



President
Ms. Elizabeth Ehrenstrom
City of Oroville

Vice President
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City of Folsom

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Secretary
Ms. Gina Will
Town of Paradise

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND CLAIMS COMMITTEE MEETING AGENDA

Date: Thursday, March 14, 2019

Time: 11:30 a.m.

Location: Rocklin Event Center - Ballroom
2650 Sunset Blvd.
Rocklin, CA 95677

A – Action
I – Information

1 – Attached
2 – Hand Out
3 – Separate Cover
4 – Verbal

MISSION STATEMENT

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

A. CALL TO ORDER

B. APPROVAL OF AGENDA AS POSTED

A 1

C. PUBLIC COMMENTS

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

pg. 3 **D. CONSENT CALENDAR**

A 1

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

- pg. 4 1. Claims Committee Special Meeting Minutes - November 19, 2018 (Draft)
- pg. 6 2. Claims Committee Special Meeting Minutes - February 6, 2019 (Draft)

pg. 8 **E. CLOSED SESSION TO DISCUSS PENDING CLAIMS**

A 2

(Per Governmental Code Section 54956.95)
*REQUESTING AUTHORITY

Workers Compensation:

- 1. NCWA-557346 v. City of Oroville*
- 2. NCWA-343291 v. City of Galt*
- 3. NCWA-536977 v. City of Galt*



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Liability:

1. Donahue v. City of Auburn*
2. Hicks v. City of Auburn*
3. Harrison v. City of Rio Vista*
4. Han v. City of Folsom

F. REPORT FROM CLOSED SESSION **I 4**
The Committee will announce any reportable action taken in closed session

pg. 9 **G. CSAC EIA 2018 WORKERS' COMPENSATION PROGRAM CLAIMS AUDIT AND YORK'S RESPONSE** **A 1**
The Committee will review the most recent Workers' Compensation claims audit conducted by North Bay Associates in September 2018 and the response from York to accept and file.

pg. 27 **H. CSAC EIA ENDORSEMENT NO. U-6: OFF-DUTY PEACE OFFICER INJURY (AB 1749)** **A 1**
CSAC EIA is offering coverage for specific out of state injuries if the member city passes a resolution to provide that coverage.

pg. 31 **I. DEFENSE COUNSEL RATE INCREASE** **A 1**
Approve Donahue Davies LLP Law Firm 2018 fee schedule.

pg. 33 **J. ROUND TABLE DISCUSSION** **I 4**
This is an opportunity for Committee members to ask questions or raise issue on risk exposures common to the members.

K. ADJOURNMENT

UPCOMING MEETINGS

- Risk Management Committee Meeting - April 25, 2019
- Board of Directors Meeting - April 25, 2019
- Police Risk Management Committee Meeting - May 2, 2019
- Claims Committee Meeting - May 16, 2019
- Executive Committee Meeting - May 16, 2019

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

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

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



Agenda Item D.

CONSENT CALENDAR

ACTION ITEM

ISSUE: The Claims Committee reviews items on the Consent Calendar, and if any item requires clarification or discussion a Member should ask that it be removed for separate action. The Committee should then consider action to approve the Consent Calendar excluding those items removed. Any items removed from the Consent Calendar will be placed later on the agenda in an order determined by the Chair.

RECOMMENDATION: Adoption of the Consent Calendar after review by the Committee.

FISCAL IMPACT: None.

BACKGROUND: Routine items that generally do not require discussion are regularly placed on the Consent Calendar for approval.

ATTACHMENT(S):

1. Claims Committee Special Meeting Minutes - November 19, 2018 (Draft)
2. Claims Committee Special Meeting Minutes - February 6, 2019 (Draft)



**MINUTES OF THE
NCCSIF CLAIMS COMMITTEE SPECIAL MEETING
ROCKLIN EVENT CENTER, ROCKLIN, CA
NOVEMBER 19, 2018**

COMMITTEE MEMBERS PRESENT

Liz Cottrell, City of Anderson
Liz Ehrenstrom, City of Oroville (**Chair**)
Dave Warren, City of Placerville

COMMITTEE MEMBERS PRESENT

Gina Will, Town of Paradise
Tim Sailsbery, City of Willows

CONSULTANTS & GUESTS

Marcus Beverly, Alliant Insurance Services
Raychelle Maranan, Alliant Insurance Services
Steven Scott, York Risk Services

A. CALL TO ORDER

Chair Liz Ehrenstrom called the meeting to order at 2:44 p.m.

B. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as amended.

Motion: Dave Warren **Second:** Liz Cottrell **Motion Carried**
Ayes: Cottrell, Ehrenstrom, Warren

C. PUBLIC COMMENTS

No public comments were made.

D. CONSENT CALENDAR

1. Claims Committee Meeting Minutes - September 27, 2018

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

Motion: Liz Cottrell **Second:** Dave Warren **Motion Carried**
Ayes: Cottrell, Ehrenstrom, Warren



E. CLOSED SESSION

Pursuant to Government Code Section 54956.95, the Committee recessed to closed session at 2:45 p.m. to discuss the following claims:

Workers Compensation:

1. NCWA-557017 v. City of Anderson
2. NCWA-557471 v. City of Folsom
3. NCWA-556918 v. City of Placerville
4. NCWA-557689 v. City of Yuba City

Liability:

1. Harrison v. City of Rio Vista - *this claim was tabled to next meeting.*

F. REPORT FROM CLOSED SESSION

The Committee reconvened to open session at 3:07 p.m.

Chair Ehrenstrom indicated no formal announcement is necessary as direction was given to the Program and Claims Administrators for the claims referenced above.

G. ADJOURNMENT

This meeting was adjourned at 3:07 p.m.

Respectfully Submitted,

Gina Will, Secretary

Date



**MINUTES OF THE
NCCSIF CLAIMS COMMITTEE SPECIAL MEETING
VIA TELECONFERENCE
FEBRUARY 6, 2019**

MEMBERS PRESENT

Liz Cottrell, City of Anderson
Liz Ehrenstrom, City of Oroville (**Chair**)
Dave Warren, City of Placerville
Tim Sailsbery, City of Willows

MEMBERS ABSENT

Gina Will, Town of Paradise

CONSULTANTS & GUESTS

Marcus Beverly, Alliant Insurance Services
Raychelle Maranan, Alliant Insurance Services
Dori Zumwalt, York Risk Services
Steven Scott, York Risk Services

A. CALL TO ORDER

Chair Liz Ehrenstrom called the meeting to order at 1:30 p.m.

B. ROLL CALL

Roll call was made and the above mentioned members were present constituting a quorum.

C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

Motion: Dave Warren **Second:** Tim Sailsbery
Ayes: Cottrell, Ehrenstrom, Warren, Sailsbery

Motion Carried

D. PUBLIC COMMENTS

No public comments were made.

E. CLOSED SESSION

Pursuant to Government Code Section 54956.95, the Committee recessed to closed session at 1:33 p.m. to discuss the following claim:



Liability:

Shellabarger v. City of Corning and City of Red Bluff

Workers' Compensation:

1. NCWA-188737 v. City of Oroville
2. OWCA-22392 v. City of Oroville
3. NCWA-557088 v. Town of Paradise - *this claim was tabled until city approves the Settlement Authority.*
4. NCWA-557248 v. City of Yuba City
5. NCWA-556433 and NCWA-556763 v. City of Yuba City
6. NCWA-556902 v. City of Jackson

F. REPORT FROM CLOSED SESSION

None.

G. ADJOURNMENT

This meeting was adjourned at 2:07 p.m.

Respectfully Submitted,

Gina Will, Secretary

Date



Agenda Item E.

CLOSED SESSION TO DISCUSS PENDING CLAIMS
(Per Governmental Code Section 54956.95)

ACTION ITEM

ISSUE: Pursuant to Government Code Section 54956.95, the Committee will hold a Closed Session to discuss the following claims:

Workers' Compensation:

1. NCWA-557346 v. City of Oroville*
2. NCWA-343291 v. City of Galt*
3. NCWA-536977 v. City of Galt*

Liability:

1. Donahue v. City of Auburn*
2. Hicks v. City of Auburn*
3. Harrison v. City of Rio Vista*
4. Han v. City of Folsom

*REQUESTING AUTHORITY

FISCAL IMPACT: Unknown.

RECOMMENDATION: The Program Administrator cannot make a recommendation at this time, as the subject matter is confidential.

BACKGROUND: Confidential.

ATTACHMENT(S): None.



Agenda Item G.

**CSAC EIA 2018 WORKERS' COMPENSATION CLAIMS AUDIT
AND YORK'S RESPONSE**

ACTION ITEM

ISSUE: NCCSIF's Workers' Compensation claims were audited by its excess coverage provider in September of 2018. The Executive Summary and recommendations are provided for review and discussion. York's response to the audit and recommendations is also attached.

Page 4 of the audit report summarizes the findings and provides a bar chart reflecting the percentage of claims that met each of fifteen audit points. Nine of the fifteen categories scored 100%, with improvement in Case Planning, Permanent Disability Payments and File Balancing. The areas of improvement addressed by York include Initial Excess Reporting, Continued Employee Contact, and Examiner and Supervisor Diaries.

Please note these are combined scores with a concurrent Napa County audit. The results just for NCCSIF are included in the last page of the report and are mostly higher than the composite, with 11 of fifteen points at 100% and file balancing at 98%. Reserving, Prompt Excess Reporting, and Subrogation were the areas that scored the lowest.

RECOMMENDATION: Review, accept and file audit and response.

FISCAL IMPACT: None.

BACKGROUND: NCCSIF's Excess Workers' Compensation Coverage provider, CSAC EIA, conducts a claims audit every other year, focused primarily on current or potential excess claims. The most recent audit was conducted by North Bay Associates and focused on administration of claims from November 1, 2016 to the time of the audit in September 2018. The audit report combines results from both NCCSIF and Napa County, a practice CSAC EIA employs to save time and expense. NCCSIF commissions its own audit every other year that encompasses primary and excess claims.

ATTACHMENT(S):

1. Workers' Compensation Claims Audit by North Bay Associates September 2018 (without Section E., Audit Detail)
2. York's Response to audit findings and recommendations dated January 7, 2019



NORTH BAY ASSOCIATES

WORKERS' COMPENSATION

AUDITORS • CONSULTANTS

September 2018

Workers' Compensation Claims Audit

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

ADMINISTERED BY

YORK INSURANCE SERVICES

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

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Workers Compensation Claims Audit

September 2018

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

ADMINISTERED BY

YORK INSURANCE SERVICES

CONFIDENTIAL

NORTH BAY ASSOCIATES

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



NORTH BAY ASSOCIATES

WORKERS' COMPENSATION

AUDITORS • CONSULTANTS

November 23, 2018

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

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

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

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

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

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

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

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

Respectfully submitted,

NORTH BAY ASSOCIATES
Robert N. Hoyle
Director of Auditing Services

Quick Overview

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

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A. INTRODUCTION

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

1. Goals of the Claims Audit.

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

2. Report Organization.

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

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

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

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

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

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

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

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

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

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

3. Audit Sample.

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

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

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

B. EXECUTIVE SUMMARY

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

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

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

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

In summary, the most important strong points are:

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

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

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

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

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

Some important points that need improvement are:

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

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

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

Summarized recommendations for further improvement begin on the next page.

C. SUMMARY OF RECOMMENDATIONS

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

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

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

D. ORGANIZATIONAL INFORMATION

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

1. Claims Examiner's Caseload.

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

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

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

| | | | |
|-------|-----|-----------------------|------------------|
| Total | 695 | † All Indemnity Files | ‡ As an Examiner |
|-------|-----|-----------------------|------------------|

1.1 Claims Assistant’s Duties.

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

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

1.2 Findings, Summary and Recommendations.

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

Audit Profile

9/28/2018

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

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

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

January 7, 2019

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

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

Dear Mr. Beverly and Ms. Nutter,

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

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

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

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

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

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

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

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

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

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

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

Sincerely,

Steven Scott

Steven Scott
Senior Claims Manager, Workers' Compensation

cc: Bettina Hooper
Jeff Ponta
Dorienne Zumwalt



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

ACTION ITEM

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

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

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

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

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

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

ATTACHMENT(S):

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



January 11, 2019

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

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

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

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

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

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

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





Proposed Endorsement U-6

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

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

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

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

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

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

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

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

cc: Alliant Insurance Services

ENDORSEMENT NO. U-6

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

OFF-DUTY PEACE OFFICER INJURY (AB 1749) ENDORSEMENT

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

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

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

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

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

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

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

Effective Date:

Memorandum No.:

Issued to: ALL MEMBERS

Issue Date: _____

Authorized Representative
CSAC Excess Insurance Authority



BACK TO AGENDA

**Northern California Cities Self Insurance Fund
Claims Committee Meeting
March 14, 2019**

Agenda Item I.

DEFENSE COUNSEL RATE INCREASE

ACTION ITEM

ISSUE: The attached letter dated September 24, 2018 from Donahue Davies Law Firm hourly rate: Partner, \$210.00; Associate, \$195.00; and Paralegal, \$95.00.

RECOMMENDATION: Approve the rate increase.

FISCAL IMPACT: None.

BACKGROUND: The current hourly rate for Donahue Davies Law Firm is \$180.00.

ATTACHMENT(S): Donahue Davies Law Firm dated 9/24/2018


Donahue & Davies LLP
Attorneys at Law

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James R. Donahue*
Michael E. Myers*
William K. Blakemore
Stephen J. Mackey
Todd A. Schaffer

Mary A. Stewart
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September 24, 2018

Cameron Dewey, AIC
Sr. Property Casualty Manager
York Risk Services Group
P.O. Box 619079
Roseville, CA 95678

Re: York Approved Counsel Rate Structure

Dear Mr. Dewey,

We appreciate the opportunity to represent the interests of York Risk Services Group and your partner public entities. Due to increases in overhead and payroll, we request an increase in our attorney rates for legal services. From a review of our files, I note that we have not increased our York Risk Services Group rates since 2010. Accordingly, we are requesting the following increase:

| | | |
|-----------------|------------|----------|
| Rate Structure: | Partner: | \$210.00 |
| | Associate: | \$195.00 |
| | Paralegal: | \$95.00 |

Thank you for your consideration in this regard.

Very truly yours,

DONAHUE · DAVIES LLP


By: _____
Robert E. Davies

cc: Steve Wang



BACK TO AGENDA

**Northern California Cities Self Insurance Fund
Claims Committee Meeting
March 14, 2019**

Agenda Item J.

ROUND TABLE DISCUSSION

INFORMATION ITEM

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

RECOMMENDATION: None.

FISCAL IMPACT: None.

BACKGROUND: This is an opportunity for Committee members to ask questions or raise issue on risk exposures common to the members.

ATTACHMENT(S): None.