



## **HANDOUTS**

from June 13, 2019 Board of Directors Meeting

### **Lunchtime Presentation**

Pollution Coverage Overview & Options

#### **I.6.**

*Revised* FY 19/20 NCCSIF Administration Budget

#### **I.7.a.3.**

*Revised* FY 19/20 GL & WC Program Net Funding Summary

#### **I.7.b.1.**

*Revised* Final FY 19/20 WC Deposit Calculations at the 80% CL

#### **I.7.b.2.**

*Revised* WC Program Funding Changes FY 18/19 to FY 19/20

# Pollution Coverage Overview & Options



PRESENTED BY:

Marcus Beverly

NCCSIF Board Meeting, June 13, 2019



## DISCLAIMER

This is only a summary of the coverage!

Every claim is unique and  
subject to the terms of the policy.





## Outline

- Pollution Exposures
- APIP Property
- APIP Pollution Program
- CSAC-EIA Pollution Program
- Stand-Alone Placements
- Claim Examples

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2



## POLLUTION EXPOSURES

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## TYPICAL EXPOSURES

### Wastewater Treatment Plants/Pumping Stations:

- Nuisance odor claims
- Raw sewage rupture
- Chlorine gas emissions

### Maintenance Garage Services:

- Above ground tanks
- Solvents and petroleum waste products
- Vehicle storage

### Parks, lakes, rivers and open land:

- Midnight dumping
- Discharge of raw sewage/industrial waste
- Asphalt paving projects with storm discharge to open waters

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4

## EXPOSURES (CONT.)

### Landfills:

- Unknown locations within municipality
- Rupture of leachate lines and groundwater contamination
- Uncontrolled stormwater
- Nuisance odor

### Incinerators:

- Airborne particulates
- Heavy metals: airborne and in residual ash
- Airborne volatile organic compounds (VOCs)

### Aboveground/underground storage tanks:

- Leaks from tank bottoms
- Ruptures during a catastrophic release
- Spills during loading/unloading process

### Abandoned Operations or Industrial sites

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5



APIP PROPERTY

ACCIDENTAL CONTAMINATION

- Limit = \$250,000 Per Occurrence; \$500,000 Agg. all Dec.
- Must be *sudden and accidental* contamination event to qualify and caused by a covered peril.
- Mold Excluded but resultant damage from a covered loss is covered up to \$100,000 per Occurrence/\$1M aggregate
- Appropriate property deductible applies. If claim goes above sub-limit, APIP Pollution kicks in to the \$2M Limit.
- If event does not qualify under APIP Property, APIP Pollution becomes Primary.

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7

## APIP Property Coverage

### 21. ACCIDENTAL CONTAMINATION

This Policy is hereby extended to cover Business Interruption and Property Damage loss as a **result of accidental contamination, discharge or dispersal from any source to Covered Property**, including expenses necessarily incurred to clean up, remove and dispose of contaminated substances so as to restore the Covered Property to the same condition as existed prior to loss. The coverage provided is sub-limited to USD as per Declaration page.

**If such contamination or dispersal is itself caused by fire, lightning**, impact from aircraft, explosion, riot, civil commotion, smoke, collapse, vehicles, windstorm, hail, vandalism, malicious mischief or leakage and accidental discharge from automatic fire protective systems whereupon **this extension shall provide coverage up to full limit of liability provided by this Policy.**

For the purposes of this Accidental Contamination clause only, the term "Covered Property", as covered by this Policy, is held to include Land (and Land Values) on which Covered Property is located whether or not the same are excluded by this Policy.

It is further understood and agreed that this coverage clause shall not override anything contained in Asbestos Clean Up and Removal in this Policy.

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8

## APIP POLLUTION

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9

## APIP Pollution Coverage

- **New Insurer This Year**
  - Interstate Fire & Casualty Insurance Company
  - Subsidiary of Fireman's Fund
  - A.M. Best Rating: A+, Superior; XV > \$2Billion
- **Claims-Made & Reported Coverage!**
  - Must report any claim asap –
    - Potentially lose coverage if not!

Report any *current* potential claims to expiring insurer

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10

## APIP POLLUTION - LIMITS

- \$2,000,000 Per Pollution Incident
- \$2,000,000 Per Named Insured Aggregate
- \$2,000,000 Per JPA/Pool Aggregate
- \$25,000,000 Total Program Aggregate

### Sublimits

- \$100,000 Dedicated Legal Defense
- \$250,000 Crisis Management Response\*
- \$50,000 Crisis Management Loss\*

\* In addition to the applicable limit

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11

## APIP POLLUTION - DEDUCTIBLES

- \$100,000 Per Pollution Incident
- \$300,000 Aggregate retention
- \$50,000 Maintenance retention
- 5 Days Business Interruption
- \$750,000 *Blanket* Underground Storage Tanks

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12

## APIP POLLUTION

- Provides excess coverage above;
  - APIP Property or;
  - Member's stand-alone primary pollution policy or;
  - Becomes primary if the event does not qualify per the above.
- APIP Pollution deductible is eroded by any deductible paid under primary insurers.
- If the claim did not qualify then the full pollution deductible is applicable for this layer.

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13

## WHAT IS COVERED?

- New Pollution Conditions only
  - **Must first commence on or after the applicable retro date** – July 1, 2011, for all existing members at inception of program. For all other members date of addition to the program.
  - **Claim is first made and reported during the policy period.**
- Emergency Response Costs – 7 Days
  - First party remediation incurred within 7 days following the discovery of a pollution condition or Indoor Environmental Condition (IEC) in order to respond to *imminent and substantial threat* and reported to the insurer within 14 days.

Coverage A: Own-Site Clean-up – of the insured location

Coverage B: Off-Site Clean-up – migrates beyond boundaries

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14

## APIP Pollution Coverages

### Liability Claim Coverages

*For third-party claims for Bodily Injury, Property Damage, or Cleanup Costs:*

Coverage C: Third-Party Bodily Injury or Property Damage – from pollution on or migrating off site.

Coverage E: Transportation – claims caused by transportation of an insured's waste, materials, goods or products to or from a covered location.

Coverage F: Non-Owned Locations – claims resulting from a pollution condition on, under or migrating from any non-owned location.

Coverage G - Covered Operations – claims resulting from a pollution condition caused by operations within the capacity of a public entity, including operations performed by or on behalf of the insured outside the boundaries of a covered location. Operations do not include transportation.

Coverage I – Cyber Event - pollution claim arising from unauthorized processing of data, network security breach, or system failure.

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15

## WHAT IS COVERED? (CONT.)

- Illicit Abandonment
- Indoor Environmental Conditions – IEC (mold and legionella)
- Automatic Acquisition
  - \$25m or less automatic no AP
  - Over \$25m, reported in 120 days subject to AP and due diligence
- Broad Definition of Covered Location
  - Allows for inadvertent omission of “covered locations” at policy inception
- Asbestos & Lead Based Paint Coverage
  - Excluded except if due to *Inadvertent Disturbance*
  - 1st party remediation costs - clean up in soil & groundwater
  - Any associated legal defense expenses
  - Also covers third-party bodily injury or property damage

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16

## WHAT IS COVERED? (CONT.)

- *Blanket Excess* UST Coverage
  - \$750K SIR applies and can be eroded by any State Fund or other UST-specific insurance policy.
- Products Pollution
  - Potable, reclaimed and recycled water processed at any covered location that is also a potable water or wastewater treatment plant (lead contaminated water is excluded).
- Crisis Management Response Costs
  - Responsive consulting services incurred associated with a pollution condition or IEC, including medical, funeral, and psychological counseling.

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17

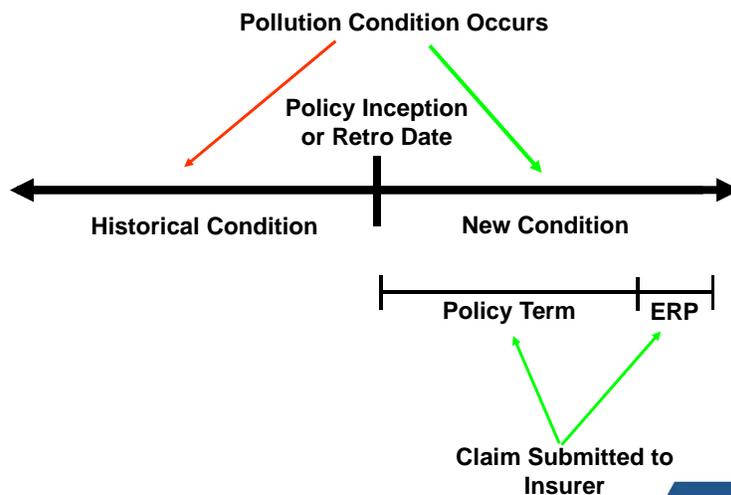
## WHAT IS NOT COVERED?

- Pre-existing (Historical) Conditions
- Divested Locations (deleted locations)
- Criminal Fines and Penalties
- **Landfills**, Recycling Facilities, or Oil and/or Gas Producing or Refining Facilities
- **Airports**, Ports
- *Material* Change in Risk (uses & operations not within the capacity of a public entity)
- Products Liability (does not apply to potable, reclaimed or recycled water processed at any covered location that is a potable or waste treatment plant)
- Regulatory Compliance
- Property Damage to Conveyances (unless due to insured's negligence)
- **Sewer back up – third party claims**
- Subsurface pipes greater than 1,000 feet from a covered location, unless scheduled
- Financial Responsibility – Underground Storage Tanks (UST).

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18

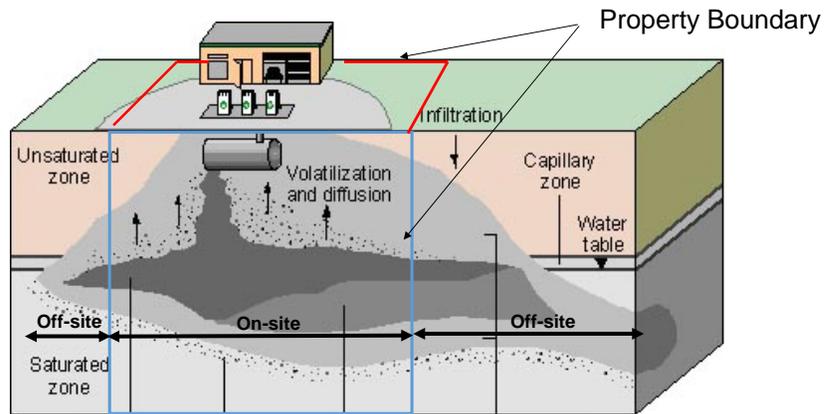
## HISTORICAL vs. NEW CONDITIONS



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19

## ON-SITE VERSUS OFF-SITE



<http://www.swrcb.ca.gov/rwqcb2/images/watershed/ust-1.jpg>

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20

## CLAIMS REPORTING

- Pollution coverage is dependent on compliance with claims and loss reporting.
- All claims should be reported **immediately** – even notice of a possible claim!
- A toll free number and email for reporting claims has been provided.
- The insured must receive written consent of the carrier prior to the selection and retention of a consultant, except in the event of an emergency expense.
- Emergency Expense means- reasonable and necessary expense incurred to contain, control or mitigate contamination that is an imminent and substantial endangerment to:
  - The public health, safety or welfare where in the absence of such action to contain, control or mitigate contamination, bodily injury or property damage to third parties is imminent; or
  - The environment;And pursuant to laws that require such immediate response to contamination
- **Please review the Claim Reporting document and be sure your key personnel are familiar with the reporting procedures!!!**

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21

## Loss Reporting Requirements

**Written notice of any claim or pollution condition, within seven (7) days of discovery for pollution conditions requiring immediate emergency response. Concurrently, please send to:**

1) Allianz Global Corporate & Specialty

Attn: FNOL Claims Unit

1 Progress Point Parkway, 2<sup>nd</sup> Floor

O'Fallon, MO 63368

**In emergency, call: (800) 558-1606**

Fax: (800) 323-6450

Email: [NewLoss@agcs.allianz.com](mailto:NewLoss@agcs.allianz.com)

Online Claims Reporting form available at:

[www.agcs.allianz.com/global-offices/united-states](http://www.agcs.allianz.com/global-offices/united-states)

2) Akbar Sharif

Alliant Insurance Services, Inc.

1301 Dove Street, Suite 200

Newport Beach, CA 92660

949 260-5088

949 756-2713 – fax

[Akbar.Sharif@alliant.com](mailto:Akbar.Sharif@alliant.com)

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22

## CSAC-EIA Pollution Summary

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23

## CSAC-EIA OVERVIEW OF PROGRAM

- Illinois Union Insurance Company (Chubb Subsidiary)
- Policy Term: July 1, 2018 to July 1, 2021
- Retroactive Date(s): July 1, 2001,
  - July 1, 2006 for water products
  - July 1, 2009 for bio-solid derived fertilizer products
- Limits: Per Pollution condition : \$10 Million
  
- Aggregate Limits\*
  - \$10,000,000 Per Member
  - \$50,000,000 Total Program
  
- Sublimits
  - Image Restoration
    - \$500,000 Each Loss and Aggregate
  - Additional Defense outside policy limits
    - \$2,500,000 Per Contamination Incident & Aggregate\*

\* Aggregate applies to entire three year term, and does not reinstate annually

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24

## EIA Pollution Overview OF PROGRAM (CONT.)

### **SELF-INSURED RETENTION**

- \$75,000 Each Pollution Condition
- \$75,000 SIR for all Underground Storage Tanks
- \$250,000 SIR for *third party sewage backup*
- \$500,000 or \$750,000 Aggregate Program SIR
- \$50,000 or \$125,000 Maintenance SIR after Aggregate SIR has eroded
- 3 day Waiting period for Business Interruption and Extra Expense

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25

## KEY TERMS & DIFFERENCES

- **Airports**
  - Sudden and Accidental Coverage only!
  - Must be reported within 7 days of discovery
- **Contractors Environmental Coverage**
  - Retroactive Date: 07/01/2001
  - Land-based pesticide/herbicide spraying, house-hold hazardous waste collection events, and weatherization assistance programs performed by or on behalf of a Named Insured
- **Landfills**
  - Third Party Off Site Coverage Only!
- **UST (Underground Storage Tank)**
  - **Have to be scheduled** to be covered
  - No financial assurance under the program, we have separate policy if needed.

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26

## WHAT IS COVERED? (CONT.)

- **Claim** means a written demand, notice, or assertion of a legal right seeking a remedy or alleging liability or responsibility on the part of you or any insured as a result of **contamination**. Such demand, notice, or assertion of a legal right includes, but is not limited to legal actions, orders, petitions or governmental or regulatory actions, filed against you or any insured.
- **Contaminant** means any solid, liquid, gaseous or thermal irritant or pollutant, including but not limited to smoke, vapor, odors, soot, fumes, acids, alkalis, toxic chemicals, hazardous substances, petroleum hydrocarbons, legionella, electromagnetic fields, low level radiological matter and waste materials including but not limited to municipal, industrial, medical, pathological, and low level radioactive waste materials.

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27

## WHAT IS NOT COVERED?

- Asbestos and Lead Paint (does not apply inadvertent disturbance causing damage to soil or watercourse or body of water including ground water)
- Communicable Diseases (does not apply to exposure to medical waste)
- Criminal Fines and Penalties
- Civil Or Administrative Fines Or Penalties
- Damage to Insured's Property
- Divested Property Limitation; exclusion applies after Divestiture Date
- Underground Storage Tank Compliance Exclusion

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28

## WHAT IS NOT COVERED? (CONT.)

- Hostile Acts
- Insured's Costs of Goods or Services
- Insured versus insured
- Material Change
- Non-Disclosed Known Contamination
- Nuclear Liability
- Product Liability
- Failure Or Violation Of Land Use Controls
- Willful Non-Compliance and Dishonest Acts

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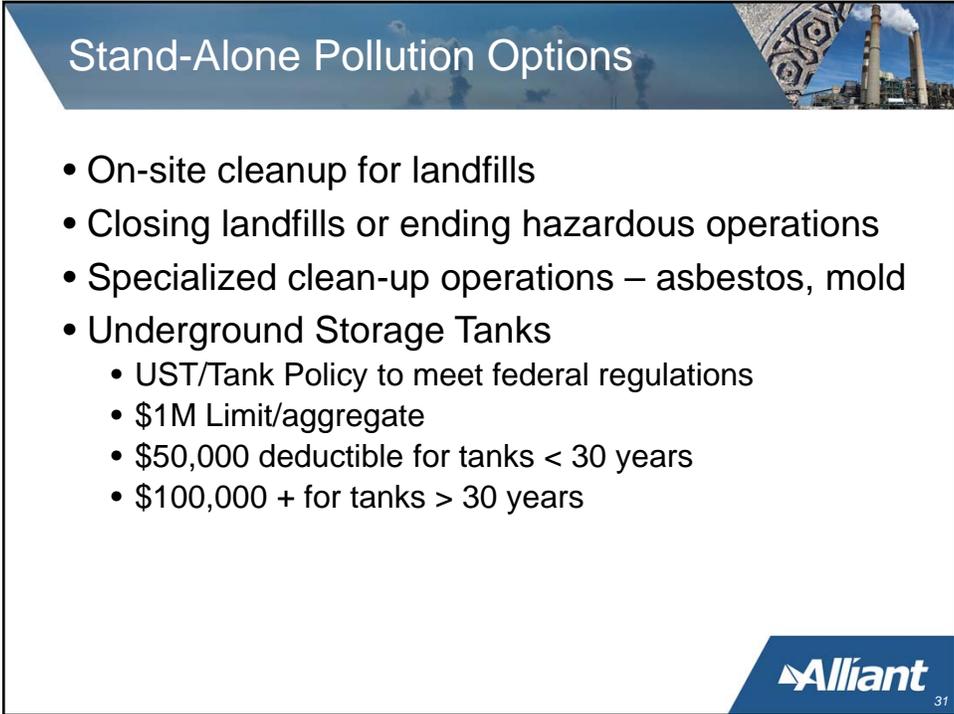
29



# Stand-Alone Pollution Coverage

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30



## Stand-Alone Pollution Options

- On-site cleanup for landfills
- Closing landfills or ending hazardous operations
- Specialized clean-up operations – asbestos, mold
- Underground Storage Tanks
  - UST/Tank Policy to meet federal regulations
  - \$1M Limit/aggregate
  - \$50,000 deductible for tanks < 30 years
  - \$100,000 + for tanks > 30 years

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31



### CLAIM EXAMPLE I

- **Mold as a result of Water Damage**
  - Covered under APIP property policy - \$100k Limit
  - Imperative that insurer is placed on notice promptly after discovery
  - Client needs to have a CIH on site to certify the mold and provide a remediation protocol
  - Any costs after 7 days require consent from insurer

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## CLAIM EXAMPLE 2

- Local park owned by municipality
- Contractor dumped five 55-gallon drums of spent mineral spirits
- Also emptied vacuum truck into nearby community lake
- Municipality incurred \$630,000 in cleanup expenses
- Contractor never found

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34

## CLAIM EXAMPLES 3

- Chlorine Tank at a lift station leaked
- Leak detector failed
- Chlorine cloud migrates to nearby hospital
- Section of hospital evacuated
- Several injuries due to chlorine inhalation
- The hospital and patients sued operator of sewage system
- Litigation ongoing

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35

## CLAIM EXAMPLE 4

- Vacuum hose failure during fuel tank cleaning
- Forty gallons of fuel oil was released onto the ground and flowed into an adjacent waterway
- Remediation firm was sent to scene to respond to the release
- Insureds Contractor's Pollution Legal Liability Policy paid \$250,000 for all costs and expenses associated with the release

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36

## SUMMARY

- Pollution Exposure Unique but Applicable
- Limited Coverage Under APIP Property
- APIP Pollution good for minor exposures
- CSAC-EIA needed for higher limits, landfills, airports, and contractor's environmental
- Stand-Alone needed for on-site landfills, closing landfills or hazardous operations, and UST financial responsibility coverage
- Claims can happen – report ASAP!

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37



# QUESTIONS?

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38

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND

ADMIN BUDGET - FINAL  
July 1, 2019 to June 30, 2020

		WORK COMP	LIABILITY	GROUP PURCHASE	FY 19/20 TOTAL	FY 18/19 PRIOR YEAR	\$ CHANGE	% CHANGE
<b>REVENUES</b>								
Est	WC Program Banking Layer	\$6,501,000			\$6,501,000	\$6,433,000	\$68,000	1%
Est	WC Program Shared Layer	\$3,560,000			\$3,560,000	\$3,403,000	\$157,000	5%
Est	WC Program Admin Expense	\$847,151			\$847,151	\$840,139	\$7,012	1%
Est	Excess WC Coverage (EIA)	\$1,668,420			\$1,668,420	\$1,530,000	\$138,420	9%
Est	Liability Program Banking Layer		\$2,211,000		\$2,211,000	\$2,134,000	\$77,000	4%
Est	Liability Program Shared Layer		\$2,374,000		\$2,374,000	\$2,096,000	\$278,000	13%
Est	Liability Program Admin Expense		\$467,007		\$467,007	\$457,892	\$9,115	2%
Est	Excess Liability Coverage (CJPRMA)		\$1,497,548		\$1,497,548	\$1,219,112	\$278,436	23%
Est	Group Purchase Property Coverage (APIP)			\$2,102,104	\$2,102,104	\$1,157,650	\$944,454	82%
Est	Group Purchase Crime Coverage (ACIP)			\$51,449	\$51,449	\$51,449	\$0	0%
Est	Group Purchase Coverage (ADWRP)			\$11,491	\$11,491	\$8,738	\$2,753	32%
Est	Pass through Cost - Lexipol Fire Manual and DTBs			\$27,099	\$27,099	\$27,098	\$1	0%
	Pass through Cost - Appraisal Services				N/A	\$165,974		
	<b>Total Revenues</b>	<b>\$12,576,571</b>	<b>\$6,549,555</b>	<b>\$2,192,144</b>	<b>\$21,318,269</b>	<b>\$19,524,052</b>		

overall Total Insured Value (TIV) increase by 28%  
flat renewal  
increase due to 35% increase to members' TIV  
extended 50% off retail price for 2nd year renewal  
additional cost not included in the original estimate (418 new structures and Rio Vista appraisal)

		WORK COMP	LIABILITY		FY 19/20 TOTAL	FY 18/19 PRIOR YEAR	\$ CHANGE	% CHANGE
<b>EXPENSES</b>								
<b>Administrative Expenses:</b>								
Consultants								
52101	Claims Audit		\$8,500		\$8,500	\$11,000	(\$2,500)	-22.7%
52102	Financial Audit	\$13,850	\$13,850		\$27,700	\$27,154	\$546	2.0%
52103	Legal Services	\$2,000	\$15,000		\$17,000	\$17,000	\$0	0.0%
52104	Actuarial Review	\$5,530	\$7,530		\$13,060	\$12,700	\$360	2.8%
52105	Computer Services				n/a	n/a	n/a	n/a
52106	CAJPA Accreditation (not until 2021)				n/a	n/a	n/a	n/a
52109	Misc. Consulting/Contingency	\$2,500	\$2,500		\$5,000	\$5,000	\$0	0.0%
	<b>Total Consultant Expenses</b>	<b>\$23,880</b>	<b>\$47,380</b>		<b>\$71,260</b>	<b>\$72,854</b>	<b>(\$1,594)</b>	<b>-2.2%</b>
<b>Safety Services:</b>								
52204	Risk Control Services Agreement	\$89,240	\$89,240		\$178,480	\$178,480	\$0	0.0%
52201	Outside Training	\$15,000	\$15,000		\$30,000	\$30,000	\$0	0.0%
52202	Risk Mgmt Comm Mtg Expense	\$750	\$750		\$1,500	\$1,500	\$0	0.0%
52207	Member Training and Risk Management	\$50,000	\$38,000		\$88,000	\$88,000	\$0	0.0%
52208	Lexipol Police Manual Updates & DTBs	\$140,234			\$140,234	\$136,267	\$3,967	2.9%
52209	Police Risk Management Funds	\$25,000	\$25,000		\$50,000	\$50,000	\$0	0.0%
	<b>Total Safety Services Expenses</b>	<b>\$320,224</b>	<b>\$167,990</b>		<b>\$488,214</b>	<b>\$484,247</b>	<b>\$3,967</b>	<b>0.8%</b>
<b>Claims Administration</b>								
52302	Claims Administration Fee (Reports, etc.) Annual	\$0	\$0		\$0	\$50,600	(\$50,600)	-100.0%
	Claims Adjustment Fee*							
52304	State Funding/Fraud Assessment	\$267,699			\$267,699	\$245,524	\$22,175	9.0%
	<b>Total Claims Administration Expenses</b>	<b>\$267,699</b>	<b>\$0</b>		<b>\$267,699</b>	<b>\$296,124</b>	<b>(\$28,425)</b>	<b>-9.6%</b>

18/19 WC audit last year more than GL (17/18 GL cost \$7,500)  
Per 2017-19 contract  
Per engagement letter including 6/30 Updates  
Moved as part of Accounting Services  
recent accreditation 2018, occurs every 3 years  
Per 2019-22 contract  
\$4,000 per member annual allocation for training/conferences  
RMC recommendation  
Annual Admin Fee will be lumped into the new proposed flat fee pricing  
Actual 18/19 = \$214,159 + 25% Est. increase

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND

ADMIN BUDGET - FINAL  
July 1, 2019 to June 30, 2020

		WORK COMP	LIABILITY	GROUP PURCHASE	FY 19/20 TOTAL	FY 18/19 PRIOR YEAR	\$ CHANGE	% CHANGE	
<b>Program Administration</b>									
52401	Program Administration and Brokerage Fee	\$154,084	\$184,902		\$338,986	\$309,576	\$29,410	9.5%	Per 2019-24 contract
52403	Accounting Services	\$53,085	\$53,085		\$106,170	\$102,690	\$3,480	3.4%	Per 2018-22 contract
	<b>Total Program Administration Expenses</b>	<b>\$207,169</b>	<b>\$237,987</b>		<b>\$445,156</b>	<b>\$412,266</b>	<b>\$32,890</b>	<b>8.0%</b>	
<b>Board Expenses</b>									
52501	Executive Committee	\$1,250	\$1,250		\$2,500	\$2,500	\$0	0.0%	
52502	Executive Committee Member Travel	\$2,000	\$2,000		\$4,000	\$4,000	\$0	0.0%	
52503	Board of Directors Meetings (includes Travel)	\$4,000	\$4,000		\$8,000	\$8,000	\$0	0.0%	
52509	Board of Directors Long Range Planning (@ 3 years, last LRP Dec. 2017)	\$4,000	\$4,000		\$8,000	\$4,000	\$4,000	100.0%	Doubled for 40th Anniversary Celebration in October 2019 and LRP in January 2020
52504	Association Memberships (PARMA, CAJPA, AGRIP)	\$2,400	\$2,400		\$4,800	\$4,000	\$800	20.0%	projected increase to CAJPA membership fee
	<b>Total Board Expenses</b>	<b>\$13,650</b>	<b>\$13,650</b>		<b>\$27,300</b>	<b>\$22,500</b>	<b>\$4,800</b>	<b>21.3%</b>	
<b>OTHER Administration Expenses</b> (Not identified with above budget line items)									
52000	Administrative Expense	\$0	\$0		\$0	\$0	\$0	0.0%	
52001	Administration Expense - Other	\$0	\$0		\$0	\$0	\$0	0.0%	
52900	Member Identity Theft Protection	\$14,529	0		\$14,994	\$13,359	\$1,635	12.2%	Increase due to 15% increase to number of employees from 3,203 to 3,687
	<b>Total Other Admin</b>	<b>\$14,529</b>	<b>\$0</b>		<b>\$14,994</b>	<b>\$13,359</b>	<b>\$1,635</b>	<b>0.0%</b>	
	<b>Total Admin Expenses</b>	<b>\$847,151</b>	<b>\$467,007</b>		<b>\$1,314,623</b>	<b>\$1,299,590</b>	<b>\$15,033</b>	<b>1.2%</b>	
	Net Loss/Admin Surplus Offset					TBD		0.0%	Possible offset TBD

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

**FY 19/20 NCCSIF Net Program Funding Summary - Final**

Member Entity	Work Comp Funding 80% CL					
	Work Comp Deposit	DIVIDEND		Assessment		NET AMOUNT
		Banking Layer	Shared Layer	Banking Layer	Shared Layer	
Anderson	\$264,058	\$15,455	\$20,115			\$228,488
Auburn	\$410,471		\$30,619	\$25,582		\$405,434
Colusa	\$165,669		\$12,557	\$10,000		\$163,112
Corning	\$119,780	\$19,479	\$14,516			\$85,785
Dixon	\$605,118	\$169,502	\$40,238			\$395,377
Elk Grove	\$1,804,257	\$66,817	\$42,250			\$1,695,190
Folsom	\$2,053,776	\$194,276	\$198,682			\$1,660,819
Galt	\$641,262		\$46,398	\$22,318		\$617,182
Gridley	\$172,508	\$80,319	\$20,810			\$71,378
Ione	\$82,332		\$4,089	\$13,044		\$91,286
Jackson	\$240,361	\$41	\$11,761			\$228,559
Lincoln	\$567,363	\$86,794	\$56,038			\$424,531
Marysville	\$249,766		\$23,499	\$10,000		\$236,267
Nevada City	\$265,569		\$11,200	\$45,123		\$299,492
Oroville	\$522,214		\$36,298	\$18,940		\$504,856
Paradise	\$412,065		\$31,524	\$12,245		\$392,786
Placerville	\$314,179	\$9,714	\$34,021			\$270,445
Red Bluff	\$619,779		\$39,229	\$88,610		\$669,160
Rio Vista	\$195,760	\$464	\$15,949			\$179,346
Rocklin	\$1,210,112	\$120,930	\$94,847			\$994,336
Willows	\$74,122	\$61,492	\$11,661			\$970
Yuba City	\$1,586,048	\$63,263	\$92,698			\$1,430,088
<b>Total:</b>	<b>\$12,576,571</b>	<b>\$888,546</b>	<b>\$889,000</b>	<b>\$245,862</b>	<b>\$0</b>	<b>\$11,044,887</b>

Liability Deposit	Liability Funding 80% CL				
	Banking Layer	Shared Layer	Assessment		NET AMOUNT
			Banking Layer	Shared Layer	
\$140,262	\$5,480				\$134,782
\$389,954			\$10,000		\$399,954
\$142,996			\$30,788		\$173,784
\$147,589			\$10,000		\$157,589
\$187,817	\$12,781				\$175,036
\$1,780,352	\$37,017				\$1,743,335
\$366,710	\$16,168				\$350,542
\$158,893	\$29,111				\$129,782
\$74,928			\$4,841		\$79,769
\$134,066	\$20,131				\$113,935
\$459,173			\$15,869		\$475,042
\$236,700	\$3,634				\$233,066
\$275,677			\$10,243		\$285,920
\$186,425	\$50,757				\$135,668
\$179,501	\$50,002				\$129,499
\$145,409			\$9,446		\$154,855
\$788,286	\$56,754				\$731,532
\$89,490			\$10,598		\$100,088
\$665,326	\$54,230				\$611,096
<b>\$6,549,555</b>	<b>\$336,065</b>	<b>\$0</b>	<b>\$101,785</b>	<b>\$0</b>	<b>\$6,315,275</b>

**FY 19/20 NCCSIF Workers' Compensation Allocation FINAL**

**80% Confidence Level**

**Total Admin Expense = \$847,151**

A	B	C	D	E	F	G	H	I	J	K	
Formula/Allocation		Member Share of: Last 5 Years Average Losses, Weighted 75%; FY 18/19 WCIRB Loss Rate Premium, Weighted 25%	Member Share of EX MOD Adjusted Payroll	Member Share of: Last 5 Years Average Losses, Weighted 25%; FY	Member Share of Banking, Shared & Excess Premium	22 Equal Shares	C+D+E+F+G			Member % of Total Payroll Without Capped Members x Capped Amount	
<b>Member</b>	<b>FY 19/20 Estimated PAYROLL (P)</b>	<b>BANKING LAYER \$0 to \$100K</b>	<b>SHARED LAYER \$100K to \$500K</b>	<b>CSAC-EIA EXCESS LAYER \$500K TO STATUTORY</b>	<b>Variable ADMIN EXPENSE 65%</b>	<b>Fixed ADMIN EXPENSE 35%</b>	<b>Preliminary FY 19/20 DEPOSIT</b>	<b>FY 18/19 DEPOSIT</b>	<b>% Change DEPOSIT</b>	<b>Total FY 19/20 Deposit With Cap of 40%</b>	<b>Payroll Change from FY 18/19</b>
Rate/Amount	Exposure Base	<b>\$6,501,000</b>	<b>\$3,560,000</b>	<b>\$1,668,420</b>	<b>\$550,648</b>	<b>\$296,503</b>	<b>80% CL</b>	<b>80% CL</b>		<b>\$ 43,209</b>	
Anderson	\$3,839,020	\$140,196	\$70,388	\$28,069	\$11,204	\$13,477	\$263,334	\$302,177	-12.9%	\$264,058	2.1%
Auburn	\$6,321,069	\$205,238	\$119,333	\$53,484	\$17,748	\$13,477	\$409,280	\$355,645	15.1%	\$410,471	-3.7%
Colusa	\$2,146,602	\$81,912	\$39,781	\$23,288	\$6,806	\$13,477	\$165,264	\$136,632	21.0%	\$165,669	-5.5%
Corning	\$2,819,170	\$34,210	\$51,853	\$14,966	\$4,743	\$13,477	\$119,249	\$111,185	7.3%	\$119,780	-0.8%
Dixon	\$11,079,329	\$303,042	\$166,259	\$93,815	\$26,436	\$13,477	\$603,029	\$579,311	4.1%	\$605,118	17.4%
Elk Grove	\$41,758,130	\$929,497	\$562,474	\$210,990	\$79,947	\$13,477	\$1,796,386	\$1,461,262	22.9%	\$1,804,257	2.2%
Folsom	\$44,508,834	\$1,056,101	\$573,083	\$311,612	\$91,112	\$13,477	\$2,045,386	\$2,111,727	-3.1%	\$2,053,776	9.4%
Galt	\$12,508,328	\$333,322	\$181,452	\$82,608	\$28,045	\$13,477	\$638,904	\$633,115	0.9%	\$641,262	5.7%
Gridley	\$3,779,000	\$66,924	\$62,201	\$22,094	\$7,099	\$13,477	\$171,795	\$168,226	2.1%	\$172,508	-0.7%
Ione	\$1,366,956	\$33,843	\$22,515	\$9,163	\$3,076	\$13,477	\$82,074	\$62,434	31.5%	\$82,332	25.1%
Jackson	\$2,276,617	\$155,647	\$41,173	\$61,162	\$12,111	\$13,477	\$283,570	\$171,687	40.0%	\$240,361	0.5%
Lincoln	\$12,637,876	\$268,188	\$174,750	\$83,835	\$24,730	\$13,477	\$564,981	\$553,744	2.0%	\$567,363	-0.9%
Marysville	\$3,615,073	\$136,166	\$60,878	\$27,998	\$10,565	\$13,477	\$249,084	\$276,650	-10.0%	\$249,766	0.7%
Nevada City	\$2,754,411	\$159,384	\$53,603	\$27,305	\$11,281	\$13,477	\$265,050	\$211,087	25.6%	\$265,569	6.8%
Oroville	\$6,151,597	\$286,255	\$143,283	\$55,278	\$22,760	\$13,477	\$521,054	\$539,922	-3.5%	\$522,214	-3.4%
Paradise	\$4,375,778	\$245,433	\$98,322	\$36,172	\$17,836	\$13,477	\$411,240	\$421,795	-2.5%	\$412,065	4.1%
Placerville	\$7,243,503	\$143,733	\$94,787	\$47,394	\$13,422	\$13,477	\$312,814	\$296,371	5.5%	\$314,179	7.4%
Red Bluff	\$6,657,908	\$363,290	\$146,775	\$67,851	\$27,131	\$13,477	\$618,524	\$667,884	-7.4%	\$619,779	6.3%
Rio Vista	\$5,031,278	\$79,702	\$58,495	\$35,006	\$8,131	\$13,477	\$194,812	\$209,677	-7.1%	\$195,760	20.9%
Rocklin	\$26,439,316	\$625,808	\$339,232	\$173,177	\$53,435	\$13,477	\$1,205,129	\$1,187,065	1.5%	\$1,210,112	8.8%
Willows	\$1,229,607	\$20,890	\$29,230	\$7,584	\$2,709	\$13,477	\$73,890	\$105,279	-29.8%	\$74,122	4.6%
Yuba City	\$22,955,922	\$832,221	\$470,131	\$195,571	\$70,321	\$13,477	\$1,581,721	\$1,643,263	-3.7%	\$1,586,048	3.4%
<b>Total:</b>	<b>\$231,495,324</b>	<b>\$6,501,000</b>	<b>\$3,560,000</b>	<b>\$1,668,420</b>	<b>\$550,648</b>	<b>\$296,503</b>	<b>\$12,576,571</b>	<b>\$12,206,139</b>	<b>3.0%</b>	<b>\$ 12,576,571</b>	<b>5.3%</b>

Actuary/Verification

\$6,501,000

\$3,560,000

est. 3/19

**NCCSIF Workers' Compensation Program Funding Changes 18/19 to 19/20**

	FY 19/20	FY 18/19	Difference
<b>Base Rate*</b>	<b>4.346</b>	<b>4.475</b>	<b>-3%</b>
<i>*Confidence Level Remains at 80%</i>			

	FY 19/20	FY 18/19	Difference
<b>Excess Insurance</b>	<b>\$ 1,668,420</b>	<b>\$ 1,530,000</b>	<b>9%</b>
<i>Equals 38% of total increase of \$379,476</i>			<b>\$ 138,420</b>

Deposit Premium Change			
Member Entity	Current Year FY 19/20 80% CL	Prior Year FY 18/19 80% CL	% Change
Anderson	\$264,058	\$302,177	-12.6%
Auburn	\$410,471	\$355,645	15.4%
Colusa	\$165,669	\$136,632	21.3%
Corning	\$119,780	\$111,185	7.7%
Dixon	\$605,118	\$579,311	4.5%
Elk Grove	\$1,804,257	\$1,461,262	23.5%
Folsom	\$2,053,776	\$2,111,727	-2.7%
Galt	\$641,262	\$633,115	1.3%
Gridley	\$172,508	\$168,226	2.5%
Ione	\$82,332	\$62,434	31.9%
Jackson	\$240,361	\$171,687	40.0%
Lincoln	\$567,363	\$553,744	2.5%
Marysville	\$249,766	\$276,650	-9.7%
Nevada City	\$265,569	\$211,087	25.8%
Oroville	\$522,214	\$539,922	-3.3%
Paradise	\$412,065	\$421,795	-2.3%
Placerville	\$314,179	\$296,371	6.0%
Red Bluff	\$619,779	\$667,884	-7.2%
Rio Vista	\$195,760	\$209,677	-6.6%
Rocklin	\$1,210,112	\$1,187,065	1.9%
Willows	\$74,122	\$105,279	-29.6%
Yuba City	\$1,586,048	\$1,643,263	-3.5%
<b>Total</b>	<b>\$ 12,576,571</b>	<b>\$12,206,139</b>	<b>3.0%</b>

Payroll		
Estimated WC FY 19/20 Payroll	Estimated WC FY 18/19 Payroll	% Change
\$3,839,020	\$3,758,796	2%
\$6,321,069	\$6,562,867	-4%
\$2,146,602	\$2,271,794	-6%
\$2,819,170	\$2,841,529	-1%
\$11,079,329	\$9,438,269	17%
\$41,758,130	\$40,866,211	2%
\$44,508,834	\$40,691,769	9%
\$12,508,328	\$11,835,264	6%
\$3,779,000	\$3,804,797	-1%
\$1,366,956	\$1,092,528	25%
\$2,276,617	\$2,266,229	0%
\$12,637,876	\$12,747,000	-1%
\$3,615,073	\$3,589,009	1%
\$2,754,411	\$2,579,036	7%
\$6,151,597	\$6,368,537	-3%
\$4,375,778	\$4,204,235	4%
\$7,243,503	\$6,746,666	7%
\$6,657,908	\$6,264,914	6%
\$5,031,278	\$4,162,522	21%
\$26,439,316	\$24,306,065	9%
\$1,229,607	\$1,175,718	5%
\$22,955,922	\$22,211,361	3%
<b>\$231,495,324</b>	<b>\$219,785,116</b>	<b>5%</b>

Banking Layer Losses \$0-\$100K		
5-Year Avg FY 2013-17	5-Year Avg FY 2012-16	% Change
\$99,349	\$117,078	-15%
\$130,026	\$92,695	40%
\$49,479	\$32,126	54%
\$14,146	\$7,991	77%
\$173,525	\$168,256	3%
\$627,721	\$430,216	46%
\$623,807	\$617,462	1%
\$216,464	\$209,802	3%
\$36,609	\$30,650	19%
\$21,013	\$8,521	147%
\$72,982	\$59,621	22%
\$152,559	\$134,698	13%
\$95,578	\$109,003	-12%
\$118,676	\$81,118	46%
\$205,383	\$217,988	-6%
\$190,055	\$185,619	2%
\$78,699	\$68,704	15%
\$263,520	\$283,457	-7%
\$32,786	\$48,934	-33%
\$383,918	\$371,991	3%
\$10,573	\$29,819	-65%
\$553,741	\$552,085	0%
<b>\$4,150,611</b>	<b>\$3,857,836</b>	<b>8%</b>

Shared Layer Losses \$20-\$120K		
Total Incurred Losses FY 2013-17	Total Incurred Losses FY 2012-16	% Change
\$347,853	\$585,389	-41%
\$408,350	\$463,477	-12%
\$211,048	\$160,632	31%
\$10,713	\$39,954	-73%
\$673,113	\$841,278	-20%
\$1,904,843	\$2,151,082	-11%
\$1,893,131	\$3,087,308	-39%
\$593,110	\$1,049,011	-43%
\$98,333	\$153,252	-36%
\$77,853	\$42,605	0%
\$311,283	\$298,104	4%
\$385,582	\$673,489	-43%
\$323,658	\$545,017	-41%
\$476,544	\$405,592	17%
\$706,633	\$1,089,942	-35%
\$738,295	\$928,093	-20%
\$201,593	\$343,520	-41%
\$929,325	\$1,417,286	-34%
\$40,048	\$244,670	-84%
\$1,130,232	\$1,859,955	-39%
\$14,813	\$149,097	-90%
\$1,903,312	\$2,760,427	-31%
<b>\$13,379,664</b>	<b>\$19,289,180</b>	<b>-31%</b>

Experience Mod		
FY 19/20	FY 18/19	% Change
1.09	1.17	-7%
0.98	0.87	13%
1.06	0.97	10%
0.83	0.83	0%
1.07	1.13	-6%
0.88	0.73	20%
0.83	0.86	-3%
0.94	0.97	-3%
0.88	0.86	2%
1.00	0.95	5%
1.15	1.09	5%
0.77	0.80	-4%
1.10	1.11	-1%
1.27	1.12	13%
1.18	1.27	-7%
1.36	1.33	3%
1.38	1.52	-9%
0.84	0.92	-9%
0.91	0.94	-3%
0.91	0.97	-6%
1.19	1.25	-5%