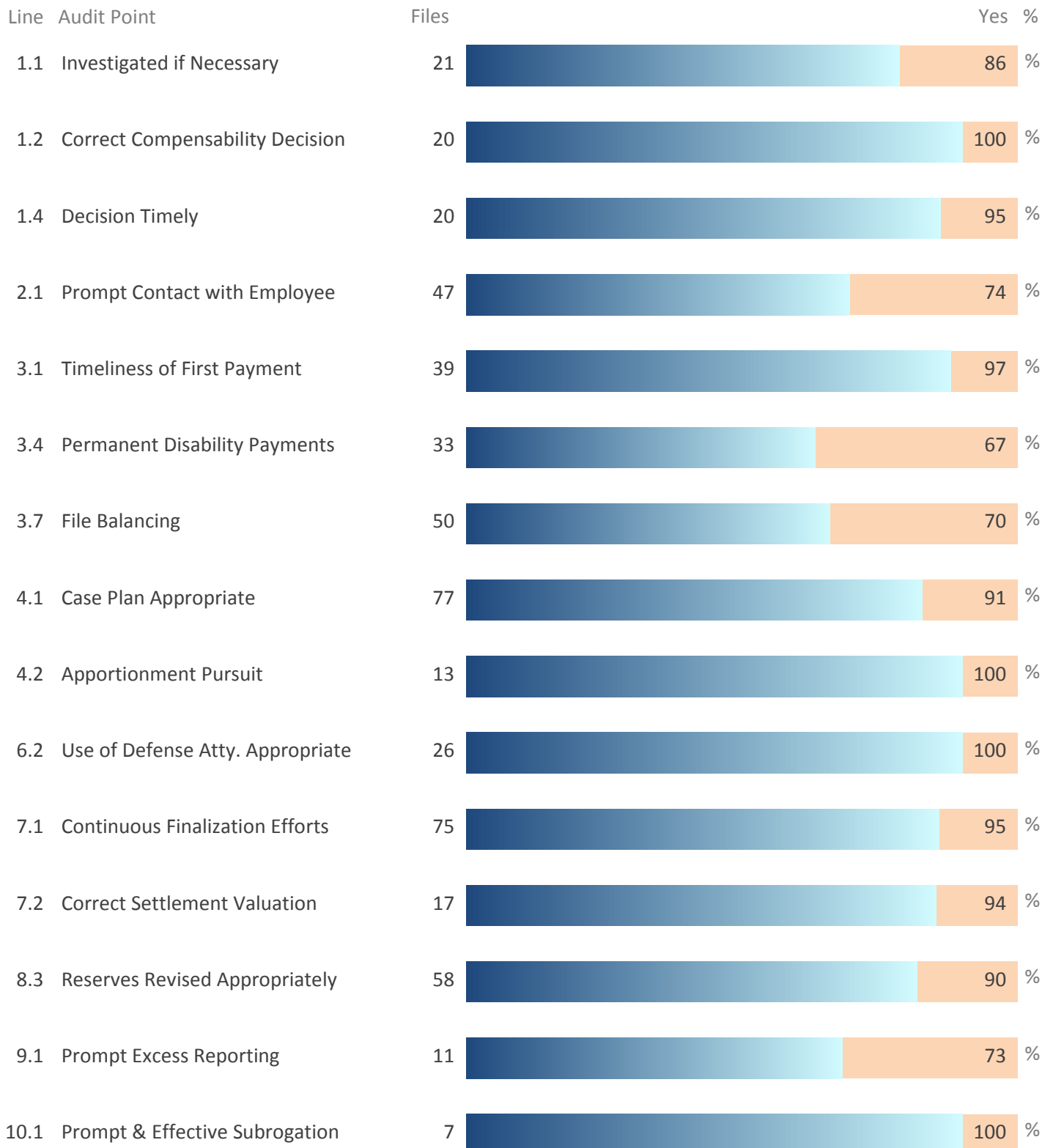
94 Claims

York Insurance Services (grp3)
All Clients in Audit



77 Claims

York Insurance Services (grp3)
Northern California Cities Self Insurance Fund/Alliant Insurance



Audit Data

Audit Score 90.5%

11/22/2012

94 Claims

York Insurance Services (grp3)

All Clients in Audit

Audit Point	Question	Yes	No	Unkn	Tot	%Yes	%No	%Unkn
1.1	Investigated if Necessary	23	3	0	26	88.5	11.5	0.0
1.2	Correct Compensability Decision	25	0	0	25	100.0	0.0	0.0
1.3	Basis of Decision Documented	25	0	0	25	100.0	0.0	0.0
1.4	Decision Timely	23	2	0	25	92.0	8.0	0.0
1.5	Employer Contact	62	1	0	63	98.4	1.6	0.0
2.1	Prompt Contact with Employee	40	20	0	60	66.7	33.3	0.0
2.2	Employee Contact Continued	20	11	1	32	62.5	34.4	3.1
3.1	Timeliness of First Payment	45	1	0	46	97.8	2.2	0.0
3.2	Subsequent T.D. Biweekly	40	2	0	42	95.2	4.8	0.0
3.3	Transportation Expense	32	6	0	38	84.2	15.8	0.0
3.4	Permanent Disability Payments	26	13	0	39	66.7	33.3	0.0
3.5	PD Rate Adjustment	20	0	0	20	100.0	0.0	0.0
3.6	Self-Imposed 10% Penalty Paid	3	6	0	9	33.3	66.7	0.0
3.7	File Balancing	36	24	0	60	60.0	40.0	0.0
4.1	Case Plan Appropriate	86	8	0	94	91.5	8.5	0.0
4.2	Apportionment Pursuit	15	0	0	15	100.0	0.0	0.0
4.3	Required Notices	69	12	0	81	85.2	14.8	0.0
4.4	File Documentation	89	5	0	94	94.7	5.3	0.0
4.5	Correspondence	93	1	0	94	98.9	1.1	0.0
5.1	Physician Contact	23	0	0	23	100.0	0.0	0.0
5.2	Appropriate Consultations Obtained	20	0	0	20	100.0	0.0	0.0

Audit Data

Audit Score 90.5%

11/22/2012

94 Claims

York Insurance Services (grp3)

All Clients in Audit

Audit Point	Question	Yes	No	Unkn	Tot	%Yes	%No	%Unkn
6.1	File Litigated	37	0	0	37	100.0	0.0	0.0
6.2	Use of Defense Atty. Appropriate	32	0	0	32	100.0	0.0	0.0
6.3	Legal Issue Recognition	37	1	0	38	97.4	2.6	0.0
6.4	Litigation Expense Control	32	0	0	32	100.0	0.0	0.0
6.5	Litigation Plan Documented	34	2	0	36	94.4	5.6	0.0
6.6	Timely & Documented Atty Referral	32	0	0	32	100.0	0.0	0.0
7.1	Continuous Finalization Efforts	86	4	0	90	95.6	4.4	0.0
7.2	Correct Settlement Valuation	20	1	0	21	95.2	4.8	0.0
7.3	C&R Offered if Appropriate	6	2	0	8	75.0	25.0	0.0
7.4	Timely Closing	7	0	0	7	100.0	0.0	0.0
8.1	Reserve Work Sheets Complete	89	0	0	89	100.0	0.0	0.0
8.2	Initial Reserves Appropriate	67	0	0	67	100.0	0.0	0.0
8.3	Reserves Revised Appropriately	65	8	0	73	89.0	11.0	0.0
9.1	Prompt Excess Reporting	13	3	0	16	81.3	18.8	0.0
9.2	Sufficient Subsequent Reports	7	4	0	11	63.6	36.4	0.0
9.3	Regular Reimbursement Requested	0	1	0	1	0.0	100.0	0.0
10.1	Prompt & Effective Subrogation	8	0	0	8	100.0	0.0	0.0
10.2	Appropriate Follow Up	7	1	0	8	87.5	12.5	0.0
11.1	L.C. 5814 (Old 10% Penalty)	0	0	0	0	0.0	0.0	0.0
11.2	L.C. 4650 (Self-Imposed 10%)	3	6	0	9	33.3	66.7	0.0
11.3	L.C. 129.5 (DWC Audit Unit Fines)	25	0	0	25	100.0	0.0	0.0

Audit Points Composite

Yes	Yes + No	Audit Score (%Yes)
1422	1571	90.5%

Audit Data

Audit Score 91.6%

11/22/2012

77 Claims

York Insurance Services (grp3)

Northern California Cities Self Insurance Fund/Alliant Insurance

Audit Point	Question	Yes	No	Unkn	Tot	%Yes	%No	%Unkn
1.1	Investigated if Necessary	18	3	0	21	85.7	14.3	0.0
1.2	Correct Compensability Decision	20	0	0	20	100.0	0.0	0.0
1.3	Basis of Decision Documented	20	0	0	20	100.0	0.0	0.0
1.4	Decision Timely	19	1	0	20	95.0	5.0	0.0
1.5	Employer Contact	49	1	0	50	98.0	2.0	0.0
2.1	Prompt Contact with Employee	35	12	0	47	74.5	25.5	0.0
2.2	Employee Contact Continued	18	7	1	26	69.2	26.9	3.8
3.1	Timeliness of First Payment	38	1	0	39	97.4	2.6	0.0
3.2	Subsequent T.D. Biweekly	36	1	0	37	97.3	2.7	0.0
3.3	Transportation Expense	31	3	0	34	91.2	8.8	0.0
3.4	Permanent Disability Payments	22	11	0	33	66.7	33.3	0.0
3.5	PD Rate Adjustment	17	0	0	17	100.0	0.0	0.0
3.6	Self-Imposed 10% Penalty Paid	3	6	0	9	33.3	66.7	0.0
3.7	File Balancing	35	15	0	50	70.0	30.0	0.0
4.1	Case Plan Appropriate	70	7	0	77	90.9	9.1	0.0
4.2	Apportionment Pursuit	13	0	0	13	100.0	0.0	0.0
4.3	Required Notices	60	9	0	69	87.0	13.0	0.0
4.4	File Documentation	75	2	0	77	97.4	2.6	0.0
4.5	Correspondence	76	1	0	77	98.7	1.3	0.0
5.1	Physician Contact	22	0	0	22	100.0	0.0	0.0
5.2	Appropriate Consultations Obtained	16	0	0	16	100.0	0.0	0.0

Audit Data

Audit Score 91.6%

11/22/2012

77 Claims

York Insurance Services (grp3)

Northern California Cities Self Insurance Fund/Alliant Insurance

Audit Point	Question	Yes	No	Unkn	Tot	%Yes	%No	%Unkn
6.1	File Litigated	30	0	0	30	100.0	0.0	0.0
6.2	Use of Defense Atty. Appropriate	26	0	0	26	100.0	0.0	0.0
6.3	Legal Issue Recognition	30	1	0	31	96.8	3.2	0.0
6.4	Litigation Expense Control	26	0	0	26	100.0	0.0	0.0
6.5	Litigation Plan Documented	27	2	0	29	93.1	6.9	0.0
6.6	Timely & Documented Atty Referral	26	0	0	26	100.0	0.0	0.0
7.1	Continuous Finalization Efforts	71	4	0	75	94.7	5.3	0.0
7.2	Correct Settlement Valuation	16	1	0	17	94.1	5.9	0.0
7.3	C&R Offered if Appropriate	4	2	0	6	66.7	33.3	0.0
7.4	Timely Closing	7	0	0	7	100.0	0.0	0.0
8.1	Reserve Work Sheets Complete	73	0	0	73	100.0	0.0	0.0
8.2	Initial Reserves Appropriate	53	0	0	53	100.0	0.0	0.0
8.3	Reserves Revised Appropriately	52	6	0	58	89.7	10.3	0.0
9.1	Prompt Excess Reporting	8	3	0	11	72.7	27.3	0.0
9.2	Sufficient Subsequent Reports	4	2	0	6	66.7	33.3	0.0
9.3	Regular Reimbursement Requested	0	0	0	0	0.0	0.0	0.0
10.1	Prompt & Effective Subrogation	7	0	0	7	100.0	0.0	0.0
10.2	Appropriate Follow Up	6	1	0	7	85.7	14.3	0.0
11.1	L.C. 5814 (Old 10% Penalty)	0	0	0	0	0.0	0.0	0.0
11.2	L.C. 4650 (Self-Imposed 10%)	3	6	0	9	33.3	66.7	0.0
11.3	L.C. 129.5 (DWC Audit Unit Fines)	21	0	0	21	100.0	0.0	0.0

Audit Points Composite

Yes	Yes + No	Audit Score (%Yes)
1183	1292	91.6%



Item J.1.a.2.

Worker's Compensation Self-Insured Retention (SIR) Analysis

TOPIC: NCCSIF has retained the first \$500,000 of each Workers' Compensation claim since 2002. From 1992 to 2002 NCCSIF's SIR was \$300,000 and \$250,000 prior to 1991. NCCSIF has incurred \$20,616,266 losses excess of \$400,000 since inception. The Board will be presented with exhibits and information that will assist with the following discussion points:

DISCUSSION POINTS:

1. What will be the additional funding costs to increase the SIR from \$500,000 to \$1,000,000 SIR?
2. How will impact the premium to our excess carrier?
3. How will these impact members' contributions?
4. What have NCCSIF's actual losses been in the \$500K xs \$500K layer?
5. Is it in NCCSIF's best interest to increase the SIR?

OBJECTIVE: To determine if NCCSIF should considering increasing their Self Insured Retention from \$500,000 to \$1,000,000.

ACTION(s)/DELIVERABLE(s): Members reviewed the information provided and decided not to consider increasing the Workers' Compensation Self-Insured Retention of \$500,000 at this time. The current pricing is more attractive to purchase excess coverage at the current SIR than to fund an additional \$500,000 per occurrence of loss.

DEADLINE(s): None.

FINANCIAL IMPACT: None.

RESPONSIBILITY: None.



Item J.1.a.3.i.

Workers' Compensation Confidence Level Funding

TOPIC: NCCSIF currently funds losses for future payments at the 60% confidence level for the Workers' Compensation program. What this means is that NCCSIF is confident that 6 out of 10 times those programs adequately. NCCSIF has funded their program at different confidence levels since inception. Most recently the confidence levels for the last 10 years have been:

- 2003/2007 = 70%
- 2008/2012 = 60%

DISCUSSION POINTS:

1. Review of Equity in Workers' Compensation Program
2. Review of actual expected losses to projected losses
3. How will the change in the confidence level impact members' contributions?

OBJECTIVE: To determine if NCCSIF should adjust the current 60% Confidence Level for future payments of Workers' Compensation losses.

ACTION(s)/DELIVERABLE(s):

1. The Board of Directors request Staff to provide estimated Funding Calculations at difference Confidence Levels at the January Board of Directors meeting based on the current Actuarial report used for 2012/13 funding.
2. The Board also request Staff to review the current Workers' Compensation Equity balance to determine if funds are available to offset the increased costs to fund the Workers' Compensation program at a higher confidence level.

DEADLINE(s):

1. January 24, 2013.
2. January 24, 2013.

FINANCIAL IMPACT:

1. Unknown.
2. Unknown

RESPONSIBILITY:

1. Program Administrator.
2. Program Administrator.

ATTACHMENT: Funding Analysis



WORKERS' COMPENSATION CONFIDENCE LEVEL ANALYSIS

NCCSIF currently funds current year (2012/2013) expected losses at the 60% confidence level and discounts rates by 3%.

The following table shows the additional funding required at a 70% confidence level and at various discount rates.

	60%	70%	ADDITIONAL FUNDING @ Higher Confidence Level
3.0%	\$6,463,000	\$6,926,000	\$463,000
2.5%	\$6,539,000	\$7,007,000	\$468,000
2.0%	\$6,617,000	\$7,091,000	\$474,000
1.5%	\$6,699,000	\$7,179,000	\$480,000
1.0%	\$6,784,000	\$7,270,000	\$486,000



Item J.1.a.3.ii.

Workers' Compensation Discount Funding for Investment Income

TOPIC: NCCSIF currently discounts Workers' Compensation expected losses as determined by our Actuary by 3% to offset investment income earned on our investments. With interest rates at an all time low, NCCSIF should review the discounting practices as they relate to actual investment income to determine appropriate discount levels for future funding. NCCSIF's actuary Mike Harrington from Bickmore and Ted Piorkowski from Chandler Asset Management will provide the Board with information that will assist with the discussion points below.

DISCUSSION POINTS:

1. Review of interest earned on investments for the past 5 years as compared with discount rate amounts NCCSIF has used for funding losses in the banking and shared risk layers.
2. Review the payout pattern for Workers' Compensation claim payments made or settled.
3. What are other primary JPAs using as discount factors?
4. How will the change in the discount funding impact members' contributions?

OBJECTIVE: To determine if NCCSIF should adjust the current Discount Funding percentage of 3% for Investment Income.

ACTION(s)/DELIVERABLE(s):

1. Staff will provide estimated Funding Deposit Calculations at difference Discount Funding percentages at the January Board of Directors meeting.
2. Staff will provide calculations that will show if funds from the Workers' Compensation Equity are available to offset the increased costs to fund the Workers' Compensation program at a lower discount rate.

DEADLINE(s):

1. January 24, 2013.
2. January 24, 2013.

FINANCIAL IMPACT: Unknown.

RESPONSIBILITY:

1. Program Administrator.
2. Program Administrator.

ATTACHMENT: Funding Analysis



WORKERS' COMPENSATION DISCOUNT RATES ANALYSIS

NCCSIF currently discounts Current Year and Outstanding Year expected losses at 3%.

Future earnings estimate from Chandler Asset Management are 1.25%.

The following table shows Outstanding Liabilities and the additional funding that would reduce Net Assets if the discount rate were changed.

	OUTSTANDING LIABILITES	INCREASE IN FUNDING	CURRENT YEAR @ 60% CONFIDENCE LEVEL	INCREASE IN FUNDING	TOTAL ADDITIONAL FUNDING REQUIRED
3%	\$22,847,000	\$0	\$6,463,000	\$0	\$0
2.5%	\$23,257,000	\$410,000	\$6,539,000	\$ 76,000	\$ 486,000
2.0%	\$23,693,000	\$846,000	\$6,617,000	\$154,000	\$1,000,000
1.5%	\$24,155,000	\$1,308,000	\$6,699,000	\$236,000	\$1,544,000
1.0%	\$24,616,000	\$1,769,000	\$6,784,000	\$321,000	\$2,090,000



Item J.1.a.4.

Excess Workers' Compensation Pooling Partners

TOPIC: NCCSIF has purchased Excess Workers' Compensation Insurance coverage from CSAC EIA since 2003. CSAC EIA provides Statutory limits excess of NCCSIF's \$500,000 Self Insured Retention. This time has been allocated to allow members to discuss "What is Working Well and What Isn't" with CSAC EIA.

DISCUSSION POINTS:

- What will be the reduction in cost to increase the SIR from \$500,000 to \$1,000,000 SIR?
- Are there any concerns with CSAC EIA?
 - Financial?
 - Cost?
 - Claims Handling?
 - Coverage?
 - Service?
- What next steps should NCCSIF take if there are issues?
- What are programs/services that CSAC EIA can assist NCCSIF members as respects risk transfer, risk management, training or other services?

OBJECTIVE: To determine if there are any items that need to be address with respects to NCCSIF's Excess Workers' Compensation coverage purchased from CSAC EIA.

ACTION(s)/DELIVERABLE(s): Members expressed that they are currently satisfied with the coverage and services provided by CSAC EIA. NCCSIF receives a \$7,500 credit annually from CSAC EIA due to CAJPA Accreditation with Excellence. CSAC EIA also provides a \$1,000 annual loss control subsidiary for members to use for loss control services.

Members would like to receive a list of upcoming trainings and webinars available through CSAC EIA at no additional costs.

DEADLINE(s): Ongoing.

FINANCIAL IMPACT: None.

RESPONSIBILITY: Program Administrator will provide to the NCCSIF Risk Management Committee to distribute to members and provide information on accessing this information from the CSAC EIA website.

ATTACHMENTS: LRP Session Training Topics; Upcoming Webinars; 2013 Training Calendar

**RISK MANAGEMENT TRAINING TOPICS FROM LONG RANGE
PLANNING MEETING DECEMBER 2012**

1. Ms. Paula Islas, City of Galt suggested provided Training to the Police Chiefs and Lieutenants regarding the claims process.
2. Mr. Kevin Bibler suggested Employment Practices Training as these types of losses can grow severe very quickly. There was further discussion of purchasing EPL through ERMA as EPL Training is provided through ERMA. Ms. Adams advised this will be an item to be discussed by the Risk Management Committee. She also advised that two types of Employment Practices training is available through Bickmore, Ethics and Harassment and shared that the Hazard and Risk Assessments will be completed soon and show great information.
3. Members advised that they would like to receive a list of upcoming trainings and webinars available through CSAC EIA at no additional costs.

From: [Maria Blanco](#)
To: [Susan Adams](#)
Cc: [Travis Clemmer](#)
Subject: You're Invited to our upcoming Webinar: Wednesday, January 23rd at 2pm
Date: Friday, January 18, 2013 9:29:31 AM

Hello Susan,

I was advised that you and your members were interested in a presentation regarding some of the services offered by the Loss Prevention department.

If you are available, I'd like to invite you to an upcoming information webinar we are holding on Wednesday, January 23rd at 2pm. I, along with Scarlett Sadler of our department, will be going over some of the programs/trainings offered as well as introduce our staff.

Please click [here](#) to register. If you have any questions, please do not hesitate to contact me.

I look forward to seeing you on the webinar. Have a great day!

Regards,

Maria Blanco

Loss Prevention Assistant
75 Iron Point Circle, Suite 200
Folsom, CA 95630
Phone. 916-850-7300
Fax. 916-850-7800

**Lots of new & exciting things are happening at the
EIA...
Check out our webinar schedule below!! See you
there!**

MCHUMOR.com by T. McCracken



“Have you seen that new
safety inspector anywhere?”

© T. McCracken mchumor.com

[Upcoming Loss Prevention Webinar Schedule:](#)

(Click [here](#) to view our website calendar)

January 23rd, 2013 @ 2 PM

“Intro to Loss Prevention... Our Services, Our People”
with Maria Blanco of CSAC EIA

January 24th, 2013 @ 9AM

“EPLI in a Climate of Claims Series: Nine Legal and Policy
Landmines” with Patricia Eyres of the Eyres Law Group

January 30th, 2013 @ 9AM

“Cal/OSHA 300 Log” with Juan Cajandig of CSAC EIA



Calendar

Search Upcoming Meetings and Events

January 2013

Committee Member Orientation: Webinar

This webinar is designed as an orientation for members newly appointed to EIA Committees or as a refresher for those already serving on EIA Committees.

Location: WebEx

Date: 1/23/2013

Time: 10:00 AM - 11:00 AM

[Event Details & Registration](#)

Introduction to Our Services... Our People: Loss Prevention Training Seminar

If you are a current member of the EIA and have questions about our webinars, subsidy program, Lending Library, TargetSolutions platform, the DOT Consortium, or anything else Loss Prevention related, please join us for an hour long session presented by Maria Blanco and Scarlett Sadler of the EIA Loss Prevention Department.

Date: 1/23/2013

Time: 2:00 PM - 3:00 PM

[Event Details & Registration](#)

EPLI in a Climate of Claims Series: Nine Legal and Policy Landmines: Loss Prevention Training Seminar

This is the first session of a series of webinars that will be presented by Patricia S. Eyres of the Eyres Law Group. Drawing upon many years' experience in the courtroom and the boardroom, and unique insights from advising employers on discrimination, harassment, retaliation, return to work and leave management issues, Patricia S. Eyres takes you step-by-step through the maze of ever-expanding legal risks you face today. You can protect your public agency and gain peace of mind, when you pay attention to prevention, **enact** proper policies, **enforce** uniform procedures, **educate** leaders and know what to do when trouble strikes. Check out the rest of Ms. Eyres' EPLI series throughout the rest of 2013!

Location: WebEx

Date: 1/24/2013

Time: 9:00 AM - 12:00 PM

[Event Details & Registration](#)

Cal/OSHA 300 Log: Loss Prevention Training Seminar

This will be a 2.5 hour informative online training session aimed at Human Resource Managers and Supervisors who have the responsibility for recording workplace injuries and illnesses on OSHA Log 300 presented by Juan Cajandig of the EIA.

Date: 1/30/2013

Time: 9:00 AM - 11:30 AM

[Event Details & Registration](#)

February 2013

TargetSolutions Platform: Bundling & Delivering New Hire & Annual Training Courses, and much more!: Loss Prevention Training Seminar

This 30 minute informative session is for current TargetSolution Platform users and will be presented by Liz Farzan of TargetSolutions. This month, we will learn: how to bundle your courses for new hires, track documents, and when to use the 'Request a File' feature.

Location: WebEx
Date: 2/7/2013
Time: 10:00 AM - 10:30 AM
[Event Details & Registration](#)

Socratic of Safety Power Hour: Inaugural Session: Loss Prevention Training Seminar

Join the CSAC EIA LP for an hour of power, must attend, "roundtable" event!

Presented by Travis Clemmer of the EIA and Devon Benbrook of Fresno County.

Location: WebEx
Date: 2/14/2013
Time: 2:00 PM - 3:00 PM
[Event Details & Registration](#)

Defensive Driving: Loss Prevention Training Seminar

This will be a 2.5 hour session on Defensive Driver training presented by Travis Clemmer of the EIA. This course is now being offered as a quarterly event. We will be offering it again in the months of May, August, and November 2013.

Location: WebEx
Date: 2/20/2013
Time: 9:00 AM - 11:30 AM
[Event Details & Registration](#)

Managing Multiple Leaves of Absence and Return-to-Work Processes in California, Standards for Navigating a Maze of Complementary and Conflicting Requirements: Loss Prevention Training Seminar

This will be a 3 hour educational seminar presented by Patricia S. Eyres of the Eyres Law Group. Employers must be able to coordinate their leaves compliance with their other compelling responsibilities; most significantly, the return to work process for making and reasonable accommodation decisions under FEHA and the ADA. This session is designed to acquaint HR specialists, claims examiners, brokers, managers and front-line supervisors with the range of legal risks facing California employers. You will focus specifically on their critical roles in their organization's administration of mandated leaves of absence and return-to-work processes.

Location: WebEx
Date: 2/21/2013
Time: 9:00 AM - 12:00 PM
[Event Details & Registration](#)

DOT Reasonable Suspicion Training for Supervisors: Loss Prevention Training Seminar

This 2.5 hour session on DOT Reasonable Suspicion For Supervisors will be presented by Juan Cajandig of CSAC EIA.

Location: WebEx
Date: 2/27/2013
Time: 9:00 AM - 11:30 AM
[Event Details & Registration](#)

March 2013

Students, Teachers and Social Media: Loss Prevention Training Seminar

Please join us for a 2 hour session presented by Carl Fessenden of Porter Scott wherein he will discuss the challenges faced by schools when it comes to social media and the rules applied by the courts. The goal is to provide schools with tools to help combat this growing issue.

Location: WebEx

Date: 3/6/2013

Time: 9:00 AM - 11:00 AM

[Event Details & Registration](#)

« Page 1 of 3 »



Calendar

Search Upcoming Meetings and Events

March 2013

Trees, Sidewalks, Hills and Slides - Claims, Defenses and Strategies: Loss Prevention Training Seminar

This is a 2 hour session presented by Mr. Greg Fox of Bertrand, Fox & Elliot designed to analyze pro-active strategies related to "Trees, Sidewalks, Hills and Slides" problems in a systemic manner.

Location: WebEx

Date: 3/7/2013

Time: 10:00 AM - 12:00 PM

[Event Details & Registration](#)

Annual Orientation/Re-Orientation Seminar

Registration now available!

Location: EIA Office

Date: 3/13/2013

Time: 10:30 AM - 2:30 PM

[Event Details & Registration](#)

Tools for Tense Situations: What to do When Facing the Angry Customer, the Difficult Taxpayer, or the Bullying Employee: Loss Prevention Training Seminar

Back by popular demand, Dr. Albrecht will be joining us once more to present this very informative session. It will be a 90 minute session on Tools For Tense Situations: What to do When Facing the Angry Customer, the Difficult Taxpayer, or the Bullying Employee presented by Dr. Steve Albrecht, PHR, CPP.

Date: 3/20/2013

Time: 9:00 AM - 11:00 AM

[Event Details & Registration](#)

April 2013

To Settle or Defend: Liability Training Course: Webinar

Register for a 90 minute Liability Training Course presented by the EIA with special guest, Carl Fessenden of Porter Scott.

Location: WebEx

Date: 4/3/2013

Time: 10:00 AM - 11:30 AM

[Event Details & Registration](#)

Excavations for Public Entities, Part 1 of 3: Loss Prevention Training Seminar

This will be a 3 part session on Excavations for Public Entities presented by Juan Cajandig of the EIA.

Location: WebEx

Date: 4/17/2013

Time: 8:30 AM - 11:15 AM

[Event Details & Registration](#)

Excavations for Public Entities, Part 2 of 3 : Loss Prevention Training Seminar

This will be a 3 part session on Excavations for Public Entities presented by Juan Cajandig of the EIA.

Date: 4/18/2013
Time: 8:00 AM - 11:15 AM
[Event Details & Registration](#)

Excavations for Public Entities, Part 3 of 3: Loss Prevention Training Seminar

This will be a 3 part session on Excavations for Public Entities presented by Juan Cajandig of the EIA.

Location: WebEx
Date: 4/23/2013
Time: 8:00 AM - 2:00 PM
[Event Details & Registration](#)

EPLI Series: Landmines #3, #4, and #5: Harassment Prevention, Misconduct Investigations and Retaliation Prevention : Loss Prevention Training Seminar

This 3 hour session presented by Patricia S. Eyres of the Eyres Law Group will go over 3 of the 9 topics in her series on EPLI topics: Harassment Prevention, Misconduct Investigations and Retaliation Prevention in the workplace environment.

Location: WebEx
Date: 4/24/2013
Time: 9:00 AM - 12:00 PM
[Event Details & Registration](#)

May 2013**EPLI Series: Landmine #1: Conducting and Documenting the FEHA/ADA Interactive Process: Introducing an Easy to Implement Ten Step System (Day 1 of 2): Loss Prevention Training Seminar**

Are your HR professionals and managers prepared to handle return to work and reasonable accommodation decisions properly for both work and non-work related injuries or illness? Are they trained to correctly conduct the specific "interactive process," required by law? Can they distinguish between a reasonable accommodation and an undue hardship for your organization? The changing legal climate in California mandates knowledgeable and skilled HR specialists in your organization. Join CSAC EIA with presenter Patricia S. Eyres of the Eyres Law Group for a 2 part session focused on this very important subject matter.

Location: WebEx
Date: 5/8/2013
Time: 9:30 AM - 12:00 PM
[Event Details & Registration](#)

EPLI Series: Landmine #1: Conducting and Documenting the FEHA/ADA Interactive Process: Introducing an Easy to Implement Ten Step System (Day 2 of 2): Loss Prevention Training Seminar

Join us for Part 2 of Patricia S. Eyres' 2 part series on FEHA and the ADA Interactive Process. She will cover topics regarding if your HR professionals and managers are prepared to handle return to work and reasonable accommodation decisions properly for both work and non-work related injuries or illness; if they are they trained to correctly conduct the specific "interactive process," required by law, and can they distinguish between a reasonable accommodation and an undue hardship for your organization? The changing legal climate in

Location: WebEx
Date: 5/15/2013
Time: 9:30 AM - 12:00 PM
[Event Details & Registration](#)



Calendar

Search Upcoming Meetings and Events

May 2013

Defensive Driving: Loss Prevention Training Seminar

This will be a 2.5 hour session on Defensive Driver training presented by Travis Clemmer of the EIA. This course is offered as a quarterly event. We will be offering it again in the months of August and November 2013.

Location: WebEx

Date: 5/22/2013

Time: 9:00 AM - 11:30 AM

[Event Details & Registration](#)

June 2013

EPLI Series: Landmine #6: Preventing "Lifestyle Lawsuits" Managing Employee Appearance, Expression and Behavior without Inviting Discrimination Claims: Loss Prevention Training Seminar

The traditional notions of "work appropriate attire" are challenged daily." Lifestyle lawsuits are on the rise. Employees are using discrimination concepts to push the envelope in making claims of lifestyle discrimination. Attend this 2 hour webinar presented by Patricia S. Eyres of the Eyres Law Group and learn how to manage through this escalating area of focus in the Employment Practices Liability Insurance world.

Location: WebEx

Date: 6/12/2013

Time: 9:00 AM - 11:00 AM

[Event Details & Registration](#)

August 2013

Defensive Driving: Loss Prevention Training Seminar

This will be a 2.5 hour session on Defensive Driver training presented by Travis Clemmer of the EIA. This course is now being offered as a quarterly event. We will be offering it again in November 2013.

Location: WebEx

Date: 8/14/2013

Time: 9:00 AM - 11:30 AM

[Event Details & Registration](#)

EPLI Series: Landmine #2: Preventing FMLA-CFRA and Other Leave Abuse: Loss Prevention Training Seminar

Location: WebEx

Date: 8/21/2013

Time: 9:30 AM - 12:00 PM

[Event Details & Registration](#)

The variety of abuses is staggering. The results are both costly to the agency and frustrating for your front line leaders. Leave abuse can range from fudging their eligibility or "persuading" a health care provider to certify the medical need, to creatively scheduling discretionary appointments to coincide with your busiest work days, to even working a part time job while on authorized leave. When one type of leave can be stacked upon another, running seamlessly from one FY to the next, what can your agency do? And what about those Certifications that simply say "absences as needed for flare ups?" Can you impose any objective standards for enforcement without being charged with "leave interference;" or worse, retaliation? Join CSAC EIA and presenter Patricia S. Eyres of the Eyres Law Group for this 2.5 hour session and learn how to combat this issue.

October 2013

EPLI Series: Landmine #7: Performance Management without Pain or Lawsuits: Loss Prevention Training Seminar

Many public agency leaders are unaware of the legal pitfalls inherent in managing their workplaces. Worse yet, those who are informed are often pressured into avoiding feedback on employee performance or delaying appropriate disciplinary action due to fear of lawsuits. Managers facing critical employee relations decisions need the tools to do so productively, yet legally. Join CSAC EIA and presenter, Patricia S. Eyres of the Eyres Law Group, for this 2.5 hour informative session and learn how to "lead within legal limits, without paralysis."

Location: WebEx
Date: 10/16/2013
Time: 9:30 AM - 12:00 PM
[Event Details & Registration](#)

November 2013

Defensive Driving: Loss Prevention Training Seminar

This will be a 2.5 hour session on Defensive Driver training presented by Travis Clemmer of the EIA. Please keep posted for future dates of this important and popular training session.

Location: WebEx
Date: 11/13/2013
Time: 9:00 AM - 11:30 AM
[Event Details & Registration](#)

December 2013

EPLI Series: Landmines #8 and #9: Privacy Rights & Wrongs, Managing the Wired Workplace and Defensible Documentation: Loss Prevention Training Seminar

The legal and policy considerations governing social media, social networking and electronic communications in the public sector are evolving. New legislation, regulations and litigation continue to define how public agencies should manage in this emerging field. Public agencies are dealing with legal threats from a surprising source: their

Location: WebEx
Date: 12/4/2013
Time: 9:00 AM - 12:00 PM
[Event Details & Registration](#)



Item J.1.a.5.

Workers' Compensation Retrospective Rating Program

TOPIC: NCCSIF has a retrospective rating program for both the Banking and Shared Risk Layers. P&P A-1 address the Banking Layer Fund adjustments and P&P A-12 details the Shared Risk Fund Adjustments.

DISCUSSION POINTS:

1. Review historical dividends declared.
2. Review dividends declared and equity available at the time dividends were declared.
3. Are any changes necessary to these plans?
4. Does the Assessment provision need any improvements?

OBJECTIVE: To determine if NCCSIF should considering revising Policy and Procedures A-1 and A-12 with respects to the Banking and Shared Risk Layers Retrospective Rating Program.

ACTION(s)/DELIVERABLE(s): The Board of Directors did not have any issues to discuss regarding this topic, and requested Staff to provide recommendations to the Board of Directors at the January 2013 meeting.

DEADLINE(s): January 24, 2013.

FINANCIAL IMPACT: Unknown.

RESPONSIBILITY: Program Administrator.



Item J.1.b.1.

Liability Self-Insured Retention (SIR) Analysis

TOPIC: NCCSIF currently retains the first \$1,000,000 of each Liability claim. NCCSIF increased their SIR from \$500,000 to \$1,000,000 in 2007 and has incurred four losses that exceed \$1,000,000 that has eroded equity in that layer. From 1993 to 2006 NCCSIF’s SIR was \$500,000 and \$250,000 in 1991 & 1992 coverage years. The Board will be presented with exhibits and information that will assist with the following discussion points:

DISCUSSION POINTS:

1. What will be the reduction in funding cost to decrease the SIR from \$1,000,000 to \$500,000 SIR?
2. How will these impact members’ contributions?
3. What have NCCSIF’s actual losses been in the \$500K xs \$500K layer?
4. Is it in NCCSIF’s best interest to decrease the SIR?

OBJECTIVE: To determine if NCCSIF should consider decreasing their current Liability Self-Insured Retention of \$1,000,000 to \$500,000.

ACTION(s)/DELIVERABLE(s): The Board of Directors approved decreasing the SIR from \$1,000,000 to \$500,000 per occurrence effective July 1, 2013:

1. The Board directed Staff to provide notice to CJPRMA by 12/31/12, regarding reducing the current Self Insured Retention from \$1,000,000 to \$500,000. Though notice will be given to CJPRMA, any changes to the Self-Insured Retention layer will require final NCCSIF Board approval in addition to review and approval of a 2/3rd vote by the CJPRMA Board of Directors.
2. Staff will confirm members who currently participate in CJPRMA’s Pool B layer at a \$500,000 Self-Insured Retention layer to determine NCCSIF’s percentage of membership in that Pool Layer.
3. Staff will market the \$500,000 xs \$500,000 Liability layer with other pools and carriers proposing quota/share programs and/or corridor deductible programs. Mr. Mike Simmons advised that NCCSIF should address the Liability Equity deficit prior to marketing the program.

DEADLINE(s): 1. Completed 2. Completed 3. 3/31/13

FINANCIAL IMPACT: 1. TBD. 2. TBD. 3. TBD.

RESPONSIBILITY: 1. Program Administrator 2. Program Administrator 3. Program Administrator

ATTACHMENT:

1. Notice to CJPRMA of intent to reduce SIR to \$500,000.
2. CJPRMA Agenda Item regarding Buy Down of SIR



December 17, 2012

Mr. David Clovis
General Manager
CJPRMA
3252 Constitution Drive
Livermore, CA 94551

RE: NCCSIF Reducing SIR to \$500,000

Dear David,

NCCSIF just held our Long Range Planning meeting and have decided that we will be looking at various options to reduce our SIR from \$1,000,000 to \$500,000. Obviously our first consideration is to inquire if CJPRMA is interested in providing coverage for this layer and what the cost would be.

Therefore, NCCSIF is formally requesting CJPRMA to review and consider approving allowing us to join Pool B, the \$500,000 xs \$500,000 layer. We understand that this takes Board approval. We also note that this item will be discussed at your December 20th Board meeting and both Paula Islas and Susan Adams will be in attendance if there are any questions from the Board.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Elizabeth Ehrenstrom".

Elizabeth Ehrenstrom
NCCSIF President

Cc: Paula Islas
Susan Adams

**CALIFORNIA JOINT POWERS
RISK MANAGEMENT AUTHORITY**

AGENDA BILL

ITEM: 6	TITLE: CHANGE IN S.I.R FOR NCCSIF
MEETING: 12/20/2012	
GENERAL MANAGER: 	

Recommended Actions:

Approval of the NCCSIF request to change their S.I.R. from \$1 million to \$500,000.

Item Explanation:

The Northern California Cities Self Insurance Fund (NCCSIF) notified CJPRMA, that it was considering lowering its self insured retention level (SIR) to \$500,000 effective July 1, 2013. NCCSIF will be taking formal action on this item at their December 13, 2012 Board of Directors meeting. Susan Adams administrator to the NCCSIF program submitted the request and will provide a formal notice of the action taken by their board immediately following their meeting.

Article XIX of the JPA Agreement provides member entities with the ability to determine, on a year to year basis, their own self-insured retention level.

Article XIX also provides that such a determination be communicated in writing at least 180 days prior to the commencement of the program year.

NCCSIF joined CJPRMA July 10, 1993 and at that time elected to participate in Pool B with a \$500,000 SIR. NCCSIF remained in Pool B through program year 2006-2007. Effective program year 2007-2008 NCCSIF opted out of Pool B increasing their SIR to \$1,000,000.

In order to calculate future liability premiums, CJPRMA bases losses on a rolling ten year average of actual claims expenses. The most current actuarial study used program years 1999/00–2008/09 for the rolling 10 year loss average. Since NCCSIF participated in Pool B through 2006-2007, their losses were included for eight years in the current actuarial study for Pool B.

Loss history for NCCSIF for these eight years reveals developed trended losses in Pool B of \$2,066,404, for an average of \$258,300 per year at expected. Increasing this to a 70% confidence level increases the annual loss average to \$312,543. The proposed rate for CJPRMA for PY 2013/14 for Pool B is \$0.127 per \$100 of payroll. With payroll estimated at \$154.7 million, this will generate approximately \$196,469 of Pool B premium contribution from NCCSIF. The data also showed that NCCSIF has five incurred losses greater than \$500,000 in years 2010 and 2011.

Given the adverse loss development, it is recommended that NCCSIF pay an additional premium contribution of \$116,000 in Pool B. The overall impact to Pool B members would be mitigated by the increase in contribution. In addition, to lessen the negative claims experience for future years, staff recommends the additional contribution of \$116,000 for Pool B be applied to their PY 2014-2015 and 2015-2016 premium. A three year term was chosen as this is the minimum requirement for a new member joining CJPRMA.

Staff recommends that the NCCSIF be permitted to change its retained limit to \$500,000 for program year 2013-2014 and contribute an additional premium of approximately \$116,000 making their total contribution to Pool B \$312,543.

Fiscal Impact:

1. Additional deposit contribution in Pool B of approximately \$312,543.

Exhibits:

None.



Item J.1.b.2.i.

Liability Program Confidence Level Funding

TOPIC: NCCSIF currently funds losses for future payments at the 60% confidence level for the Liability programs. What this means is that NCCSIF is confident that 6 out of 10 times, we have funded those programs adequately. NCCSIF has funded their program at different confidence levels since inception. Most recently the confidence levels for the last 10 years have been:

- 2003/2007 = 70%
- 2008/2012 = 60%

DISCUSSION POINTS:

1. Review of Equity in Liability Program
2. Review of actual expected losses to projected losses
3. How will the change in the confidence level impact members' contributions?

OBJECTIVE: To determine if NCCSIF should adjust the current 60% Confidence Level for future payments of Liability losses.

ACTION(s)/DELIVERABLE(s):

1. The Board of Directors request Staff to provide estimated Funding Calculations at difference Confidence Levels at the January Board of Directors meeting based on the current Actuarial report used for 2012/13 funding.
2. The Board also request Staff to review the current Workers' Compensation Equity balance to determine if funds are available to offset the increased costs to fund the Workers' Compensation program at a higher confidence level.

DEADLINE(s):

1. January 24, 2013
2. January 24, 2013.

FINANCIAL IMPACT:

1. Unknown.
2. Unknown.

RESPONSIBILITY:

2. Program Administrator
2. Program Administrator.

ATTACHMENT: Funding Analysis



LIABILITY CONFIDENCE LEVEL ANALYSIS

NCCSIF currently funds current year (2012/2013) expected losses at the 60% confidence level and discounts rates by 2%.

The following table shows the additional funding required at a 70% confidence level and at various discount rates.

	60%	70%	ADDITIONAL FUNDING
3.0%	N/A	N/A	N/A
2.5%	N/A	N/A	N/A
2.0%	\$2,851,000	\$3,260,000	\$409,000
1.5%	\$2,881,000	\$3,294,000	\$413,000
1.0%	\$2,911,000	\$3,328,000	\$417,000

	60%	75%	ADDITIONAL FUNDING
3.0%	N/A	N/A	N/A
2.5%	N/A	N/A	N/A
2.0%	\$2,851,000	\$3,506,000	\$655,000
1.5%	\$2,881,000	\$3,543,000	\$662,000
1.0%	\$2,911,000	\$3,580,000	\$669,000



Item J.1.b.2.ii.

Liability Program Discount Funding for Investment Income

TOPIC: NCCSIF currently discounts Liability expected losses as determined by our Actuary by 2% to offset investment income earned on our investments. With interest rates at an all time low, NCCSIF should review the discounting practices as they relate to actual investment income to determine appropriate discount levels for future funding. At today’s meeting, NCCSIF’s actuary Mike Harrington from Bickmore and Ted Piorkowski from Chandler Asset Management will provide the Board with information that will assist with the discussion points below.

DISCUSSION POINTS:

1. Review of interest earned on investments for the past 5 years as compared with discount rate amounts NCCSIF has used for funding losses in the banking and shared risk layers.
2. Review the payout pattern for Liability claim payments made or settled.
3. What are other primary JPAs using as discount factors?
4. How will the change in the discount funding impact members’ contributions?

OBJECTIVE: To determine if NCCSIF should adjust the current Discount Funding percentage of 2% for Investment Income. NCCSIF reduced the discount rate from 3% to 2% for the 2012 coverage year.

ACTION(s)/DELIVERABLE(s):

1. Staff will provide estimated Funding Deposit Calculations at difference Discount Funding percentages at the January Board of Directors meeting.
2. Staff will provide calculations that will show if funds from the Workers’ Compensation Equity are available to offset the increased costs to fund the liability program at a lower discount rate.

DEADLINE(s):

1. January 24, 2013
2. January 24, 2013.

FINANCIAL IMPACT: Unknown.

RESPONSIBILITY:

1. Program Administrator
2. Program Administrator.

ATTACHMENT: Funding Analysis



NCCSIF LIABILITY DISCOUNT RATES ANALYSIS

NCCSIF currently discounts Current Year and Outstanding Year expected losses at 3%.

Future earnings estimate from Chandler Asset Management are 1.25%.

The following table shows Outstanding Liabilities and the additional funding that would reduce Net Assets if the discount rate were changed.

	OUTSTANDING LIABILITES	INCREASE IN FUNDING	CURRENT YEAR @ 60% CONFIDENCE LEVEL	INCREASE IN FUNDING	ADDITIONAL FUNDING REQUIRED
3%	N/A	N/A	N/A	N/A	N/A
2.5%	N/A	N/A	N/A	N/A	N/A
2.0%	\$8,072,000	N/A	\$2,851,000	N.A	\$0
1.5%	\$8,140,000	\$ 68,000	\$2,881,000	\$30,000	\$ 98,000
1.0%	\$8,206,000	\$134,000	\$2,911,000	\$60,000	\$194,000

	OUTSTANDING LIABILITES	INCREASE IN FUNDING	CURRENT YEAR @ 70% CONFIDENCE LEVEL	INCREASE IN FUNDING	ADDITIONAL FUNDING REQUIRED
3%	N/A	N/A	N/A	N/A	N/A
2.5%	N/A	N/A	N/A	N/A	N/A
2.0%	\$8,072,000	N/A	\$3,260,000	N.A	\$0
1.5%	\$8,140,000	\$ 68,000	\$3,294,000	\$413,000	\$481,000
1.0%	\$8,206,000	\$134,000	\$3,328,000	\$417,000	\$551,000



	OUTSTANDING LIABILITES	INCREASE IN FUNDING	CURRENT YEAR @ 75% CONFIDENCE LEVEL	INCREASE IN FUNDING	ADDITIONAL FUNDING REQUIRED
3%	N/A	N/A	N/A	N/A	N/A
2.5%	N/A	N/A	N/A	N/A	N/A
2.0%	\$8,072,000	N/A	\$3,506,000	\$655,000	\$655,000
1.5%	\$8,140,000	\$ 68,000	\$3,543,000	\$692,000	\$760,000
1.0%	\$8,206,000	\$134,000	\$3,580,000	\$729,000	\$863,000



Item J.1.b.3.

Excess Liability Pooling Partners

TOPIC: NCCSIF has purchased Excess Liability coverage from CJPRMA since 1993. CJPRMA provides \$40,000,000 in limits excess of NCCSIF's \$1,000,000 Self Insured Retention. This time has been allocated to allow members to discuss "What is Working Well and What Isn't" with CJPRMA.

DISCUSSION POINTS:

- What will be the increase in cost to decrease the SIR from \$1,000,000 to \$500,000 SIR?
- Are there any concerns with CJPRMA?
 - Financial?
 - Cost?
 - Claims Handling?
 - Coverage?
 - Service?
- What next steps should NCCSIF take if there are issues?
- What are programs/services that CJPRMA can assist NCCSIF members as respects risk transfer, risk management, training or other services?

OBJECTIVE: To determine if there are any items that need to be address with respects to NCCSIF's Excess Liability coverage purchased from CJPRMA.

ACTION(s)/DELIVERABLE(s):

1. Staff to advise CJPRMA of intent to decrease SIR from \$1,000,000 to \$500,000.
2. Staff to obtain quotations for funding the \$500 xs \$500 layer from the insurance market.

DEADLINE(s):

1. 12/31/12 - completed
2. 4/1/13

FINANCIAL IMPACT:

1. None
2. Unknown – Estimated \$350,000.

RESPONSIBILITY:

1. Program Administrator
2. Program Administrator



Item J.1.b.4.

Liability Retrospective Rating Program

TOPIC: NCCSIF has a retrospective rating program for both the Banking and Shared Risk Layers. P&P A-1 address the Banking Layer Fund adjustments and P&P A-12 details the Shared Risk Fund Adjustments.

DISCUSSION POINTS:

1. Review historical dividends declared.
2. Review dividends declared and equity available at the time dividends were declared.
3. Are any changes necessary to these plans?
4. Does the Assessment provision need any improvements?

OBJECTIVE: To determine if NCCSIF should considering revising Policy and Procedures A-1 and A-12 with respects to the Banking and Shared Risk Layers Retrospective Rating Program.

ACTION(s)/DELIVERABLE(s): The Board of Directors did not have any issues to discuss regarding this topic, and requested Staff to provide recommendations to the Board of Directors at the January 2013 meeting.

DEADLINE(s): January 24, 2013.

FINANCIAL IMPACT: Unknown.

RESPONSIBILITY: Program Administrator.



2013 EXECUTIVE COMMITTEE ROTATION SCHEDULE

ACTION ITEM

ISSUE: The Executive Committee is comprised of seven voting members and two non-voting members. The NCCSIF President, Vice President, Past President, Secretary and three others, elected by the Board on a territorial rotation basis, serve as the voting members. The two non-voting members of the Executive Committee are the Treasurer and CJPRMA Board Representative. The President shall act as Chair of the Executive Committee.

The following changes are effective January 24, 2013:

- **Outgoing:** Representatives for the Cities of Anderson, Corning, Red Bluff and Willows will rotate off the Executive Committee effective January 24, 2013 upon completion of their two-year terms.
- **Remaining:** Representatives for the Cities of Cities of Gridley, Oroville and Town of Paradise will remain on the Executive Committee for the second year of their two-year terms.
- **Incoming:** Representatives for the Cities of Auburn, Lincoln, Nevada City and Rocklin will rotate onto the Executive Committee effective January 24, 2013.

A list of Members serves is included on the following page.



Northern California Cities Self Insurance Fund
 Board of Directors Meeting
 January 24, 2013

Member	Two-Year Term
City of Anderson City of Corning City of Red Bluff City of Willows	January 1, 2011 to January 24, 2013
City of Gridley City of Oroville Town of Paradise	January 1, 2012 to December 31, 2013
City of Auburn City of Lincoln City of Nevada City City of Rocklin	January 24, 2013 to December 31, 2014
City of Dixon City of Galt City of Rio Vista	January 1, 2014 to December 31, 2015
City of Folsom City of Ione City of Jackson City of Placerville	January 1, 2015 to December 31, 2016
City of Colusa City of Marysville City of Yuba City	January 1, 2016 to December 31, 2017
City of Anderson City of Corning City of Red Bluff City of Willows	January 1, 2017 to December 31, 2018

FISCAL IMPACT: None.

RECOMMENDATION: Staff recommends approval of the rotation schedule as presented at today’s meeting.

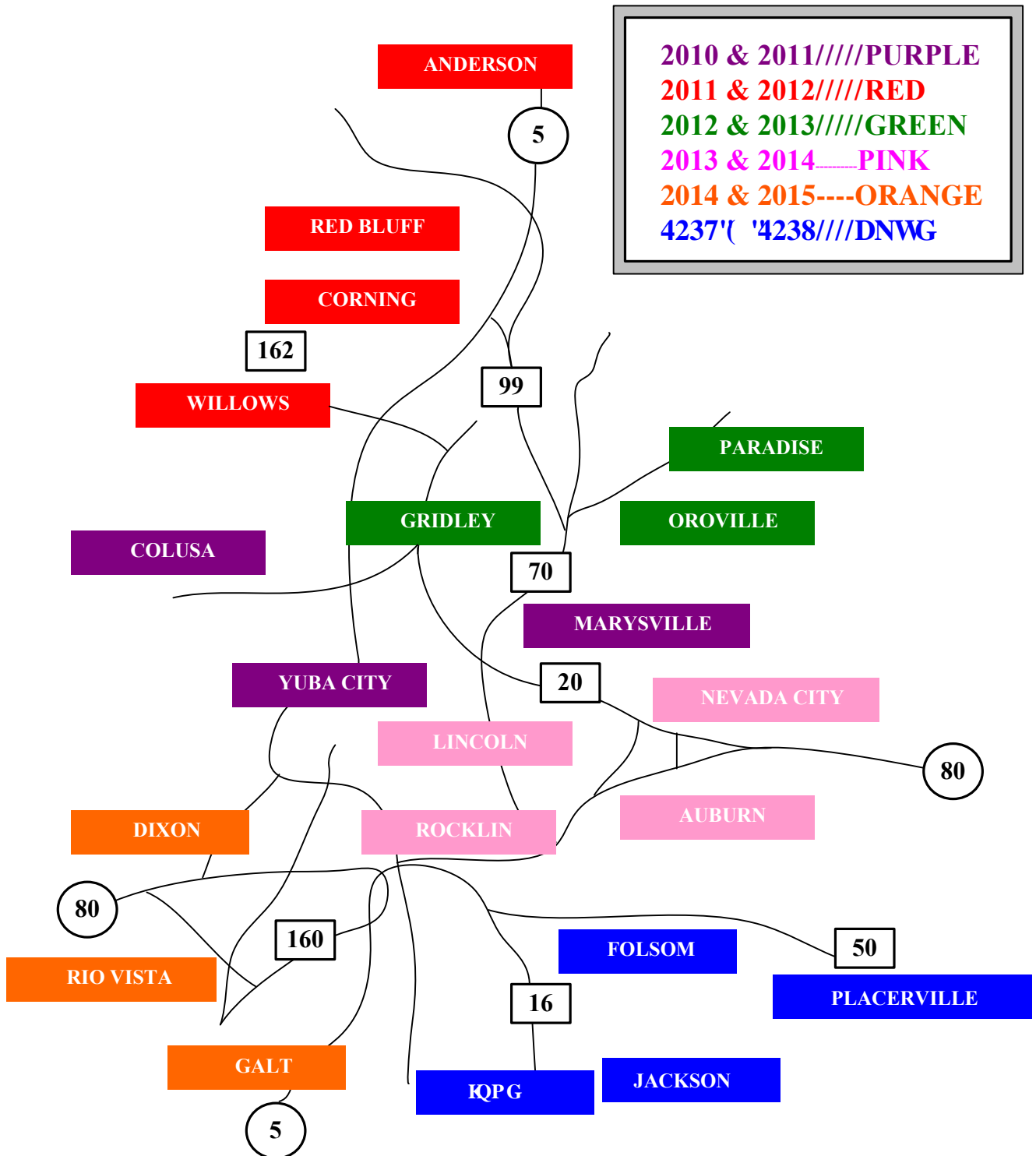
BACKGROUND: The Executive Committee rotation is currently performed on an annual basis.

ATTACHMENT(S): Proposed Executive Committee Rotation Map 2013

NCCSIF

Northern California Cities Self Insurance Fund

EXECUTIVE COMMITTEE ROTATION LIST



shall be made from among the Board of Directors.

SECTION 5

Officers of the Authority

A. The officers of the Authority shall be a President, Vice President, Secretary, and Treasurer Officers so appointed shall serve at the pleasure of the Board of Directors. The president shall chair meetings to the Board of Directors and Executive Committee; the vice president shall act in the place of the president in the president's absence. The secretary shall keep and maintain minutes of the Board meetings and Executive Committee meetings, or to direct the keeping and maintaining of such minutes, and to promptly report minutes of meetings to all members as soon as practicable after the meeting has concluded. The treasurer's duties are as described in Sections 11 and 12 of the Bylaws. Other responsibilities may be set forth by the Board of Directors.

B. The President, Vice President and Secretary shall be elected by the Board of Directors and shall serve one (1) year terms. No officer shall serve for more than two (2) complete consecutive terms in his or her respective office. The terms of each office will ordinarily commence on January 1st of each calendar year, except that if an election has not been conducted by that date, the terms shall commence as soon as the election has been held. The terms of each office shall end on December 31st of the calendar year, except that if the election of the officers to serve the next succeeding term has not been conducted, the incumbent officers shall continue to hold their offices until the election has been conducted.

C. The Treasurer shall be appointed by the Board of Directors and, unless the Board of Directors determines otherwise, the Treasurer shall serve at the Board of Directors' pleasure. The Treasurer shall be an officer or employee of a Member Entity or a Certified Public Accountant.

D. The Board of Directors may create such other offices and appoint such other officers as it deems necessary and advisable.

SECTION 6

Committees

Committees may be formed as necessary by either the Board of Directors or the Executive Committee for the purposes of overseeing any functions that the Board or Executive Committee has authority to control, such as, but not limited to, administration and policy direction, claims administration, investments, safety/loss control, etc.

SECTION 7

Program Director and Other Staff

A. The Board of Directors shall appoint a Program Director who shall be responsible for the general administration of the business and activities of the Authority as directed by the Executive Committee.



2013 SLATE OF OFFICERS

ACTION ITEM

ISSUE: Membership on the NCCSIF Executive Committee rotates annually and each member serves for a two-year term. The Cities of Colusa, Marysville and Yuba City are scheduled to rotate off the Executive Committee on January 24, 2013. Liz Ehrenstrom will be serving in her capacity as President. The January 24, 2013 to December 31, 2014 term for the Executive Committee will include the following members:

2013 NCCSIF Executive Committee

City of Auburn	Andy Heath
City of Gridley	Karin Helvey
City of Lincoln	John Lee
City of Nevada City	Catrina Olson
City of Oroville	Liz Ehrenstrom, President
City of Rocklin	Russell Hildebrand
Town of Paradise	Gina Will

Non-Voting Members

Tim Sailsbery	-	Treasurer
Paula Islas	-	CJPRMA Representative

Historically, the newly-elected officers (President, Vice President, Secretary and Treasurer) are nominated by the Executive Committee, acting as the Nominating Committee. The officers are chosen from the Executive Committee and are elected for a one-year term. Historically, the President is selected from the second-year members (often the current Vice President) and the Vice President is generally selected from the first year members. The Secretary is selected from either group of members. The Treasurer is selected from the program members at large and is the only officer not limited to a one-year term.

Executive Committee office is held by the specific assigned Board Member, not the City. This means that if an Executive Committee member is unable to attend a scheduled meeting, the Board Alternate for that City, while welcome to attend the meeting, may not vote.

FISCAL IMPACT: None.



**Northern California Cities Self Insurance Fund
Board of Directors Meeting
January 24, 2013**

RECOMMENDATION: The Nominating Committee recommends that the Board of Directors approve the following slate of NCCSIF Officers for 2013:

- President Liz Ehrenstrom
- Vice President Andy Heath
- Secretary Gina Will
- Treasurer Tim Sailsbery
- CJPRMA Rep. Paula Islas

BACKGROUND: The Executive Committee is a standing committee of the Board of Directors and is comprised of seven to nine voting members and two non-voting members. The President of the Board of Directors serves as the Chair of the Executive Committee. The President, Vice President, Secretary, Past President and three-five other Board of Directors members act as the seven-nine voting members. The two non-voting members are the Treasurer and the Representative to the CJPRMA Board of Directors.

Section 5 of the NCCSIF Bylaws describes the duties and responsibilities of the Officers of the Authority.

ATTACHMENT(S): NCCSIF Bylaws, Section 5



**APPROVAL OF RESOLUTION 13-01 AUTHORIZING INVESTMENT OF
MONIES IN LOCAL AGENCY INVESTMENT FUND**

ACTION ITEM

ISSUE: The Board of Directors will be asked to review approve Resolution 13-01 authorizing the newly elected President, Vice President and Treasurer to order the deposits or withdrawal of monies in LAIF.

FISCAL IMPACT: No new fiscal impact is anticipated.

RECOMMENDATION: It is the recommendation of the Program Administrator that the Board of Directors approve Resolution 13-01 authorizing the newly elected President, Vice President and Treasurer, authority to order the deposits or withdrawal of monies in LAIF.

BACKGROUND: On an annual basis, records are updated with the Local Agency Investment Fund (LAIF) to reflect the newly elected officers of NCCSIF.

ATTACHMENT(S): Proposed NCCSIF Resolution 13-01



RESOLUTION 13-01

RESOLUTION AUTHORIZING INVESTMENT OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND

WHEREAS, Pursuant to Chapter 730 of the statutes of 1976 Section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer, and

WHEREAS, The Northern California Cities Self Insured Fund (NCCSIF) Board of Directors does hereby find that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with the provisions of Section 16429.1 of the Government Code for the purposes of investment stated therein is in the best interest of Northern California Cities Self Insurance Fund.

NOW THEREFORE, BE IT RESOLVED, that the NCCSIF Board of Directors does hereby authorize the deposit and withdrawal of Northern California Cities Self Insurance Fund monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Section 16428.1 of the Government Code for the purpose of investment as stated therein, and verification by the State Treasurer’s Office of all banking information provided in that regard.

BE IT FURTHER RESOLVED, that the following Northern California Cities Self Insurance Fund officers or their successors in office shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund effective immediately:

- NCCSIF President - _____
- NCCSIF Vice President – _____
- NCCSIF Treasurer – _____
- NCCSIF Financial Consultant – _____

I hereby certify that the foregoing is a full, true and correct copy of Resolution No. 12-01 duly and regularly adopted and passed at a regular meeting of the Board of Directors of the Northern California Cities Self Insurance Fund held on the 17th day of January 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

NCCSIF President

NCCSIF

Secretary



2013/14 INSURANCE MARKET UPDATE AND RENEWAL MARKETING PLAN

INFORMATION ITEM

ISSUE: The Board of Directors annually reviews the insurance market update and approves or amends the renewal marketing plan for the coming fiscal year. Attached is a *draft* of that document.

FISCAL IMPACT: Potential fiscal impact is unknown at this time.

RECOMMENDATION:

Workers' Compensation: Staff recommends renewing coverage with CSAC EIA. Staff held discussions with other excess Workers' Compensation providers prior to the 2012/2013 renewal and found that they were not competitive with our program through CSAC EIA.

Liability: Staff recommends renewing coverage with CJPRMA.

Property: The PEPPIP program is reevaluated with carriers annually, with carriers being added or deleted depending on market conditions. The program renews in July for all members. Last year staff marketed the Property program and found that the current program provided members with the broadest coverage's and the lowest cost.

Crime: The Crime program will be marketed to Alliant's Crime Insurance Program (ACIP).

BACKGROUND: The NCCSIF Market Update and Renewal Marketing Plan is reviewed annually at the November Executive Committee meeting then finalized for review at the December Board of Directors meeting in an attempt to keep members apprised of the current market situations with each group purchase program as well as commercial insurance option, if any.

ATTACHMENT(S): Market Update and Renewal Marketing Plan



NCCSIF Market Update and Renewal Marketing Plan

WORKERS' COMPENSATION:

As a result of the CSAC EIA program, which purchases excess coverage over a limit of \$5 million, market conditions continue to have minimal impact on our rates. Excess coverage is written on a year to year basis, but with the high attachment level those rates are not expected to fluctuate significantly. More important for NCCSIF is the fact that CSAC EIA rates members on an experience modification basis and so the results of NCCSIF when compared to the results of other members of the program are significant. The formula for calculating the CSAC EIA experience modification was amended in 2011 to use higher level losses and use losses over a seven year period compared to five years previously used. The new formula will be phased in over a five year period.

The Workers Compensation excess coverage remains with CSAC EIA for a seventh year. While workers' compensation reforms do not stabilize the excess layer costs as significantly as those of the lower coverage layers, there is still a decrease among all public agencies in claims frequency that has resulted in some stabilization of excess rates. For NCCSIF's layer medical costs are increasing annually at a rate of about 10% and benefits are also increasing but are limited to the rate of inflation under COLA. Therefore, Staff does not expect another decrease in JPA rates, but is optimistic that the rates will remain within the estimated 15% of the current rate as discussed above. NCCSIF's historical excess rates have varied greatly. Please refer to the attached chart:

There is still no commercial coverage available under \$1 million for municipalities with police and fire exposures. Additionally, those that are participating at \$1 million are still charging rates substantially higher than those available through CSAC EIA at \$500,000.

- We should anticipate the CSAC EIA limit remaining at Statutory and being shared with other CSAC EIA members whose total payroll is now over \$47 billion.
- We anticipate retaining our SIR at \$500,000.
- 2012 Rates increased last year by \$.161 to \$.410 which is comparable to the 2005 rate level. At this time CSAC EIA tells us to expect an increase around 15%. Usually, increases are less than the initial indications.



LIABILITY:

In 2010 CJPRMA decreased Members’ program costs using a revised rating methodology. They did this to meet competition from other excess pools. The long term impact is the reduction of annual Liability excess costs. Another result is that dividends from CJPRMA, currently used to reduce NCCSIF Liability Program costs, will be reduced over time. CJPRMA proposed their 2013/14 rates and dividends at their recent Board meeting held December 20, 2013. Their proposed rates are consistent with the 2012/13 rates. Our premium will increase if we decide to purchase excess coverage at the \$500,000 SIR. The 2012/13 dividend of \$414,401 will be used to offset the 2013/14 premium from CJPRMA.

	Premiums	Dividends
2009/2010	\$947,209	\$357,947
2010/2011	\$846,221	\$502,233
2011/2012	\$848,701	\$304,007
2012/2013	\$800,000	\$414,401

PROPERTY:

Although it is premature as loss/damages estimates have not been estimated yet from Superstorm Sandy, we expect to see property rates increases. That being said, the latest information from the industry shows that most of the rate increases will be in the north east section of the country.

At this time, Alliant is holding initial meetings with underwriters from the major carriers and from London participants in the PEPPIP program to work on the expectations for next year’s property renewal. We will hope to be able to report to the Board the forecast from those meetings.

Property schedules were sent to Members in November and it will be extremely important for property schedules to be returned to NCCSIF by the deadline.



NCCSIF BYLAWS PROPOSED AMENDMENT

ACTION ITEM

ISSUE: At the January 9, 2013 Executive Committee meeting, the committee reviewed and recommends the Board of Directors approve the proposed amendments to the NCCSIF Bylaws with the following addition to Section 14, Withdrawals as follows:

D. Member Agencies that withdraw from NCCSIF's Liability and or Worker's Compensation plans, agree that any available funds' allocated to them in the Shared Risk Layer, will remain with NCCSIF until such time as the "Program Year" is closed. This includes funds allocated to them via the "Shared Risk Plan Layer Adjustment" or any other manner of distribution other than the declaration of a dividend by the Board or in accordance with distribution described in the Joint Powers Agreement upon the dissolution of NCCSIF. Funds available from the Banking Layer to these Members are available for distribution.

If a "Program Year" is not yet closed and the "Participating Member" would otherwise be eligible for a distribution, a Member that has withdrawn from the "Authority" may annually, in writing, request an early release of their funds for consideration by the Board of Directors. This action will require approval of the Board of Directors as specified in the JPA Bylaws, Section 3, paragraph A.

FISCAL IMPACT: None.

RECOMMENDATION: Staff recommends approval of the proposed amendment to the NCCSIF Bylaws.

BACKGROUND: At the December 13, 2012 Long Range Planning Session staff was asked to review and recommend any changes to the NCCSIF Bylaws as necessary.

ATTACHMENT(S): Red-line strikeout of NCCSIF Bylaws

NCCSIF
BYLAWS

NCCSIF BYLAWS
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**BYLAWS
OF THE
NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
(RESTATED AS OF OCTOBER 5, 1999)
(AMENDED AS OF JUNE 16, 2000)
(AMENDED AS OF JANUARY 24, 2013)**

PREAMBLE

These Bylaws are adopted pursuant to the "Joint Exercise of Powers Agreement of the Northern California Cities Self Insurance Fund (Restated as of October 5, 1999 ("the Agreement")). These Bylaws, supersede the Bylaws of the Northern California Cities Self Insurance Fund ("NCCSIF") which were adopted by a resolution of NCCSIF's Board of Directors on December 8, 1987, and which were subsequently amended as of April 22, 1988. Because of a contemporaneous restatement of the Agreement due to restructuring of the NCCSIF organization, the need to make additional amendments to NCCSIF's Bylaws and the desirability of incorporating all changes in a single instrument, NCCSIF's Bylaws are restated as of October 5, 1999.

**SECTION 1
The Authority**

A. - Name of Authority. The name of the Authority created by the Agreement shall be the Northern California Cities Self Insurance Fund (the "Authority").

B. - Office of Authority.

The principal office of the Authority shall be fixed and located at:

Alliant Insurance Services, Inc.
1792 Tribute Road, Ste 450
Sacramento, CA 95815

or at such other location as the Board of Directors may designate by resolution.”

C. - Fiscal Year. The fiscal year for the Authority shall commence July 1 of each calendar year and end June 30 of the following calendar year.

**SECTION 2
Definitions**

A. "Agreement" shall mean the restated Joint Exercise of Powers Agreement creating the Northern California Cities Self Insurance Fund.

B. "Authority" shall mean the Northern California Cities Self Insurance Fund (sometimes also referred to in the Agreement as the "NCCSIF") created by and existing under the Agreement.

C. "Board of Directors" shall mean the principal governing body of the Authority.

D. "Bylaws" shall mean the adopted Bylaws of the Authority as amended and/or restated in their latest approved form.

E. "Deposit" shall mean all the components comprising the annual costs of each program including: banking fund deposits, Shared Risk Layer deposits, administrative costs, excess premiums, taxes and fees.

F. "Executive Committee" shall mean the Executive Committee of the Authority's Board of Directors.

G. "Coverage Program" shall mean any program of the Authority providing coverage against losses to Member Entities who are participants in the program whether the coverage is based upon purchased insurance, self-insurance, pooled funding or any other similar mechanism, instrument or facility.

H. "Member Entity" shall mean a city government which is party to the Agreement.

I. "Program Director" shall mean the individual or firm retained by the Board of Directors to administer the Authority.

SECTION 3

Meetings of the Board of Directors

A. A majority of the membership of the Board of Directors shall constitute a quorum for the transaction of business. Each member of the Board shall have one vote. Except as otherwise provided in these Bylaws or any other duly executed agreement of the members, action of the Board shall require the affirmative vote of a majority of the members present and voting.

B. The Board shall hold at least one regular meeting each year and shall provide for such other regular meetings and for such special meetings as it deems necessary.

C. The Secretary of the Authority shall provide for the keeping of minutes of regular and special meetings of the Board, and shall endeavor to provide a copy of the minutes to each member of the Board prior to the next scheduled meeting.

E. All meetings of the Board shall be called, noticed, held and conducted in accordance with the provisions of Ralph M. Brown Act (Government Code Section 54950 et seq.).

SECTION 4 Executive Committee

A. - Membership. The Executive Committee shall be composed of seven (7) *voting and* two (2) *non-voting* members of the Board of Directors or their alternates. The President, Vice President, immediate Past President and Secretary shall serve as *voting* members on the Executive Committee. The remaining three (3) *voting* members shall be elected by the Board of Directors on a member rotation basis, as established by the Board of Directors. The two (2) non-voting members shall be comprised of the Treasurer and the CJPRMA Board Representative. The President shall act as Chairman.

B. - Term. The terms of all members of the Executive Board shall be two (2) years, except for those of the President, Vice President, immediate Past President and Secretary, who shall all serve for one (1) year. A member may be reappointed to serve on the Executive Committee, except for the immediate Past President.

C. - Powers, Duties and Responsibilities.

1. The Executive Committee shall conduct, direct and supervise the day-to-day business of the Authority and in doing so shall exercise the powers expressly granted to it by the Agreement, these Bylaws and as otherwise delegated by the Board of Directors.

2. The following duties and responsibilities shall be assumed and carried out by the Executive Committee, which shall have all powers necessary for those purposes:

- a. Provide general supervision and direction to the Program Director;
- b. Authorize payment of claims against the Authority; provided, however, that with respect to claims arising under coverage programs operated by the Authority, claim settlement authority shall be in accordance with the policies and procedures governing the particular program;
- c. Enter into contracts, within budget limits;
- d. Make payments pursuant to previously authorized contracts, within budget limits; this Authority includes the power to authorize and reimburse expenses incurred for budgeted activities, within budget limits;
- e. Review and recommend a budget to the Board no later than seventy-two (72) hours prior to the spring meeting of the Board;
- f. Act as Program Director in the absence of the Program Director;

g. Recommend policies and procedures to the Board for implementation of the Agreement, the Bylaws and the operation of specific coverage programs; and

h. Appoint a nominating committee for each election of officers and members of the Executive Committee.

i. Amend annual budget in an amount not to exceed the contingency account.

3. Subject only to such limitations as are expressly stated in the Agreement, these Bylaws or a resolution of the Board of Directors, the Executive Committee shall have and be entitled to exercise all powers which may be reasonably implied from powers expressly granted and which are reasonably necessary to conduct, direct and supervise the business of the Authority.

D. - Meetings

1. Regular Meetings. Regular meetings shall be held at times, as the Executive Committee deems appropriate.

2. Special Meetings. Special meetings of the Executive Committee may be called by the Chairman or a majority of Executive Committee members, in accordance with the provisions of California Government Code Section 54956.

3. Public Meetings. All meetings of the Executive Committee shall be open to the public, except as provided by law.

4. Quorum. Four (4) members of the Executive Committee shall constitute a quorum for the transaction of business. Except as otherwise provided, no action may be taken by the Executive Committee except by affirmative vote of not less than a majority of those Executive Committee members present. A smaller number may adjourn a meeting.

5. Removal From Executive Committee. A member may be removed from the Executive Committee in the following ways:

a. Death of a Committee member;

b. Voluntary resignation;

c. Absence from three (3) consecutive meetings without a valid reason, in which case the Chair may recommend to the Executive Committee that member be terminated from Executive Committee membership. If the Executive Committee recommends to the Board of Directors that an Executive Committee member be terminated, the Board of Directors shall vote on the matter at its next regularly scheduled meeting.

d. When a vacancy occurs under the above provisions, a replacement

shall be made from among the Board of Directors.

SECTION 5 Officers of the Authority

A. The officers of the Authority shall be a President, Vice President, Secretary, and Treasurer Officers so appointed shall serve at the pleasure of the Board of Directors. The president shall chair meetings to the Board of Directors and Executive Committee; the vice president shall act in the place of the president in the president's absence. The secretary shall keep and maintain minutes of the Board meetings and Executive Committee meetings, or to direct the keeping and maintaining of such minutes, and to promptly report minutes of meetings to all members as soon as practicable after the meeting has concluded. The treasurer's duties are as described in Sections 11 and 12 of the Bylaws. Other responsibilities may be set forth by the Board of Directors.

B. The President, Vice President and Secretary shall be elected by the Board of Directors and shall serve one (1) year terms. No officer shall serve for more than two (2) complete consecutive terms in his or her respective office. The terms of each office will ordinarily commence on January 1st of each calendar year, except that if an election has not been conducted by that date, the terms shall commence as soon as the election has been held. The terms of each office shall end on December 31st of the calendar year, except that if the election of the officers to serve the next succeeding term has not been conducted, the incumbent officers shall continue to hold their offices until the election has been conducted.

C. The Treasurer shall be appointed by the Board of Directors and, unless the Board of Directors determines otherwise, the Treasurer shall serve at the Board of Directors' pleasure. The Treasurer shall be an officer or employee of a Member Entity or a Certified Public Accountant.

D. The Board of Directors may create such other offices and appoint such other officers as it deems necessary and advisable.

SECTION 6 Committees

Committees may be formed as necessary by either the Board of Directors or the Executive Committee for the purposes of overseeing any functions that the Board or Executive Committee has authority to control, such as, but not limited to, administration and policy direction, claims administration, investments, safety/loss control, etc.

SECTION 7 Program Director and Other Staff

A. The Board of Directors shall appoint a Program Director who shall be responsible for the general administration of the business and activities of the Authority as directed by the Executive Committee.

B. Subject to the direction of the Board of Directors, the Executive Committee shall provide for the appointment of such other staff of the Authority as may be necessary for the administration of the Authority. Supervision of staff is delegated to the Executive Committee.

C. The Program Director and other staff of the Authority shall have such powers, duties and obligations as are established by the Agreement, these Bylaws, the policies, procedures and rules promulgated by the Authority and any contractual arrangements which may exist between the Authority and the respective party.

D. Subject to any applicable contractual arrangement which may take precedence, the Program Director shall serve at the will and pleasure of the Board of Directors.

SECTION 8

Responsibilities of the Authority

The Authority shall perform the following functions in discharging its responsibilities under this agreement:

- A. Develop, implement and maintain coverage programs;
- B. Assist each Member Entity's designated risk manager with the risk management functions including: loss control, risk transfer, and employee safety programs.
- C. Provide loss prevention and safety services to the Member Entities;
- D. Provide claims adjusting and claims management services as required;
- E. Provide statistical reports to the Member Entities;
- F. Recommended standard contract clauses relating to indemnity, hold harmless, insurance and other similar matters affecting Members Entities; and
- G. Provide other services consistent with purposes of the Authority as may be deemed necessary, advisable and beneficial to the Member Entities.

SECTION 9

Insurance Coverage

The Authority shall maintain insurance coverage on its activities as determined by the Executive Committee to be necessary and adequate.

SECTION 10
Accounts and Records

A. Annual Budget - The Authority shall adopt an annual budget that shall include a separate budget for each separate coverage program under development or adopted and implemented by the Authority. The Executive Committee shall cause to be prepared, shall review and approve and shall recommend a proposed annual budget to the Board of Directors for its consideration. The recommended budget shall be submitted to the members of the Board of Directors not later than seventy-two (72) hours prior to the Board of Directors' spring meeting.

B. Funds and Accounts - As directed by the Executive Committee, the Treasurer of Authority shall establish and maintain such funds and accounts as may be required by law and generally accepted accounting principles. Separate accounts shall be established and maintained for each coverage program under development or adopted and implemented by the Authority. Books and records of the Authority in the hands of the Treasurer shall be open to inspection at all reasonable times by authorized representatives of Member Entities. A quarterly unaudited financial statement will be produced and distributed to all Member Entities. The Authority shall adhere to the standard of strict accountability for funds set forth in Government Code Section 6505 and Governmental Accounting Standards Board (GASB) Statement No. 10.

C. Treasurer's Report - The Treasurer, within one hundred and twenty (120) days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to the Board and to each Member Entity.

D. Annual Audit - Pursuant to Government Code Section 6505, the Authority shall contract with an independent certified public accountant to make an annual fiscal year audit of all accounts and financial statements of the Authority, conforming in all respects with the requirements of that section. A report of the audit shall be filed as a public record with the County Auditor of each Member Entity within six (6) months of the end of the fiscal year under examination. Costs of the audit shall be considered a general expense of the Authority.

SECTION 11
Responsibilities for Funds and Property

A. The Treasurer shall have custody of and disburse the Authority's funds. The Treasurer may direct the activities of the accounting function.

B. Pursuant to Government Code Section 6505.5, the Treasurer shall:

1. Receive and acknowledge receipt for all funds of the Authority and place them in the treasury of the Treasurer to the credit of the Authority;

2. Be responsible upon his or her official bond for the safekeeping and disbursement of all Authority funds so held by him or her;

3. Pay any sums due from the Authority, as approved for payment by the Board of Directors or by any body or person to whom the Board has delegated approval authority, making such payments from Authority funds upon warrants drawn by the Treasurer and signed by persons designated in Section 20 of these Bylaws;

4. Verify and report in writing to the Authority and to Member Entities, as of the first day of each quarter of the fiscal year, the amount of money then held for the Authority, the amount of receipts since the last report, and the amount paid out since the last report.

C. Pursuant to Government Code Section 6505.1, the Program Director, the Treasurer and such other persons as the Board of Directors may designate shall have charge of, handle and have access to the property of the Authority.

D. The Authority shall secure and pay for a fidelity bond or bonds, in an amount or amounts and in form specified by the Board of Directors, covering the Treasurer and all other officers and staff of the Authority who are authorized to hold or disburse funds of the Authority, and all other officers and staff who are authorized to have charge of, handle, and have access to property of the Authority.

E. The Treasurer shall invest funds in accordance with the approved investment policy of the Authority.

SECTION 12

Development, Implementation and Funding of Coverage Program

A. Program Coverage - The Authority may develop and implement Coverage Programs, which the Authority deems necessary, advisable and beneficial to Member Entities. Subject to any Coverage Program's applicable underwriting rules and other qualifying conditions, each Member Entity shall be eligible to apply for membership and participation in any Coverage Program conducted by the Authority.

B. Coverage Program and Authority Funding - The Member Entities developing or participating in a Coverage Program shall fund all costs of that program, including administrative costs, as hereinafter provided. Costs of staffing and supporting the Authority, hereinafter called Authority general expenses, shall be equitably allocated among the various programs and shall be funded by the Member Entities developing or participating in such programs in accordance with such allocations, as hereinafter provided.

1. Development Charge. Development cost of a coverage program shall be funded by a development charge as fixed by the Executive Committee. The development charge shall be paid by each Member Entity which wishes to join in development of the program, after receipt of information as estimated on the cost and scope of the program and thereby reserve the option to participate in the program following its adoption by the Board of Directors. Development costs are those costs incurred by the Authority in developing a coverage program for review and adoption by the Board of Directors, including but not limited to: research, feasibility studies,

information and liaison work among Entities, preparation and review of documents, and actuarial and risk management consulting services. The development charge may also include an equitable share of Authority general expenses incurred in the development functions. Upon the conclusion of program development: any deficiency in development funds shall be billed to all Member Entities which have paid the development charge, on a pro-rata or other equitable basis, as determined by the Executive Committee; and any surplus in such funds shall be transferred into the loss reserve fund for the program, or, if the program is not implemented, into the Authority's general fund. Future Members may be charged a Fee for development as part of the Entry Fee determined by the Executive Committee.

2. Deposits. Except as provided in Item 3 below, all post development costs of a Coverage Program shall be funded by annual deposits charged to the Member Entities participating in the Coverage Program each policy year, and by interest earnings on the fund so accumulated. Deposits shall be determined annually by the Executive Committee and based upon policy and procedures developed by the Authority with the assistance of an actuary at least every other year, and risk management consultant or other qualified person. The deposit for each participating Member Entity shall include the Member Entity's share of expense program losses, program excess insurance or reinsurance costs, and program administrative costs for the year plus that Member Entity's share of Authority general expense allocated to the program. Deposits shall be billed by the Authority at the beginning of each policy year and shall be payable as set forth in Section 22 of these Bylaws. Any deficiency or surplus in the deposit paid by a participating Entity shall be adjusted pursuant to policy and procedures adopted by the Authority.

3. Assessability. For any program year, the Board of Directors may impose assessments on the program members for that year which, in total amount, will assure adequate funds to the Authority for the payment of all losses.

This applies whether a member has subsequently withdrawn or been expelled from the Authority.

SECTION 13

New Members

A city which is not a Member Entity may become a party to the Agreement only upon approval of two-thirds (2/3) of the Board of Directors and by paying an appropriate entry fee or charge as established by the Executive Committee. The Board of Directors may condition its approval upon the proposed new member's ability to satisfy the underwriting criteria and other qualifying conditions which may then be in effect for any coverage program in which the proposed new Member Entity wishes to participate. The Board may prorate deposits and/or the coverage period for entities entering any coverage program at other than the beginning of the Authority's program year.

SECTION 14

Withdrawal

A. An Entity which enters any coverage program shall not withdraw from that program or as a party to the Agreement or the Authority for a three-year period commencing with its entrance into said program.

B. After the initial three (3) year noncancellable commitment to any coverage program, a Member Entity may withdraw only at the end of the Program Year, provided it has given the Authority a six (6) month written notice of its intent to withdraw from the program. The written notice of its intent to withdraw from the program is non-revocable.”

C. Any member Entity which withdraws as a participant of any coverage program pursuant to item B of this Section shall not be reconsidered for participation in the program until the expiration of three (3) years from the Member Entity's withdrawal.

D. Member Agencies that withdraw from NCCSIF's Liability and or Worker's Compensation plans, agree that any available funds' allocated to them in the Shared Risk Layer, will remain with NCCSIF until such time as the "Program Year" is closed. This includes funds allocated to them via the "Shared Risk Plan Layer Adjustment" or any other manner of distribution other than the declaration of a dividend by the Board or in accordance with distribution described in the Joint Powers Agreement upon the dissolution of NCCSIF. Funds available from the Banking Layer to these Members are available for distribution.

If a "Program Year" is not yet closed and the "Participating Member" would otherwise be eligible for a distribution, a Member that has withdrawn from the "Authority" may annually, in writing, request a early release of their funds for consideration by the Board of Directors. This action will require approval of the Board of Directors as specified in the JPA Bylaws, Section 3, paragraph A.

SECTION 15

Termination and Distribution

A. This Agreement may be terminated by the written consent of three-fourths (3/4) of the Member Entities; provided, however, that the Agreement and the Authority shall continue to exist for the purpose of disposing of all claims, distribution of assets and any other functions necessary to wind up the affairs of the Authority.

B. Upon termination of the Agreement, all assets of the Authority shall be distributed only among the parties which have been participants in its Coverage Programs, including any of those parties which previously withdrew pursuant to Section 15 of these Bylaws and in accordance with the terms and conditions of these Bylaws. Distribution will be made within six (6) months

after the last pending claims or covered loss subject to the Agreement has been finally resolved and will be in proportion to the contributions made.

C. The Board is vested with all powers of the Authority for the purpose of concluding and dissolving the business affairs of the Authority. These powers shall include the power to require Member Entities, including those which were program participants at the time the claims arose or at the time the covered loss was incurred, to pay their share of any cash assessment deemed necessary by the Board for final disposition of all such claims and covered losses subject to the Agreement.

SECTION 16

Effect of Withdrawal or Termination

A. The expulsion or withdrawal of any member Entity after the inception of its participation in any coverage program shall not terminate its responsibility to:

1. Cooperate fully with the Authority in determining the cause of losses and in the settlement of claims, as defined in the coverage Agreement;
2. Pay any Deposit increases or assessments determined by the Board to be due and payable for each coverage program to which it participated;
3. Provide the Authority with such statistical and loss experience data and other information as may be necessary for the Authority to carry out the purposes of the Agreement; and
4. Cooperate with and assist the Authority and any insurer, claims adjuster or legal counsel retained by the Authority, in all matters relating to the Agreement.

Withdrawal of a member shall not be considered as a completion of the purpose of this agreement and shall not require the repayment or return to the withdrawing member agency of all or any part of any contributions, payments or advances made by the parties unless the agreement is rescinded or terminated as to all parties; however, when funds earmarked for program years in which the member agency participated are returned, the member will be entitled to its pro rata share (as determined by the Board of Directors) for its years of participation.

SECTION 17

Claims Administration

A. All claims shall be reported to the Claims Administrator in accordance with the Coverage Program claims reporting procedures.

B. All claims with potential penetration into the risk sharing portion of the Authority's programs will be presented to the Board (or claims committee) by the Claims Administrator and updates provided at regularly scheduled Board (or committee) meetings. The Authority has the right and power to direct the adjustment and settlement of a claim(s) penetrating the risk sharing

layer which in the opinion of the Board or Claims Committee, have a reasonable probability of penetrating the risk sharing layer.

C. All claims with potential penetration into any excess coverage joint powers authority or excess insurance carrier shall be reported in accordance with their guidelines.

D. Claims administration shall be audited at least every other year.

E. Member entities shall be responsible to maintain the confidentiality of any records which are privileged from disclosure under California law. This shall include taking reasonable steps to prevent the inadvertent disclosure of confidential records.

SECTION 18 Budget

The budget shall be presented at the spring meeting and adopted by the Board on or before June 30 of each year and shall separately show the following:

- A. General and administrative costs;
- B. Loss Control/Risk Management costs;
- C. Deposits, projected interest income, and other income; and
- D. The estimated claims and allocated claims adjustment expense.

SECTION 19 Disbursement of Funds

All disbursements under \$5,000 shall have approval and signature of the Treasurer, or the President in the Treasurer's absence. All disbursements over \$5,000 shall require two (2) of the four (4) officers' signatures. A register of all checks issued since the last Board meeting shall be provided as a part of the Treasurer's report at the subsequent Board meeting and approved by the Board.

The Workers Compensation Claims Administrator shall have the responsibility and authority to issue checks from the Authority's trust account in satisfaction of legal requirements to pay benefits to industrially injured workers of the member cities. The Administrator will issue checks for state mandated benefits including Indemnity, Medical, Rehabilitation and Expense categories. For checks below \$5,000, one authorized signature or stamp from the administrator is required. For checks above \$5,000, two signatures are required.

The Liability Claims Administrator shall have the responsibility and authority to issue checks from the Authority's trust account to pay liability claims and defense costs as agreed upon and approved by the Member City and/or the Claims Committee, as appropriate. For checks below \$5,000, one authorized signature or stamp from the administrator is required. For checks above \$5,000, two signatures are required.

SECTION 20
Separation of Programs

Each coverage program of the Authority shall be autonomous. Members shall participate only in the coverage programs so authorized by City Council resolution.

SECTION 21
Program Deposits

Program deposits shall be sufficient to cover the budget for each fiscal year of the program. Program deposits for each fiscal year shall be calculated according to the deposit calculation formulas adopted by the Board.

Deposits are due and payable immediately upon commencement of the Liability Plan year and quarterly for the Workers' Compensation Plan. Deposits are considered delinquent if not received by the Treasurer within thirty (30) days.

SECTION 22
Program Year Adjustments

Prior to the beginning of each program year, adjustments shall be calculated in accordance with the policy and procedure adopted by the Board of Directors.

SECTION 23
Coverage Documents

Each Member Entity participating in a coverage program of the Authority shall be provided with either a Memorandum of Coverage or an insurance policy, as the case may be, which shall describe in detail the nature of the applicable coverage, including dollar amounts, together with any deductibles, exclusions, limitations or other provisions of the coverage.

SECTION 24
Amendments

A. These Bylaws may be amended by a two-thirds vote of the Board of Directors present and voting at a regular meeting provided that any amendment is compatible with the purposes of the Authority, is not in conflict with the Agreement and has been submitted to the Board at least 30 days in advance. Any such amendment shall be effective immediately, unless otherwise designated.



**NCCSIF RETROSPECTIVE RATING PROGRAM
POLICY & PROCEDURE A-1 AMENDMENT**

ACTION ITEM

ISSUE: At the January 9, 2013 Executive Committee meeting, the committee reviewed and recommends the Board of Directors approve the proposed amendments to the NCCSIF Administrative Policies and Procedures A-1, Plan Fund Adjustments.

FISCAL IMPACT: None.

RECOMMENDATION: Staff recommends approval of the proposed amendment to the NCCSIF P&P A-1, Plan Fund Adjustment.

BACKGROUND: At the December 13, 2012 Long Range Planning Session staff was asked to review and recommend any changes to the NCCSIF P&Ps A-1 and A-12.

ATTACHMENT(S): Red-line strikeout of Admin P&P A-1



ADMINISTRATIVE POLICY AND PROCEDURE #A-1

| **SUBJECT:** [BANKING LAYER](#) PLAN FUND ADJUSTMENTS

Policy Statement:

It shall be the policy of the Northern California Cities Self Insurance Fund to review annually each Plan's financial status and to evaluate the appropriateness for declaring either a refund or an assessment to Member Agencies.

When so determined to be fiscally responsible by the Board of Directors, the adjustments shall be in accordance with the provisions outlined in this policy and procedure.

Provisions:

1. The refund/assessment calculations shall be performed annually and presented to the Board of Directors at its meeting in April.
2. The "Total Equity" at December 31, "Gross Equity" at December 31, "Outstanding Claims Liabilities" at December 31, "Buffer Allocation" and "Net Equity" shall be used for purposes of calculating any adjustments.

The "Total Equity" shall be that figure in the Financial Consultants Financial Report representing total equity at December 31.

The "Outstanding Claims Liabilities" shall be that figure developed by the Financial Consultant based on the Actuarial Report and IBNR factors, which represents the total amount of reserves on open claims and Incurred But Not Reported (IBNR) at the 90% Confidence Level, at December 31.

The "Gross Equity" shall be the sum of the "Total Equity" minus the "Outstanding Claims Liability at the 90% Confidence Level."

The "Buffer Allocation" shall be the allocation among Members Agencies with a positive "Gross Equity" of the sum of the negative "Gross Equity" and 10 times the Banking Layer Limit.

The "Net Equity" shall be the sum of the "Gross Equity" minus the "Buffer Allocation"

Assessments:

1. A Member Agency reflecting a negative "Gross Equity" shall be required to pay to the Treasurer twenty percent (20%) of the negative amount in two installments due September 15 and December 15 in the year in which the Assessment is declared. If 20% of the negative "Gross

Equity” is less than \$10,000, than the full amount will be paid to NCCSIF in the first installment of September 15 rather than two installments.

2. A Member Agency failing to meet the payment schedule above shall be charged interest in the manner and amount earned on funds deposited in LAIF.

Refunds:

1. A Member Agency shall be eligible for a refund by meeting the following conditions:

A. Participation in the Plan for three years

B. A positive Plan “Net Equity”

2. The Amount available to be refunded shall be the “Net Equity” as determined annually by the Board of Directors.

3. Member Agencies may decline the refund and leave such funds or a portion of the funds in their account.

4. Members Agencies may elect to allocate the remaining amount available as follows:

A. If funds are not being retained in their Account, then a negative balance in the other Program must first be offset

B. If not used for “5.” or “6a.” above, remaining available funds, or any portion thereof, may be used to offset the next fiscal year deposits, or may be requested in the form of a check

Effective Date:	May 26, 1989
First Revision Date:	June 14, 1996
Second Revision Date:	June 13, 1997
Third Revision Date:	December 17, 1999
Fourth Revision Date:	December 15, 2000
Fifth Revision Date:	March 16, 2007
Sixth Revision Date:	December 13, 2007
Seventh Revision Date:	April 25, 2008
<u>Eighth Revision Date:</u>	<u>January 24, 2013</u>



Northern California Cities Self Insurance Fund
Board of Directors Meeting
January 24, 2013

Agenda Item J.6.b.

NCCSIF RETROSPECTIVE RATING PROGRAM POLICY & PROCEDURE A-12 AMENDMENT

ACTION ITEM

ISSUE: At the January 9, 2013 Executive Committee meeting, the committee reviewed and recommends the Board of Directors approve the proposed amendments to the NCCSIF Administrative Policies and Procedures and A-12, Shared Risk Plan Fund Adjustments.

FISCAL IMPACT: None.

RECOMMENDATION: Staff recommends approval of the proposed amendment to the NCCSIF P&P A-12, Shared Risk Plan Fund Adjustments.

BACKGROUND: At the December 13, 2012 Long Range Planning Session staff was asked to review and recommend any changes to the NCCSIF P&Ps A-1 and A-12.

ATTACHMENT(S): Red-line strikeout of Admin P&P A-12.



ADMINISTRATIVE POLICY AND PROCEDURE # A-12

SUBJECT: SHARED RISK LAYER PLAN FUND ADJUSTMENTS

Policy Statement:

It shall be the goal of the Northern California Cities Self Insurance Fund (NCCSIF) to retain funds in the Shared Risk Layer Programs sufficient to meet an expected discounted level of “outstanding liabilities” plus a reasonable contingency margin, for all program years combined. NCCSIF shall annually review the financial position for each open program based on NCCSIF’s actuarial study, and evaluate the claims payment pattern to determine if the current assets and projected payments are sufficient to maintain the program liquidity. The review will evaluate the appropriateness for declaring either a refund or an assessment to Members.

When determined to be fiscally responsible by the Board of Directors, the adjustments will be in accordance with the provisions outlined in this policy and procedure.

Procedure:

1. The evaluation shall be performed annually and presented to the Board of Directors at its meeting in the spring of each year.
2. The “total assets” at December 31, “outstanding claims liabilities” at December 31 and “adjustment balance” will be used for the purposes of calculating any adjustments.
 - “total assets” shall be that figure in the auditor’s financial Report representing total assets at June 30, minus claims paid between June 30 and December 31.
 - “outstanding claims liabilities” shall be that figure in the actuarial Review which represents the total amount of reserves on open claims and Incurred But Not Reported (IBNR) claims stated at an expected confidence level and optionally at a 60% and 70% confidence level, discounted or at present value, for open shared risk layer program years, but based upon the December 31, loss statistics.
 - “adjustment balance” shall be the sum for each applicable shared risk layer program year of the “total assets” minus the chosen “outstanding liabilities”.
3. Refunds:

A Member shall be eligible for a refund by meeting the following conditions:

 - a. Participation in the plan for three years;
 - b. Applicable program years determined separately for liability and workers’ compensation results in a positive adjustment balance.

c. The amount to be refunded shall be a certain percentage of the “adjustment balance” as determined annually by the Board of Directors.

4. Assessments:

A Member will be assessed if the “adjustment balance” for the open Shared Risk Layer Program Years (determined separately for liability and workers’ compensation) is/are negative. The amount of the assessment declared will be 100% of the deficit “adjustment balance”. The amount of the assessment will be collected over a period of seven (7) years. The member shall be required to pay their proportional share for each program year in a deficit position. The proportional share is the Members’ % of total contributions for that program year. Payment will be made as part of the September 15 program billings.

5. A Member failing to meet the payment schedule above shall be charged interest in the manner and amount earned on funds deposited in LAIF, at the time they are delinquent.

6. ~~6.~~ Refunds from positive years will first go to offset negative years before being refunded to Members.

7. Refunds from positive years will first go to offset negative years in another program before being refunded to Members.

8. Effective July 1, 2013, “Participants” that withdraw from NCCSIF’s Workers’ Compensation plan, agree that any available funds’ allocated to them in the Shared Risk Layer, will remain with NCCSIF until such time as the “Program Year” is closed. This includes funds allocated to them via the “Shared Risk Layer Plan Adjustment” or any other manner of distribution other than the declaration of a dividend by the Board or in accordance with distribution described in the Joint Powers Agreement upon the dissolution of NCCSIF. If a “Program Year” is not closed and the “Participating Member” would be eligible for a distribution, they may annually send a written request for release of their funds to the Board of Directors. This action will require approval of the Board of Directors as specified in the JPA Bylaws, Section 3, paragraph A.

Effective Date: June 16, 2000

First Revision Date: April 11, 2003

Second Revision Date: January 24, 2013



NCCSIF TARGET EQUITY PLAN AMENDMENT

ACTION ITEM

ISSUE: Upon review of NCCSIF's Target Equity Policy while preparing the Target Equity ratio presentation for the Long Range Planning meeting, staff noticed that the ratios were incorrect on the policy. The calculations have always been done with the correct ratios, it's just the policy has errors in it.

FISCAL IMPACT: None.

RECOMMENDATION: Staff recommends approval of the proposed amendments to the Administrative P&P A-17, Target Equity Policy.

BACKGROUND: None.

ATTACHMENT(S): Red-line strikeout of P&P A-17, Target Equity Policy.



ADMINISTRATIVE POLICY AND PROCEDURE # A-17

SUBJECT: SHARED RISK LAYER PLAN TARGET EQUITY POLICY

Policy Statement:

This policy will operate in conjunction with the following policies and procedures:

L – 1: SHARED RISK LAYER LIABILITY DEPOSIT DEVELOPMENT PLAN

WC – 1: SHARED RISK LAYER WORKERS’ COMPENSATION DEPOSIT DEVELOPMENT PLAN

A – 12: SHARED RISK LAYER PLAN FUND ADJUSTMENTS

It shall be the goal of this policy is to develop guidelines setting target funding levels for the Shared Risk Layers in the Liability and Workers’ Compensation programs. The policy seeks to establish a prudent funding threshold to ensure the programs are actuarially sound. When equity exceeds the target the Board may determine any surplus to be distributed through a dividend in accordance with Policy and Procedure A – 12 Shared Risk Layer Plan Fund Adjustments.

Funding shortfalls under the target may lead the Board to raise funding rates to re-capitalize a program.

1. FUNDING CRITERIA

The programs shall utilize expected liabilities at a 55% confidence level (CL) when reporting liabilities in the NCCSIF Financial Statements and Audit.

The program goals will be to maintain a “contingency fund” with assets equal to the difference between expected liabilities (55% CL) and discounted liabilities at a (90% CL).

The programs may pay dividends when surplus equity exceeds the 90% discounted CL and as per Policy and Procedure A – 12 above.

The programs may use surplus for rate stabilization.

The programs will fund current years at a 60% CL or higher.

2. FUNDING BENCHMARKS

In addition to the program maintaining a discounted target equity of 90%, other benchmark ratios will be reviewed annually to ensure prudent funding levels be maintained.

The programs will endeavor to meet the following ratios:

- ☞ **Equity to SIR** **Target = 3 to 5:1**
This ratio is a measure of the maximum amount equity could decline due to a single full limits loss. It also measures the funds available to take a higher SIR. A high ratio is desirable.
- ☞ **Net ~~Premiums~~ Contributions to Equity** **Target = $\leq .52$ to 1**
This ratio measures whether inadequate funding for new years could adversely affect equity.
- ☞ **Claims Reserves plus IBNR to Equity** **Target = Less than ≤ 3.5 to 1**
This ratio is a measure of how equity is leveraged against total reserves.
- ☞ **Change in Prior Year's Loss Development** **Target = $< -20\%$ ~~-20%~~ $< x < 20\%$**
This ratio is a measure of the development in prior years' ultimate net loss run from one year to the next.
- ☞ **Change in Member Equity** **Target \geq ~~\leq~~ -10%**
This ratio measures if a decline in equity in excess of 10% has taken place. If it has then NCCSIF may want to consider an increase in pricing.

3. DEFINITIONS

This policy contains terms and words with special meaning to risk funding. Those terms and others are defined below:

Claims Reserves: Estimate of the funds needed to pay for known claims against members that have been reported to NCCSIF. The Third Party Claims Administrator will establish a reserve for each open claim.

Confidence Level (CL): The probability premium collected or program equity is sufficient to pay the actuarially projected ultimate net loss. Expected value is equal to a 55% probability funds are sufficient to pay claims. A 90% confidence level predicts there is only a 10% probability there is insufficient funding to pay the ultimate net loss.

Contingency Fund: Net assets held to pay claims above "expected liabilities".

Dividend: Amount payable to members from surplus funds in a program.

Expected Liabilities: Claims reserve plus IBNR, discounted, and reported at a 55% CL for all program years.

Equity: Total assets less total liabilities. Stated as retained earnings, equity or net assets on the balance sheet.

Incurred But Not Reported (IBNR) Claims: Estimate of the funds needed to pay for covered losses that have occurred but have not been reported; and expected future loss development on claims already reported.

Self Insured Retention (SIR): Dollar amount of pooled risk before any excess coverage is triggered.

Ultimate Net Loss: The sum of claims paid to date, claim reserves and IBNR. This is an actuarial estimate of the total value of all claims that will ultimately be paid at a given point in time.

4. POLICY REVIEW

The Program Administrator will submit a yearly report summarizing the programs financial positions against the guidelines established in this policy. The policy will be periodically reviewed by the Board and revised as necessary.

Effective Date: December 18, 2005



PEPIP PROPERTY AND CYBER CRIME COVERAGE BEST REPORTING PRACTICES

INFORMATION ITEM

ISSUE: PEPIP has developed PEPIP Property and Cyber Crime Loss Reporting Practices that require NCCSIF's Board President's signature. This document outlines the steps that should be taken at the time of property and/or cyber crime liability incident to assure that the insurance coverage available through PEPIP is remains in force and available for claims payment.

FISCAL IMPACT: None

RECOMMENDATION: None

BACKGROUND: The Public Entity Property Insurance Program (PEPIP) includes property coverage for Member owned locations and cyber crime liability insurance coverage for Public Entity clients.

ATTACHMENTS: PEPIP Essential Loss Reporting Practices document as part of the NCCSIF Program Manual.



ALLIANT INSURANCE SERVICES
APIP Claims Reporting Acknowledgement(s) Receipt Form

The Claims Reporting Forms were Included with your PEP/IP Policies distributed approximately ten (10) days ago. They are once again attached to this form, and include the claims reporting procedures for the APIP Property/Boiler, Cyber and Pollution programs for your review and future reference. We ask that you share these critical documents with all members of your team (and Pool Members and their staffs where applicable.)

We request that you review the items indicated attached, then please check the appropriate boxes, complete the bottom portion, sign and submit to your Alliant Insurance Services representative either by a scanned email return (or FAX to the number provided) to be included in your insurance records.

- APIP Property Claims Reporting

- Cyber Liability Claims Reporting

- Pollution Liability Claims Reporting

Acknowledgement for Claims reporting procedures under APIP Property/Boiler, Cyber and Pollution.

In effect: July 1, 2012 until further notice

I have read and been informed about these separate reporting requirements under the three coverage parts of the APIP Program provided through Alliant.

Insured Entity Name: _____

Policyholder/Applicant Signature:

Print Name

Date



**ALLIANT INSURANCE SERVICES, INC.
PUBLIC ENTITY PROPERTY INSURANCE PROGRAM (PEPIP)**

Claim notifications need to be sent to Bob Frey, Diana Walizada and Cathryn O'Meara. In the event this is a *Cyber* loss please include item III contact, for a *Pollution* loss please include item IV contact in addition to Alliant Insurance Services contacts.

- I. During regular business hours (between 8:30 AM and 5:00 PM PST), First Notice of Claim should be reported to Alliant Insurance Services via telephone, fax, mail or e-mail to our San Francisco Office:

Bob Frey
First Vice President, Claims Manager
Voice: (415) 403-1445 Cell: (415) 518-8490
Email: rfrey@alliantinsurance.com

Diana Walizada
Assistant Vice President, Claims Unit Manager
Voice: (415) 403-1453
Email: dwalizada@alliantinsurance.com

Address: Alliant Insurance Services, Inc.
100 Pine St, 11th Floor
San Francisco CA 94111
Toll Free Voice: (877) 725-7695 Fax: (415) 403-1466

- II. Please be sure to include PEPIP's Claim Administrator as a CC on all Claims correspondence:

Cathryn O'Meara
McLaren's Global Claims Services
Address: 1301 Dove St., Suite 200
Newport Beach, CA 92660
Voice: (949) 757-1413 Fax: (949) 757-1692
Email: cathryn.omeara@mclarensyoung.com

- III. Cyber Liability Carrier Beazley NY needs to also be provided with Notice of Claim immediately (if purchased):

Beth Diamond
Beazley Group
Address: 1270 Avenue of the America's, Suite 1200
New York, NY 10020
Telephone: (646) 943-5900 Fax: (546) 378-4039
Email: tmbclaims@beazley.com

- IV. Pollution Liability Carrier ACE Environmental, Risk Claims Manger (for those who have coverage):

ACE USA Claims
Address: PO Box 5103
Scranton, PA 18505-0510
Environmental Emergency: (888) 310-9553
Fax: (800) 951-4119
Email: CasualtyRiskEnvironmentalFirstNotice@acegroup.com

David Sutton
Claims Executive
Alliant Insurance Services, Inc.
Address: 100 Pine Street, 11th Floor
San Francisco, CA 94111-5101
Voice: (415) 403-1417 Fax: (415) 403-1466
Email: dsutton@alliantinsurance.com

Please include the Member /JPA name along with the following information when reporting claims:

- Time, date and specific location of property damaged
- A description of the incident that caused the damage (such as fire, theft or water damage)
- Estimated amount of loss in dollars
- Contact person for claim including name, title, voice & fax numbers
- Complete and return the Property Loss Notice for processing.
- Mortgagee or Loss Payee name, address, and account number

IN THE EVENT OF A
PROPERTY LOSS:

- 1) *Follow your company procedures for reporting and responding to an incident*
- 2) *Alert local emergency authorities, as appropriate*
- 3) *Report the incident to Alliant Insurance Services immediately at:*

877-725-7695

All property losses must be reported as soon as practicable upon knowledge within the risk management or finance division of the insured that a loss has occurred.

Be prepared to give basic information about the location and nature of the incident, as well as steps which have been taken in response to the incident.

- 4) *Report the incident to McLarens Global AND your Alliant representative*



PROPERTY FIRST NOTICE OF LOSS FORM

<p>SEND TO: Alliant Insurance Services, Inc.</p> <p>BY MAIL: 100 Pine Street, 11th Floor, San Francisco, CA 94111</p> <p>BY FAX: (415) 403-1466</p> <p>BY EMAIL: rfrey@alliantinsurance.com AND dwalizada@alliantinsurance.com</p> <p>CC PEPPI Claims Administrator: cathryn.omeara@mclarensyoung.com And your Alliant representative</p>

Today's Date: _____

Type of Claim: (check all that apply)

- | | |
|--|--------------------------------------|
| <input type="checkbox"/> Real Property | <input type="checkbox"/> Vehicles |
| <input type="checkbox"/> Personal Property | <input type="checkbox"/> Other _____ |

Insured's Name & Contact Information

Company Name: _____ Point of Contact: _____

Address: _____

Phone #: _____

Broker/Agent's Name & Contact Information

Company Name: Alliant Insurance Services - Claims Point of Contact: Bob Frey OR Diana Walizada

Address: 100 Pine Street, 11th Floor, San Francisco, CA 94111

Phone #: 877-725-7695 Fax #: 415-403-1466

Policy Information

Policy Number: _____ Policy Period: 7/1/12 to 7/1/13

Limits of Liability: _____ per _____ agg Self-Insured Retention/Deductible _____

Loss Information

Date of Incident/Claim: _____ Location: _____

Description of Loss: _____

Please list all attached or enclosed documentation: (check if none provided) _____

Name of Person Completing This Form: _____ Signature: _____

J. NOTICE OF LOSS

In the event of loss or damage insured against under this Policy, the Insured shall give notice thereof to ALLIANT INSURANCE SERVICES, INC., 100 Pine Street, 11th Floor, San Francisco, CA 94111-1073. TEL NO. (877) 725-7695, FAX NO. (415) 403-1466 of such loss. Such notice is to be made as soon as practicable upon knowledge within the risk management or finance division of the insured that a loss has occurred.

IN THE EVENT OF A
CYBER LOSS:

- 1) *Follow your company procedures for reporting and responding to an incident*
- 2) *Alert authorities, as appropriate*
- 3) *Report the incident to Beazley Group immediately at:*

646-943-5900

All Cyber losses must be reported as soon as practicable upon knowledge by the insured that a loss has occurred.

Be prepared to give basic information about the location and nature of the incident, as well as steps which have been taken in response to the incident.

- 4) *Report the incident to Alliant Claims Department and your Alliant representative*

SPECIAL NOTE REGARDING PRIVACY NOTIFICATION COSTS:

The policy provides a \$500,000 Aggregate Limit for Privacy Notification Costs. If you utilize a Beazley vendor, the limit is increased to \$1,000,000.

Please contact Beazley for a list of approved vendors.



CYBER FIRST NOTICE OF LOSS FORM

SEND TO: Beazley Group

BY MAIL: 1270 Avenue of the America's, Suite 1200, New York, NY 10020

BY FAX: (546) 378-4039

BY EMAIL: tmbclaims@beazley.com

CC Alliant Claims Department: rfrey@alliantinsurance.com AND dwalizada@alliantinsurance.com
And your Alliant representative

Today's Date: _____

Insured's Name & Contact Information

Company Name: _____ Point of Contact: _____

Address: _____

Phone #: _____

Broker/Agent's Name & Contact Information

Company Name: Alliant Insurance Services - Claims Point of Contact: Bob Frey OR Diana Walizada

Address: 100 Pine Street, 11th Floor, San Francisco, CA 94111

Phone #: 877-725-7695 Fax #:415-403-1466

Policy Information

Policy Number: C121280 Policy Period: 7/1/12 to 7/1/13

Limits of Liability: _____ per _____ agg Self-Insured Retention/Deductible _____

Loss Information

Date of Incident/Claim: _____ Location: _____

Description of Loss: _____

Please list all attached or enclosed documentation: (check if none provided) _____

Name of Person Completing This Form: _____ Signature: _____

A. NOTICE OF CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM

1. If any **Claim** is made against the **Insured**, the **Insured** shall, as soon as practicable upon knowledge by the **Insured**, forward to the Underwriters through persons named in Item 9.A. of the Declarations written notice of such **Claim** in the form of a telecopy, or express or certified mail together with every demand, notice, summons or other process received by the **Insured** or the **Insured's** representative; provided that with regard to coverage provided under Insuring Agreements I.A. and I.C., all **Claims** made against any **Insured** must be reported no later than the end of the **Policy Period**, in accordance with the requirements of the **Optional Extension Period** (if applicable), or within thirty (30) days after the expiration date of the **Policy Period** in the case of **Claims** first made against the Insured during the last thirty (30) days of the **Policy Period**.
2. With respect to Insuring Agreement I.B. for a legal obligation to comply with a **Breach Notice Law** because of an incident (or reasonably suspected incident) described in Insuring Clause I.A.1 or I.A.2, such incident or reasonably suspected incident must be reported as soon as practicable during the **Policy Period** after discovery by the Insured. For such incidents or suspected incidents discovered by the **Insured** within 60 days prior to expiration of the Policy, such incident shall be reported as soon as practicable, but in no event later than 60 days after the end the **Policy Period**, provided; if this Policy is renewed by Underwriters and covered **Privacy Notification Costs** are incurred because of such incident or suspected incident reported during the 60 day post **Policy Period** reporting period, then any subsequent **Claim** arising out of such incident or suspected incident is deemed to have been made during the **Policy Period**.
3. With respect to Insuring Agreements I.A. and I.C., if during the **Policy Period**, the **Insured** first becomes aware of any circumstance that could reasonably be the basis for a **Claim** it may give written notice to Underwriters in the form of a telecopy, or express or certified mail through persons named in Item 9.A. of the Declarations as soon as practicable during the **Policy Period** of:
 - a. the specific details of the act, error, omission, or **Security Breach** that could reasonably be the basis for a **Claim**;
 - b. the injury or damage which may result or has resulted from the circumstance; and
 - c. the facts by which the **Insured** first became aware of the act, error, omission or **Security Breach**

Any subsequent **Claim** made against the **Insured** arising out of such circumstance which is the subject of the written notice will be deemed to have been made at the time written notice complying with the above requirements was first given to the Underwriters.
4. A **Claim** or legal obligation under section X.A.1 or X.A.2 above shall be considered to be reported to the Underwriters when written notice is first received by Underwriters in the form of a telecopy, or express or certified mail or email through persons named in Item 9.A. of the Declarations of the **Claim** or legal obligation, or of an act, error, or omission, which could reasonably be expected to give rise to a **Claim** if provided in compliance with sub-paragraph X.A.3. above.



Environmental Risk

IN THE EVENT OF AN ENVIRONMENTAL EMERGENCY:

- 1) *Follow your company procedures for reporting and responding to an incident*
- 2) *Alert local emergency authorities, as appropriate*
- 3) *Report the incident to ACE Environmental Risk immediately at:*

888-310-9553

All pollution incidents must be reported within 7 days of discovery

Be prepared to give basic information about the location and nature of the incident, as well as steps which have been taken in response to the incident. You will be contacted by a trained representative of ACE to discuss further response steps as soon as possible.

- 4) *Report the incident to your Alliant representative*

DO follow your company's detailed response plan
DO contact your management as well as appropriate authorities
DO ensure anyone who could come in contact with a spill or release is kept away

DO NOT ignore a potential spill or leak
DO NOT attempt to respond beyond your level of training or certification



ACE ENVIRONMENTAL RISK FIRST NOTICE OF LOSS FORM

SEND TO: ACE Environmental Risk Claims Manager

BY MAIL: ACE USA Claims, P.O. Box 5103, Scranton, PA 18505-0510

BY FAX: (800) 951-4119

BY EMAIL: CasualtyRiskEnvironmentalFirstNotice@acegroup.com

CC Alliant Insurance: dsutton@alliantinsurance.com
And your Alliant representative

Today's Date: _____

Notice of: (check all that apply)

- Pollution Incident Potential Claim Other _____
- Third-Party Claim Litigation Initiated

Insured's Name & Contact Information

Company Name: _____ Point of Contact: _____

Address: _____

Phone #: _____

Broker/Agent's Name & Contact Information

Company Name: Alliant Insurance Services - Claims Point of Contact: David Sutton

Address: 100 Pine Street, 11th Floor, San Francisco, CA 94111

Phone #: 415-403-1417

Policy Information

Policy Number: PPL G24544837 002 Policy Period: 7/1/12 to 7/1/13

Limits of Liability: _____ per _____ agg Self-Insured Retention/Deductible _____

Loss Information

Date of Incident/Claim: _____ Location: _____

Claimant Name/Address: _____

Description of Loss: _____

Please list all attached or enclosed documentation: (check if none provided) _____

Name of Person Completing This Form: _____ Signature: _____

VII. REPORTING AND COOPERATION

- A. The “insured” must see to it that the Insurer receives written notice of any “claim” or “pollution condition”, as soon as practicable, at the address identified in Item 7.a. of the Declarations to this Policy. Notice should include reasonably detailed information as to:
1. The identity of the “insured”, including contact information for an appropriate person to contact regarding the handling of the “claim” or “pollution condition”;
 2. The identity of the “covered location” or “covered operations”;
 3. The nature of the “claim” or “pollution condition”; and
 4. Any steps undertaken by the “insured” to respond to the “claim” or “pollution condition”. In the event of a “pollution condition”, the “insured” must also take all reasonable measures to provide immediate verbal notice to the Insurer.
- B. The “insured” must:
1. As soon as practicable, send the Insurer copies of any demands, notices, summonses or legal papers received in connection with any “claim”;
 2. Authorize the Insurer to obtain records and other information;
 3. Cooperate with the Insurer in the investigation, settlement or defense of the “claim”;
 4. Assist the Insurer, upon the Insurer’s request, in the enforcement of any right against any person or organization which may be liable to the “insured” because of “bodily injury”, “property damage”, “remediation costs” or “legal defense expense” to which this Policy may apply; and
 5. Provide the Insurer with such information and cooperation as it may reasonably require.
- C. No “insured” shall make or authorize an admission of liability or attempt to settle or otherwise dispose of any “claim” without the written consent of the Insurer. **Nor shall any “insured” retain any consultants or incur any “remediation costs” without the prior express written consent of the Insurer, except in the event of an “emergency response”. (Emergency Response coverage is limited to the first 7 days)**
- D. Upon the discovery of a “pollution condition”, the “insured” shall make every attempt to mitigate any loss and comply with applicable “environmental law”. The Insurer shall have the right, but not the duty, to mitigate such “pollution conditions” if, in the sole judgment of the Insurer, the “insured” fails to take reasonable steps to do so. In that event, any “remediation costs” incurred by the Insurer shall be deemed incurred by the “insured”, and shall be subject to the “self-insured retention” and Limits of Liability identified in the Declarations to this Policy.

PEPIP Pollution: Claim Reporting Fact Sheet

This page outline the steps that should be taken BY YOU, at the time of an environmental incident, to assure that the Pollution coverage offered with ACE through PEPIP is not jeopardized. We ask that you review this document and provide copies to all appropriate colleagues in advance of a possible incident.

Coverage under Pollution policies is dependent on specific compliance with claims and loss reporting; *especially* in the case of “Emergency Response” expenses that you may incur to address a pollution loss. For these “Emergency Response” expenses there is a strict seven (7) day window, following discovery of a “Pollution Condition” by the “Insured”, after which reasonable expenses will not be reimbursed unless the carrier has given prior consent. It is **extremely important** pollution exposures be reported **immediately**; and clearly no later than seven (7) days.

Although we ask that you fully review your policy and all its’ Terms and Conditions, we have highlighted some key sections of the ACE policy which address the **Emergency Response** issue and the reporting provisions:

III. DEFENSE AND SETTLEMENT C. The “insured” shall have the right and duty to retain a qualified environmental consultant to perform any investigation and/or remediation of any “pollution condition” covered pursuant to this Policy. The “insured” must receive the written consent of the Insurer prior to the selection and retention of such consultant, except in the event of an “emergency response”. Any costs incurred prior to such consent shall not be covered pursuant to this Policy, or credited against the “self-insured retention”, except in the event of an “emergency response”.

V. DEFINITIONS

F. “Emergency response” means actions taken and reasonable “remediation costs” 7 days following the discovery of a “pollution condition” by an “insured” in order to abate or respond to an imminent and substantial threat to human health or the environment arising out of such “pollution condition”.

T. “Pollution condition” means: **2.** The discharge, dispersal, release, escape, migration, or seepage of any solid, liquid, gaseous or thermal irritant, contaminant, or pollutant, including smoke, soot, vapors, fumes, acids, alkalis, chemicals, hazardous substances, hazardous materials, or waste materials, on, in, into, or upon land and structures thereupon, the atmosphere, surface water, or groundwater.

V. “Remediation costs” means reasonable expenses incurred to investigate, quantify, monitor, mitigate, abate, remove, dispose, treat, neutralize, or immobilize “pollution conditions” to the extent required by “environmental law”.

VII. REPORTING AND COOPERATION

A. The “insured” must see to it that the Insurer receives written notice of any “claim” or “pollution condition”, as soon as practicable, at the address identified in Item **7.a.** of the Declarations to this Policy. Notice should include reasonably detailed information as to: **1.** The identity of the “insured”, including contact information for an appropriate person to contact regarding the handling of the “claim” or “pollution condition”;

B. The “insured” must: **1.** As soon as practicable, send the Insurer copies of any demands, notices, summonses or legal papers received in connection with any “claim”;

C. No “insured” shall make or authorize an admission of liability or attempt to settle or otherwise dispose of any “claim” without the written consent of the Insurer. Nor shall any “insured” retain any consultants or incur any “remediation costs” without the prior express written consent of the Insurer, except in the event of an “emergency response”. (Emergency Response coverage is limited to the first 7 days)

D. Upon the discovery of a “pollution condition”, the “insured” shall make every attempt to mitigate any loss and comply with applicable “environmental law”. The Insurer shall have the right, but not the duty, to mitigate such “pollution conditions” if, in the sole judgment of the Insurer, the “insured” fails to take reasonable steps to do so. In that event, any “remediation costs” incurred by the Insurer shall be deemed incurred by the “insured”, and shall be subject to the “self-insured retention” and Limits of Liability identified in the Declarations to this Policy.

The bottom line is; if you have a Pollution event, please contact us **immediately** so that we can report the Incident and properly protect coverage for these unexpected events; please refer to the Claims Reporting form for proper contact information.



Agenda Item J.9.

2012/2013 NCCSIF PROGRAM MANUAL

INFORMATION ITEM

ISSUE: On an annual basis, NCCSIF members are provided with a Program Manual which includes NCCSIF's governing documents, memorandums of coverage and financial information regarding the programs offered by NCCSIF. This year the 2012/2013 NCCSIF Program Manual is made available to members' via electronic copies on compact discs.

FISCAL IMPACT: None.

RECOMMENDATION: None.

BACKGROUND: NCCSIF Program Manuals are provided to members annually.

ATTACHMENT(S): NCCSIF 2012/13 Program Manual (Handout)



**Northern California Cities Self Insurance Fund
Board of Directors Meeting
January 24, 2013**

Agenda Item J.10.

2012 NCCSIF ANNUAL REPORT

INFORMATION ITEM

ISSUE: On an annual basis, NCCSIF Members are provided with an Annual Report on NCCSIF's financial stability of the programs ending June 30, 2012. This year the 2012 NCCSIF Annual Report is made available to members' via electronic copies on compact discs.

FISCAL IMPACT: None.

RECOMMENDATION: None.

BACKGROUND: NCCSIF Annual Reports are provided to members annually.

ATTACHMENT(S): NCCSIF 2012 Annual Report (Handout)

**THE
SUPERHEROES**

OF



RISK MANAGEMENT

Public Agency Risk Managers Association
Annual Membership Meeting and Conference

Coming Soon to Rancho Mirage
ONLY at the Westin Mission Hills

February 3 - 6, 2013

39TH ANNUAL RISK MANAGERS CONFERENCE AND EXHIBITION
FEBRUARY 3-6, 2013
WESTIN MISSION HILLS, RANCHO MIRAGE, CA
CONFERENCE AT A GLANCE



Sessions are color-coded by their educational focus.

Sunday, February 3, 2013			
7:00 am-4:00 pm	2013 PARMA Annual Golf Tournament at the Westin Mission Hills Golf Course (separate fee)		
1:00 pm-6:00 pm	Registration Desk Open/Exhibitor Set-up		
3:30 pm - 7:00 pm	2013 Welcome Reception and Super Bowl Party		
7:00 pm - on	Evening open for Client Dinners and Events		
Monday, February 4, 2013			
6:30 am - 7:15 am	Morning Walk with Jack Blyskal (PARMA T-shirt for all walkers)		
7:30 am - 8:30 am	Breakfast in the Exhibit Hall/Separate First-Time Attendee Breakfast		
8:30 am - 10:30 am	Opening Session - It's a Brave New World - How Risk Superheroes Can Help Rescue Government Moderated by: Michael Krasny		
10:30 am-11:45 am	Dedicated Exhibit Time		
11:45 am - 1:00 pm	Sponsor Appreciation Luncheon and Membership Meeting		
1:00 pm - 2:00 pm	Dedicated Exhibit Time		
2:00 pm - 3:15 pm	B1 Public Safety Presumptive Injuries: Benefits & Burdens	B2 You've Been Occupied- First Amendment Rights on Public Property	B3 Complex Litigation Management And Good Practices To Help Answer The Critical Question: Settle or Go to Trial
	B4 Investment Policy Risk Management	B5 They Get to See My Email: A Beginners Guide to CA Public Records	B6 Can I Terminate My Injured Workers?
3:15 pm - 3:30 pm	Break and Exhibit Time		
3:30 pm-5:00 pm	C1 Role of Prescription Drugs in Work Compensation Cases	C2 Hot Trends in Use of Force Litigation	C3 Cal OSHA for Public Employees
	C4 Selling Risk Management	C5 Understanding Key Financial Reports	C6 Outsourced Risk Management- Two Edged Sword
5:00 pm - on	Evening open for Client Dinners and Events		

Tuesday, February 5, 2013			
6:30am - 7:15am	Morning Walk with Jack Blyskal (PARMA T-shirt for all walkers)		
7:30am-8:30am	Sit-down Plated Chapter Breakfast		
8:30 am - 9:00 am	Dedicated Exhibit Time		
9:00 am - 11:00 am	D1 Workers Comp Reform; The Cost, the Benefits and Some Expert Analysis	D2 Public & Jury Perceptions & Impressions of Public Entity Defenses	D3 Safety Certificate Program - Part 1
	D4 Advanced Workplace Investigations	D5 Insurance-Part 1 With Robert Marshburn	D6 Creating Safe & Bully Free Schools
11:00 am - 11:45 am	Morning Break and Exhibit Time		
11:45 am - 1:45 pm	Lunch and Exhibit Time for Prizes (Dessert in the Exhibit Hall)		
1:45 pm - 4:00 pm	Exhibit Hall will be open. It will close at 4:00 pm.		
1:45 pm - 3:15 pm	E1 Overview of CA WC: From Injury to Claims	E2 The Quandries of Managing Law Enforcement Misconduct & Lawsuits	E3 Safety Certificate Program - Part 2
	E4 Effective Management of Mutual Aid Agreements	E5 Insurance-Part 2 With Robert Marshburn	E6 So Now You Want Me To Handle Liability Claims Too?
3:15 pm - 3:30 pm	Break and Exhibit Time		
3:30 pm - 5:00 pm	F1 Drive Improved WC Claims Program Results	F2 Medicare Issues Dissected	F3 Current Topic (TBD closer to the conference)
	F4 Finding Balance Between Work & Home	F5 Understanding and Using Financial Reports	F6 Enterprise Risk Management in Public Agencies
2:45 pm - 3:00 pm	Afternoon Break - Exhibitor Prizes to be posted and available for pick up through the conclusion of the conference on Wednesday at the PARMA Registration Desk		
6:00 pm-7:00 pm	Pre-Banquet Reception		
7:00 pm-11:00 pm	PARMA Annual Banquet PARMA respectfully requests that vendors do not schedule dinner or events during this time. Thank you.		
Wednesday, February 6, 2013			
8:00 am-9:00 am	Breakfast		
9:00 am-10:15 am	G1 From Captain Marvel to The Incredibles - The Changing Patterns Among Generations in Society	G2 12 Steps to Avoiding Liability	G3 POST Safe Driving Campaign
	G4 The Evolving Role of Public Entity Risk Management	G5 Stress Personality/Priority Management	G6 Influencing Senior Leadership: Risk Based Budgeting & Calculating ROI
10:15 am - 10:30 am	Morning Break		
10:30 am - Noon	Closing Session: Workers' Comp Bingo - Legal Update 2013		

2013 PARMA ANNUAL RISK MANAGERS CONFERENCE FEBRUARY 3 - 6, 2103

OPENING SESSION:

Monday, February 4, 2013 - 8:30 am - 10:30 am

It's a Brave, New World - How Risk Superheroes Can Help Rescue Government

Moderated by: Michael Krasny

What decisions got your agency to where you are now? Were you involved in the dissolution of redevelopment agencies to ensure risks and solutions are or were considered? Labor negotiations? Bond ratings? Budget development? Underwriter concerns? Are you involved in reserves and other funds being depleted to make up for other fiscal shortfalls? How do we manage these risks when our tried and true best practices may not work or even apply? Come to PARMA's opening session and see a distinguished panel, led by moderator Michael Krasny from National Public Radio, in a fascinating discussion covering the key points-of-view of the current fiscal crisis in California followed by discussion by leaders in risk management as to what risk management professionals can and should be doing. The panel will be composed of people with different viewpoints so there will be lively discussion and some disagreement on some of the ideas and solutions. If you don't think risk management has a big role in this, or can't get a seat at the table to have a role in addressing this acute challenge, think again. You will after you see the most interesting opening session ever at the PARMA conference.



About Mr. Krasny:

Michael Krasny, Ph.D., is host of KQED's award-winning Forum, a news and public affairs program that concentrates on the arts, culture, health, business, and technology. Forum is one of KQED's most-popular shows and the nation's most-listened-to locally produced public radio talk show.

Before coming to KQED Public Radio in 1993, Dr. Krasny hosted a nighttime talk program for KGO Radio and co-anchored the weekly KGO television show Nightfocus. He hosted Bay TV's Take Issue, a nightly news analysis show, programs for KQED Public Television, KRON television, and NPR, and did news commentary for KTVU television. He has also served as host of NPR's Talk of the Nation.

Invitations have been extended to

- California State Treasurer Bill Lockyer
- California State Superintendent of Public Instruction Tom Torlakson
- Hoover Institute Fellow and former San Jose Police Chief Dr. Joe McNamara
- and other state and local leaders.

When you leave this session, you will know more about:

- What you need to know to get in the room and have your voice heard.
- What you should do when you do get in the room?
- What issues are the most critical for you to be involved in and how best can you identify those issues in the first place.
- How resources are allocated at the state and local levels.

CLOSING SESSION

Wednesday, February 6, 2013 - 10:30 am - Noon

Workers' Comp Bingo - Legal Update 2013

Session Summary:

This program would be the 13th annual presentation of Workers' Comp Bingo by Hanna & Brophy. Everyone in the audience is provided a Bingo card and plays Bingo. Each bingo number is associated with a legal question, that is based on judicial decisions and new laws decided since the 2012 PARMA Conference. People who answer correctly are awarded points. People who are bingo winners win prizes. Everyone has a great time, is not bored, pays attention, and really learns Workers' Compensation. This program is completely re-written each year with new, fresh, informative and entertaining content.

Presented By:

Keith Epstein, Hanna, Brophy, MacLean, McAleer & Jensen, LLP
Gregory Stanfield, Hanna, Brophy, MacLean, McAleer & Jensen, LLP

2013 PARMA ANNUAL RISK MANAGERS CONFERENCE

FEBRUARY 3 - 6, 2103

Monday, February 4, 2013
2:00 pm - 3:15 pm

Title: B1 Public Safety Presumptive Injuries Benefits & Burdens

Focus: Workers' Compensation
Level: Intermediate

Session Summary:

The attendee will learn about special injury presumptions found in Labor Code Sections 3212 - 3213, recent legislative changes, and case law interpretation. The defense of injury presumptions is difficult, but not impossible. The attendee will learn how to effectively interface with claims administrators to defend or manage exposures, rehabilitation and/or retirement issues. A lively "Point - Counter Point" discussion will offer insight in defending these cases along with an analysis of the effects of the costs the claims incur on the agency throughout the TPA.

Presented By:

Susan Hastings, Laughlin, Falbo, Levy & Moresi LLP
Lynn Calvacanti, AIMS
Robyn Kain, City of Richmond

Title: B2 You've Been Occupied- First Amendment Rights on Public Property

Focus: Liability
Level: Beginner

Session Summary:

Recently some groups have visited campuses throughout California expressing various first amendment protected opinions, often disruptive to campuses. If campus security and administration react improperly, these groups file claims and lawsuits. With some of the groups, this seems to be a strategy to gain publicity and money. We have actual case experience in resolving some of these claims, and helping develop clear policies to avoid such claims and litigation. The goal of this session will be to educate members about these issues, so proper procedures can be clear.

Presented By:

Rick Hardin, Hardin & Coffin, LLP
Naomi Dewey, Hardin & Coffin, LLP

Title: B3 Complex Litigation Management And Good Practices To Help Answer The Critical Question: Settle or Go to Trial

Focus: General
Level: General Interest

Session Summary:

An acutely significant incident, claim and lawsuit is not a matter of "if", but a matter of "when" and making the wrong choices can bring significant financial impact as well as adverse publicity to an organization. Learn how risk managers and defense counsel collaborate to produce favorable results. It's not all about dollars....It is about dollars, (common) sense and people.

Presented By:

Zachary Gifford, Associate Director, Systemwide Risk Management and Public Safety at CSU, Chancellor's Office
Patrick Stockalper, Law Firm of Reback, McAndrews, Kjar, Warford & Stockalper

Title: B4 Investment Policy Risk Management

Focus: Leadership
Level: Intermediate

Session Summary:

This session will explain the current economic times that public entities are faced with and the need to review their respective investment policies to conform to the economic changes that have occurred. It will give multiple examples of problems that public entities are faced with in this low interest rate environment.

Presented By:

Richard A. Edwards, Merrill Lynch
Public Entity Member

Title: B5 They Get to See My Email: A Beginner's Guide to CA Public Records

Focus: General
Level: Beginner

Session Summary:

The California Public Records Act (PRA) allows the public access to a number of different records produced by public agencies. Similar to the federal Freedom of Information Act, a person submitting a PRA request can have access to internal reports, audio recordings, internal memorandums, and yes, even your email correspondence. More recently, attorneys are using the PRA process to obtain records in preparation for litigation in what I call quiet discovery. This session will prepare you to recognize a PRA request, respond to the request in a timely manner, and notify your general counsel in those cases where there may be civil litigation involving the requested records. This session will be presented using multimedia, lecture, and interactive scenarios. The presenter is a retired law enforcement manager and current criminal justice professor. He served as the risk manager for the third largest law enforcement agency in California as well as the Subject Matter Expert/Agency Instructor for the PRA.

Presented By:

Mark C. Fields, Folsom Lake Community College

Title: B6 Can I Terminate My Injured Workers?

Focus: Risk Management
Level: Intermediate

Session Summary:

This session is designed to be a panel discussion involving a workers' compensation attorney who is experienced in defending L.C. 132a claims, a risk management professional and a risk management /personnel professional. Attendee's will be provided with information and strategies to effectively document and put forth a plan of action to get either get an injured worker to improve upon their performance or be terminated.

Presented By:

David Parker, Parker, Kern, Nard & Wenzel
Sam Mann, City of Clovis
Darren McCandless, County of Madera

2013 PARMA ANNUAL RISK MANAGERS CONFERENCE

FEBRUARY 3 - 6, 2103

Monday, February 4, 2013

3:30 pm - 5:00 pm

Title: C1 Role of Prescription Drugs in Workers' Compensation Cases

Focus: Workers' Compensation
Level: Intermediate

Session Summary:

Ms. Pfeifle will discuss, in detail, prescription drugs in workers' compensation cases and their role in Medicare Set-Aside Allocations. She will provide specific CMS guidance on AWP, Rx pricing vs. inflation, tapering, expiration of patents, off-label use and utilization reviews. She will offer insights on how to control costs, as well as provide a list of "Red Flag" medications.

Presented By:

Deborah Pfeifle, MSN, CCM, CRRN, MSCC, CLCP, CMSP, Gould & Lamb

Title: C2 Hot Trends in Use of Force Litigation

Focus: Liability
Level: Intermediate

Session Summary:

The session will focus on hot and current trends in use of force civil rights litigation, focusing on police brutality and misconduct cases, effective use of experts in such cases, managements handling of use of force incidents and future strategies for effective defense of public entities and employees in such cases. There will be several experienced presenters, including James V. Fitzgerald, III and Noah G. Blechman, who specialize in this field and who were speakers at the 2012 conference, and handouts will be available and supplemented with PowerPoint presentations.

Presented By:

James V. Fitzgerald, III, McNamara Law Firm
Noah G. Blechman, McNamara Law Firm

Title: C3 Cal OSHA for Public Employees

Focus: Safety
Level: Intermediate

Session Summary:

Effective January 1, 2000 public employers are no longer exempt from imposition of penalties. Penalties range from \$500 to \$3.5 million. Effective January 1, 2011 the definition of what constitutes a "serious" violation has been radically redefined in order to make it easier for the Division of Cal OSHA to issue and prevail on "serious" citations. Accidents happen! This session is intended to educate and inform safety and risk managers on how to prepare for Cal OSHA inspections. It will also inform public employers on the impact of Cal OSHA citations on their safety record, civil litigation and proceedings before the Workers' Compensation Appeals Board. Handouts will be provided and PowerPoint presentation will be used.

Presented By:

Pat Mc Aleer, Esq, Hanna, Brophy, MacLean, McAleer & Jensen, LLP

Title: C4 Selling Risk Management

Focus: Leadership
Level: Intermediate

Session Summary:

Persuading others to care about risk management takes a combination of skills that mirror the risk management process itself, including objective arguments such as cost-benefit analysis to get the needed resources and more subjective or emotional arguments designed to change behavior. In other words, one must convince the head that risk management makes good business sense and convince the heart that risk management makes good common sense. Join us for a discussion of selling risk management how to target your message to your audience and how to overcome the most common reasons why we ignore safety. Tools, techniques and case studies will be provided to help you answer the question "What is risk management and why should I care?"

Presented By:

Marcus Beverly, York Risk Services Group
David Clovis, California Joint Powers Risk Management Authority

Title: C5 Understanding Key Financial Reports

Focus: General
Level: Advanced

Session Summary:

An effective Risk Manager should be able to read and understand certain financial reports. This ability helps to get the Risk Manager into the meetings and rooms where the important financial decisions are made. This session would identify those reports and provide insight and resources as to how to read and understand those reports, and understand why those reports are important to public entities.

Presented By:

Mujtaba Dattoo, ACAS, MAAA, ARM Tech / Aon Global Risk Consulting

Title: C6 Outsourced Risk Management - Two Edged Sword

Focus: Risk Management
Level: Advanced

Session Summary:

Most public agencies are experiencing another cycle of economic pressures. Not surprisingly safety and risk management budgets are not exempt from pressures to reduce costs. One of the direct costs can be for staff and their benefits. While we may be able to get actuarial studies support our funding levels, defending the status quo for safety and risk management staff may not survive intact indefinitely. This session will provide the attendee with an overview of available outsourced risk management services, estimates on costs and discussion of potential benefits to outsourcing all or part of your risk management program.

Presented By:

Donald E. Dodson, ARM, CPDM, COSS, Donald Dodson Consultant

2013 PARMA ANNUAL RISK MANAGERS CONFERENCE

FEBRUARY 3-6, 2103

Tuesday, February 5, 2013

9:00 am - 11:00 am

Title: D1 Workers' Compensation Reform; The Cost, the Benefits and Some Expert Analysis

Focus: Workers' Compensation
Level: Intermediate

Session Summary:

This session will provide a concise description of the often misunderstood sections of the Education Code that affect the payment of temporary disability benefits to school district employees.

Presented By:

Pat Hamblin, Esq., Falk and Hamblin
Dana Miller, Mullen and Filippi Santa Rosa
Barry M. Lesch, Laughlin, Falbo, Levy & Moresi LLP

Title: D2 Public & Jury Perceptions & Impressions of Public Entity Defenses

Focus: Liability
Level: Intermediate

Session Summary:

The session will address the considerations of public and jury perception of witnesses and defenses, how the jury and public tend to stereotype matters, witnesses and evidence, and how witness and employee presentations can affect the way a defense or evidence presentation is viewed and considered by the jury and the public. It will also give specific examples of how proper defenses can be rejected by juries if the presentation of the defenses is poorly made or the witnesses present poorly (even though the substantive defenses themselves are well presented), and how those cases could have been better presented to win the case, both in the public/media and to the jury. The session will also focus on witness presentation and preparation for depositions, court appearances and trial, and how to best present statements to the media. This will be a very interactive session. Participants will be asked to join in with their opinions and thoughts, and to evaluate the desired actions and case issues.

Presented By:

Anthony DeMaria, McCormick, Barstow, Sheppard, Wayte & Carruth LLP
Donna Siers, Integrated Litigation Support

Title: D3 Safety Certificate Program

Focus: Safety
Level: Beginner

Session Summary:

This session will certify attendees to be capable of assisting admin personnel who have physical symptoms related office and other type of administrative duties. As a qualified Ergonomic Evaluator you will be able to assess workstations, detect non-optimal causative factors, recommend and implement ergonomic solutions. The answer to repetitive stress related pain and discomfort is not always expensive new furniture. This certification workshop will assist you to help employees and provide the knowledge managers need to curtail unnecessary expenditures.

Presented By:

Dennis Downing, Future Industrial Technologies (FIT)

Title: D4 Advanced Workplace Investigations

Focus: Leadership
Level: Advanced

Session Summary:

As you know, Risk Managers and Human Resource professionals have a pivotal role to play when it comes to workplace investigations of all types. You are the starting point for collecting information regarding accidents, misconduct, and possible policy violations. You have to wear many different hats in the course of designing, rolling out, monitoring and conducting workplace investigations. Is human lie detector part of your job description? This session will specifically examine the challenges of interviewing difficult witnesses and problematic employees, and how much more effective your team can be when armed with high-level strategies. This advanced didactic session will provide education and training in dealing with these types of interviewees; identification of and strategies for dealing with problematic and deceitful behaviors; and the assessment and documentation of content veracity.

Presented By:

Manny Tau, Psy.D., Baron Center, Inc.

Title: D5 Insurance-Part 1

Focus: General
Level: Beginner

Session Summary:

The session will be a review and update of Contractual Transfer of Risk, Indemnity Agreements, Additional Insured Endorsements, and How to recognize and prevent "Restricted Coverage" policies that will not provide coverage.

Join a leading expert in the field of contract risk management to discuss the importance of requiring additional insured protection for your entity. You'll leave with practical advice you can use to make sure you request and receive the greatest protection available when you contract for services.

Presented By:

Robert J. Marshburn, Risk Management Consultant and Educator, R J Marshburn & Associates

Title: D6 Creating Safe & Bully Free Schools

Focus: Risk Management
Level: General Interest

Session Summary:

Bullying, cyber-bullying, harassment, and physical violence are financially costly issues for schools and their insurers. This session will present proven and best practice strategies that schools can employ to reduce risk and decrease bullying incidents that can lead to tragic consequences. We will explore best practices, discipline policies, behavioral management strategies, and effective student empowerment models. The session will highlight Safe School Ambassadors, a proven program that has been successfully implemented in more than 1000 schools across North America. Participants will receive handouts including the power point slides used in the presentation along with links to other resources.

Presented By:

Rick Phillips, Community Matters
Martin Brady, Schools Insurance Authority

2013 PARMA ANNUAL RISK MANAGERS CONFERENCE

FEBRUARY 3 - 6, 2103

Tuesday, February 5, 2013
1:45 pm - 3:15 pm

Title: E1 Overview of California Workers' Compensation: From Injury to Claim Resolution

Focus: Workers' Compensation

Level: Intermediate

Session Summary:

Attendees will get a basic understanding of how California's workers' compensation system operates from start to finish. Attendees will learn the legal basis for WC; the concepts of employment and injury; employer/employee/insurer/TPA responsibilities; principles of medical treatment; how the WC judicial system works in contrast to the tort system; how ratings are formulated using AMA Guides; how cases are resolved through trial or settlement; how the appellate process is structured; and attendees will be introduced to special benefits for public employees plus concepts of serious and willful misconduct and Labor Code section 132a claims.

Presented By:

Robert G. Heywood, Law Offices of Robert G. Heywood
Brenna Hampton, Hanna, Brophy, MacLean, McAleer & Jensen, LLP

Title: E2 The Quandaries of Managing Law Enforcement Misconduct & Lawsuits

Focus: Liability

Level: General Interest

Session Summary:

This session will focus on five common issues that arise in police misconduct claims and lawsuits. The objectives of the session are to (1) identify and explain the five issues; (2) provide photographs and case specific examples of each issue; and, (3) provide recommended risk management practice guides to reduce Cities potential exposure to liability. The five common issues are as follows: 1. The confidential and privileged nature of police officers' personnel records pursuant to the California Police Officer Bill of Rights Act, Penal and Evidence Codes, and Pitchess case law progeny. 2. Ethical conflicts that are common place in most police officer misconduct claims and lawsuits. 3. Potential exposure to Cities in civil rights lawsuits under Monell's policy, custom and practice. 4. The Heck doctrine and its protection against certain claims against police officers. 5. What is a Brady issue and how do you institute precautions to minimize Brady claims and lawsuits.

Presented By:

Edwin J. Richards, KUTAK ROCK LLP
Dwight Kunz, Carl Warren & Company
Jad T. Davis, KUTAK ROCK LLP

Title: E3 Safety Certificate Program

Focus: Safety

Level: Beginner

Session Summary:

This session will certify attendees to be capable of assisting admin personnel who have physical symptoms related office and other type of administrative duties. As a qualified Ergonomic Evaluator you will be able to assess workstations, detect non-optimal causative factors, recommend and implement ergonomic solutions. The answer to repetitive stress related pain and discomfort is not always expensive new furniture. This certification workshop will assist you to help employees and provide the knowledge managers need to curtail unnecessary expenditures.

Presented By:

Dennis Downing, Future Industrial Technologies (FIT)

Title: E4 Effective Management of Mutual Aid Agreements-Contracting with Public Agencies

Focus: Leadership

Level: Intermediate

Session Summary:

The speaker has created model language including insurance requirements and hold harmless language for working with other public agencies. In today's budget challenged times, many agencies are proactively working with neighboring agencies to provide public services. It is critically important in creating the agreement and evaluating each agencies exposures to eliminate conflicts when a loss occurs.

Presented By:

David Clovis, California Joint Powers Risk Management Authority

Title: E5 Insurance-Part 2

Focus: General

Level: Beginner

Session Summary:

The session will be a review and update of Contractual Transfer of Risk, Indemnity Agreements, Additional Insured Endorsements, and How to recognize and prevent "Restricted Coverage" policies that will not provide coverage.

Join a leading expert in the field of contract risk management to discuss the importance of requiring additional insured protection for your entity. You'll leave with practical advice you can use to make sure you request and receive the greatest protection available when you contract for services.

Presented By:

Robert J. Marshburn, Risk Management Consultant and Educator, R
J Marshburn & Associates

Title: E6 So Now You Want Me To Handle Liability Claims Too?

Focus: Risk Management

Level: Beginner

Session Summary:

This is a basic course in handling liability claims for professionals who don't have a background in liability claims. Risk Manager are losing staff to budget cuts and retirement and are unable to replace them. Now without the benefit of years of training and experience they are expected to competently handle or supervise liability claims. This is a basic course in handling these claims successfully. It will cover the basics of the Government Claims Act, Reserving, Investigations, Liability Evaluations, and Claims Value Evaluation. This is Liability Claims 101 for people who didn't go to claims training at Safeco, who are now expected to handle claims like a pro.

Presented By:

Craig Schweikhard, California Joint Powers Risk Management
Authority
Neal Meyers, Meyers | Fozi

2013 PARMA ANNUAL RISK MANAGERS CONFERENCE

FEBRUARY 3 - 6, 2103

Tuesday, February 5, 2013
3:30 pm - 5:00 pm

Title: F1 Drive Improved WC Claims Program Results

Focus: Workers' Compensation
Level: Intermediate

Session Summary:

California workers compensation costs have increased substantially over recent years. In some instances, employee injuries have been exacerbated by medication overuse or dependency. While employers are spending more on workers compensation claims, employees are healing less and contributing to increased costs for their employer in not only workers compensation, but in other areas as well. This session will explore the phenomenon. Practical strategies and action items will be discussed that will help employers mitigate this trend.

Presented By:

Terence Boland, Keenan & Associates
David Pinnecker, Apple Valley Unified School District
Valerie Woerndle, RPh, Express Scripts

Title: F2 Medicare Issues Dissected

Focus: Liability
Level: Intermediate

Session Summary:

This session is designed to be a panel discussion about the challenges faced when a claimant is a Medicare beneficiary. There will be numerous perspectives represented on the panel. It is anticipated there will be a defense attorney, a plaintiff attorney, workers compensation attorney, claims professional, Medicare vendor, Medicare consultant, and structured settlement company. Prior to the session, a list of topics will be developed, which will be addressed by the panel. Time will also be set aside to answer questions and discuss the experiences of audience members.

Presented By:

Carl L. Fessenden, Porter Scott
Jack Blyskal, CSAC-EIA

Title: F3 Current Topic in Safety

Focus: Safety
Level: General Interest

Session Summary:

This session is being reserved for a current topic in Safety/Risk Management. Any suggestions for this session can be sent to info@parma.com

Title: F4 Finding Balance Between Work & Home

Focus: Leadership
Level: General Interest

Session Summary:

For working adults, striking a balance between work and home is always a challenge. This session will show participants how to find a balance point at the end of each workday so they can fully focus on life after-work...no more 'blackberry orphans' and neglected spouses. Learn practical steps to clear your mind at the end of each day so you can relax and find daily balance in life.

Presented By:

Kathy Espinoza, MBA, MS, CPE, CIE, Keenan & Associates

Title: F5 Understanding and Using Financial Reports

Focus: General
Level: Beginner

Session Summary:

An effective Risk Manager should be able to read and understand and use certain financial reports. This ability helps to get the Risk Manager into the meetings and rooms where the important financial decisions are made. This session will identify those reports and provide insight and resources as to how to read and understand those reports, and understand why those reports are important to public entities.

Presented By:

Mike Harrington, Bickmore
Larry Moss, East Bay Regional Park District

Title: F6 Enterprise Risk Management in Public Agencies

Focus: Risk Management
Level: Advanced

Session Summary:

How can Public Agency Risk Managers break down silos, utilize tools such as the Exposure Spaces Model and SWOT Analysis, and use existing corporate culture to most effectively assess and manage risk on an enterprise-wide basis? The session will present the theoretical basics of Enterprise Risk Management and describe how the approach differs from traditional risk management. Panelists will discuss how ERM can work in a public agency environment and the challenges of implementation. The panelists will also provide examples of ERM strategies currently used in their organizations and encourage participants to think about risk management strategies in their own organizations that fit within ERM. The session will also explore how to integrate risk management throughout the organization in order to improve strategic decision-making in all departments and improve the assessment of risks and opportunities. The moderator and the panelists will work together as a team to present the material, and we view the presentation as a team approach to cover both theoretical and practical approaches. The moderator and the panelists want to engage the participants as much as possible and will encourage them to share examples, concerns and questions.

Presented By:

William L. Stafford, CIH, Golden Gate Bridge Highway and Transportation District
Anthony Giles, ARM-P, City of Sunnyvale
Steven Keller, ARM, Santa Clara Valley Transportation Authority Supervisor

2013 PARMA ANNUAL RISK MANAGERS CONFERENCE

FEBRUARY 3 - 6, 2103

Wednesday, February 6, 2013
9:00 am - 10:15 am

Title: G1 From Captain Marvel to The Incredibles - The Changing Patterns Among Generations

Focus: Workers' Compensation
Level: General Interest

Session Summary:

This session will review the changing patterns of social, health and risk taking behavior among different generations in society. The audience will become aware of different practices and perceptions of generational groups which directly impacts how claims are viewed and how they are investigated. Information concerning common practices and risk behaviors will be provided and these will help to inform generation specific questions for claims examiners, attorneys, and physicians to use in obtaining a relevant history.

Presented By:

Ted C. Hanf J.D., M.P.H., Kegel, Tobin & Truce

Title: G2 12 Steps to Avoiding Liability

Focus: Liability
Level: Intermediate

Session Summary:

Social networking is part of today's workforce and is here to stay. Help your agency avoid substantial liability. This workshop will identify 12 steps you can take to lessen the probability of lawsuits, strengthen employee relations and increase morale and productivity. Discussion topics will include the importance of positive employment practices, communication with your employees, with the public and with the media, training, following the rules, accountability and more. We will also discuss the ramifications of recent legislation.

Presented By:

Oliver Yee, Liebert Cassidy Whitmore

Title: G3 POST Safe Driving Campaign

Focus: Safety
Level: General Interest

Session Summary:

This session will address the California Commission on Peace Officer Standards and Training's SAFE Driving Campaign. This is a national campaign to reduce serious injury and fatal law enforcement traffic collisions. SAFE stands for Situation-Appropriate, Focused, and Educated driving. The SAFE Driving Campaign is comprised of three primary components; an Advisory Board concerned with national awareness efforts, a Research Team tasked with identifying causes and interventions associated with officer-involved collisions, and a Vehicle Operations and Training Advisory Council (VOTAC) focused on the advancement of best policy and training practices.

Presented By:

Robert "R.C." Smith, CA Commission on Peace Officer Standards & Training (POST)

Title: G4 The Evolving Role of Public Entity Risk Management

Focus: Leadership
Level: General Interest

Session Summary:

Public entity risk managers are facing new and complex risks from environmental, legal and fiscal exposures and events. The challenges posed from both internal and external forces demand that risk managers develop different skills and approaches; the "traditional" risk management paradigm is no longer sufficient.

Our panel will explore emerging risks, examine internal and external constraints faced by public entity risk managers, and provide solutions for both professional development and innovative approaches for effectively managing risk in this new landscape.

Presented By:

Leo Costantino, County of Los Angeles
John G. Chino, ARM-PE, Arthur J. Gallagher
Public Entity Risk Manager TBD
Public Entity Fiscal Officer TBD

Title: G5 Stress Personality/Priority Management

Focus: General
Level: Beginner

Session Summary:

Starting with a workshop, participants will take a short questionnaire to identify the "stress personality" that they may take on when under stress. These are not character flaws but coping mechanisms that actually defeat our ability to keep stress away. The 5 types of stress personalities we will cover are; Internal Timekeeper, Pleaser, Sabertooth, Critical Judge, Worrier, and Internal Con-Artist. We will discuss the coping and self defeating mechanisms and ways to change this "style" into a more affective coping tool. Participants will then be lead into a priority management workshop that takes those areas in their life both personal and professional, and identify tools to help prioritize activities.

Presented By:

Cathi Marx, ALCM, CHS-V, COSS, Aspen Risk Management Group
Steve Thompson, ARM, COSS, Aspen Risk Management Group

Title: G6 Influencing Senior Leadership: Risk Based Budgeting & Calculating ROI

Focus: Risk Management
Level: Intermediate

Session Summary:

As the business climate continues to change, risk managers are going to be challenged to justify current and new spending. While regulatory compliance may serve as justification for many programs, we also know that regulatory compliance is a floor and often does not result in significant injury reduction. ROI studies conducted by ASSE, Liberty Mutual, and others provide evidence that in general there is on average a 3:1 return-on-investment for safety spending; however, if asked, will you be able to show the same results. Understanding Risk-Based Budgeting and how to use properly valued loss data is your key to demonstrate ROI and the true value that safety brings to the bottom line of your organization.

Presented By:

Erike Young, University of California
Kevin Confetti, University of California

**NCCSIF Board Members and Alternates
October 2012**

CITY/TOWN	BOARD OF DIRECTORS	ALTERNATE/BOD	RISK MANAGEMENT COMMITTEE	EXECUTIVE COMMITTEE	TO BE INCLUDED
CITY OF ANDERSON	JEFF KISER jkiser@ci.anderson.ca.us		JUANITA BARNETT jbarnett@ci.anderson.ca.us	JEFF KISER jkiser@ci.anderson.ca.us	
CITY OF AUBURN	ANDY HEATH aheath@auburn.ca.gov	JOANNA BELANGER jbelanger@auburn.ca.gov	ROBERT RICHARDSON rrichardson@auburn.ca.gov		
CITY OF COLUSA	SHELLY KITTLE cityclerk@cityofcolusa.com		SHELLY KITTLE cityclerk@cityofcolusa.com		
CITY OF CORNING	JOHN BREWER jbrewer@corning.org	TOM WATSON twatson@corningpd.org	TOM WATSON twatson@corningpd.org	JOHN BREWER jbrewer@corning.org	
CITY OF DIXON	STEVE JOHNSON sjohnson@ci.dixon.ca.us	KIM STALIE kstalie@ci.dixon.ca.us	KIM STALIE kstalie@ci.dixon.ca.us		
CITY OF FOLSOM	BRUCE CLINE bcline@folsom.ca.us	KRISTINE WILFONG kwilfong@folsom.ca.us	LOO NG lng@folsom.ca.us		
CITY OF GALT	PAULA ISLAS pislas@ci.galt.ca.us	JASON BEHRMANN jbehrmann@ci.galt.ca.us	PAULA ISLAS pislas@ci.galt.ca.us	PAULA ISLAS pislas@ci.galt.ca.us	
CITY OF GRIDLEY	KARIN HELVEY khelvey@gridley.ca.us	ELISA ARTEAGA earteaga@gridley.ca.us	KARIN HELVEY khelvey@gridley.ca.us	KARIN HELVEY khelvey@gridley.ca.us	
CITY OF IONE	JANE WRIGHT jwright@ione-ca.com		JANE WRIGHT jwright@ione-ca.com		
CITY OF JACKSON	MICHAEL DALY mdaly@ci.jackson.ca.us	CARLA SORACCO csoracco@ci.jackson.ca.us	CARLA SORACCO csoracco@ci.jackson.ca.us		
CITY OF LINCOLN	JOHN LEE jlee@ci.lincoln.ca.us	SHELIA VANZANDT svanzandt@ci.lincoln.ca.us	JOHN LEE jlee@ci.lincoln.ca.us		
CITY OF MARYSVILLE	MATT MICHAELIS mmichaelis@marysville.ca.us	STEVE CASEY scasey@marysville.ca.us	MATT MICHAELIS mmichaelis@marysville.ca.us		
CITY OF NEVADA CITY	CATRINA OLSON catrina.olson@co.nevada.ca.us	DAVE BRENNAN dave.brennan@co.nevada.ca.us	CATRINA OLSON catrina.olson@co.nevada.ca.us		
CITY OF OROVILLE	HAROLD DUFFEY duffeygh@cityoforoville.org	LIZ EHRENSTROM ehrenstromem@cityoforoville.org	LIZ EHRENSTROM ehrenstromem@cityoforoville.org	LIZ EHRENSTROM ehrenstromem@cityoforoville.org	

**NCCSIF Board Members and Alternates
October 2012**

CITY/TOWN	BOARD OF DIRECTORS	ALTERNATE/BOD	RISK MANAGEMENT COMMITTEE	EXECUTIVE COMMITTEE	TO BE INCLUDED
TOWN OF PARADISE	GINA WILL gwill@townofparadise.com	CRYSTAL PETERS cpeters@townofparadise.com	CRYSTAL PETERS cpeters@townofparadise.com	GINA WILL gwill@townofparadise.com	
CITY OF PLACERVILLE	DAVE WARREN dwarren@cityofplacerville.org	JOHN DRISCOLL jdriscoll@cityofplacerville.org	DAVE WARREN dwarren@cityofplacerville.org		
CITY OF RED BLUFF	SANDY RYAN sryan@ci.red-bluff.ca.us	CHERYL SMITH csmith@ci.red-bluff.ca.us	TESSA PRITCHARD tpritchard@ci.red-bluff.ca.us	SANDY RYAN sryan@ci.red-bluff.ca.us	
CITY OF RIO VISTA	MARNI RITTBURG mrirtzburg@ci.rio-vista.ca.us		MARNI RITTBURG mrirtzburg@ci.rio-vista.ca.us		ROEL BRIONES rbriones@ci.rio-vista.ca.us
CITY OF ROCKLIN	RUSSELL HILDEBRAND Russell.Hildebrand@rocklin.ca.us	COLLEEN LAUBINGER Colleen.Laubinger@rocklin.ca.us	RUSSELL HILDEBRAND Russell.Hildebrand@rocklin.ca.us		
CITY OF WILLOWS	TIM SAILSBERY tsailsbe@cityofwillows.org	STEVE HOLSINGER sholsinger@cityofwillows.org	WAYNE PEABODY wpeabody@cityofwillows.org	TIM SAILSBERY tsailsbe@cityofwillows.org	
CITY OF YUBA CITY	STEVE KROEGER skroeger@yubacity.net	ROBIN BERTAGNA rbertagna@yubacity.net	NATALIE WALTER nwalter@yubacity.net	STEVE KROEGER skroeger@yubacity.net	

2013 MEETING CALENDAR

BOARD OF DIRECTORS 12:00 p.m.	EXECUTIVE COMMITTEE 10:30 a.m.	CLAIMS COMMITTEE 12:30 p.m.
January 24	January 9	March 14
April 25	March 14	May 9
June 13	May 9	September 12
October 10	September 12	November 14
December 12	November 14	

RISK MANAGEMENT COMMITTEE 9:30 a.m.	POLICE RISK MANAGEMENT COMMITTEE 10:30 a.m.	FINANCE COMMITTEE 10:30 a.m.
January 24	January 10	September 5
April 25	April	
June 13	August	
October 10	November	
December 12		

ALL MEETINGS ARE SCHEDULED ON THURSDAYS

Risk Management Committee meetings are scheduled for 9:30 a.m.

Board of Director Meetings will start at 12:00 p.m.

**This meeting will follow the EC meeting, as the Claims Committee members will be selected at that meeting.*

CJPRMA 2013 MEETING DATES –

March 21, 2013 – Board of Directors
 May 14-16, 2013 – Annual Membership Meeting
 June 20, 2013 – Board Meeting
 October 16-17, 2013 – Board Meeting
 December 19, 2013 – Board Meeting

Northern California Cities State Self Insurance Fund

Travel Reimbursement Expense Form

Member Representative: _____

Entity: _____

Payee Address: _____

Meeting or Committee: _____

Date of Meeting: _____

Location of Meeting: _____

Total Mileage: _____

Payment Made to:

Signature _____ Date _____

NCCSIF RESOURCE CONTACT GUIDE

2013

PROGRAM ADMINISTRATION Alliant Insurance Services, Inc. www.alliantinsurance.com Main: (916) 643-2700 Fax: (916) 643-2750		
SUBJECT	MAIN CONTACT	
COVERAGE / RISK MANAGEMENT ISSUES – <ul style="list-style-type: none"> ➤ Certificates of coverage, additions/deletions of coverages, special events liability coverage, automobile identification cards, auto/mobile equipment physical damage programs ➤ Coverage questions, quotations, new members, development of shared risk program coverage agreements, RFPs for actuarial services, actuary liaison, excess insurance/additional coverage marketing (Crime coverage, etc.), program development ➤ Insurance Requirements in Contracts (IRIC), hold harmless agreements, indemnification clauses, safety program planning, RFPs for JPA services & audits, third party contract review 	Susan Adams Joan Crossley	
JPA MANAGEMENT ISSUES – program budget/funding, financial analysis, coordination w/financial auditor/JPA accountant	Susan Adams Joan Crossley Johnny Yang	
JPA ADMINISTRATIVE ISSUES – meeting agendas; minutes; development/maintenance of governing documents, development/interpretation of policies & procedures, JPA state compliance, Form 700, changes in Board members.	Johnny Yang Susan Adams Joan Crossley	
COVERAGE ISSUES - coverage questions, quotations, new members, development of shared risk program coverage agreements, RFPs for actuarial services, actuary liaison, excess insurance/additional coverage marketing (Crime coverage, etc.), program development	Susan Adams Joan Crossley	
Susan Adams Johnny Yang Joan Crossley Mike Simmons Marylin Kelley	(916) 643-2704 / (916) 203-1541 (cell) (916) 643-2712 (916) 643-2708 (415) 403-1425 / (925) 708-3374 (cell) (415) 403-1448	sadams@alliantinsurance.com jyang@alliantinsurance.com jcrossley@alliantinsurance.com msimmons@alliantinsurance.com mkelley@alliantinsurance.com

NCCSIF RESOURCE CONTACT GUIDE

2013

<p style="text-align: center;"><u>ACCOUNTING SERVICES</u> James Marta & Company CPAs 701 Howe Avenue, Suite E3 Sacramento, California 95825 Main: (916) 993-9494 · Fax: (916) 993-9489 www.jpmpca.com Jim Marta - jmarta@jpmpca.com</p>	<p style="text-align: center;"><u>EMPLOYEE ASSISTANCE PROGRAM</u> ACI Specialty Benefits Corporation 5414 Oberlin Drive, Suite 240 San Diego, California 92121 Main: (858) 452-1254 · Fax: (858) 452-7819 www.acieap.com Tori Barr - tbarr@acieap.com</p>
<p><u>CLAIMS ADMINISTRATION / LOSS CONTROL</u> York Risk Services Group, Inc. www.yorkrsg.com P.O. Box 619058 Roseville, CA 95661-9058 (800) 922-5020 · Fax (800) 921-7683</p>	
LIABILITY CONTACTS	WORKERS' COMPENSATION
<p>Mike Berndt Unit Manager (925) 349-3891 mike.berndt@yorkrsg.com Cameron Dewey Senior Adjuster - Redding (530) 243-3249 cameron.dewey@yorkrsg.com Shawn Millar Senior Adjuster - Chico (530) 345-5998 shawn.millar@yorkrsg.com Olivia Doney Adjuster - Chico (530) 345-5883 olivia.doney@yorkrsg.com Dan Lamb Senior Adjuster - Foothills (209) 795-0742 dan.lamb@yorkrsg.com Bernard Sarmiento Senior Adjuster - Roseville (916) 960-0902 bernard.sarmiento@yorkrsg.com</p> <p>Tom Baber Vice President Liability (916) 746-8834 tom.baber@yorkrsg.com Marcus Beverly Client Relations Director (916) 746-8828 marcus.beverly@yorkrsg.com</p>	<p>Jennifer Nogosek Unit Manager (916) 960-0997 jennifer.nogosek@yorkrsg.com Joy Potter Senior Adjuster - Roseville (916) 960-0919 joy.potter@yorkrsg.com D'Ana Seivert Adjuster - Roseville (916) 960-0987 d'ana.seivert@yorkrsg.com Erica Nichols Adjuster - Roseville (916) 960-1026 erica.nichols@yorkrsg.com Erik Baldwin Adjuster - Roseville (916) 746-8856 erik.baldwin@yorkrsg.com John Tucker Senior Adjuster - Stockton (209) 320-0804 john.tucker@yorkrsg.com</p> <p style="text-align: center;"><u>Resources</u></p> <p>Craig Wheaton, J.D. Assistant Vice President Liability - Roseville (916) 960-0988 craig.wheaton@yorkrsg.com</p>
<p>Lela Caset Senior Claims Examiner lela.casey@yorkrsg.com</p> <p>Federica Simpson Future Medical Examiner (916) 960-1021 federica.simpson@yorkrsg.com MO's and FM's for Kelly's cities Michelle Bridges Senior Claims Examiner michelle.bridges@yorkrsg.com</p> <p>Debra Yokota Regional Vice President Workers' Compensation (916) 960-0965 debra.yokota@yorkrsg.com Marcus Beverly Client Relations Director (916) 746-8828 marcus.beverly@yorkrsg.com</p>	<p>Christine Stillwell Future Medical Examiner (916) 960-0950 christine.stillwell@yorkrsg.com MO's and FM's for Carol and Teresa's cities Ben Burg Unit Manager (916) 960-0946 ben.burg@yorkrsg.com</p> <p style="text-align: center;"><u>Resources</u></p> <p>Kelli Vitale Carson Assistant Vice President Workers' Compensation (916) 960-0998 kelli.vitalecarson@yorkrsg.com</p>