



President
Mr. Dave Warren
City of Placerville

Vice President
Ms. Liz Ehrenstrom
City of Oroville

Treasurer
Mr. Tim Sailsbery
City of Willows

Secretary
Ms. Astrida Trupovnieks
City of Lincoln

NCCSIF EXECUTIVE COMMITTEE MEETING AGENDA

Date: Thursday, March 22, 2018
Time: 10:00 a.m.

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

A – Action
I – Information

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

MISSION STATEMENT

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

A. CALL TO ORDER

B. INTRODUCTIONS

C. APPROVAL OF AGENDA AS POSTED

A 1

D. PUBLIC COMMENTS

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

pg. 5 **E. CONSENT CALENDAR**

A 1

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

- pg. 6 1. Executive Committee Meeting Minutes - September 28, 2017
- pg. 14 2. Executive Committee Special Meeting Minutes - December 19, 2017
- pg. 16 3. Check Register from December 1, 2017 to February 28, 2018
- pg. 19 4. Investment Reports
 - a. Chandler Asset Management Short/Long Term - December 2017 to February 2018
 - b. Local Agency Investment Fund (LAIF) Report as of December 31, 2017
 - c. Treasurer’s Report as of December 31, 2017
- pg. 45 5. FY 17/18 CSAC EIA Member Annual Report



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F. ADMINISTRATION REPORTS

I

- 1. **President’s Report** **4**
Dave Warren will address the Committee on items pertaining to NCCSIF.
- 2. **CJPRMA Update** **4**
Astrida Trupovnieks will update the Committee on CJPRMA matters pertinent to NCCSIF. Minutes of the last meeting can be found at <http://www.cjprma.org>
- 3. **Program Administrator’s Report** **4**
Alliant will address the Committee on items pertaining to NCCSIF.

G. JPA BUSINESS

- 1. **FY 18/19 Actuarial Studies of the Self Insured Programs** **A 1**
 - pg. 56 a. **Workers’ Compensation Program**
The Committee will review and may accept the Draft Actuarial Study for the Workers’ Compensation Program.
 - pg. 96 b. **Liability Program**
The Committee will review and may accept the Draft Actuarial Study for the Liability Program.
- 2. **Workers’ Compensation Program** **A 1**
 - pg. 136 a. **Annual Banking Plan Adjustments - James Marta & Company**
The Committee will review and may approve adjustments to the Banking Layer for the Workers’ Compensation program.
 - pg. 138 b. **Annual Shared Risk Plan Adjustments - Alliant Insurance Services**
The Committee will review and may approve adjustments to the Shared Risk Layer for the Workers’ Compensation program.
 - pg. 140 c. **FY 18/19 Deposit Premium Calculations**
The Committee will review and may approve the Preliminary Deposit Premium Calculations for the Workers’ Compensation Program.
- 3. **Liability Program** **A 1**
 - pg. 144 a. **Annual Banking Plan Adjustments - James Marta & Company**
The Committee will review and may approve adjustments to the Banking Layer for the Liability program.
 - pg. 146 b. **Annual Shared Risk Plan Adjustments - Alliant Insurance Services**
The Committee will review and may approve adjustments to the Shared Risk Layer for the Liability program.



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- pg. 148 c. **FY 18/19 Deposit Premium Calculations**
The Committee will review and may approve the Preliminary Deposit Premium Calculations for the Liability Program.

- pg. 151 4. **FY 18/19 NCCSIF Administration Budget** **I 1**
The Committee will review the Preliminary Admin Budget.

- pg. 155 5. **Claims Committee Membership Appointment** **A 4**
The Executive Committee to appoint members to serve on the NCCSIF Claims Committee for 2018.

- pg. 156 6. **Fire Department Guidelines and Training Options** **A 1**
Review two proposals for Fire training subscription services and consider funding for members in the Admin Budget.

- pg. 173 7. **Review of Strategic Goals** **I 1**
Review of the goals from the Long-Range Planning meeting.

- pg. 175 8. **Active Shooter Liability Program Sublimit Option** **A 1**
The Executive Committee will review an option for coverage for active shooter incidents.

- pg. 178 9. **Round Table Discussion** **A 4**
The floor will be open to Executive Committee members for any topics or ideas that members would like to address.

- pg. 179 **H. INFORMATION ITEMS** **I 1**

- pg. 180 1. NCCSIF Organizational Chart
- pg. 181 2. NCCSIF 2018 Meeting Calendar
- pg. 182 3. NCCSIF Travel Reimbursement Form

I. ADJOURNMENT

UPCOMING MEETINGS

- Risk Management Committee Meeting - April 26, 2018
- Board of Directors Meeting - April 26, 2018
- Police Risk Management Committee Meeting - May 2, 2018
- Claims Committee Meeting - May 17, 2018
- Executive Committee Meeting - May 17, 2018

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.



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

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



CONSENT CALENDAR

ACTION ITEM

ISSUE: Items on the Consent Calendar should be reviewed by the Executive Committee and, if there is any item requiring clarification or amendment, such item(s) should be pulled from the agenda for separate discussion.

RECOMMENDATION: The Program Administrator recommends adoption of the Consent Calendar after review by the Executive Committee. *Items pulled from the Consent Calendar by a member will be placed in order, back on the agenda, by the President.*

FISCAL IMPACT: None.

BACKGROUND: The Executive Committee places the following items on the Consent Calendar for adoption. The Executive Committee may accept the Consent Calendar as presented, or pull items for discussion and separate action while accepting the remaining items.

ATTACHMENT(S):

1. Executive Committee Meeting Minutes - September 28, 2017
2. Executive Committee Special Meeting Minutes - December 19, 2017
3. Check Register from December 1, 2017 to February 28, 2018
4. Investment Reports
 - a. Chandler Asset Management Short/Long Term - December 2017 to February 2018
 - b. Local Agency Investment Fund (LAIF) Report as of December 31, 2017
 - c. Treasurer's Report as of December 31, 2017
5. FY 17/18 CSAC EIA Member Annual Report



**MINUTES OF THE
NCCSIF EXECUTIVE COMMITTEE MEETING
ROCKLIN EVENT CENTER, ROCKLIN, CA
SEPTEMBER 28, 2017**

COMMITTEE MEMBERS PRESENT

Liz Cottrell, City of Anderson	Dave Warren, City of Placerville (Chair)
Kristina Miller, City of Corning	Tim Sailsbery, City of Willows
Astrida Trupovnieks, City of Lincoln	Natalie Springer, City of Yuba City
Liz Ehrenstrom, City of Oroville	

OTHER MEMBERS PRESENT

Brad Koehn, City of Elk Grove	Robin Bertagna, City of Yuba City
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COMMITTEE MEMBERS ABSENT

Toni Benson, City of Colusa	Corey Shaver, City of Nevada City
City of Marysville (vacant)	Sandy Ryan, City of Red Bluff

CONSULTANTS & GUESTS

Marcus Beverly, Alliant Insurance Services	James Marta, James Marta & Company
Michael Simmons, Alliant Insurance Services	Alana Theiss, James Marta & Company
Raychelle Maranan, Alliant Insurance Services	Dori Zumwalt, York Risk Services
	Steven Scott, York Risk Services

A. CALL TO ORDER

Chair Dave Warren called the meeting to order at 12:02 p.m.

B. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

Motion: Liz Ehrenstrom **Second:** Tim Sailsbery **Motion Carried**
Ayes: Cottrell, Miller, Trupovnieks, Ehrenstrom, Warren, Sailsbery, Springer

C. PUBLIC COMMENTS

There were no public comments.

D. CONSENT CALENDAR

1. Executive Committee Meeting Minutes - May 18, 2017
2. Check Register from May 1, 2017 to August 31, 2017
3. Investment Reports
 - a. Chandler Asset Management Short/Long Term - May 2017 to August 2017
 - b. Local Agency Investment Fund (LAIF) Report as of June 30, 2017
 - c. Treasurer's Report as of June 30, 2017
4. CJPRMA Excess Liability Claims Audit

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

Motion: Liz Ehrenstrom **Second:** Natalie Springer **Motion Carried**
Ayes: Cottrell, Miller, Trupovnieks, Ehrenstrom, Warren, Sailsbery, Springer

E. ADMINISTRATION REPORTS

E1. President's Report

Chair Warren encouraged members to attend York Risk Services' Annual Fall Into Education Conference scheduled on October 10, 2017. Chair Warren announced that Corey Shaver is retiring effective October 2, 2017 after 23 years of service with the City of Nevada City. It was noted Corey's service on the NCCSIF Board as the Board Representative for the city, and most notably as Board Secretary since 2015.

E2. CJPRMA Update

Discussed under agenda item G.5.

E3. Program Administrator's Report

Mr. Marcus Beverly noted that he usually meets and provides orientation for new Board members of the JPA regarding governance, Board member responsibilities and city specific coverages. Mr. Beverly indicated he recently visited the new City Manager of City of Jackson, Yvonne Kimball. It was noted that former City Manager, Michael Daly, is in a rehab facility in Los Angeles undergoing brain tumor treatment.

Mr. Beverly reminded members to support CAJPA's (California Association of Joint Powers Authorities) efforts to Oppose Assembly Bill (AB) 570 - Apportionment to Pre-existing Workers' Compensation Permanent Disability. The AB 44 - Workers' Compensation Medical Treatment: Terrorist Attacks Work Violence, was recently approved and this bill would require a Nurse Case Manager for employees injured in the course of employment by an act of domestic terrorism.



F. FINANCIAL REPORTS

F1. Quarterly Financial Report for Period Ending June 30, 2017

Ms. Alana Theiss reviewed the Quarterly Financial Report for Period Ending June 30, 2017. Ms. Theiss presented the highlights of the report. The Liability Program Shared Layer is in surplus position for the first time in years, in part due to the changes in estimated claims liability for prior years, increasing Confidence Level funding in the past couple of years and members headway in assessment to combat the deficit.

Ms. Theiss proceeded and reviewed the Budget-to-Actual. The Administrative expenses year-to-date are currently on track with the FY 16/17 budget with the exception of Legal Services and the annual State assessment of the Workers' Compensation Program. It was noted the State Assessment is very hard to estimate due to many variables.

A motion was made to accept and file the Quarterly Financial Report for the period ending June 30, 2017.

Motion: Tim Sailsbery **Second:** Liz Ehrenstrom **Motion Carried**
Ayes: Cottrell, Miller, Trupovnieks, Ehrenstrom, Warren, Sailsbery, Springer

F2. Budget-to-Actual as of June 30, 2017

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

Presented as information only, no action taken.

F3. Financial Status at June 30, 2017

Mr. James Marta and Ms. Alana Theiss provided a presentation of NCCSIF Financial Status at June 30, 2017. Highlights of the presentation as follows:

- Increase in net position for the fiscal year ended June 30, 2017 was \$1,996,528 for the pool as a whole.
- Decrease in prior years claims liabilities totaled \$2,163,928: \$1,236,867 for the liability program and \$927,061 for workers' compensation.
- Expenses during the year included dividends to members totaling \$2,534,805.
- Assessments to members totaled \$617,693: \$249,644 in the banking layer and \$368,049 in liability shared layer.
- Liability shared layer ended the year with positive net position of \$1,387,946, largely due to change in estimated claims liability of \$1,949,490.

It was noted the net refunds to members over the last ten years totaled \$45 million.



Presented as information only, no action taken.

F4. Accounting Services Ad Hoc Committee Recommendation

Chair Warren asked James Marta & Company staff and York Risk Services' staff to step out of the room.

Mr. Beverly provided the sequence of events that took place during the Request for Proposal (RFP) process. NCCSIF issued a RFP in response to a significant increase in James Marta and Company's annual fee from \$68,000 to \$96,000. An Ad Hoc Committee was formed to review the proposals and make a recommendation to the Executive Committee (EC). The Ad Hoc Committee consisted of Dave Warren, City of Placerville; Liz Ehrenstrom, City of Oroville; Tim Sailsbery, City of Willows; Brad Koehn, City of Elk Grove; and Robin Bertagna, City of Yuba City. Three firms responded to the RFP: James Marta & Company, LLP; Maze & Associates; and Bickmore. The Ad Hoc Committee interviewed the three firms which all took place the morning of this meeting.

Chair Warren indicated the entire process in negotiating the contract including the RFP process took about seven months, and thanked the members of the Ad Hoc Committee for their time. After much deliberation the Ad Hoc recommended to the EC that James Marta and Company be selected. It was noted it was not a unanimous decision. Although the fee is a large increase, it has been tested in the RFP process that the cost increase is justified in the current market.

The Committee reviewed the proposed terms of James Marta & Company new agreement for financial accounting and consulting services effective January 1, 2018.

A motion was made to renew James Marta & Company & LLP agreement for three years with two, one-year optional extensions; and authorized the President to negotiate the contract and discuss with James Marta the expectations about timely communication of future increases and handling of material errors.

Motion: Astrida Trupovnieks **Second:** Liz Cottrell **Motion Carried**
Ayes: Cottrell, Miller, Trupovnieks, Ehrenstrom, Warren, Sailsbery, Springer

Brad Koehn left the meeting at 12:53 pm

James Marta & Company staff and York Risk Services' staff rejoined the meeting at 12:53 p.m.

Chair Warren informed James Marta & Company of the Executive Committee's decision.



G. JPA BUSINESS

G1. Preliminary 2018 Meeting Calendar

Mr. Beverly asked the Committee to review the dates and advise if there are any conflicts. Some of the proposed dates were changed to work around the CJPRMA meeting dates to lessen conflict with the CJPRMA Board Representative.

After review, the Committee approved recommending the preliminary 2018 Meeting Calendar to the Board. The general consensus of the Committee is to keep the meeting location in Rocklin, CA.

A motion was made to recommend the Preliminary 2018 Meeting Calendar to the Board of Directors.

Motion: Tim Sailsbery **Second:** Liz Ehrenstrom **Motion Carried**
Ayes: Cottrell, Miller, Trupovnieks, Ehrenstrom, Warren, Sailsbery, Springer

G2. Nomination of Officers - 2018

Mr. Beverly reported that the Vice President and Secretary positions are up for nomination. The makeup of the Executive Committee (EC) members rotates annually based on the EC Rotation Schedule: cities of Colusa, Marysville and Yuba City are rotating off December 31, 2017; and cities of Gridley, Oroville and Town of Paradise are rotating on effective January 1, 2018. Mr. Beverly suggested changing the Bylaws to allow some flexibility in the number of EC members from the current eight members to a range from seven to nine.

The Committee discussed changing the EC Rotation Schedule based on a mix of member sizes (Large, Medium, and Small) to have a more equitable representation of members at any given time rather than the current rotation based on geography. The Committee directed the Program Administrators to present options to change the EC rotation based on size.

The Committee nominated Liz Ehrenstrom for the Vice President position and Astrida Trupovnieks for the Secretary position.

A motion was made to nominate Liz Ehrenstrom as Vice President and Astrida Trupovnieks as Secretary; and to recommend amending the Bylaws on the number of Executive Committee to a range of seven to nine members to the Board of Directors.

Motion: Tim Sailsbery **Second:** Kristina Miller **Motion Carried**
Ayes: Cottrell, Miller, Trupovnieks, Ehrenstrom, Warren, Sailsbery, Springer



G3. FY 17/18 Police Risk Management Grant Funds Allocation and Usage

Mr. Beverly indicated that the Police Risk Management Committee (PRMC) had approved the fund allocation and the use of the grant for general risk management and not strictly for body-camera program or video storage. The allocation calculation was based on the same allocation used for the FY 16/17 body camera grants. It was noted two cities have yet to use their grants, cities of Anderson and Galt.

A motion was made to approve the \$50,000 budget per the allocation as presented and use of funds for general risk management use.

Motion: Liz Ehrenstrom **Second:** Liz Cottrell **Motion Carried**
Ayes: Cottrell, Miller, Trupovnieks, Ehrenstrom, Warren, Sailsbery, Springer

G4. Claims Services

G4a. Approval of FY 17/18 Liability Claims Auditor

Mr. Marcus Beverly indicated that NCCSIF is scheduled to conduct the Liability Claims Audit this year. Alliant has requested proposals from Risk Management Services (RMS) and Risky Business Pros (RBP). RMS conducted the last four audits for NCCSIF and RBP is relatively new firm that recently conducted an excess claims audit for CJPRMA. Although RBP cost was higher than RMS it is within budget, and given the length of time RMS has been conducting audits for NCCSIF, it is time to involve a different audit perspective.

After review of the two proposals a motion was made to approve Risky Business Pros to conduct the FY 17/18 Liability Claims Audit.

Motion: Kristina Miller **Second:** Liz Ehrenstrom **Motion Carried**
Ayes: Cottrell, Miller, Trupovnieks, Ehrenstrom, Warren, Sailsbery, Springer

G4b. Workers' Compensation Claims Administration Performance Plan Follow-up Survey Result

Chair Warren asked York Risk Services' staff to step out of the room.

James Marta & Alana Theiss left the meeting.

Mr. Beverly reported that 100% of the members responded to the survey. Overall the results are an improvement from the last survey completed in March 2017 and tend to indicate those who did not respond previously were satisfied with the service. Mr. Beverly noted three members provided additional comments under question 12, should NCCSIF issue a RFP for Workers' Compensation Third Party Claims Administrator services in the near future.



The Executive Committee (EC) reviewed the results and agreed that York was meeting or exceeding goals. The EC directed the Program Administrators to meet with York to review the feedback and to send a follow-up survey in September 2018 to gauge members' satisfaction as a basis for negotiating contract renewal terms or going to RFP prior to the contract expiration in June 2019.

Chair Warren encouraged members to reach out to York to request onsite training for city staff or present the Workers' Compensation analysis trend report to City Councils as York has done for the City of Placerville.

A motion was made to recommend to the Board to review and accept the survey results and that York is meeting and exceeding the goals and for Program Administrator to discuss the areas for improvement.

Motion: Tim Sailsbery **Second:** Liz Ehrenstrom **Motion Carried**
Ayes: Cottrell, Miller, Trupovnieks, Ehrenstrom, Warren, Sailsbery, Springer

York Risk Services staff rejoined the meeting at 2:00 p.m.

Chair Warren informed York Risk Services' staff of the Executive Committee's decision.

G5. CJPRMA New Annual Contribution Calculation

Mr. Beverly indicated that CJPRMA (California Joint Powers Risk Management Authority), NCCSIF's Liability Excess carrier, is developing a Loss Allocation Policy for annual contributions that will for the first time incorporate an experience modification factor (ex-mod) into the calculation. The proposed contribution formula is based 90% on payroll and 10% on loss history, subject to a cap of no more than a 10% increase from the pure payroll rate for those members with higher ex-mod. This new methodology could potentially impact NCCSIF's deposit premium if it passed.

Mr. Michael Simmons provided historical background of CJPRMA's funding methodology and it is based on a tier system. Program Administrators will closely monitor the development and will report back to the Board.

A motion was made to request additional information and explanation in the development of the loss allocation methodology.

Motion: Liz Ehrenstrom **Second:** Astrida Trupovnieks **Motion Carried**
Ayes: Cottrell, Miller, Trupovnieks, Ehrenstrom, Warren, Sailsbery, Springer

Tim Sailsbery left the meeting at 2:15 p.m.

G6. December 2017 Long Range Planning

Mr. Beverly indicated the Long Range Planning (LRP) and Board meeting is scheduled for December 14, 2017. Mr. Beverly briefly reviewed the draft agenda and topics: the morning session is the LRP and Michael Simmons will be the moderator for that portion; and the afternoon session is the Board meeting to conduct the regular business of the JPA. Topics includes: 1) financial stability, 2) coverage and governance, 3) program services and 4) marketing and growth.

Presented as information only.

G7. Round Table Discussion

Ms. Kristina Miller indicated that the City of Corning reinitiated their police academy sponsorship. Discussion ensued whether the trainee is covered for workers' compensation (WC) while in police academy under the sponsor's coverage.

H. INFORMATION ITEMS

1. NCCSIF 2017 Meeting Calendar
2. NCCSIF Organizational Chart
3. NCCSIF Travel Reimbursement

There was no discussion on these items.

I. ADJOURNMENT

The meeting was adjourned at 2:32 p.m.

Respectfully Submitted,

Astrida Trupovnieks, Secretary

Date



**MINUTES OF THE
NCCSIF EXECUTIVE COMMITTEE SPECIAL MEETING
VIA TELECONFERENCE
DECEMBER 19, 2017**

MEMBERS PRESENT

Liz Cottrell, City of Anderson
Kristina Miller, City of Corning
Liz Ehrenstrom, City of Oroville
Dave Warren, City of Placerville (**Chair**)
Sandy Ryan, City of Red Bluff
Tim Sailsbery, City Willows

MEMBERS ABSENT

Toni Benson, City of Colusa
Astrida Trupovnieks, City of Lincoln
Natalie Springer, City of Yuba City

CONSULTANTS & GUESTS

Marcus Beverly, Alliant Insurance Services
Raychelle Maranan, Alliant Insurance Services
Cameron Dewey, York Risk Services

A. CALL TO ORDER

Chair Dave Warren called the meeting to order at 11:05 a.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: Tim Sailsbery

Second: Liz Ehrenstrom

Motion Carried

Ayes: Cottrell, Miller, Ehrenstrom, Warren, Ryan, Sailsbery

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 11:06 a.m. to discuss the following claim:

Liability

Butler vs. City of Willows

F. REPORT FROM CLOSED SESSION

The Committee reconvened to open session at 11:22 a.m.

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

G. ADJOURNMENT

This meeting was adjourned at 11:23 a.m.

Respectfully Submitted,

Astrida Trupovnieks, Secretary

Date

Company Name: NCCSIF
Report Name: Check Register
Created On: 3/12/2018

Check	Date	Vendor	Account Title	Acct	Amount	Memo
11280	12/13/2017	Department of Industrial Relations	State Funding/Fraud Ass	52304	208,070.75	Assessment for FY 17-18
11279	12/13/2017	Gibbons and Conley	Legal Services	52103	600.95	November 2017 General Matters
11278	12/13/2017	Chandler Asset Management, Inc.	Investment Income	44040	4,410.70	Nov-17
11277	12/13/2017	Bickmore Risk Services Inc.	On Site Safety Grant Funds	52204 54200	14,726.67 4,500.00	Safety and Risk Control Services Risk Management for City of Folsom
11276	12/13/2017	James Marta and Company LLP	Accounting Services	52403	8,215.00	Monthly Accounting Services
11275	12/13/2017	Alliant Insurance Services	Program Admin Fee	52401	25,292.08	Monthly Consulting Services
11274	12/13/2017	Aubergine Catering	Police Risk Mgmt Comm S	52203	350.00	11.02.17 PRMC Meeting
11273	12/13/2017	Natalie Springer	Member Travel Board Meetings	52502 52503	77.90	09.28.17 Springer Travel 10.19.17 Springer Travel
11281	12/14/2017	York	Claims Admin - Monthly	52300	47,278.75 47,278.75 47,278.71	10.17Monthly Claims Administration Fee 11.17Monthly Claims Administration Fee 12.17Monthly Claims Administration Fee
11292	12/20/2017	Astrida Trupovnieks	Seminars and PARMA	52207	573.32	2017 CalPELRA
11291	12/20/2017	City of Rocklin	Safety Grant Funds	54200	8,020.80	Rocklin RM Reimbursement
11290	12/20/2017	Marcus Beverly	Board Expense	52500	564.57	12.14.17 LRP Meeting Printing Reimbursement
11289	12/20/2017	Catering By Design	Board Expense	52500	950.24	12.14.17 Long Range Planning Meeting Catering
11288	12/20/2017	Loree McCay	Board Meetings	52503	36.38	12.14.17 LRP-BOD Meeting
11287	12/20/2017	Liz Cottrell	Board Meetings	52503	179.76	12.14.17 LRP-BOD Meeting
11286	12/20/2017	Kristine Haile	Board Meetings	52503	14.98	12.14.17 LRP-BOD Meeting
11285	12/20/2017	Gina Will	Board Meetings	52503	85.60	12.14.17 LRP-BOD Meeting
11284	12/20/2017	City of Placerville	Board Meetings	52503	40.98	12.14.17 LRP-BOD Meeting
11283	12/20/2017	Champion Awards Enterprises	Board Meetings	52503	42.64	Plastic Plates
11282	12/20/2017	York Risk Services Group, Inc.	Claims Refunds	51110	3,219.98	Refund NPWA-559043 Debbie Patterson
11301	1/8/2018	York Risk Services Group, Inc.	Claims Admin - Liabilit	51135	31,307.89	Dec 2017 Liab Service Fees
11300	1/8/2018	Chandler Asset Management, Inc.	Investment Income	44040	4,405.53	Dec-17
11299	1/8/2018	Alliant Insurance Services	Program Admin Fee	52401	25,292.08	Monthly Consulting Services

Company Name: NCCSIF
Report Name: Check Register
Created On: 3/12/2018

Check	Date	Vendor	Account Title	Acct	Amount	Memo
11298	1/8/2018	AGRIP	Associations Membership	52504	2,026.15	02/18-01/19 AGRIP Membership Renewal - CAJPA
11297	1/8/2018	James Marta and Company LLP	Accounting Services	52403	8,215.00	Monthly Accounting Services
11296	1/8/2018	Bickmore Risk Services Inc.	On Site	52204	14,726.67	Safety and Risk Control Services
			Safety Grant Funds	54200	19,226.67	Risk Management for City of Folsom
11295	1/8/2018	City of Jackson	Seminars and PARMA	52207	1,660.00	2017 CalPELRA - Kimball
11294	1/8/2018	Federal Eastern International, LLC	Safety Contingency	52209	3,970.32	122017 Placerville Safety Gear
11293	1/8/2018	Liz Ehrenstrom	Board Meetings	52503	64.20	12.14.17 LRP-BOD Meeting
11305	1/23/2018	City of Yuba City	Risk Mgmt Comm Services	52201	219.99	CPO Course
11304	1/23/2018	Elk Grove Police Department	Safety Contingency	52209	9,090.00	1.11.18 Body Cam
11303	1/23/2018	Gibbons and Conley	Legal Services	52103	861.00	December 2017 General Matters
11302	1/23/2018	York	Claims Admin - Monthly	52300	47,278.75	Monthly Claims Administration Fee
8866	1/25/2018	LA BOU	Risk Mgmt Comm Mta Exp	52202	324.36	2.1.18 La Bou Catering
11306	1/25/2018	York Risk Services Group, Inc.	Claims Admin - Liabilit	51135	34,352.81	Nov 2017 Liab Service Fees
11311	2/5/2018	Chandler Asset Management, Inc.	Investment Income	44040	4,393.85	Jan-18
11310	2/5/2018	James Marta and Company LLP	Accounting Services	52403	8,215.00	Monthly Accounting Services
11309	2/5/2018	Alliant Insurance Services	Program Admin Fee	52401	25,292.08	Monthly Consulting Services
11308	2/5/2018	York Risk Services Group, Inc.	Claims Refunds	51110	156.00	Refund NPWA-560684 Elias Monterroso
11307	2/5/2018	Kristina Miller	Board Meetings	52503	90.84	12.14.18 Miller LRP Meeting
11312	2/12/2018	CAJPA	JPA Accredittation	52106	5,850.00	18-19 CAJPA Accreditation Application
11316	2/20/2018	City of Yuba City	Risk Mgmt Comm Services	52201	219.99	CPO Course
11316		City of Yuba City	Seminars and PARMA	52207	3,292.45	CALPELRA Yuba City
11315	2/20/2018	City of Nevada City	Safety Contingency	52209	4,545.00	2017-18 Nevada City Reimbursement
11314	2/20/2018	York Risk Services Group, Inc.	Claims Admin - Liabilit	51135	45,423.12	Jan 2018 Liab Service Fees
11313	2/20/2018	Bickmore Risk Services Inc.	On Site	52204	14,726.67	Safety and Risk Control Services
11313		Bickmore Risk Services Inc.	Safety Grant Funds	54200	4,500.00	Risk Management for City of Folsom

Company Name: NCCSIF
Report Name: Check Register
Created On: 3/12/2018

Check	Date	Vendor	Account Title	Acct	Amount	Memo
11317	2/21/2018	Below 100	Police Risk Mgmt Comm S	52203	750.00	RMC Meeting Speaker 02.01.18

Monthly Account Statement

Northern CA Cities Self Ins. Fund Short Term

December 1, 2017 through December 31, 2017

Chandler Team

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Custodian

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PORTFOLIO CHARACTERISTICS

Average Duration	2.46
Average Coupon	1.66 %
Average Purchase YTM	1.70 %
Average Market YTM	2.06 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.67 yrs
Average Life	2.54 yrs

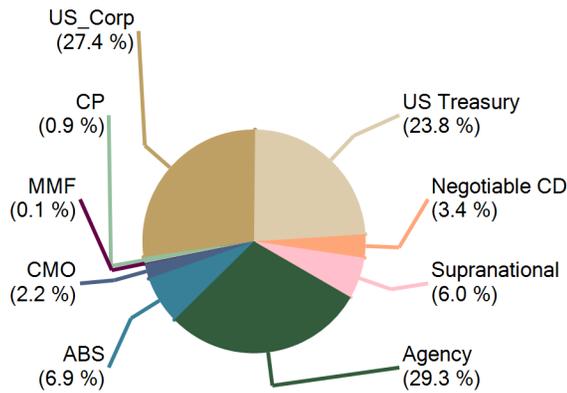
ACCOUNT SUMMARY

	Beg. Values as of 11/30/17	End Values as of 12/31/17
Market Value	25,473,711	25,462,597
Accrued Interest	92,445	110,839
Total Market Value	25,566,157	25,573,436
Income Earned	35,264	36,032
Cont/WD		0
Par	25,699,064	25,722,596
Book Value	25,682,980	25,700,605
Cost Value	25,656,852	25,675,286

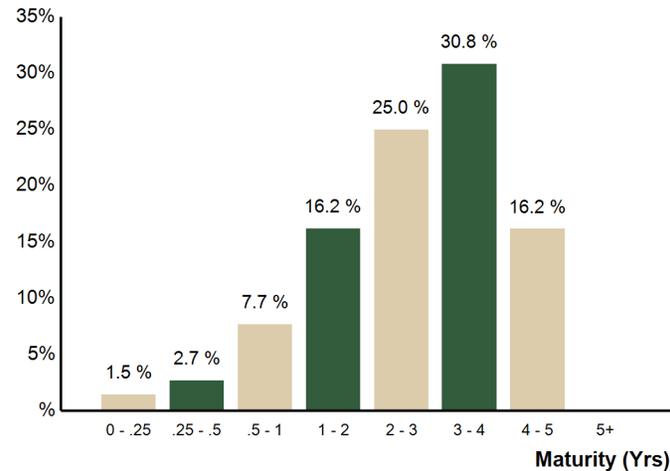
TOP ISSUERS

Issuer	% Portfolio
Government of United States	23.8 %
Federal National Mortgage Assoc	15.3 %
Federal Home Loan Mortgage Corp	11.0 %
Federal Home Loan Bank	5.2 %
Inter-American Dev Bank	3.8 %
Toyota ABS	2.1 %
Intl Bank Recon and Development	2.1 %
US Bancorp	2.0 %
	65.5 %

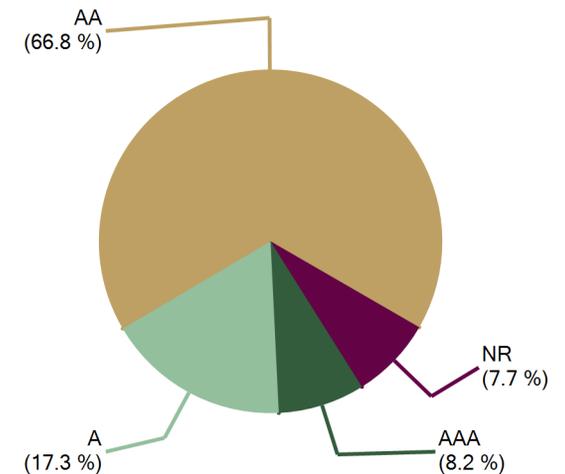
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 12/31/2017	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			Since 12/31/1997	Since 12/31/1997
					3 Yrs	5 Yrs	10 Yrs		
Northern CA Cities Self Ins. Fund Short Term	0.03 %	-0.29 %	1.08 %	1.08 %	1.18 %	1.02 %	2.42 %	3.91 %	115.43 %
BAML 1-5 Yr US Treasury/Agency Index	0.00 %	-0.38 %	0.66 %	0.66 %	0.91 %	0.76 %	2.05 %	3.58 %	102.10 %
BAML 1-5 Yr US Issuers Corp/Govt Rated AAA-A Index	0.01 %	-0.34 %	0.86 %	0.86 %	1.05 %	0.90 %	2.15 %	3.69 %	106.57 %



Northern California Cities Self-Insurance Fund - Short Term

December 31, 2017

COMPLIANCE WITH INVESTMENT POLICY

The portfolio complies with state law and with the Client's investment policy.

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



Reconciliation Summary

As of 12/31/2017

BOOK VALUE RECONCILIATION	
Beginning Book Value	\$25,682,979.65
Acquisition	
+ Security Purchases	\$1,028,451.39
+ Money Market Fund Purchases	\$709,113.51
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
Total Acquisitions	\$1,737,564.90
Dispositions	
- Security Sales	\$149,989.50
- Money Market Fund Sales	\$883,066.44
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$545,000.00
- Calls	\$0.00
- Principal Paydowns	\$142,514.30
Total Dispositions	\$1,720,570.24
Amortization/Accretion	
+/- Net Accretion	\$644.29
	\$644.29
Gain/Loss on Dispositions	
+/- Realized Gain/Loss	(\$13.94)
	(\$13.94)
Ending Book Value	\$25,700,604.66

CASH TRANSACTION SUMMARY	
BEGINNING BALANCE	\$190,788.90
Acquisition	
Contributions	\$0.00
Security Sale Proceeds	\$149,989.50
Accrued Interest Received	\$933.75
Interest Received	\$21,547.59
Dividend Received	\$51.62
Principal on Maturities	\$545,000.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$142,514.30
Total Acquisitions	\$860,036.76
Disposition	
Withdrawals	\$0.00
Security Purchase	\$1,028,451.39
Accrued Interest Paid	\$5,538.30
Total Dispositions	\$1,033,989.69
Ending Book Value	\$16,835.97

Monthly Account Statement

Northern Cal. Cities Self Ins. Fund Long Term

December 1, 2017 through December 31, 2017

Chandler Team

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Custodian

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PORTFOLIO CHARACTERISTICS

Average Duration	3.49
Average Coupon	2.00 %
Average Purchase YTM	2.00 %
Average Market YTM	2.20 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	3.83 yrs
Average Life	3.74 yrs

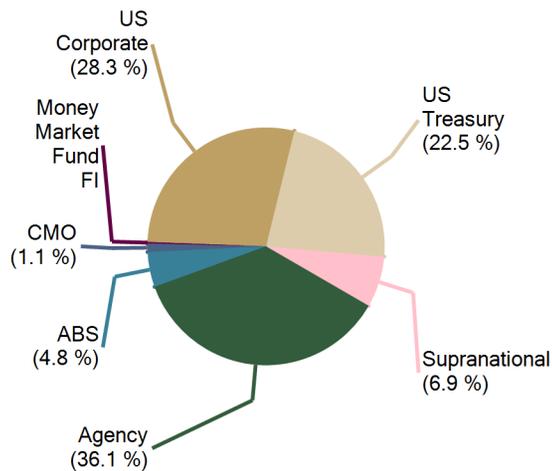
ACCOUNT SUMMARY

	Beg. Values as of 11/30/17	End Values as of 12/31/17
Market Value	26,386,713	26,370,126
Accrued Interest	112,303	138,642
Total Market Value	26,499,016	26,508,767
Income Earned	43,234	43,879
Cont/WD		0
Par	26,536,586	26,562,434
Book Value	26,507,238	26,524,623
Cost Value	26,528,102	26,546,570

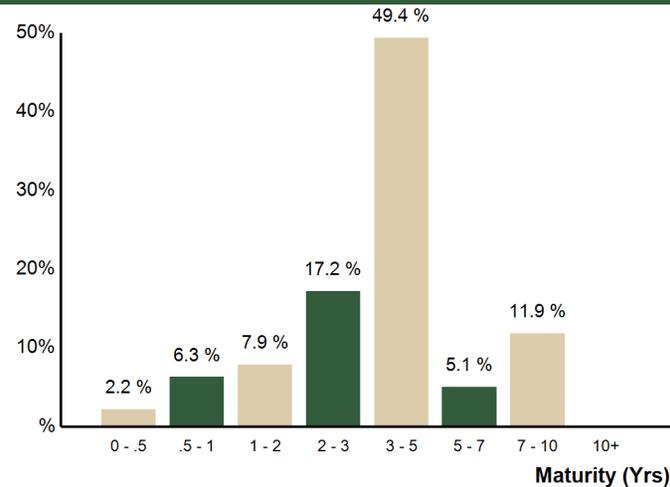
TOP ISSUERS

Issuer	% Portfolio
Government of United States	22.5 %
Federal National Mortgage Assoc	13.8 %
Federal Home Loan Bank	13.3 %
Federal Home Loan Mortgage Corp	6.7 %
Inter-American Dev Bank	4.8 %
Tennessee Valley Authority	3.5 %
Intl Bank Recon and Development	2.1 %
US Bancorp	1.8 %
Total	68.6 %

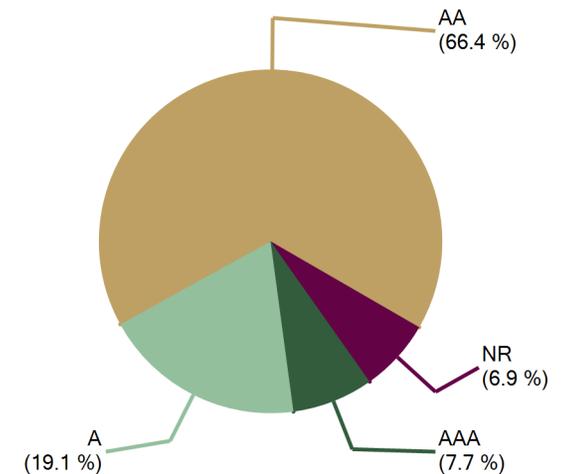
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 12/31/2017	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			5/31/2006	Since 5/31/2006
					3 Yrs	5 Yrs	10 Yrs		
Northern Cal. Cities Self Ins. Fund Long Term	0.04 %	-0.33 %	1.56 %	1.56 %	1.60 %	1.30 %	3.16 %	3.83 %	54.47 %
BAML 1-10 Yr US Treasury/Agency Index	0.03 %	-0.39 %	1.08 %	1.08 %	1.15 %	0.92 %	2.73 %	3.43 %	47.75 %
BAML 1-10 Yr US Corporate/Govt Rated AAA-A Index	0.07 %	-0.27 %	1.60 %	1.60 %	1.49 %	1.25 %	2.96 %	3.59 %	50.44 %



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

COMPLIANCE WITH INVESTMENT POLICY

The portfolio complies with state law and with the Client's investment policy.

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



Reconciliation Summary

As of 12/31/2017

BOOK VALUE RECONCILIATION	
Beginning Book Value	\$26,507,238.49
Acquisition	
+ Security Purchases	\$756,857.70
+ Money Market Fund Purchases	\$461,948.81
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
Total Acquisitions	\$1,218,806.51
Dispositions	
- Security Sales	\$334,882.75
- Money Market Fund Sales	\$449,495.58
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$345,000.00
- Calls	\$0.00
- Principal Paydowns	\$71,604.76
Total Dispositions	\$1,200,983.09
Amortization/Accretion	
+/- Net Accretion	(\$283.93)
	(\$283.93)
Gain/Loss on Dispositions	
+/- Realized Gain/Loss	(\$154.60)
	(\$154.60)
Ending Book Value	\$26,524,623.38

CASH TRANSACTION SUMMARY	
BEGINNING BALANCE	\$38,553.58
Acquisition	
Contributions	\$0.00
Security Sale Proceeds	\$334,882.75
Accrued Interest Received	\$1,106.43
Interest Received	\$20,524.26
Dividend Received	\$98.56
Principal on Maturities	\$345,000.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$71,604.76
Total Acquisitions	\$773,216.76
Disposition	
Withdrawals	\$0.00
Security Purchase	\$756,857.70
Accrued Interest Paid	\$3,905.83
Total Dispositions	\$760,763.53
Ending Book Value	\$51,006.81

Monthly Account Statement

Northern CA Cities Self Ins. Fund Short Term

January 1, 2018 through January 31, 2018

Chandler Team

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PORTFOLIO CHARACTERISTICS

Average Duration	2.46
Average Coupon	1.69 %
Average Purchase YTM	1.73 %
Average Market YTM	2.31 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.69 yrs
Average Life	2.54 yrs

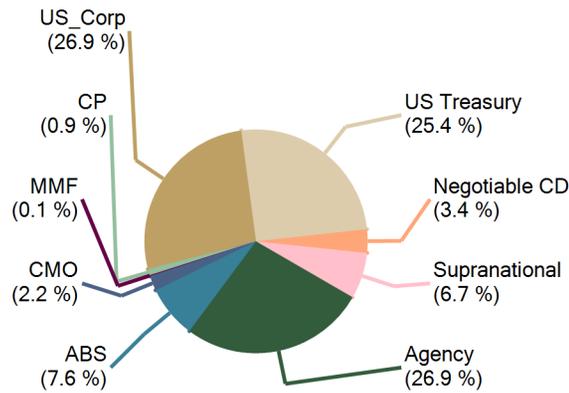
ACCOUNT SUMMARY

	Beg. Values as of 12/31/17	End Values as of 1/31/18
Market Value	25,462,597	25,352,979
Accrued Interest	110,839	98,302
Total Market Value	25,573,436	25,451,281
Income Earned	36,032	36,720
Cont/WD		-763
Par	25,722,596	25,773,821
Book Value	25,700,605	25,745,136
Cost Value	25,675,286	25,721,458

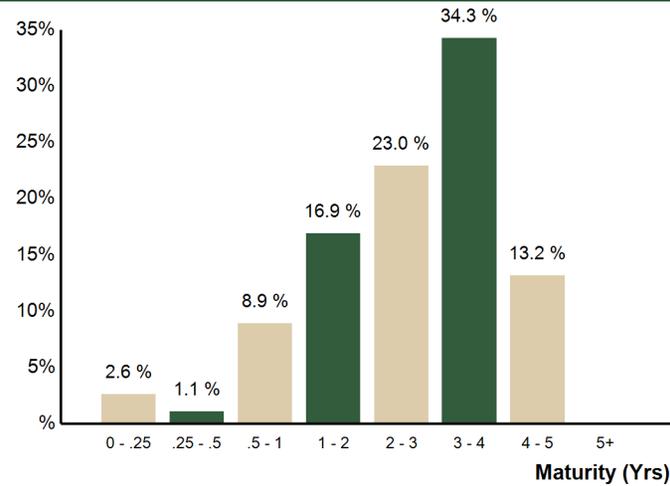
TOP ISSUERS

Issuer	% Portfolio
Government of United States	25.4 %
Federal National Mortgage Assoc	15.3 %
Federal Home Loan Mortgage Corp	8.6 %
Federal Home Loan Bank	5.2 %
Inter-American Dev Bank	3.8 %
Toyota ABS	3.3 %
Intl Bank Recon and Development	2.1 %
US Bancorp	2.0 %
Total	65.6 %

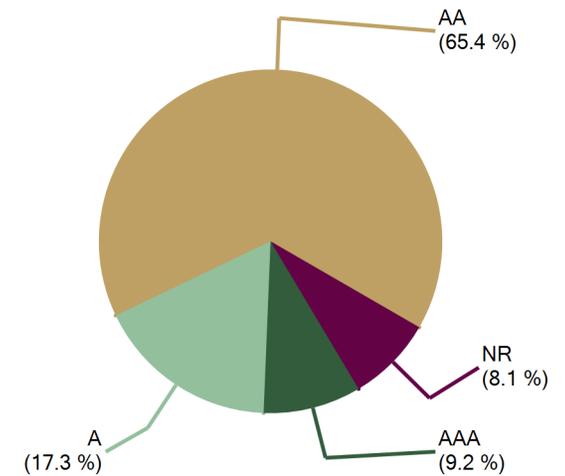
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 1/31/2018	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			12/31/1997	Since 12/31/1997
					3 Yrs	5 Yrs	10 Yrs		
Northern CA Cities Self Ins. Fund Short Term	-0.47 %	-0.73 %	-0.47 %	0.42 %	0.70 %	0.94 %	2.16 %	3.87 %	114.40 %
ICE BAML 1-5 Yr US Treasury/Agency Index	-0.56 %	-0.84 %	-0.56 %	-0.07 %	0.39 %	0.67 %	1.78 %	3.54 %	100.96 %
ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx	-0.55 %	-0.82 %	-0.55 %	0.12 %	0.53 %	0.81 %	1.90 %	3.65 %	105.44 %



Northern California Cities Self-Insurance Fund - Short Term
January 31, 2018

COMPLIANCE WITH INVESTMENT POLICY

The portfolio complies with state law and with the Client's investment policy.

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



Reconciliation Summary

As of 1/31/2018

BOOK VALUE RECONCILIATION	
Beginning Book Value	\$25,700,604.66
Acquisition	
+ Security Purchases	\$1,021,261.29
+ Money Market Fund Purchases	\$537,426.08
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
Total Acquisitions	\$1,558,687.37
Dispositions	
- Security Sales	\$704,717.56
- Money Market Fund Sales	\$523,977.21
- MMF Withdrawals	\$762.50
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$125,000.00
- Calls	\$0.00
- Principal Paydowns	\$156,461.54
Total Dispositions	\$1,510,918.81
Amortization/Accretion	
+/- Net Accretion	\$725.08
	\$725.08
Gain/Loss on Dispositions	
+/- Realized Gain/Loss	(\$3,962.70)
	(\$3,962.70)
Ending Book Value	\$25,745,135.60

CASH TRANSACTION SUMMARY	
BEGINNING BALANCE	\$16,835.97
Acquisition	
Contributions	\$0.00
Security Sale Proceeds	\$704,717.56
Accrued Interest Received	\$3,266.08
Interest Received	\$45,903.46
Dividend Received	\$162.80
Principal on Maturities	\$125,000.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$156,461.54
Total Acquisitions	\$1,035,511.44
Disposition	
Withdrawals	\$762.50
Security Purchase	\$1,021,261.29
Accrued Interest Paid	\$801.28
Total Dispositions	\$1,022,825.07
Ending Book Value	\$29,522.34

Monthly Account Statement

Northern Cal. Cities Self Ins. Fund Long Term

January 1, 2018 through January 31, 2018

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PORTFOLIO CHARACTERISTICS

Average Duration	3.42
Average Coupon	2.01 %
Average Purchase YTM	2.00 %
Average Market YTM	2.49 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	3.77 yrs
Average Life	3.67 yrs

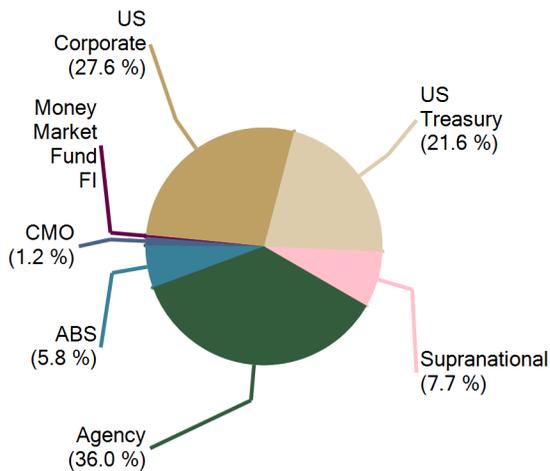
ACCOUNT SUMMARY

	Beg. Values as of 12/31/17	End Values as of 1/31/18
Market Value	26,370,126	26,155,452
Accrued Interest	138,642	147,098
Total Market Value	26,508,767	26,302,550
Income Earned	43,879	44,425
Cont/WD		0
Par	26,562,434	26,597,657
Book Value	26,524,623	26,560,444
Cost Value	26,546,570	26,583,170

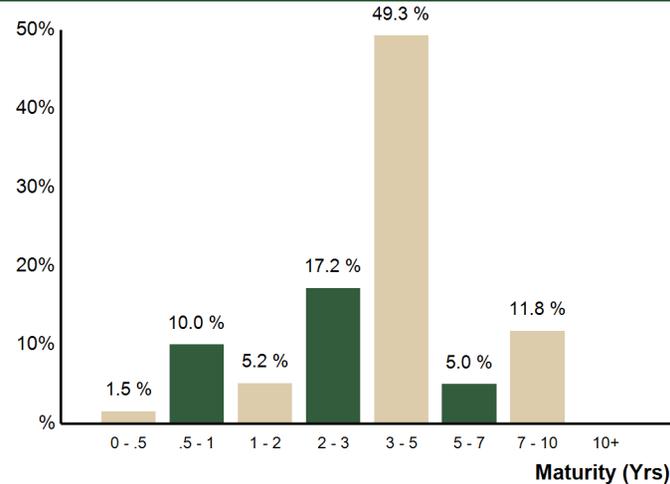
TOP ISSUERS

Issuer	% Portfolio
Government of United States	21.6 %
Federal National Mortgage Assoc	13.7 %
Federal Home Loan Bank	13.3 %
Federal Home Loan Mortgage Corp	6.7 %
Inter-American Dev Bank	4.8 %
Tennessee Valley Authority	3.5 %
Intl Bank Recon and Development	2.1 %
Toyota ABS	2.1 %
Total	67.8 %

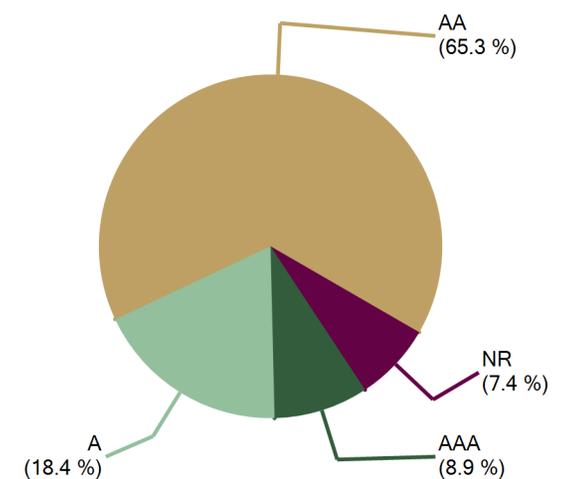
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 1/31/2018	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			5/31/2006	Since 5/31/2006
					3 Yrs	5 Yrs	10 Yrs		
Northern Cal. Cities Self Ins. Fund Long Term	-0.78 %	-1.05 %	-0.78 %	0.54 %	0.79 %	1.22 %	2.84 %	3.73 %	53.26 %
ICE BAML 1-10 Yr US Treasury/Agency Index	-0.91 %	-1.18 %	-0.91 %	-0.03 %	0.29 %	0.83 %	2.40 %	3.32 %	46.40 %
ICE BAML 1-10 Yr US Corporate/Govt Rated AAA-A Idx	-0.88 %	-1.10 %	-0.88 %	0.50 %	0.63 %	1.16 %	2.65 %	3.48 %	49.12 %



Northern California Cities Self-Insurance Fund - Long Term
January 31, 2018

COMPLIANCE WITH INVESTMENT POLICY

The portfolio complies with state law and with the Client's investment policy.

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



Reconciliation Summary

As of 1/31/2018

BOOK VALUE RECONCILIATION	
Beginning Book Value	\$26,524,623.38
Acquisition	
+ Security Purchases	\$519,407.67
+ Money Market Fund Purchases	\$533,593.27
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
Total Acquisitions	\$1,053,000.94
Dispositions	
- Security Sales	\$223,541.02
- Money Market Fund Sales	\$519,407.67
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$195,000.00
- Calls	\$0.00
- Principal Paydowns	\$78,962.87
Total Dispositions	\$1,016,911.56
Amortization/Accretion	
+/- Net Accretion	(\$120.35)
	(\$120.35)
Gain/Loss on Dispositions	
+/- Realized Gain/Loss	(\$148.13)
	(\$148.13)
Ending Book Value	\$26,560,444.28

CASH TRANSACTION SUMMARY	
BEGINNING BALANCE	\$51,006.81
Acquisition	
Contributions	\$0.00
Security Sale Proceeds	\$223,541.02
Accrued Interest Received	\$1,360.39
Interest Received	\$34,457.95
Dividend Received	\$271.04
Principal on Maturities	\$195,000.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$78,962.87
Total Acquisitions	\$533,593.27
Disposition	
Withdrawals	\$0.00
Security Purchase	\$519,407.67
Accrued Interest Paid	\$0.00
Total Dispositions	\$519,407.67
Ending Book Value	\$65,192.41

Monthly Account Statement

Northern CA Cities Self Ins. Fund Short Term

February 1, 2018 through February 28, 2018

Chandler Team

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

Custodian

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

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.



PORTFOLIO CHARACTERISTICS

Average Duration	2.42
Average Coupon	1.71 %
Average Purchase YTM	1.75 %
Average Market YTM	2.48 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.65 yrs
Average Life	2.50 yrs

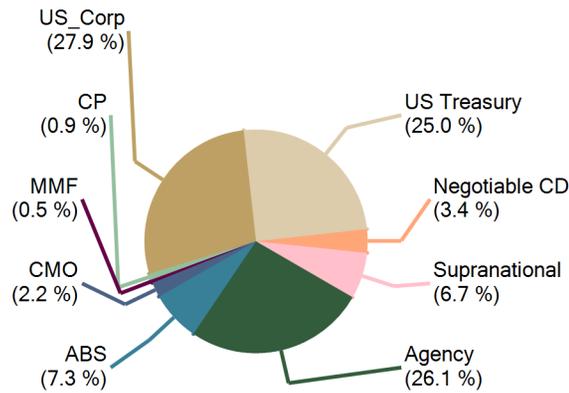
ACCOUNT SUMMARY

	Beg. Values as of 1/31/18	End Values as of 2/28/18
Market Value	25,352,979	25,308,193
Accrued Interest	98,302	98,119
Total Market Value	25,451,281	25,406,312
Income Earned	36,720	36,539
Cont/WD		0
Par	25,773,821	25,809,293
Book Value	25,745,136	25,780,030
Cost Value	25,721,458	25,758,802

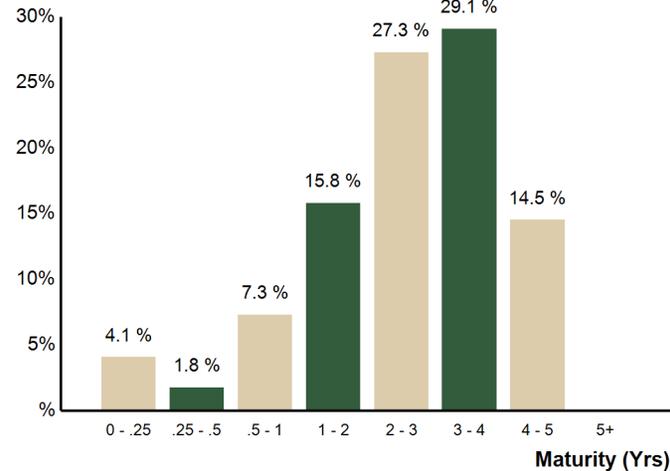
TOP ISSUERS

Issuer	% Portfolio
Government of United States	25.0 %
Federal National Mortgage Assoc	15.3 %
Federal Home Loan Mortgage Corp	7.9 %
Federal Home Loan Bank	5.2 %
Inter-American Dev Bank	3.8 %
Toyota ABS	3.1 %
Intl Bank Recon and Development	2.1 %
US Bancorp	2.0 %
Total	64.4 %

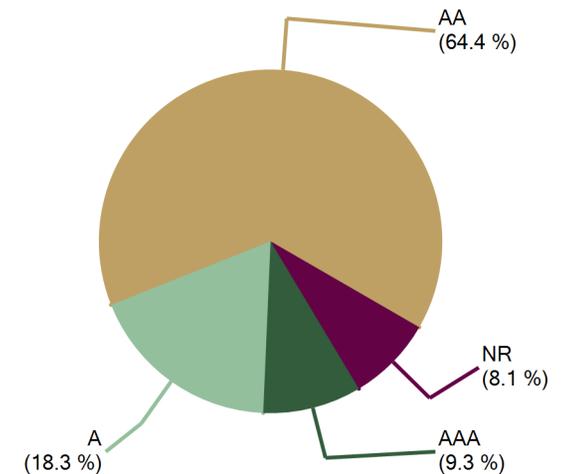
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 2/28/2018	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			12/31/1997	Since 12/31/1997
					3 Yrs	5 Yrs	10 Yrs		
Northern CA Cities Self Ins. Fund Short Term	-0.18 %	-0.62 %	-0.65 %	0.04 %	0.77 %	0.86 %	2.05 %	3.85 %	114.03 %
ICE BAML 1-5 Yr US Treasury/Agency Index	-0.12 %	-0.69 %	-0.68 %	-0.34 %	0.51 %	0.60 %	1.66 %	3.52 %	100.72 %
ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx	-0.16 %	-0.69 %	-0.70 %	-0.23 %	0.63 %	0.73 %	1.78 %	3.63 %	105.11 %



Northern California Cities Self-Insurance Fund - Short Term

February 28, 2018

COMPLIANCE WITH INVESTMENT POLICY

The portfolio complies with state law and with the Client's investment policy.

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



Reconciliation Summary

As of 2/28/2018

BOOK VALUE RECONCILIATION		
Beginning Book Value		\$25,745,135.60
Acquisition		
+ Security Purchases	\$357,340.14	
+ Money Market Fund Purchases	\$448,920.33	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$806,260.47
Dispositions		
- Security Sales	\$246,781.25	
- Money Market Fund Sales	\$357,975.82	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$165,472.85	
Total Dispositions		\$770,229.92
Amortization/Accretion		
+/- Net Accretion	\$692.05	
		\$692.05
Gain/Loss on Dispositions		
+/- Realized Gain/Loss	(\$1,828.02)	
		(\$1,828.02)
Ending Book Value		\$25,780,030.18

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$29,522.34
Acquisition		
Contributions	\$0.00	
Security Sale Proceeds	\$246,781.25	
Accrued Interest Received	\$98.08	
Interest Received	\$36,475.64	
Dividend Received	\$92.51	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$165,472.85	
Total Acquisitions	\$448,920.33	
Disposition		
Withdrawals	\$0.00	
Security Purchase	\$357,340.14	
Accrued Interest Paid	\$635.68	
Total Dispositions	\$357,975.82	
Ending Book Value		\$120,466.85

Monthly Account Statement

Northern Cal. Cities Self Ins. Fund Long Term

February 1, 2018 through February 28, 2018

Chandler Team

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

Custodian

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

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PORTFOLIO CHARACTERISTICS

Average Duration	3.34
Average Coupon	2.01 %
Average Purchase YTM	2.00 %
Average Market YTM	2.60 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	3.68 yrs
Average Life	3.57 yrs

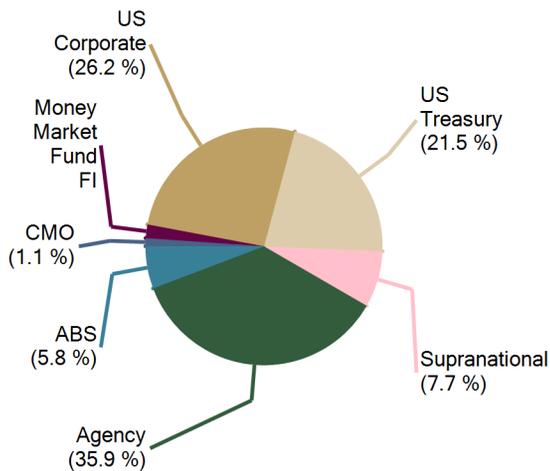
ACCOUNT SUMMARY

	Beg. Values as of 1/31/18	End Values as of 2/28/18
Market Value	26,155,452	26,089,430
Accrued Interest	147,098	127,952
Total Market Value	26,302,550	26,217,382
Income Earned	44,425	43,393
Cont/WD		0
Par	26,597,657	26,660,451
Book Value	26,560,444	26,622,983
Cost Value	26,583,170	26,644,924

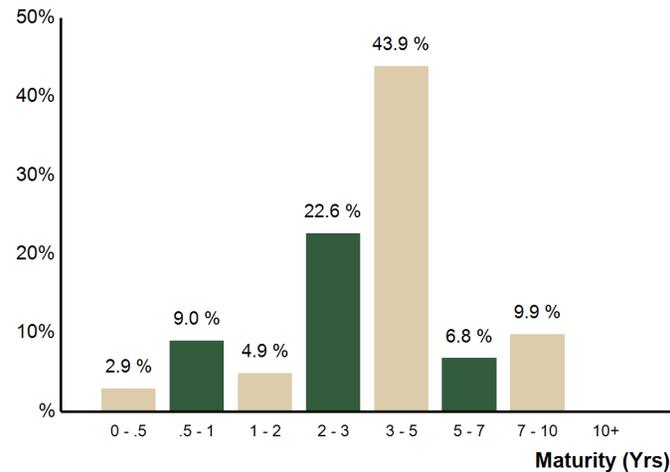
TOP ISSUERS

Issuer	% Portfolio
Government of United States	21.5 %
Federal National Mortgage Assoc	13.7 %
Federal Home Loan Bank	13.3 %
Federal Home Loan Mortgage Corp	6.6 %
Inter-American Dev Bank	4.8 %
Tennessee Valley Authority	3.4 %
Intl Bank Recon and Development	2.2 %
Toyota ABS	2.0 %
Total	67.5 %

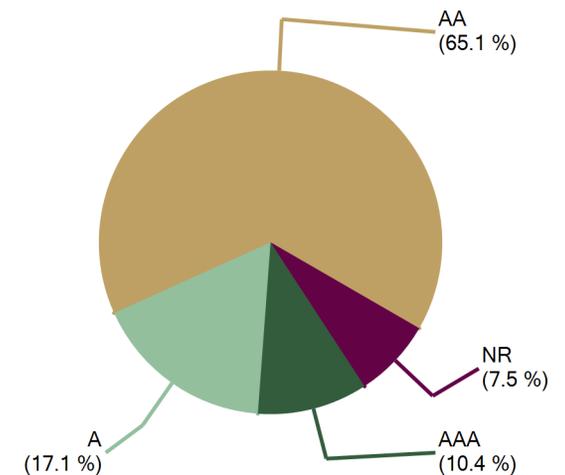
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 2/28/2018	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			5/31/2006	Since 5/31/2006
					3 Yrs	5 Yrs	10 Yrs		
Northern Cal. Cities Self Ins. Fund Long Term	-0.32 %	-1.06 %	-1.10 %	-0.11 %	0.94 %	1.07 %	2.72 %	3.67 %	52.77 %
ICE BAML 1-10 Yr US Treasury/Agency Index	-0.28 %	-1.16 %	-1.19 %	-0.59 %	0.50 %	0.68 %	2.26 %	3.27 %	45.99 %
ICE BAML 1-10 Yr US Corporate/Govt Rated AAA-A Idx	-0.37 %	-1.18 %	-1.24 %	-0.24 %	0.77 %	0.98 %	2.51 %	3.43 %	48.57 %



Northern California Cities Self-Insurance Fund - Long Term
February 28, 2018

COMPLIANCE WITH INVESTMENT POLICY

The portfolio complies with state law and with the Client's investment policy.

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



Reconciliation Summary

As of 2/28/2018

BOOK VALUE RECONCILIATION	
Beginning Book Value	\$26,560,444.28
Acquisition	
+ Security Purchases	\$84,993.89
+ Money Market Fund Purchases	\$504,510.66
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
Total Acquisitions	\$589,504.55
Dispositions	
- Security Sales	\$0.00
- Money Market Fund Sales	\$84,993.89
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$0.00
- Calls	\$340,000.00
- Principal Paydowns	\$101,723.06
Total Dispositions	\$526,716.95
Amortization/Accretion	
+/- Net Accretion	(\$248.80)
	(\$248.80)
Gain/Loss on Dispositions	
+/- Realized Gain/Loss	\$0.00
	\$0.00
Ending Book Value	\$26,622,983.08

CASH TRANSACTION SUMMARY	
BEGINNING BALANCE	\$65,192.41
Acquisition	
Contributions	\$0.00
Security Sale Proceeds	\$0.00
Accrued Interest Received	\$0.00
Interest Received	\$60,493.74
Dividend Received	\$197.19
Principal on Maturities	\$0.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$340,000.00
Interest from Calls/Redemption	\$2,096.67
Principal Paydown	\$101,723.06
Total Acquisitions	\$504,510.66
Disposition	
Withdrawals	\$0.00
Security Purchase	\$84,993.89
Accrued Interest Paid	\$0.00
Total Dispositions	\$84,993.89
Ending Book Value	\$484,709.18



BETTY T. YEE

California State Controller

LOCAL AGENCY INVESTMENT FUND
REMITTANCE ADVICE

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

As of 01/12/2018, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 12/31/2017.

Earnings Ratio		.00003301121703481
Interest Rate		1.20%
Dollar Day Total	\$	556,306,117.52
Quarter End Principal Balance	\$	5,553,474.68
Quarterly Interest Earned	\$	18,364.34

NCCSIF

Northern California Cities Self Insurance Fund
c/o Alliant Insurance Services, Inc.
Corporate Insurance License No. 0C36861

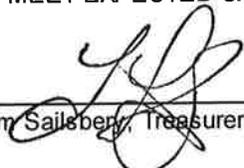
Main Location: 2180 Harvard Street, Suite 460, Sacramento, CA 95815 * (916) 643-2700 * Facsimile: (916) 643-2750
Accounting Location: Mr. James Marta, James Marta & Company, 701 Howe Avenue, Suite E3, Sacramento, CA 95825 * (916) 993-9494

NCCSIF INVESTMENT REPORT FOR THE QUARTER ENDING DECEMBER 31, 2017

	<u>MARKET VALUE</u>
CASH:	
(1) Tri Counties Checking	\$ 272,491.76
(2) Local Agency Inv Fund (LAIF)	<u>5,553,474.68</u>
Total Cash	<u>5,825,966.44</u>
INVESTMENTS (Unrestricted):	
(3) Chandler Investments	
Account no. 170	25,462,597.00
Account no. 171	<u>26,370,126.00</u>
Total Unrestricted Investments	<u>51,832,723.00</u>
TOTAL CASH AND INVESTMENTS	<u><u>\$ 57,658,689.44</u></u>

- (1) This consists of one checking account and two pass-thru accounts (liability and workers comp claims).
- (2) The LAIF rate of return as of quarter ended December 31, 2017. 1.20%
- (3) See attached Investment Activity Reports.

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



Tim Sallsbery, Treasurer

2/1/18

Date

A Joint Powers Authority

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

Northern CA Cities Self Insurance Fund (NCCCSIF)

2017/18
ANNUAL REPORT



Greetings,

This year marks the EIA's 38th year of providing exceptional risk coverage programs and risk management services to California's public agencies. This report quantifies the value of participation and highlights the benefits realized as a direct result of your membership in the EIA.

Benefits of Membership

- Flexible & Responsive to Your Needs
- Shield You from Insurance Market Swings
- Minimize Risk & Uncertainty
- Legislative Advocacy

Savings

- We're proud of the \$468 million saved by our membership in the last 5 years!
- Monies Saved Through Volume Discounts and Pre-negotiated Service Partner Contracts
- Savings from Claims, Loss Prevention, and Risk Management Services

Success Attributable to Stability & Longevity

- 80% of county members have been participants for more than 30 years
- Additional membership volume has reduced costs and increased stability for all
- Economies of scale enabled successful implementation of the Excess Insurance Organization, an EIA owned pure captive insurance company

Organization Strength

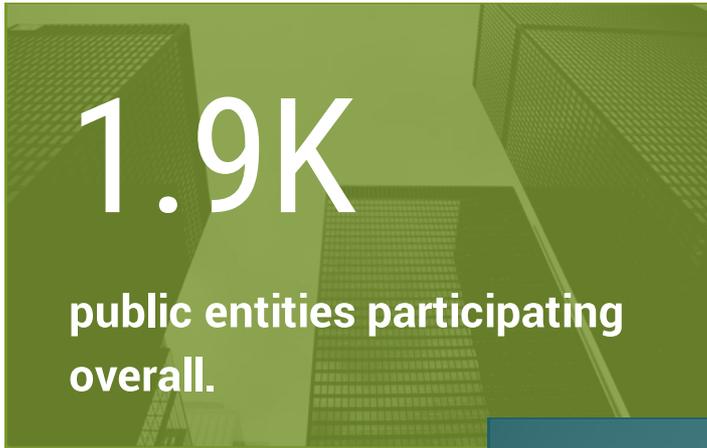
- The EIA is truly member driven
- Stability is achieved through long-term member involvement
- Over 1,900 public entities are covered members
- One of the largest insurance pools in the U.S.

We encourage you to share this information with your governing bodies or others interested in your participation in the EIA.

Regards,
EIA



You're partnered with the leader in member-directed risk management.



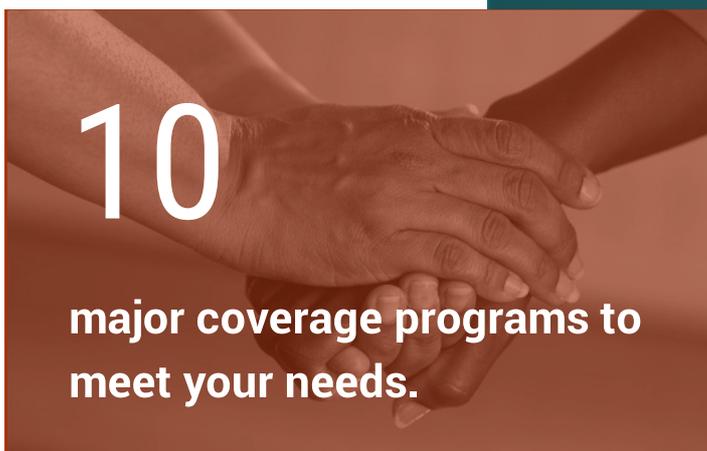
1.9K
public entities participating overall.



55
of California's counties enjoy EIA membership.



38
years of working with you and other organizations.



10
major coverage programs to meet your needs.



21
miscellaneous / ancillary group-purchase options.



We are one of the largest pools in the nation. Our major programs represent:

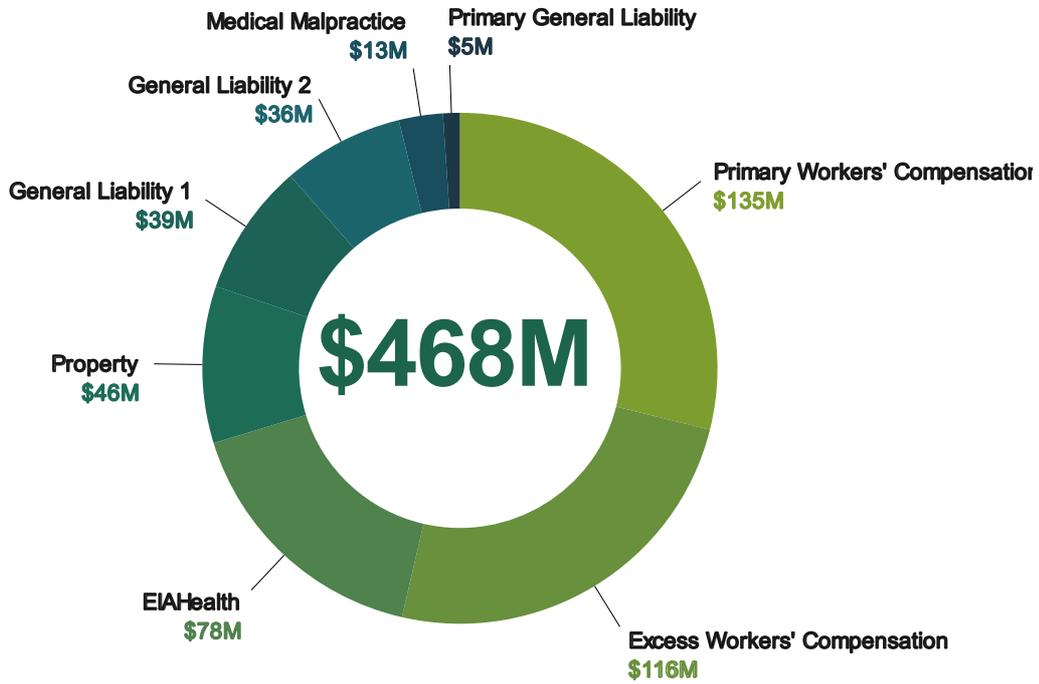


Our innovative and successful approach has been noticed across the state.

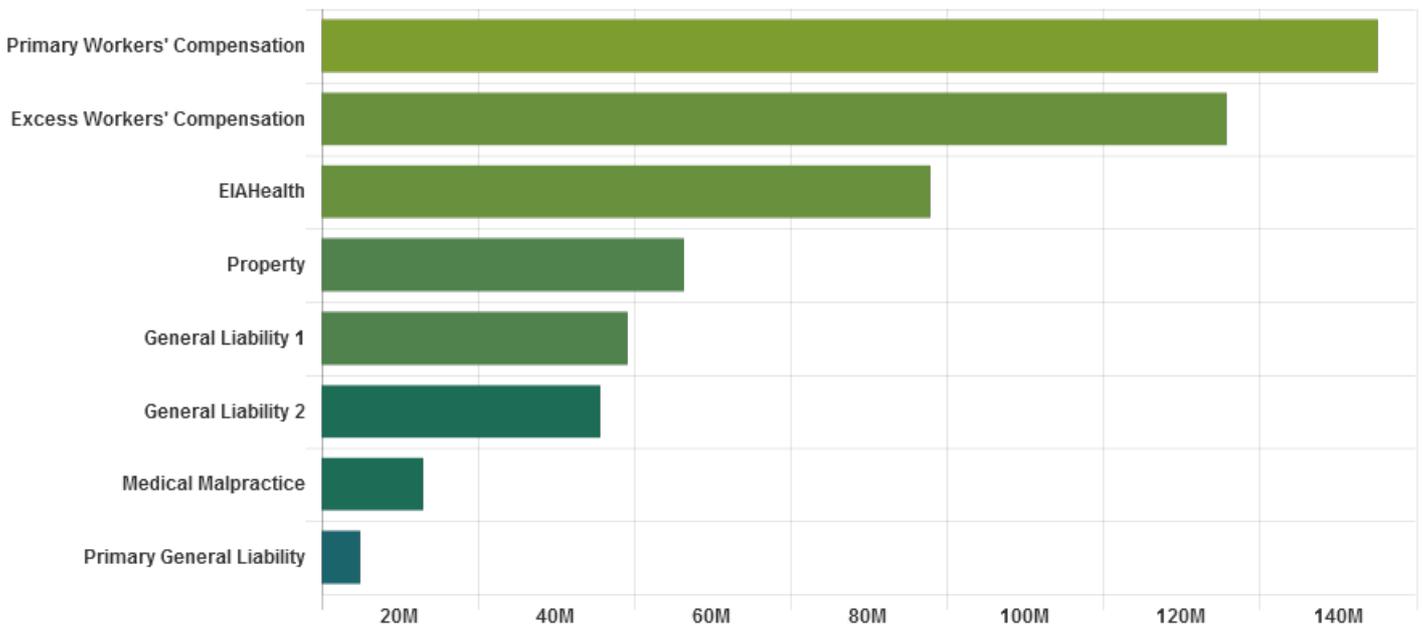
<p>Financial Reporting & Budgeting Awards; CAFR 2004-2016, PAFR 1994-2016, Budget 2011-2017</p>	<p>Compliance with AGRIP Advisory Standards 2013-2019</p>	<p>Accredited with Excellence 1989-2019</p>
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Over the past five years, members have saved



Let's break that down by coverage



How are the premium comparisons computed?

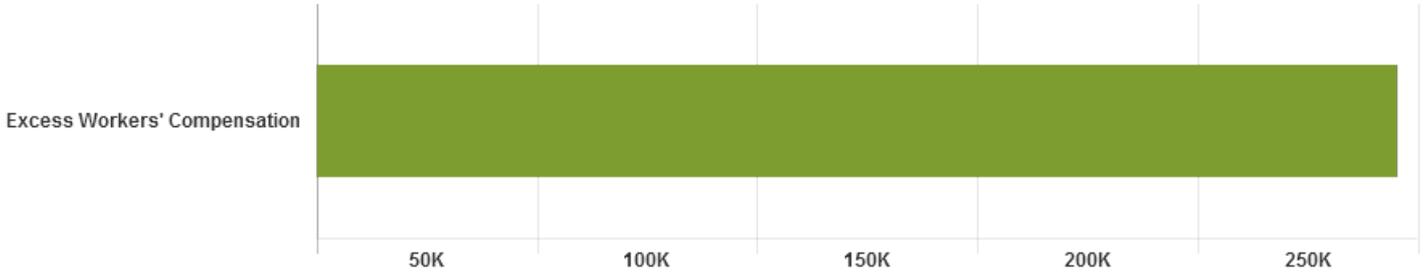
In the report, we compare the premiums your agency paid to the EIA to what it would likely cost to purchase similar coverage and services on your own, or what is referred to as the "stand-alone" premium. Except for the Primary Workers' Compensation and Primary General Liability Programs, the stand alone premium estimates are market based projections. Factors such as the entity's size, retention, type of exposures, location, and/or the coverage being purchased has an impact on the estimated stand-alone projection. Below is a summary of the analysis that was done to derive the stand alone projections as well as the various factors that influence the estimated projections.

PWC	Actuarial projection to fund a self-insured layer at the 90% confidence level.
EWC	Insurance market projection based on actual quotes received by Alliant for similar public entity risks, ranging from 10 - 30% below market pricing depending on the type of exposure (county, city, school or other) and SIR levels.
PGL	Actuarial projection to fund a self-insured layer at the 80% confidence level, discounted at 1%.
GL1	Insurance market projection based on actual quotes received by Alliant for similar public entity risks, ranging from 10 - 15% below market pricing depending on the type of exposure (county, school or other).
GL2	Insurance market projection based on actual quotes received by Alliant for similar public entity risks, at approximately 15% below market pricing depending on the entity's size and type of exposure (county or city).
Medical Malpractice	Insurance market projection based on actual quotes received by Alliant for similar public entity risks, ranging from 15 - 25% below market pricing depending on the size of the county and whether the member has a low deductible or higher SIR.
Property	Insurance market projection based on actual All Risk and Earthquake quotes received by Alliant for similar public entity risks, ranging from 2 - 25% on an individual member basis below market pricing depending on size of the entity. Size of the entity is measured by total insured values, type of exposure (county, city, school or other), and if earthquake coverage is purchased, and the earthquake zone of the covered location.
EIAHealth	Insurance market projection based on actual member experience including insurance company margins for contingencies and profit.



Your savings with EIA in 2017/18

\$245,274

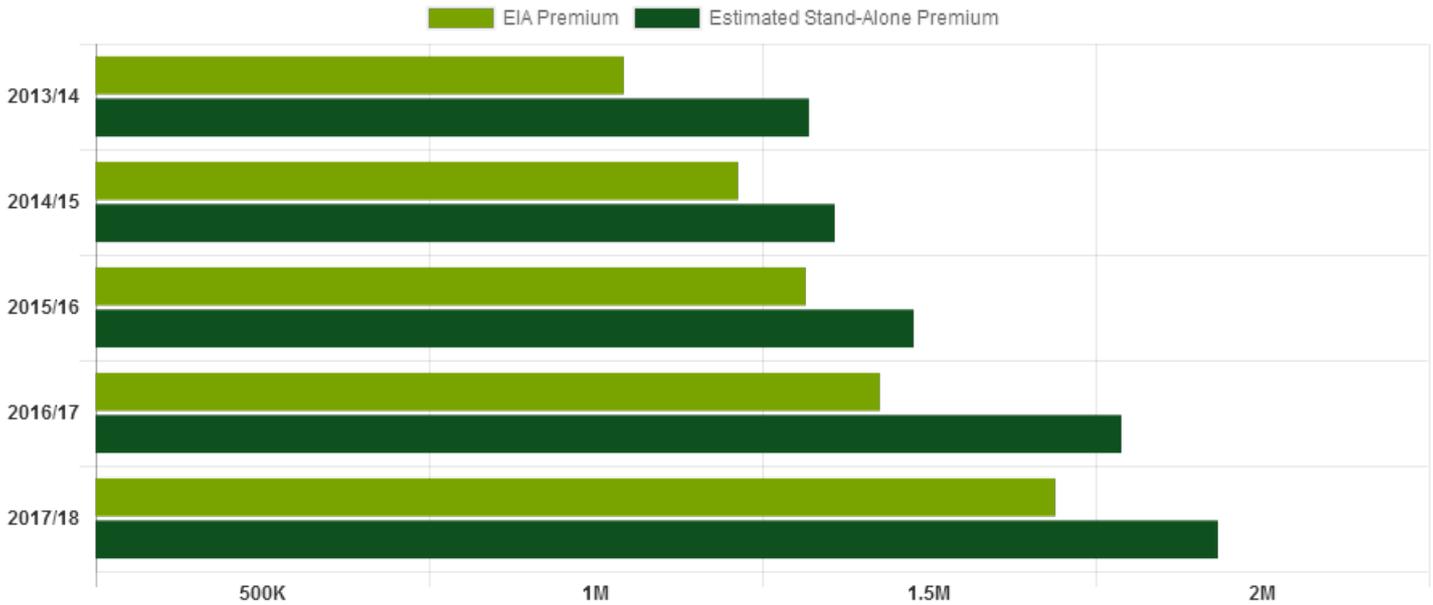


COVERAGE	EIA PREMIUM	EST. STAND-ALONE PREMIUM	SAVINGS
Excess Workers' Compensation	\$1,440,433	\$1,685,707	\$245,274
Total Savings	\$1,440,433	\$1,685,707	\$245,274



5 Year Savings Breakdown 2013/14 - 2017/18

Excess Workers' Compensation



YEAR	EIA PREMIUM	EST. STAND-ALONE PREMIUM	SAVINGS
2013/14	\$792,213	\$1,069,488	\$277,275
2014/15	\$964,512	\$1,109,189	\$144,677
2015/16	\$1,066,955	\$1,226,998	\$160,043
2016/17	\$1,177,155	\$1,540,052	\$362,897
2017/18	\$1,440,433	\$1,685,707	\$245,274
Total Savings	\$5,441,268	\$6,631,434	\$1,190,166



Want to save more? We can help with that

You could benefit from these additional coverages.

EIAHealth

Consistently outperforms the marketplace, with lower average annual rate increases than standalone plans and CalPERS since 2003. Largest PPO Networks in CA, Anthem, Blue Shield and now Kaiser Permanents are available.

General Liability 1

Our General Liability 1 Program provides excess insurance with low net cost and a broad manuscript form, and is tailored to meet your own self-insured retention, which you can set from \$100k to \$1M. Members also benefit from a host of loss prevention, claims and risk management services.

Property

Benefit from the economies of scale with one of the largest group purchased property placements in the world, the EIA Property Program provides the protection you need from physical damage to property. The coverages range from "All Risk" perils to Boiler & Machinery, and from Flood (included automatically) to Earthquake and Auto Physical Damage for vehicles (which are both optional).



We also offer additional services for members

Our Member Services are constantly evolving to respond to and meet your needs. Don't see what you need? Give us a call and we'll see what we can do. We're here to find solutions!

Risk Management

- ▲ Actuarial Analysis
- ▲ Subsidies for Loss Prevention & Risk Management needs
- ▲ Real & Personal Property Appraisals
- ▲ Certificate of Insurance Management
- ▲ Pre-Employment Background Checks
- ▲ Legal Advice
- ▲ Crisis Incident Management
- ▲ Risk Management 101 Courses
- ▲ Crisis Incident Counseling
- ▲ Body-Worn Camera
- ▲ Enterprise Risk Consultants

Loss Prevention

- ▲ Cyber Security
- ▲ Safety Data Sheet Management
- ▲ Risk Assessment Tool
- ▲ Employer Pull Notice Program
- ▲ Drug & Alcohol Monitoring Consortium
- ▲ Safety Toolbox
- ▲ EIA TV
- ▲ Soft Tissue Injury Prevention
- ▲ Timekeeping Checkpoint System
- ▲ Protective Footwear

Claims

- ▲ 24/7 Nurse Triage Services
- ▲ Return to Work Program
- ▲ Claim Audits
- ▲ Claim System Utilization
- ▲ ISO Claims Search
- ▲ Medicare Reporting Services
- ▲ Medical Provider Network
- ▲ Express Scripts Pharmacy Benefits Management



Have your voice heard. Your participation is key.

Member involvement is critical to the EIA's success. Be a part of the decision-making process and have your voice heard.

Getting Started

Committees go through an election process once a year in the fall to nominate potential candidates. Appointments are then made by the Executive Committee in January. If you're interested in becoming a committee member, look for and submit the nomination form this fall. Contact a staff member to learn more about joining a committee.

Member Counties & Public Entities



The organizational chart depicts the governance structure of the EIA and the relationship between the members, the Board of Directors and the committees.





Agenda Item G.1.a.

ACTUARIAL STUDIES - FY 18/19 WORKERS' COMPENSATION PROGRAM

ACTION ITEM

ISSUE: NCCSIF's actuary annually provides a report to assist in making funding, dividend and assessment decisions. Below is a summary of this year's report that will be discussed in greater detail at the meeting.

FY 18/19 Funding

Total recommended funding for the banking and shared risk layers is \$9,440,000 at the current 75% Confidence Level (CL). *Overall the rates have decreased 3.1%, from \$4.434 to \$4.295, with a 2.3% decrease in the Banking Layer and a 4.7% decrease for the Shared Layer.*

Outstanding Liabilities at June 30th

The actuary estimates that NCCSIF will have total assets of approximately \$44,489,000 on June 30, 2018, compared to \$42,896,000 last year. The estimated total Outstanding Liability at June 30 is \$38,057,000 at the 90% Confidence Level (CL), compared to \$36,711,000 last year. *This results in an estimated \$6,432,000 in net position above the 90% CL, compared to \$6,185,000 last year.*

Assets for the Banking Layer are estimated at \$22,258,000 as of June 30, 2018, slightly above the estimate of \$22,081,000 in 2017. Banking Layer liabilities are \$17,388,000 at the 90% CL, compared to \$16,892,000 last year. *This means the Banking Layer net position above the 90% CL is estimated at \$4,870,000 compared to \$5,189,000 last year.*

Assets for the Shared Risk Layer are estimated to be \$22,231,000 at June 30, 2018, compared to \$20,815,000 in 2017. Liabilities are estimated at \$20,669,000 at the 90% CL, compared to \$19,819,000 last year. *The net position in excess of the 90% CL is estimated to be \$1,562,000, compared to \$996,000 last year.*

RECOMMENDATION: Request the actuary to finalize the report for presentation to the full Board at the April, 26, 2018, Board of Directors meeting.

FISCAL IMPACT: T.B.D.; while rates are decreasing the overall funding is increasing due to an increase in payroll of 4.3%, from \$211 to \$220 million. *Note the FY 18/19 rate at the 80% CL, \$4.475, is just \$0.041, or 0.9%, above the current 75% CL rate, so this represents a good opportunity to increase the CL.*

BACKGROUND: NCCSIF annually receives an actuary report to determine the estimated Outstanding Liabilities (OL) for the Workers' Compensation program as of June 30 and to estimate the amount of funding required for the upcoming fiscal year. These figures are used for financial reporting purposes and to prepare the budget for member deposits. The funding CL was increased from 70% to 75% for FY 17/18.

ATTACHMENT(S): FY 18/19 Workers' Compensation Actuarial Study - **DRAFT** Summary



Actuarial Review of the Self-Insured Workers' Compensation Program

*Outstanding Liabilities as of June 30, 2018
Forecast for Program Year 2018-19*

Presented to
Northern California Cities Self-Insurance Fund

March 9, 2018



Friday, March 9, 2018

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

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

Dear Mr. Beverly:

As you requested, we have completed our review of Northern California Cities Self Insurance Fund's self-insured workers' compensation program. Assuming an SIR of \$500,000 per occurrence, we estimate the ultimate cost of claims and expenses for claims incurred during the 2018-19 program year to be \$8,259,000. This amount includes allocated loss adjustment expenses (ALAE), unallocated loss adjustment expenses (ULAE), and a discount for anticipated investment income, but excludes 4850 TD (Temporary Disability) and 4850 SC (Salary Continuation). Of this amount, \$5,618,000 is for the banking layer (\$0 – \$100,000 per occurrence) and \$2,641,000 is for the shared layer (\$100,000 – \$500,000 per occurrence). ALAE is the direct cost associated with the defense of individual claims (e.g. legal fees, investigation fees, court charges). ULAE is the cost to administer all claims to final settlement, which may be years into the future (e.g. claims adjusters' salaries, taxes). The discount for investment income is calculated based on the likely payout pattern of NCCSIF's claims, assuming a 1.5% return on investments per year. For budgeting purposes, the expected cost of 2018-19 claims translates to a rate of \$3.758 per \$100 of payroll, \$2.556 for the banking layer and \$1.202 for the shared layer (assuming \$219,785,000 in rated payroll).

In addition, we estimate the program's liability for outstanding claims to be \$30,252,000 as of June 30, 2018 again including ALAE and ULAE, and discounted for anticipated investment income, but excluding 4850 TD and 4850 SC benefits. Given estimated program assets of \$44,489,000 as of June 30, 2018, the program will be funded above the 90% confidence level on a combined basis and for both the banking layer and shared layer separately (see Graphs 1a, 1b and 1c on pages 11, 12, and 13).

The \$30,252,000 estimate is the minimum liability to be booked by NCCSIF at June 30, 2018 for its workers' compensation program, in accordance with Governmental Accounting Standards Board (GASB) Statement #10. GASB #10 requires NCCSIF to accrue a liability on its financial statements for the ultimate cost of claims and expenses associated with all reported and unreported claims, including ALAE and ULAE. GASB #10 does not prohibit the discounting of losses to recognize investment income.

Our conclusions regarding NCCSIF's liability for unpaid loss and loss adjustment expenses (LAE) at June 30, 2018 are summarized in the table below.

Northern California Cities Self Insurance Fund
Self-Insured Workers' Compensation Program
Estimated Liability for Unpaid Loss and LAE
Banking and Shared Layer Combined
at June 30, 2018
Net of 4850 TD and 4850 SC

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$30,200,000					
ULAE	1,779,000					
Investment Income Offset	(1,727,000)					
Discounted Loss and LAE	\$30,252,000	\$32,733,000	\$33,701,000	\$34,850,000	\$36,242,000	\$38,057,000
Assets	44,489,000					
Surplus or (Deficit)	\$14,237,000	\$11,756,000	\$10,788,000	\$9,639,000	\$8,247,000	\$6,432,000

Northern California Cities Self Insurance Fund
Self-Insured Workers' Compensation Program
Estimated Liability for Unpaid Loss and LAE
Banking Layer
at June 30, 2018
Net of 4850 TD and 4850 SC

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$13,745,000					
ULAE	1,779,000					
Investment Income Offset	(838,000)					
Discounted Loss and LAE	\$14,686,000	\$15,626,000	\$15,964,000	\$16,346,000	\$16,801,000	\$17,388,000
Assets	22,258,000					
Surplus or (Deficit)	\$7,572,000	\$6,632,000	\$6,294,000	\$5,912,000	\$5,457,000	\$4,870,000

Northern California Cities Self Insurance Fund
 Self-Insured Workers' Compensation Program
 Estimated Liability for Unpaid Loss and LAE
 Shared Layer
 at June 30, 2018
 Net of 4850 TD and 4850 SC

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$16,455,000					
ULAE	0					
Investment Income Offset	(889,000)					
Discounted Loss and LAE	\$15,566,000	\$17,107,000	\$17,737,000	\$18,504,000	\$19,441,000	\$20,669,000
Assets	22,231,000					
Surplus or (Deficit)	\$6,665,000	\$5,124,000	\$4,494,000	\$3,727,000	\$2,790,000	\$1,562,000

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

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

The table below shows our funding recommendations for Northern California Cities Self Insurance Fund for the 2018-19 fiscal year.

Northern California Cities Self Insurance Fund
 Self-Insured Workers' Compensation Program
 Loss and LAE Funding Guidelines for 2018-19
 Banking and Shared Layers Combined
 Banking Layer: \$0 to \$100,000
 Shared Layer: \$100,000 to \$500,000
 Net of 4850 TD and 4850 SC

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$7,857,000					
ULAE	740,000					
Investment Income Offset	(338,000)					
Discounted Loss and LAE	\$8,259,000	\$9,110,000	\$9,440,000	\$9,836,000	\$10,307,000	\$10,943,000
Rate per \$100 of 2018-19 Payroll	\$3.758	\$4.145	\$4.295	\$4.475	\$4.689	\$4.979

Northern California Cities Self Insurance Fund
 Self-Insured Workers' Compensation Program
 Loss and LAE Funding Guidelines for 2018-19
 Banking Layer: \$0 to \$100,000
 Net of 4850 TD and 4850 SC

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$5,108,000					
ULAE	740,000					
Investment Income Offset	(230,000)					
Discounted Loss and LAE	\$5,618,000	\$6,079,000	\$6,242,000	\$6,433,000	\$6,657,000	\$6,949,000
Rate per \$100 of 2018-19 Payroll	\$2.556	\$2.766	\$2.840	\$2.927	\$3.029	\$3.162

Northern California Cities Self Insurance Fund
 Self-Insured Workers' Compensation Program
 Loss and LAE Funding Guidelines for 2018-19
 Shared Layer: \$100,000 to \$500,000
 Net of 4850 TD and 4850 SC

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$2,749,000					
ULAE	0					
Investment Income Offset	(108,000)					
Discounted Loss and LAE	\$2,641,000	\$3,031,000	\$3,198,000	\$3,403,000	\$3,650,000	\$3,994,000
Rate per \$100 of 2018-19 Payroll	\$1.202	\$1.379	\$1.455	\$1.548	\$1.661	\$1.817

The funding recommendations shown in the table above do not include any recognition of the existing funding margin (surplus or deficit) at June 30, 2018. They are for losses and loss adjustment expenses only, and do not include a provision for loss control, overhead, excess insurance premiums, and other expenses associated with the program. They do not include 4850 TD and 4850 SC benefits.

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

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

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

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

Sincerely,

Bickmore

DRAFT

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

DRAFT

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

DRAFT

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

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I. BACKGROUND

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

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

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

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

Accident Year	Shared Layer	Banking Layer
1996-97	70%	70%
1997-01	80%	70%
2001-02	80%	Expected
2002-03	60%	70%
2003-04	70%	70%
2004-05	70%	Expected
2005-06	70%	70%
2006-07	70%	70%
2007-08	70%	70%
2008-09	60%	60%
2009-10	60%	60%
2010-11	60%	60%
2011-12	60%	60%
2012-13	60%	60%
2013-14	60%	60%
2014-15	65%	65%
2015-16	67.5%	67.5%
2016-17	70%	70%
2017-18	75%	75%

The purpose of this review is to provide a guide to NCCSIF to determine reasonable funding levels for its self-insurance program according to the funding policy NCCSIF has adopted and to comply with Governmental Accounting Standards Board Statements #10 and #30. The specific objectives of the study are to estimate NCCSIF's liability for outstanding claims as of June 30, 2018, project ultimate loss costs for 2018-19, and provide funding guidelines to meet these liabilities and future costs.

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II. CONCLUSIONS AND RECOMMENDATIONS

A. LIABILITY FOR OUTSTANDING CLAIMS

Graphs 1a, 1b and 1c on the following pages summarize our assessment of NCCSIF's funding position as of June 30, 2018. The dark-colored bars indicate our estimates of the program's liability for outstanding claims before recognition of the investment income that can be earned on the assets held before the claim payments come due. The horizontal line across each graph indicates NCCSIF's available assets at June 30, 2018.

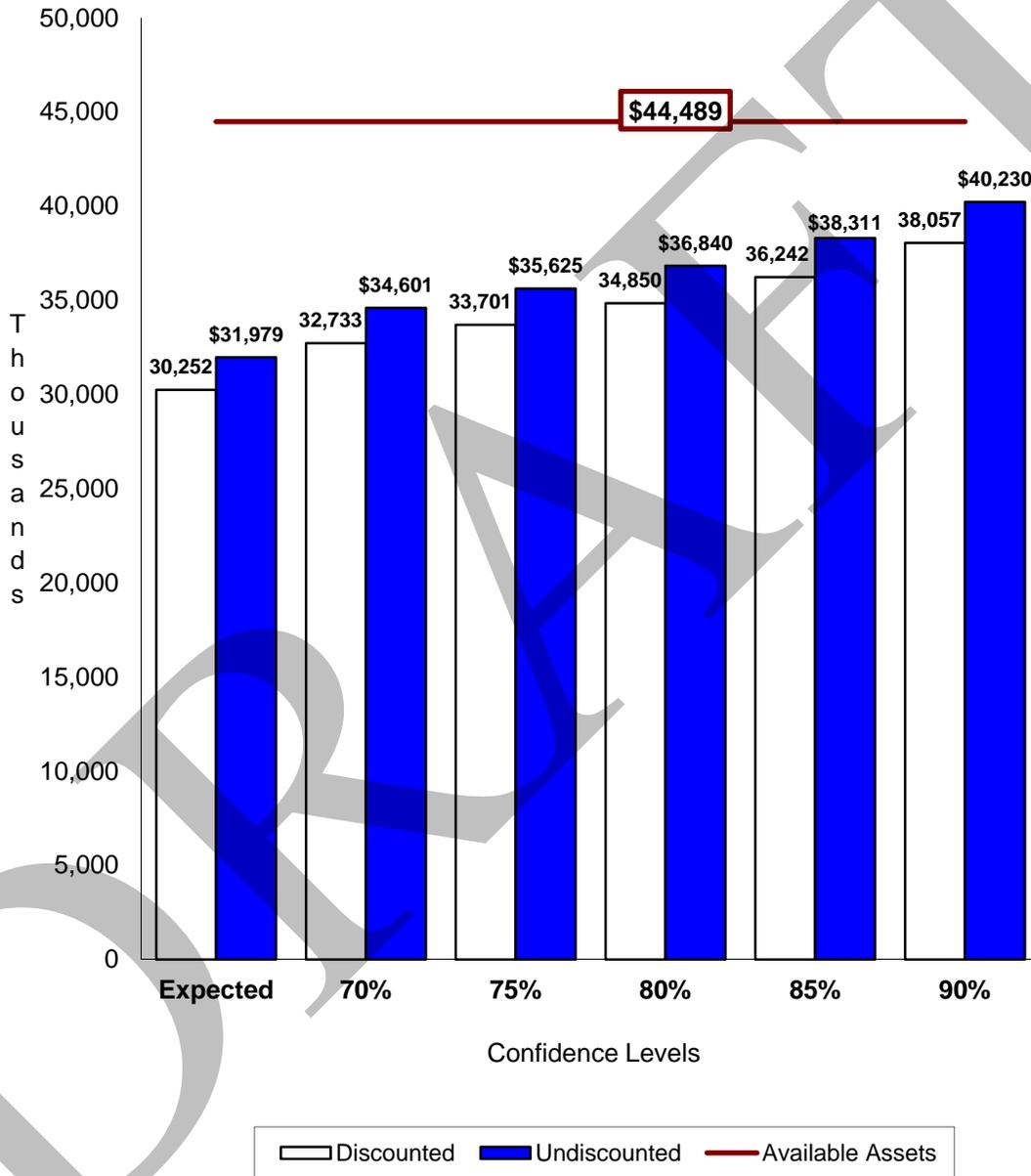
Our best estimate of the full value of NCCSIF's liability for outstanding claims within its pool limit is \$31,979,000, \$15,524,000 is for the banking layer and \$16,455,000 is for the shared layer as of June 30, 2018. These amounts include losses, allocated loss adjustment expenses (ALAE) and unallocated loss adjustment expenses (ULAE), but exclude 4850 TD and 4850 SC benefits. ALAE is the direct cost associated with the defense of individual claims (e.g. legal fees, investigation fees, court charges). ULAE is the cost to administer claims to final settlement, which may be years in the future (e.g. claims adjusters' salaries, taxes).

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

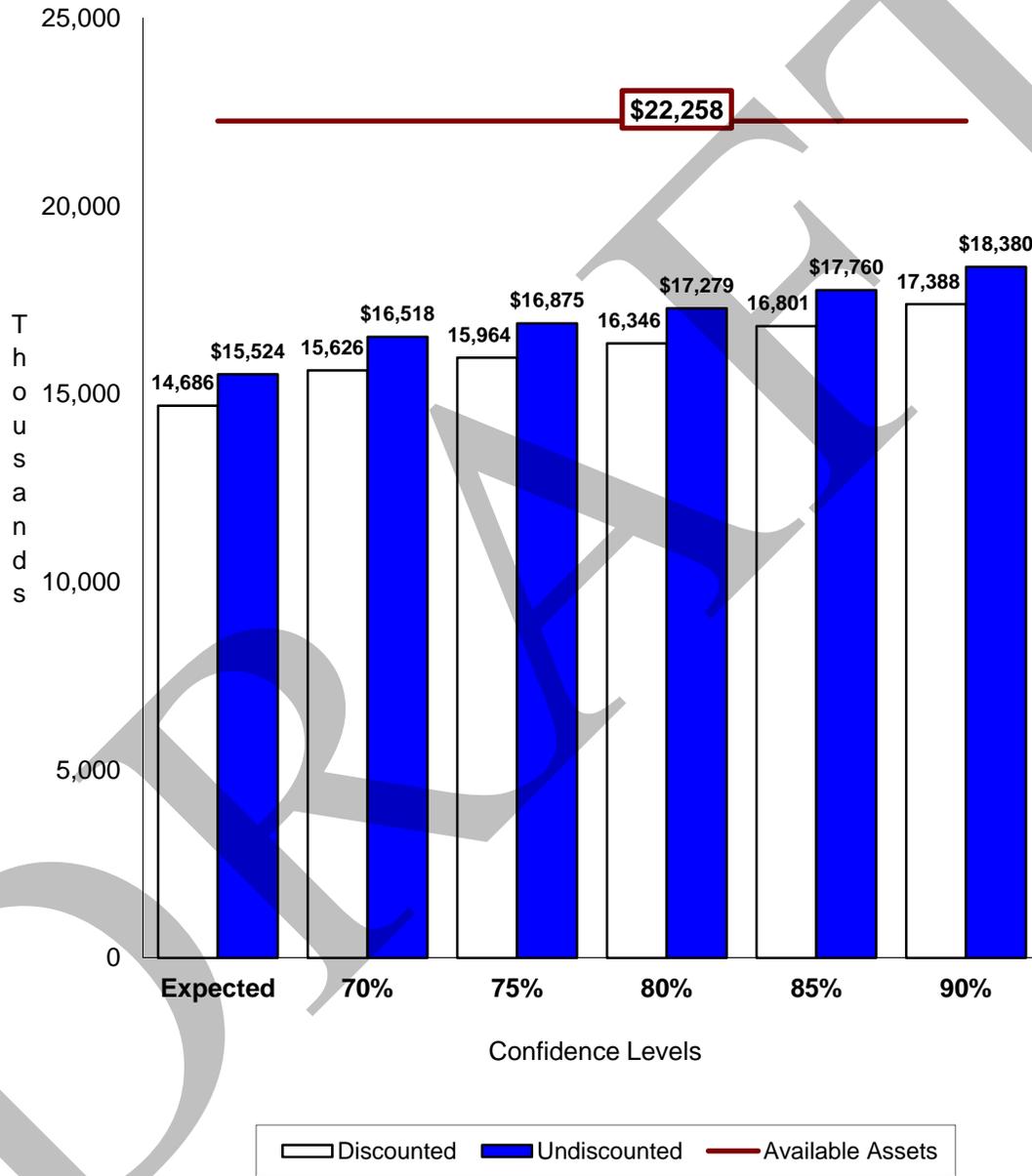
NCCSIF can earn investment income on the assets it holds until claims payments come due. Assuming a long-term average annual return on investments of 1.5%, we estimate the impact of investment income earnings to be about 5.4% if the program is funded within the range indicated in the graphs, resulting in a discounted liability for outstanding claims of \$30,252,000, \$14,686,000 for the banking layer and \$15,566,000 for the shared layer as of June 30, 2018.

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

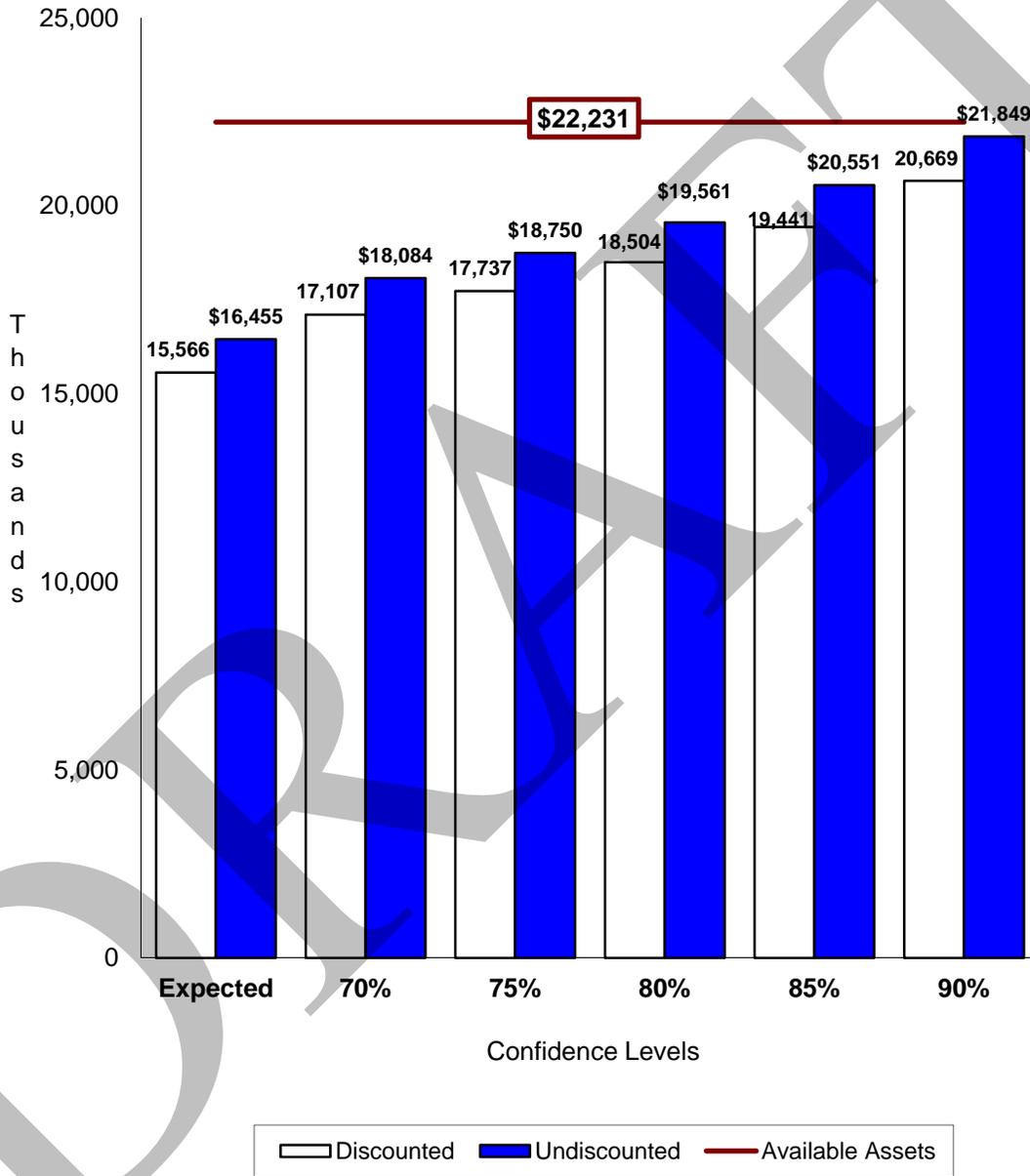
NCCSIF - Workers' Compensation
 Available Assets vs Outstanding Liability (\$000's)
 at June 30, 2018
 Banking and Shared Layers Combined
 Net of 4850 TD and 4850 SC



NCCSIF - Workers' Compensation
 Available Assets vs Outstanding Liability (\$000's)
 at June 30, 2018
 Banking Layer
 Net of 4850 TD and 4850 SC



NCCSIF - Workers' Compensation
 Available Assets vs Outstanding Liability (\$000's)
 at June 30, 2018
 Shared Layer
 Net of 4850 TD and 4850 SC



The table below displays a breakdown of the program's outstanding loss and LAE liabilities into case reserves and incurred but not reported (IBNR) reserves at June 30, 2018, before recognition of investment income.

Northern California Cities Self Insurance Fund
 Self-Insured Workers' Compensation Program
 Estimated Liability for Unpaid Loss and LAE at June 30, 2018
 Banking and Shared Layers Combined
 Net of 4850 TD and 4850 SC

Year	Case Reserves	IBNR Reserves	Total Outstanding
Prior	\$769,931	\$34,833	\$804,764
1997-98	123,805	12,681	136,486
1998-99	94,396	12,174	106,570
1999-00	209,202	37,103	246,305
2000-01	410,782	53,248	464,030
2001-02	157,269	53,906	211,175
2002-03	521,610	111,939	633,549
2003-04	165,377	86,783	252,160
2004-05	329,662	83,356	413,018
2005-06	497,961	99,002	596,963
2006-07	652,789	165,675	818,464
2007-08	311,798	128,155	439,953
2008-09	779,970	180,611	960,581
2009-10	621,208	231,326	852,534
2010-11	518,687	242,096	760,783
2011-12	1,445,182	334,977	1,780,159
2012-13	1,029,372	219,865	1,249,237
2013-14	1,656,895	421,473	2,078,368
2014-15	2,619,502	509,978	3,129,480
2015-16	1,657,363	1,434,050	3,091,413
2016-17	2,648,106	2,218,529	4,866,635
2017-18	1,986,547	4,321,104	6,307,651
Loss and ALAE	\$19,207,414	\$10,992,864	\$30,200,278
ULAE		1,779,080	1,779,080
Total	\$19,207,414	\$12,771,944	\$31,979,358

B. PROGRAM FUNDING: GOALS AND OBJECTIVES

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

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

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

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

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

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

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

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

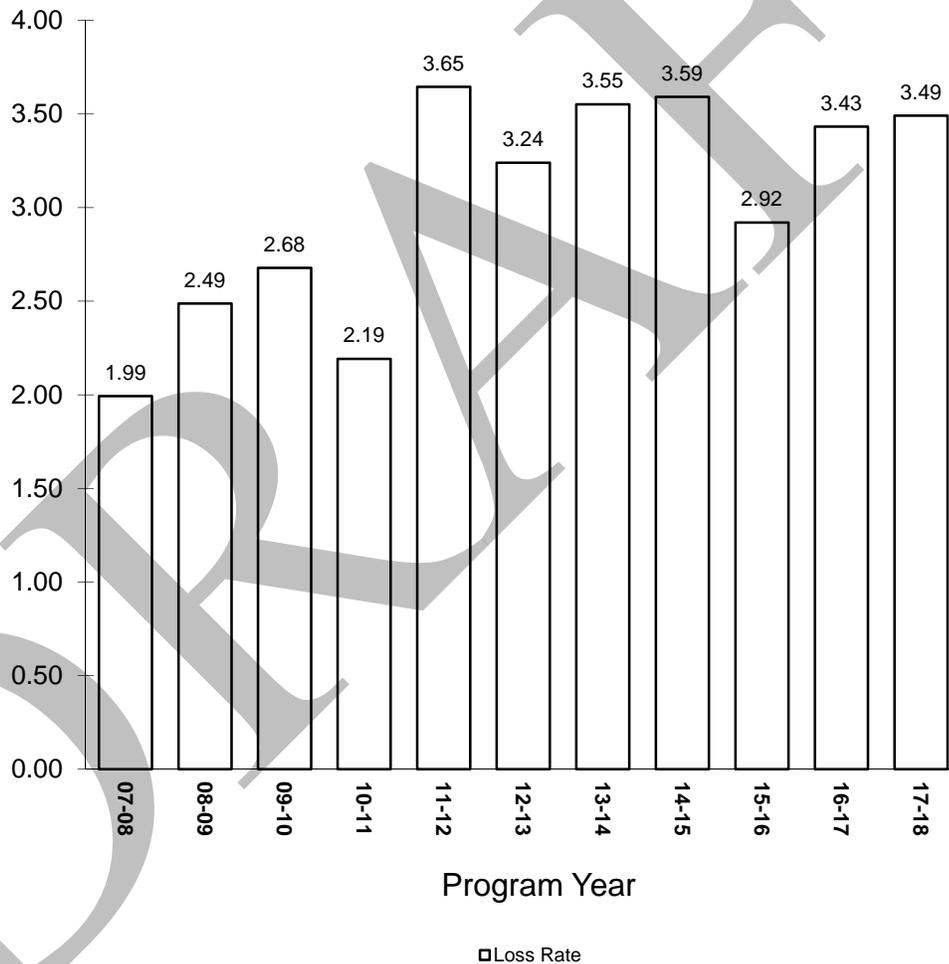
It is estimated that program assets will be \$44,489,000 at June 30, 2018, \$22,258,000 for the banking layer and \$22,231,000 for the shared layer, resulting in the program being funded above the 90% confidence level on a combined basis and for both the banking layer and shared layer separately

C. HISTORICAL TRENDS IN THE SELF-INSURANCE PROGRAM

The program's loss rate per \$100 payroll has varied substantially from year to year, but followed a generally increasing trend. We selected a loss rate of \$3.49 per \$100 of payroll for the 2017-18 program year based on the assumption that this trend will continue. See Graph 2a below.

Graph 2a

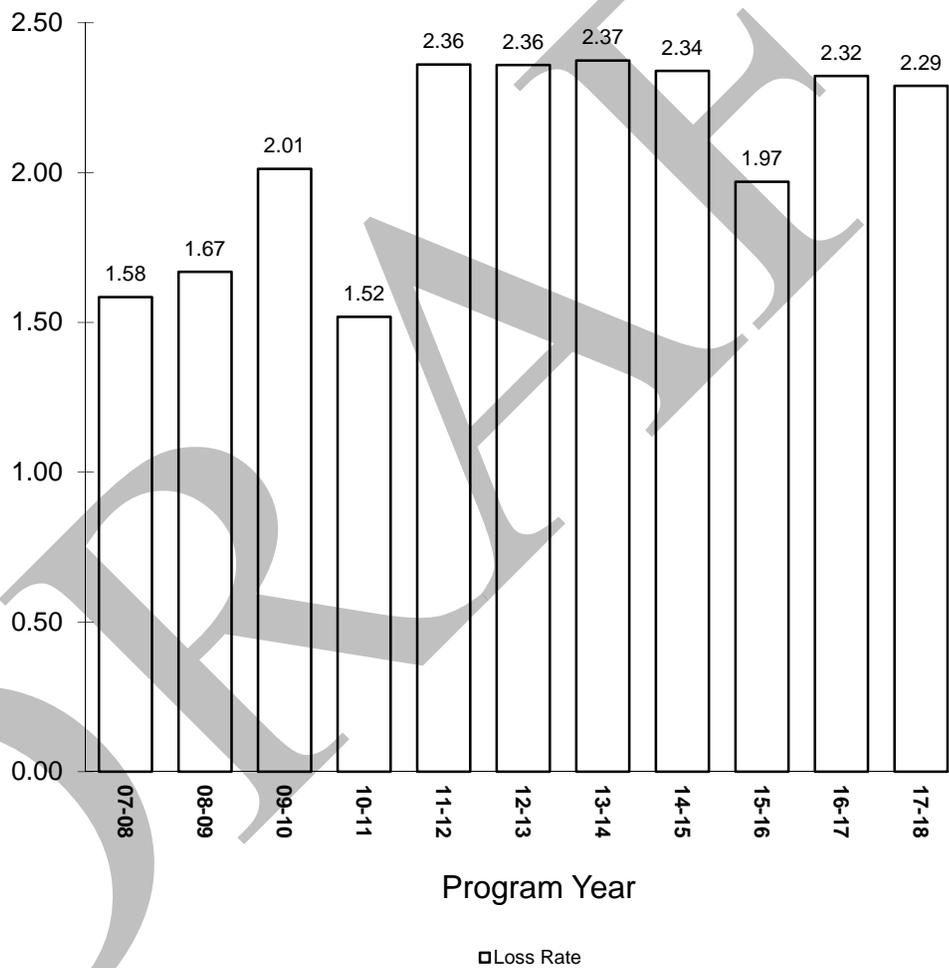
NCCSIF - Workers' Compensation
Banking and Shared Layers Combined
Dollars of Loss per
\$100 of Payroll
Net of 4850 TD and 4850 SC



The banking layer loss rate per \$100 payroll has also been trending upward during most recent ten years but has been relatively stable since 2011-12. Our projected 2017-18 loss rate of \$2.29 per \$100 of payroll reflects this trend. See Graph 2b below.

Graph 2b

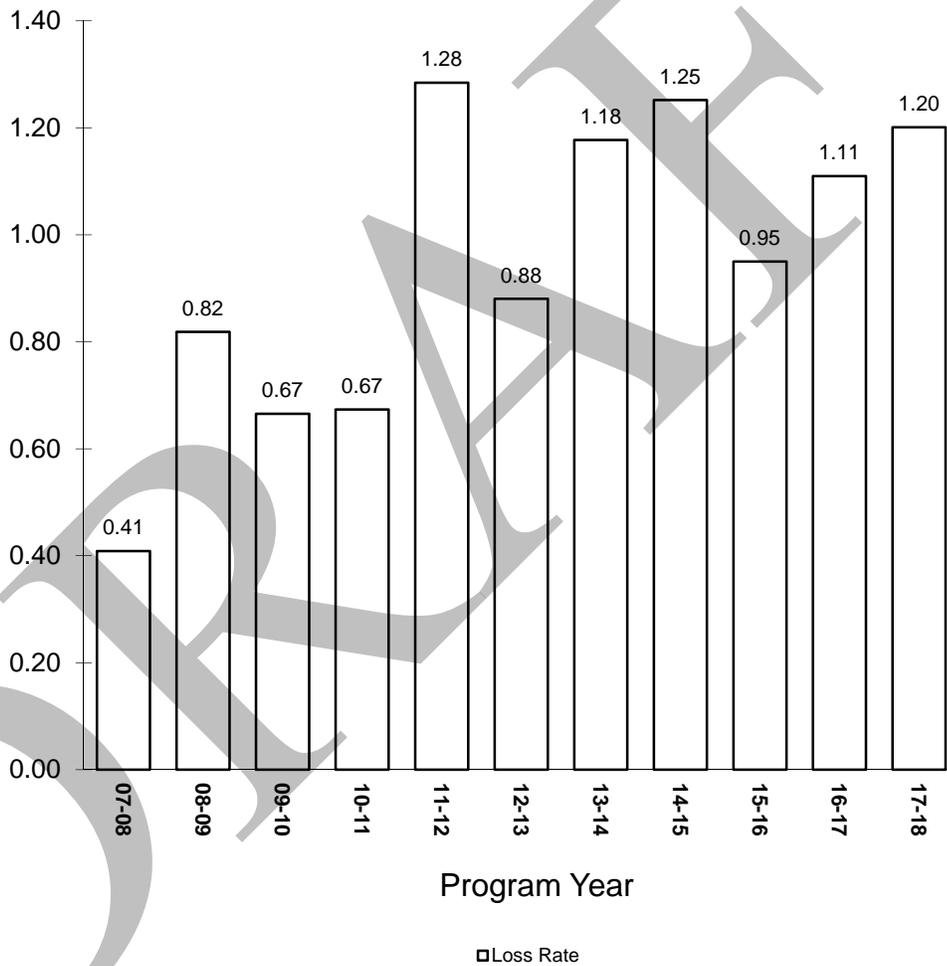
NCCSIF - Workers' Compensation
 Banking Layer
 Dollars of Loss per
 \$100 of Payroll
 Net of 4850 TD and 4850 SC



The shared layer loss rate has varied a great deal over the last ten years, typical for excess layers losses. Overall rates appear to follow an increasing trend in the most recent ten years. We projected 2017-18 loss rate of \$1.20 based on this recent trend. See Graph 2c below.

Graph 2c

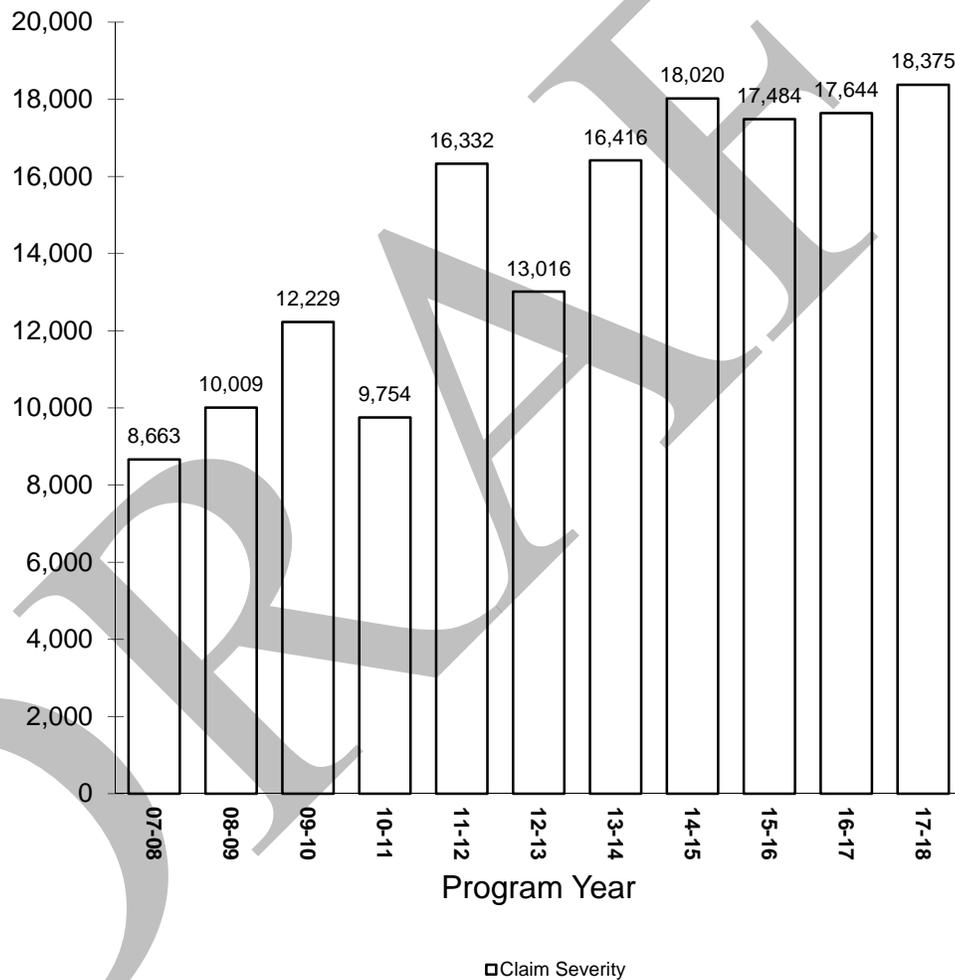
NCCSIF - Workers' Compensation
 Shared Layer
 Dollars of Loss per
 \$100 of Payroll
 Net of 4850 TD and 4850 SC



The program's average cost per claim has been following a generally increasing trend over the past ten years. The program's average cost per claim has ranged from a low of \$8,663 to a high of \$18,020. Our projected 2017-18 average cost of \$18,375 per claim reflects this trend. See Graph 3a below.

Graph 3a

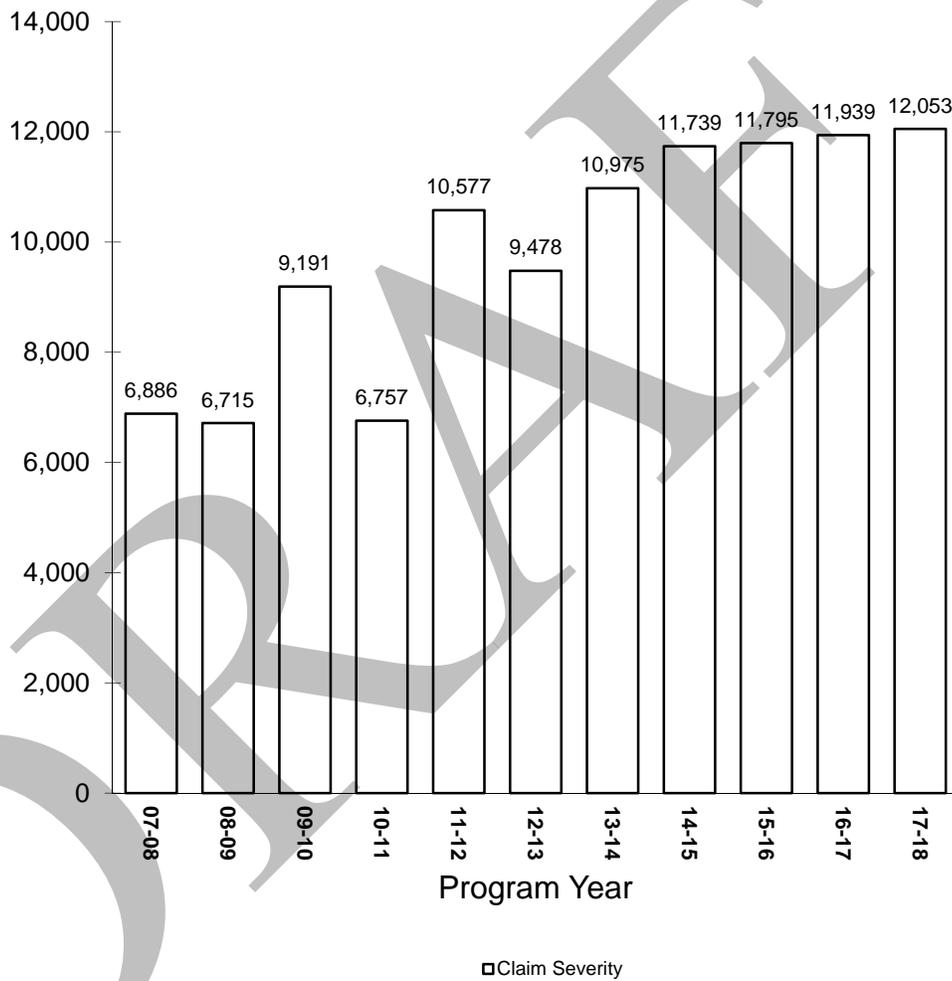
NCCSIF - Workers' Compensation
Banking and Shared Layers Combined
Dollars of Loss per Claim
Net of 4850 TD and 4850 SC



The banking layer's average cost per claim has varied considerably, ranging from a low of \$6,715 to a high of \$11,939. Our projected 2017-18 average cost is \$12,053. See Graph 3b below.

Graph 3b

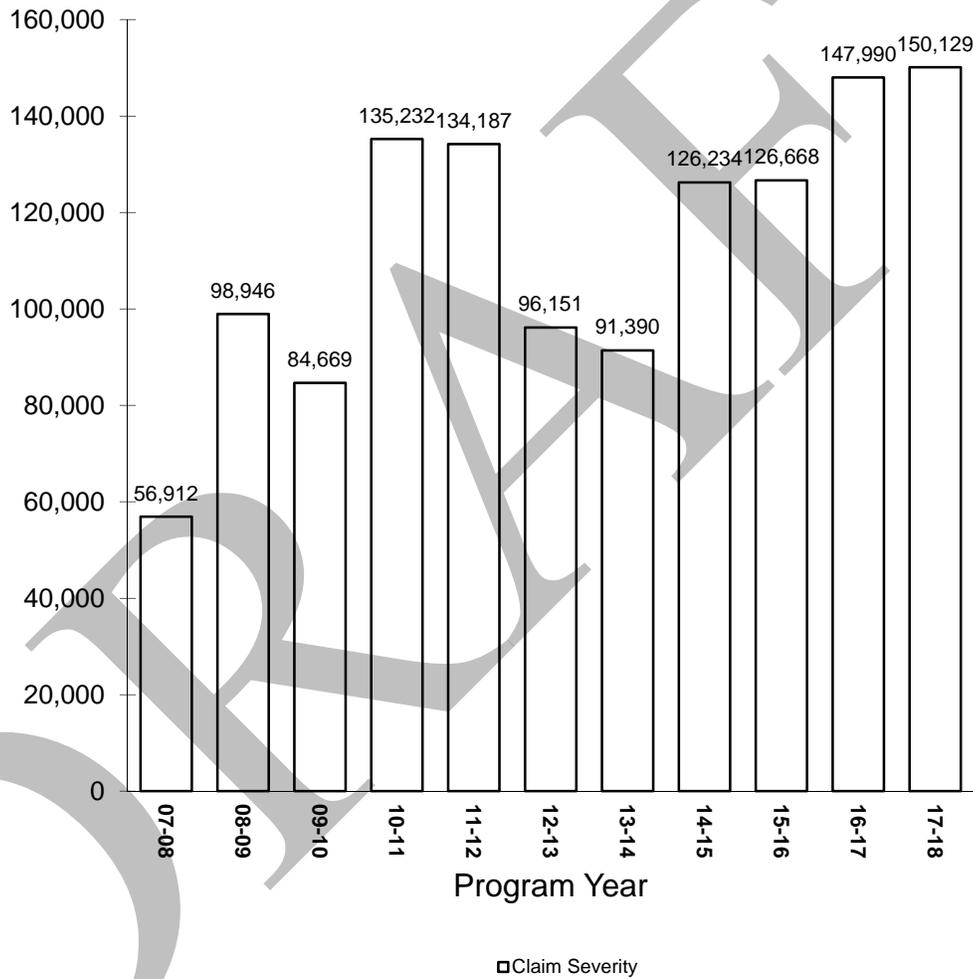
NCCSIF - Workers' Compensation
Banking Layer
Dollars of Loss per Claim
Net of 4850 TD and 4850 SC



The shared layer average cost per claim has been volatile over the period shown below but has been generally increasing. We project the 2017-18 shared layer severity to be \$150,129 per claim. See Graph 3c Below.

Graph 3c

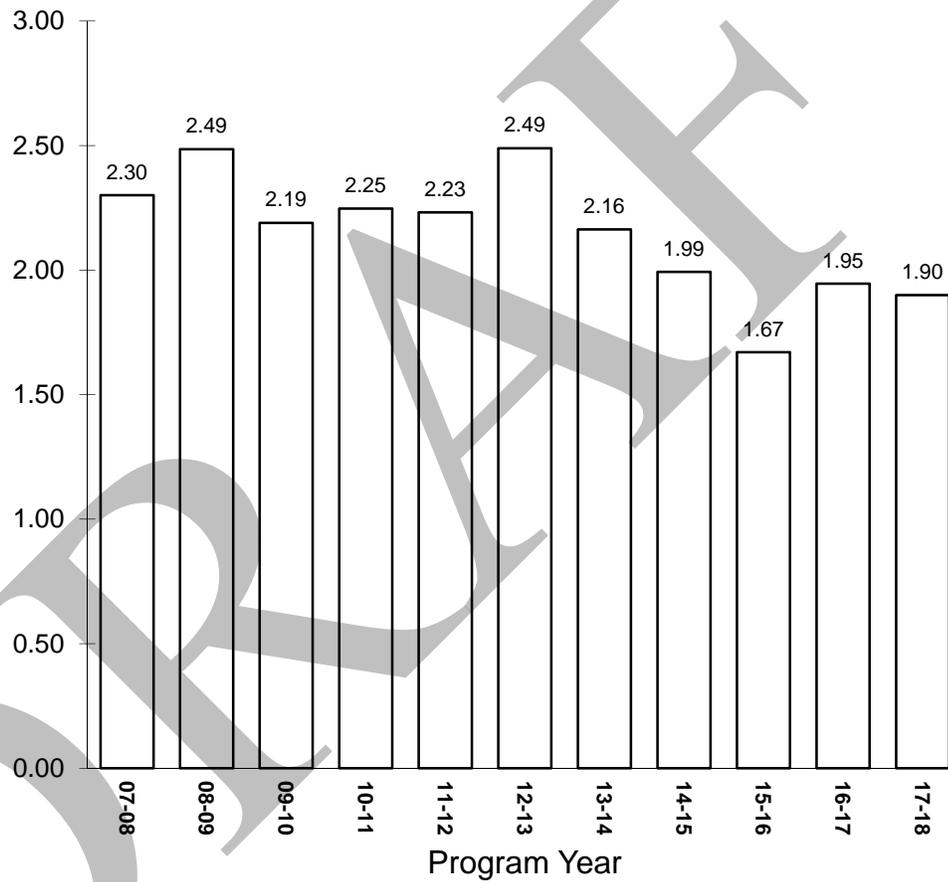
NCCSIF - Workers' Compensation
Shared Layer
Dollars of Loss per Claim
Net of 4850 TD and 4850 SC



The program's frequency of claims per \$1 million payroll has been generally trending downward. The projected 2017-18 frequency of 1.90 is based on that decreasing trend. See Graph 4a below. (Note that banking layer frequency is the same as shown below for the program.)

Graph 4a

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

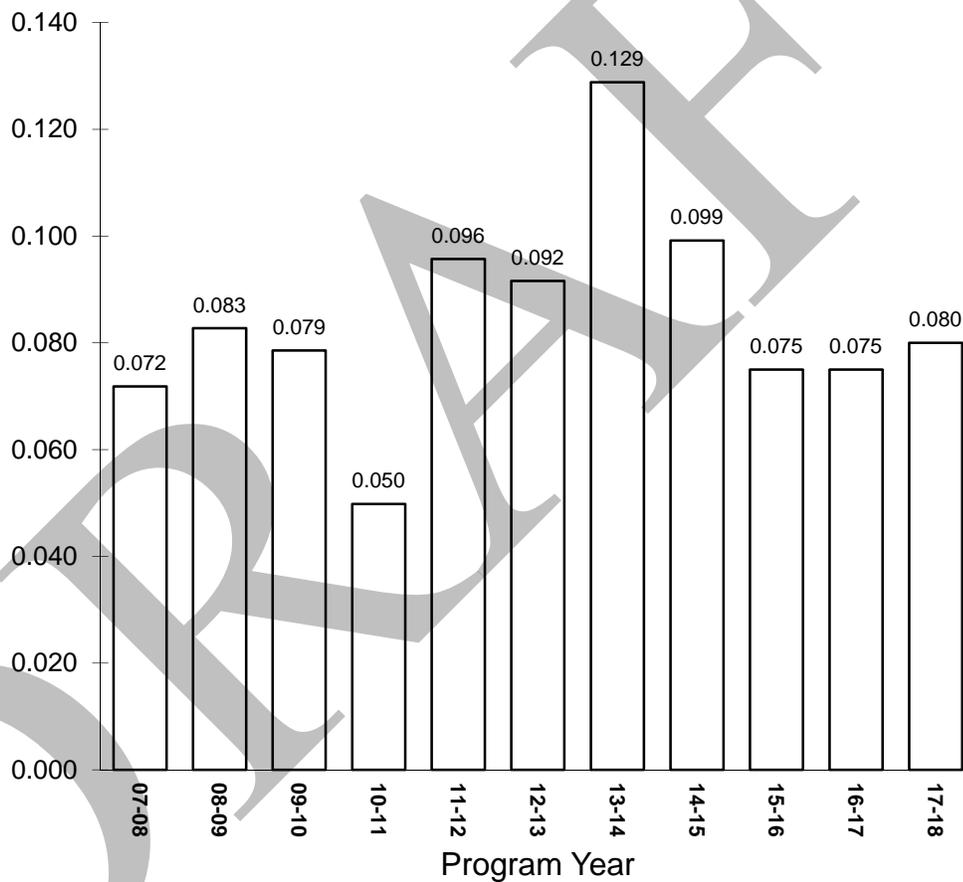


□ Claim Frequency

The shared layer frequency of claims per \$1 million payroll has been quite volatile, following no discernable pattern. Such volatility is not unexpected since the program receives very few claims per year. Thus even one additional claim can have a significant impact. We project the 2017-18 shared layer frequency to be 0.080 claims per \$1M payroll. See Graph 4b below.

Graph 4b

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



□ Claim Frequency

D. COMPARISON WITH PREVIOUS RESULTS

The prior report for Northern California Cities Self Insurance Fund was dated March 9, 2017. In the table below we display actual versus expected development of incurred losses and ALAE by accident year between the 12/31/2016 evaluation date of the prior report and the 12/31/2017 evaluation date of the current report.

Actual Versus Expected Incurred Loss and ALAE Development

Net of 4850 TD and 4850 SC

Accident Year	Expected Incurred Development	Actual Incurred Development	Actual Minus Expected
Prior	\$38,000	(\$89,000)	(\$127,000)
1997-98	12,000	4,000	(8,000)
1998-99	8,000	(19,000)	(27,000)
1999-00	14,000	(108,000)	(122,000)
2000-01	14,000	15,000	1,000
2001-02	11,000	16,000	5,000
2002-03	20,000	(70,000)	(90,000)
2003-04	12,000	(40,000)	(52,000)
2004-05	11,000	(80,000)	(91,000)
2005-06	15,000	(5,000)	(20,000)
2006-07	27,000	(4,000)	(31,000)
2007-08	37,000	(147,000)	(184,000)
2008-09	40,000	26,000	(14,000)
2009-10	66,000	131,000	65,000
2010-11	75,000	41,000	(34,000)
2011-12	94,000	(100,000)	(194,000)
2012-13	69,000	238,000	169,000
2013-14	109,000	630,000	521,000
2014-15	222,000	73,000	(149,000)
2015-16	1,124,000	1,336,000	212,000
2016-17	3,222,000	3,074,000	(148,000)
Total	\$5,240,000	\$4,922,000	(\$318,000)

As shown, actual incurred development was lower than anticipated since the prior report. Based on the assumptions from the prior report, it was expected that incurred losses would increase by \$5,240,000 between the two evaluation dates. However, actual development was approximately \$4,922,000; or about \$318,000 less than expected. Although most accident years have developed lower than expected, three of the five most recent accident years are emerging greater than expected.

In the table below we display actual versus expected development of paid losses and ALAE by accident year between the 12/31/2016 evaluation date of the prior report and the 12/31/2017 evaluation date of the current report.

Actual Versus Expected Paid Loss and ALAE Development

Net of 4850 TD and 4850 SC

Accident Year	Expected Paid Development	Actual Paid Development	Actual Minus Expected
Prior	\$135,000	\$76,000	(\$59,000)
1997-98	24,000	14,000	(10,000)
1998-99	19,000	12,000	(7,000)
1999-00	51,000	79,000	28,000
2000-01	52,000	36,000	(16,000)
2001-02	20,000	10,000	(10,000)
2002-03	65,000	50,000	(15,000)
2003-04	29,000	21,000	(8,000)
2004-05	51,000	34,000	(17,000)
2005-06	87,000	189,000	102,000
2006-07	138,000	114,000	(24,000)
2007-08	131,000	101,000	(30,000)
2008-09	189,000	28,000	(161,000)
2009-10	161,000	105,000	(56,000)
2010-11	163,000	152,000	(11,000)
2011-12	385,000	230,000	(155,000)
2012-13	350,000	420,000	70,000
2013-14	509,000	453,000	(56,000)
2014-15	1,291,000	706,000	(585,000)
2015-16	1,386,000	1,396,000	10,000
2016-17	1,941,000	1,347,000	(594,000)
Total	\$7,177,000	\$5,573,000	(\$1,604,000)

As shown, actual paid development was also less than anticipated since the prior report. Based on the assumptions from the prior report, it was expected that paid losses would increase by \$7,177,000 between the two evaluation dates. However, actual development was approximately \$5,573,000; or about \$1,604,000 less than expected.

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

Change in Ultimate Loss and ALAE

Net of 4850 TD and 4850 SC

Accident Year	Prior Report	Current Report	Change In Ultimate
Prior	\$35,167,000	\$35,072,000	(\$95,000)
1997-98	4,439,000	4,431,000	(8,000)
1998-99	2,721,000	2,693,000	(28,000)
1999-00	5,172,000	5,050,000	(122,000)
2000-01	5,151,000	5,152,000	1,000
2001-02	3,946,000	3,951,000	5,000
2002-03	7,152,000	7,061,000	(91,000)
2003-04	4,144,000	4,093,000	(51,000)
2004-05	3,822,000	3,727,000	(95,000)
2005-06	4,246,000	4,226,000	(20,000)
2006-07	5,684,000	5,650,000	(34,000)
2007-08	3,835,000	3,647,000	(188,000)
2008-09	4,577,000	4,564,000	(13,000)
2009-10	4,424,000	4,488,000	64,000
2010-11	3,620,000	3,570,000	(50,000)
2011-12	5,982,000	5,798,000	(184,000)
2012-13	4,907,000	5,037,000	130,000
2013-14	5,923,000	6,468,000	545,000
2014-15	7,170,000	7,046,000	(124,000)
2015-16	5,993,000	6,067,000	74,000
2016-17	7,550,000	7,287,000	(263,000)
Total	\$135,625,000	\$135,078,000	(\$547,000)

As shown, overall we have decreased our estimated ultimates by \$547,000 since our prior report. These changes track well with actual versus expected incurred and paid development mentioned above.

At the time of the prior report, we estimated the liability for outstanding claims as of June 30, 2017 to be \$29,205,000 at the discounted, expected level. Our current estimate as of June 30, 2018, is \$30,252,000, an increase in our assessment of NCCSIF's outstanding liabilities, as shown below:

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

	Prior Report at June 30, 2017	Current Report at June 30, 2018	Change
(A) Case Reserves:	\$18,576,000	\$19,207,000	\$631,000
(B) IBNR Reserves:	10,627,000	10,993,000	366,000
(C) Claims Administration Reserves:	1,702,000	1,779,000	77,000
(D) Total Reserves:	\$30,905,000	\$31,979,000	\$1,074,000
(E) Offset for Investment Income:	(1,700,000)	(1,727,000)	(27,000)
(F) Total Outstanding Claim Liabilities:	\$29,205,000	\$30,252,000	\$1,047,000

As shown, our estimate of outstanding claims liabilities at the discounted, expected level has increased between June 30, 2017 and June 30, 2018 as reflected in our prior and current reports respectively.

At the time of the prior report, available assets were estimated to be \$42,896,000 as of June 30, 2017, which corresponded to the then-estimated discounted liability for outstanding claims above the 90% confidence level. Available assets are currently estimated to be \$44,489,000 as of June 30, 2018, which corresponds to the currently estimated liability for outstanding claims above the 90% confidence level. It can be summarized as follows:

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

	Prior Report at June 30, 2017	Current Report at June 30, 2018	Change
(A) Outstanding Liability at the Discounted Expected Level:	\$29,205,000	\$30,252,000	\$1,047,000
(B) Estimated Assets At June 30:	42,896,000	44,489,000	1,593,000
(C) Surplus/(Deficit):	\$13,691,000	\$14,237,000	\$546,000

At the time of the prior report, our funding estimate for the 2017-18 year was \$8,205,000 at the discounted, expected level. That amount included allocated loss adjustment expenses (ALAE), unallocated loss adjustment expenses (ULAE), and a discount for anticipated investment income. Our current estimate for the 2018-19 year is \$8,259,000 at the discounted, expected level, an increase in the program's expected loss costs, as shown in the table below:

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

	Prior Report 2017-18 Pool Limit = \$500,000	Current Report 2018-19 Pool Limit = \$500,000	Change
(A) Ultimate Loss and ALAE:	\$7,830,000	\$7,857,000	\$27,000
(B) Ultimate Claims Administration (ULAE):	706,000	740,000	34,000
(C) Total Claim Costs:	\$8,536,000	\$8,597,000	\$61,000
(D) Offset for Investment Income:	(331,000)	(338,000)	(7,000)
(E) Total Recommended Funding:	\$8,205,000	\$8,259,000	\$54,000
(F) Funding per \$100 of Payroll:	\$3.87	\$3.76	(\$0.11)

As you can see, our funding recommendations at the discounted, expected level have increased between 2017-18 and 2018-19, as shown in our prior and current reports respectively. This increase is largely due to an increase in payroll. It should be noted that our estimated rate per \$100 of payroll has decreased when compared to the estimated rate in our prior report.

E. DATA PROVIDED FOR THE ANALYSIS

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

Comments and issues regarding the data are as follows:

- We have assumed that the program's self-insured retention will remain at \$500,000 per occurrence for 2017-18 and 2018-19 (See Appendix K).
- We estimated the 6/30/2018 asset balance by beginning with the 12/31/2017 asset balance, and adjusting for anticipated revenue and expense for the second half of 2017-18 (see Appendix L).
- We received loss data evaluated as of 12/31/2017 (See Appendix M). We also utilized the data from NCCSIF's most recent actuarial study for our assessment of loss development.
- We have assumed that NCCSIF's payroll for 2018-19 will be \$219,785,116 based upon information provided by NCCSIF (See Appendix N).
- Please note that the estimates contained in this report do not include costs for 4850 TD (Temporary Disability) and 4850 SC (salary continuation). The loss run provided separated losses into various layers, including Banking and Shared. However, additional fields were developed which removed voucher amounts which are not paid from the insurance fund. These vouchers are the responsibility of the individual member.

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

III. ASSUMPTIONS AND LIMITATIONS

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

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

- We have assumed that the loss rate trend associated with claim costs increases at 1.5% per year. We have assumed that claim severity increases at 1.5% per year, and that claim frequency will remain flat.
- We have assumed that payroll and other inflation-sensitive exposure measures increase 2.5% annually due to inflation.
- We have assumed that assets held for investment will generate an average annual return of 1.5% over the duration of payment of the loss liabilities. It should be noted that actual future investment returns may vary significantly from this assumption, depending upon the prevailing investment market conditions.
- The claims costs we have estimated include indemnity and medical payments, and all loss adjustment expenses. We have not included estimates for excess insurance contributions to the CSAC-EIA and other expenses associated with the program based upon information provided by NCCSIF.
- Our funding recommendations do not include provisions for catastrophic events not in NCCSIF's history, such as earthquakes, flooding, mass civil disorder, or mass occupational disease.
- Our estimates assume that all excess insurance is valid and collectible. Further, our funding recommendations do not include a provision for losses greater than NCCSIF's excess coverage.
- NCCSIF's assets available for the program are estimated to be \$44,489,000 as of June 30, 2018 for use in this report. This is shown in further detail in Appendix L.

IV. GLOSSARY OF ACTUARIAL TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Paid Losses - Losses actually paid on all reported claims.

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

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

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

Severity - Average claim cost.

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

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

Northern California Cities Self Insurance Fund - WC

Funding Guidelines for Outstanding Liabilities (Excluding 4850 TD and 4850 SC)
December 31, 2017

	<u>Total</u>	<u>Banking</u>	<u>Shared</u>
(A) Estimated Ultimate Losses Incurred through 12/31/17: (From Appendix G)	\$138,873,000	\$103,311,000	\$35,562,000
(B) Estimated Paid Losses through 12/31/17: (From Appendix G)	108,728,000	89,765,000	18,963,000
(C) Estimated Liability for Claims Outstanding at 12/31/17: (From Appendix G)	<u>\$30,145,000</u>	<u>\$13,546,000</u>	<u>\$16,599,000</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 12/31/17: (From Appendix F)	1,706,000	1,706,000	0
(E) Total Outstanding Liability for Claims at 12/31/17: ((C) + (D))	<u>\$31,851,000</u>	<u>\$15,252,000</u>	<u>\$16,599,000</u>
(F) Anticipated Investment Income: ((E) x [1 - Appendix I, Page 1, (H)])	1,752,000	840,000	913,000
(G) Discounted Outstanding Liability for Claims at 12/31/17: ((E) - (F))	<u>\$30,099,000</u>	<u>\$14,412,000</u>	<u>\$15,687,000</u>
(H) Confidence Level Factor: (From Appendix J)			
60%	1.026	1.024	1.028
65%	1.053	1.043	1.062
70%	1.082	1.064	1.099
75%	1.114	1.087	1.139
80%	1.152	1.113	1.188
85%	1.198	1.144	1.248
90%	1.258	1.184	1.326
(I) Total Required Available Funding at December 31, 2017 ((G) * (H))			
60%	\$30,882,000	\$14,758,000	\$16,124,000
65%	31,694,000	15,032,000	16,662,000
70%	32,567,000	15,334,000	17,233,000
75%	33,530,000	15,666,000	17,864,000
80%	34,674,000	16,041,000	18,633,000
85%	36,059,000	16,487,000	19,572,000
90%	37,865,000	17,064,000	20,801,000
(J) Available Assets at December 31, 2017	\$43,449,000	\$21,548,000	\$21,901,000
(K) Funding Surplus/(Deficit) at December 31, 2017 ((J) - (I))			
60%	\$12,567,000	\$6,790,000	\$5,777,000
65%	11,755,000	6,516,000	5,239,000
70%	10,882,000	6,214,000	4,668,000
75%	9,919,000	5,882,000	4,037,000
80%	8,775,000	5,507,000	3,268,000
85%	7,390,000	5,061,000	2,329,000
90%	5,584,000	4,484,000	1,100,000

Northern California Cities Self Insurance Fund - WC

Funding Guidelines for Outstanding Liabilities (Excluding 4850 TD and 4850 SC)
June 30, 2018

	<u>Total</u>	<u>Banking</u>	<u>Shared</u>
(A) Estimated Ultimate Losses Incurred through 6/30/18: (From Appendix G)	\$142,667,000	\$105,800,000	\$36,867,000
(B) Estimated Paid Losses through 6/30/18: (From Appendix G)	112,467,000	92,055,000	20,412,000
(C) Estimated Liability for Claims Outstanding at 6/30/18: (From Appendix G)	<u>\$30,200,000</u>	<u>\$13,745,000</u>	<u>\$16,455,000</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 6/30/18: (From Appendix F)	1,779,000	1,779,000	0
(E) Total Outstanding Liability for Claims at 6/30/18: ((C) + (D))	<u>\$31,979,000</u>	<u>\$15,524,000</u>	<u>\$16,455,000</u>
(F) Anticipated Investment Income: ((E) x [1 - Appendix I, Page 1, (H)])	1,727,000	838,000	889,000
(G) Discounted Outstanding Liability for Claims at 6/30/18: ((E) - (F))	<u>\$30,252,000</u>	<u>\$14,686,000</u>	<u>\$15,566,000</u>
(H) Confidence Level Factor: (From Appendix J)			
60%	1.026	1.024	1.028
65%	1.053	1.043	1.062
70%	1.082	1.064	1.099
75%	1.114	1.087	1.139
80%	1.152	1.113	1.189
85%	1.198	1.144	1.249
90%	1.258	1.184	1.328
(I) Total Required Available Funding at June 30, 2018 ((G) * (H))			
60%	\$31,039,000	\$15,038,000	\$16,001,000
65%	31,855,000	15,317,000	16,538,000
70%	32,733,000	15,626,000	17,107,000
75%	33,701,000	15,964,000	17,737,000
80%	34,850,000	16,346,000	18,504,000
85%	36,242,000	16,801,000	19,441,000
90%	38,057,000	17,388,000	20,669,000
(J) Available Assets at June 30, 2018	\$44,489,000	\$22,258,000	\$22,231,000
(K) Funding Surplus/(Deficit) at June 30, 2018 ((J) - (I))			
60%	\$13,450,000	\$7,220,000	\$6,230,000
65%	12,634,000	6,941,000	5,693,000
70%	11,756,000	6,632,000	5,124,000
75%	10,788,000	6,294,000	4,494,000
80%	9,639,000	5,912,000	3,727,000
85%	8,247,000	5,457,000	2,790,000
90%	6,432,000	4,870,000	1,562,000

Northern California Cities Self Insurance Fund - WC

Funding Options for Program Year 2018-2019 (Excluding 4850 TD and 4850 SC)

Banking Layer Retention: \$50,000
Shared Layer Retention: \$500,000

	Total	Banking	Shared
(A) Estimated Ultimate Losses Incurred in Accident Year 2018-2019:	\$7,857,000	\$4,022,000	\$3,835,000
(B) Estimated Claims Administration Fees Incurred in Accident Year 2018-2019: (From Exhibit 5, Page 1, item (L))	740,000	740,000	0
(C) Total Claims Costs Incurred in Accident Year 2018-2019: ((A) + (B))	\$8,597,000	\$4,762,000	\$3,835,000
(D) Anticipated Investment Income: ((C) x [1 - Appendix I, Page 2, (F)])	338,000	187,000	151,000
(E) Discounted Total Claims Costs Incurred in Accident Year 2018-2019: ((C) - (D))	\$8,259,000	\$4,575,000	\$3,684,000
(F) Funding Rates for 2018-2019 Incurred Claims Costs	\$3.758	\$2.081	\$1.676
(H) Confidence Level Factor: (From Appendix J)			
60%	1.032	1.031	1.033
65%	1.066	1.056	1.078
67.5%	1.084	1.069	1.103
70%	1.103	1.082	1.129
75%	1.143	1.111	1.183
80%	1.191	1.145	1.248
85%	1.248	1.185	1.326
90%	1.325	1.237	1.434
(I) Total Required Required Funding for 2018-2019 Incurred Claims Costs ((G) * (H))			
60%	\$8,523,000	\$4,717,000	\$3,806,000
65%	8,804,000	4,831,000	3,973,000
67.5%	8,956,000	4,891,000	4,065,000
70%	9,110,000	4,950,000	4,160,000
75%	9,440,000	5,083,000	4,357,000
80%	9,836,000	5,238,000	4,598,000
85%	10,307,000	5,421,000	4,886,000
90%	10,943,000	5,659,000	5,284,000
(I) Funding Rates for 2018-2019 Incurred Claims Costs			
60%	\$3.878	\$2.146	\$1.732
65%	4.005	2.198	1.808
67.5%	4.075	2.225	1.849
70%	4.145	2.252	1.893
75%	4.295	2.313	1.982
80%	4.475	2.383	2.092
85%	4.689	2.466	2.223
90%	4.979	2.575	2.404

Rates based on 2018-2019 payroll of \$219,800,000



Agenda Item G.1.b.

ACTUARIAL STUDIES - FY 18/19 LIABILITY PROGRAM

ACTION ITEM

ISSUE: NCCSIF’s actuary annually provides a report to assist in making funding, dividend and assessment decisions. Below is a summary of this year’s report that will be discussed in greater detail at the meeting.

FY 18/19 Funding

Total recommended funding for banking and shared risk layer is \$3,931,000 at the current 75% Confidence Level (CL), just \$54,000 above the funding of \$3,877,000 for FY 17/18. The rate at the 75% CL is \$2.318 per \$100 of payroll, compared to \$2.38 last year, a **decrease of 2.6%**. While the rate decreased, the total funding increased due to increased payroll.

Outstanding Liabilities at June 30th

The Actuary estimates the Liability Program will have total assets of approximately \$13,132,000 on June 30, 2018, compared to \$11,811,000 last year. The estimated total Outstanding Liability at June 30 is \$10,031,000 at the 90% Confidence Level (CL), compared to \$11,048,000 last year. *This results in an estimated net position of \$3,101,000 above the 90% C.L., compared to a net position of \$763,000 last year.*

Assets for the Banking Layer are estimated at \$5,320,000 as of June 30, 2018, compared to \$5,277,000 in 2017. Banking Layer liabilities are \$3,212,000 at the 90% confidence level, compared to \$3,474,000 last year. *This means the Banking Layer net position above the 90% CL is estimated at \$2,108,000, compared to \$2,101,000 in 2017.*

Assets for the Shared Risk Layer are estimated to be \$7,812,000 at June 30, 2018, compared to \$6,534,000 in 2017. Liabilities are estimated at \$6,819,000 at the 90% CL, compared to \$7,872,000 last year. *This results in an estimated surplus of \$993,000 in net position above the 90% CL, compared to a deficit of (\$1,338,000) last year.*

RECOMMENDATION: Request the actuary to finalize the report for presentation to the full Board at the April, 26, 2018, Board of Directors meeting.

FISCAL IMPACT: T.B.D.; depending on chosen Confidence Level. Note the FY 18/19 rate at the 80% CL is \$2.49, \$0.11 (4.8%) above the current rate of \$2.38 at the 75% CL. Although the plan is to continue assessments in FY 18/19, the Shared Layer is in a positive net position after a number of years in a deficit.

BACKGROUND: NCCSIF annually receives an actuary report to determine the estimated Outstanding Liabilities (OL) for the Liability program as of June 30 and to estimate the amount of funding required for the upcoming fiscal year. These figures are used for financial reporting purposes and to prepare the budget for member deposits. The funding CL was increased from 70% to 75% for FY 17/18.

ATTACHMENT(S): FY 18/19 Liability Actuarial Study - **DRAFT** Summary

A Public Entity Joint Powers Authority



Actuarial Review of the Self-Insured Liability Program

*Outstanding Liabilities as of June 30, 2018
Forecast for Program Year 2018-19*

Presented to
Northern California Cities Self-Insurance Fund

March 7, 2018



Wednesday, March 7, 2018

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

Re: Actuarial Review of the Self-Insured Liability Program

Dear Mr. Beverly:

As you requested, we have completed our review of Northern California Cities Self Insurance Fund's self-insured liability program. Assuming a pool limit of \$500,000 per occurrence, we estimate the ultimate cost of claims and expenses for claims incurred during the 2018-19 program years to be \$3,147,000. Of this amount, \$1,593,000 is for the banking layer (\$0 – \$50,000 per occurrence) and \$1,554,000 is for the shared layer (\$50,000 – \$500,000 per occurrence). These amounts include allocated loss adjustment expenses (ALAE), unallocated loss adjustment expenses (ULAE), and a discount for anticipated investment income. ALAE is the direct cost associated with the defense of individual claims (e.g. legal fees, investigation fees, court charges). ULAE is the cost to administer all claims to final settlement, which may be years into the future (e.g. claims adjusters' salaries, taxes). The discount for investment income is calculated based on the likely payout pattern of NCCSIF's claims, assuming a 1.5% return on investments per year. For budgeting purposes, the expected cost of 2018-19 claims translates to rates of \$1.856 per \$100 payroll, \$0.939 for the banking layer and \$0.916 for the shared layer (assuming \$169,593,203 in rated payroll).

In addition, we estimate the program's liability for outstanding claims to be \$7,165,000 as of June 30, 2018, again including ALAE and ULAE, and discounted for anticipated investment income. Of this amount, \$2,404,000 is for the banking layer and \$4,761,000 is for the shared layer. Given estimated program assets of \$13,132,000 as of June 30, 2018, the program is expected to be funded above the 90% confidence levels on a combined basis. The banking layer is expected to be funded above the 90% confidence level. The shared layer is expected to be funded above the 90% confidence level. (See Graphs 1a, 1b and 1c on pages 11, 12, and 13.)

The \$7,165,000 estimate is the minimum liability to be booked by NCCSIF at June 30, 2018 for Northern California Cities Self Insurance Fund's liability program, in accordance with Governmental Accounting Standards Board (GASB) Statement #10. GASB #10 requires NCCSIF to accrue a liability on its financial statements for the ultimate cost of claims and expenses associated with all reported and unreported claims, including ALAE and ULAE. GASB #10 does not prohibit the discounting of losses to recognize investment income.

Our conclusions regarding NCCSIF's liability for unpaid loss and loss adjustment expenses (LAE) at June 30, 2018 are summarized in the table below.

Northern California Cities Self Insurance Fund
Self-Insured Liability Program
Estimated Liability for Unpaid Loss and LAE
Banking and Shared Layers Combined
at June 30, 2018

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$7,364,000					
ULAE*	0					
Investment Income Offset	(199,000)					
Discounted Loss and LAE	\$7,165,000	\$7,989,000	\$8,354,000	\$8,784,000	\$9,322,000	\$10,031,000
Assets	13,132,000					
Surplus or (Deficit)	\$5,967,000	\$5,143,000	\$4,778,000	\$4,348,000	\$3,810,000	\$3,101,000

* ULAE is included with Loss and ALAE

Northern California Cities Self Insurance Fund
Self-Insured Liability Program
Estimated Liability for Unpaid Loss and LAE
Banking Layer
at June 30, 2018

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$2,471,000					
ULAE*	0					
Investment Income Offset	(67,000)					
Discounted Loss and LAE	\$2,404,000	\$2,640,000	\$2,743,000	\$2,863,000	\$3,012,000	\$3,212,000
Assets	5,320,000					
Surplus or (Deficit)	\$2,916,000	\$2,680,000	\$2,577,000	\$2,457,000	\$2,308,000	\$2,108,000

* ULAE is included with Loss and ALAE

Northern California Cities Self Insurance Fund
 Self-Insured Liability Program
 Estimated Liability for Unpaid Loss and LAE
 Shared Layer
 at June 30, 2018

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$4,893,000					
ULAE*	0					
Investment Income Offset	(132,000)					
Discounted Loss and LAE	\$4,761,000	\$5,349,000	\$5,611,000	\$5,921,000	\$6,310,000	\$6,819,000
Assets	7,812,000					
Surplus or (Deficit)	\$3,051,000	\$2,463,000	\$2,201,000	\$1,891,000	\$1,502,000	\$993,000

* ULAE is included with Loss and ALAE

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

The table below shows our funding recommendations for Northern California Cities Self Insurance Fund for the 2018-19 fiscal year.

Northern California Cities Self Insurance Fund
Self-Insured Liability Program
Loss and LAE Funding Guidelines for 2018-19
Banking and Shared Layers Combined
Banking Layer: \$0 to \$50,000
Shared Layer: \$50,000 to \$500,000

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$3,251,000					
ULAE	0					
Investment Income Offset	(104,000)					
Discounted Loss and LAE	\$3,147,000	\$3,676,000	\$3,931,000	\$4,230,000	\$4,601,000	\$5,098,000
Rate per \$100 of 2018-19 Payroll	\$1.856	\$2.168	\$2.318	\$2.494	\$2.713	\$3.006

* ULAE is included with Loss and ALAE

Northern California Cities Self Insurance Fund
Self-Insured Liability Program
Loss and LAE Funding Guidelines for 2018-19
Banking Layers
Banking Layer: \$0 to \$50,000

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$1,626,000					
ULAE	0					
Investment Income Offset	(33,000)					
Discounted Loss and LAE	\$1,593,000	\$1,858,000	\$1,985,000	\$2,134,000	\$2,320,000	\$2,568,000
Rate per \$100 of 2018-19 Payroll	\$0.939	\$1.096	\$1.170	\$1.258	\$1.368	\$1.514

* ULAE is included with Loss and ALAE

Northern California Cities Self Insurance Fund
 Self-Insured Liability Program
 Loss and LAE Funding Guidelines for 2018-19
 Shared Layers

Shared Layer: \$50,000 to \$500,000

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$1,625,000					
ULAE	0					
Investment Income Offset	(71,000)					
Discounted Loss and LAE	\$1,554,000	\$1,818,000	\$1,946,000	\$2,096,000	\$2,281,000	\$2,530,000
Rate per \$100 of 2018-19 Payroll	\$0.916	\$1.072	\$1.147	\$1.236	\$1.345	\$1.492

* ULAE is included with Loss and ALAE

The funding recommendations shown in the table above do not include any recognition of the existing funding margin (surplus or deficit) at June 30, 2018. They are for losses and loss adjustment expenses only, and do not include a provision for loss control, overhead, excess insurance premiums, and other expenses associated with the program.

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

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

Sincerely,

Bickmore

DRAFT

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

DRAFT

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

DRAFT

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

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I. BACKGROUND

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

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

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

As of June 30, 2018, NCCSIF is expected to have assets of \$13,132,000 for the program. Additional background on program funding is given in Appendix L.

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

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

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

Accident Year	Shared Layer	Banking Layer
1996-97	70%	70%
1997-01	80%	70%
2001-02	80%	Expected
2002-03	60%	70%
2003-04	70%	70%
2004-05	70%	Expected
2005-06	70%	70%
2006-07	70%	70%
2007-08	70%	70%
2008-09	60%	60%
2009-10	60%	60%
2010-11	60%	60%
2011-12	60%	60%
2012-13	60%	60%
2013-14	60%	60%
2014-15	65%	65%
2015-16	67.5%	67.5%
2016-17	70%	70%
2017-18	75%	75%
2018-19	75%	75%

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

The purpose of this review is to provide a guide to NCCSIF to determine reasonable funding levels for its self-insurance program according to the funding policy NCCSIF has adopted and to comply with Governmental Accounting Standards Board Statements #10 and #30. The specific objectives of the study are to estimate NCCSIF's liability for outstanding claims as of June 30, 2018, project ultimate loss costs for 2018-19, and provide funding guidelines to meet these liabilities and future costs.

II. CONCLUSIONS AND RECOMMENDATIONS

A. LIABILITY FOR OUTSTANDING CLAIMS

Graphs 1a, 1b and 1c on the following pages summarize our assessment of NCCSIF's funding position as of June 30, 2018. The dark-colored bars indicate our estimates of the program's liability for outstanding claims before recognition of the investment income that can be earned on the assets held before the claim payments come due. The horizontal line across each graph indicates NCCSIF's available assets at June 30, 2018.

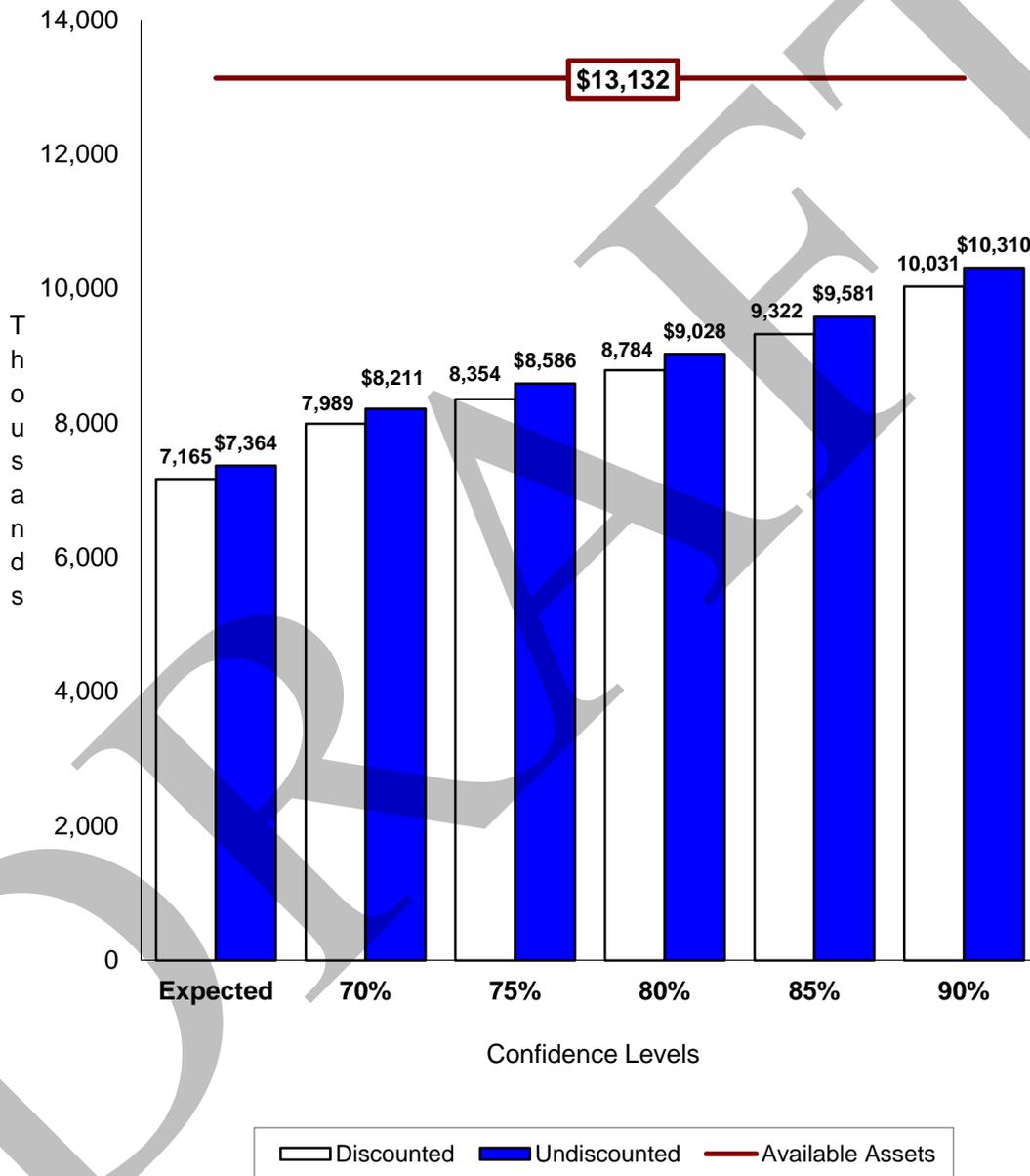
Our best estimate of the full value of NCCSIF's liability for outstanding claims within its pool limit is \$7,364,000, \$2,471,000 for the banking layer and \$4,893,000 for the shared layer as of June 30, 2018. These amounts include losses, allocated loss adjustment expenses (ALAE), and unallocated loss adjustment expenses (ULAE). ALAE is the direct cost associated with the defense of individual claims (e.g. legal fees, investigation fees, court charges). ULAE is the cost to administer claims to final settlement, which may be years in the future (e.g. claims adjusters' salaries, taxes).

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

NCCSIF can earn investment income on the assets it holds until claims payments come due. Assuming a long-term average annual return on investments of 1.5%, we estimate the impact of investment income earnings to be about 2.7% if the program is funded within the range indicated in the graphs, resulting in a discounted liability for outstanding claims of \$7,165,000, \$2,404,000 for the banking layer, and \$4,761,000 for the shared layer as of June 30, 2018.

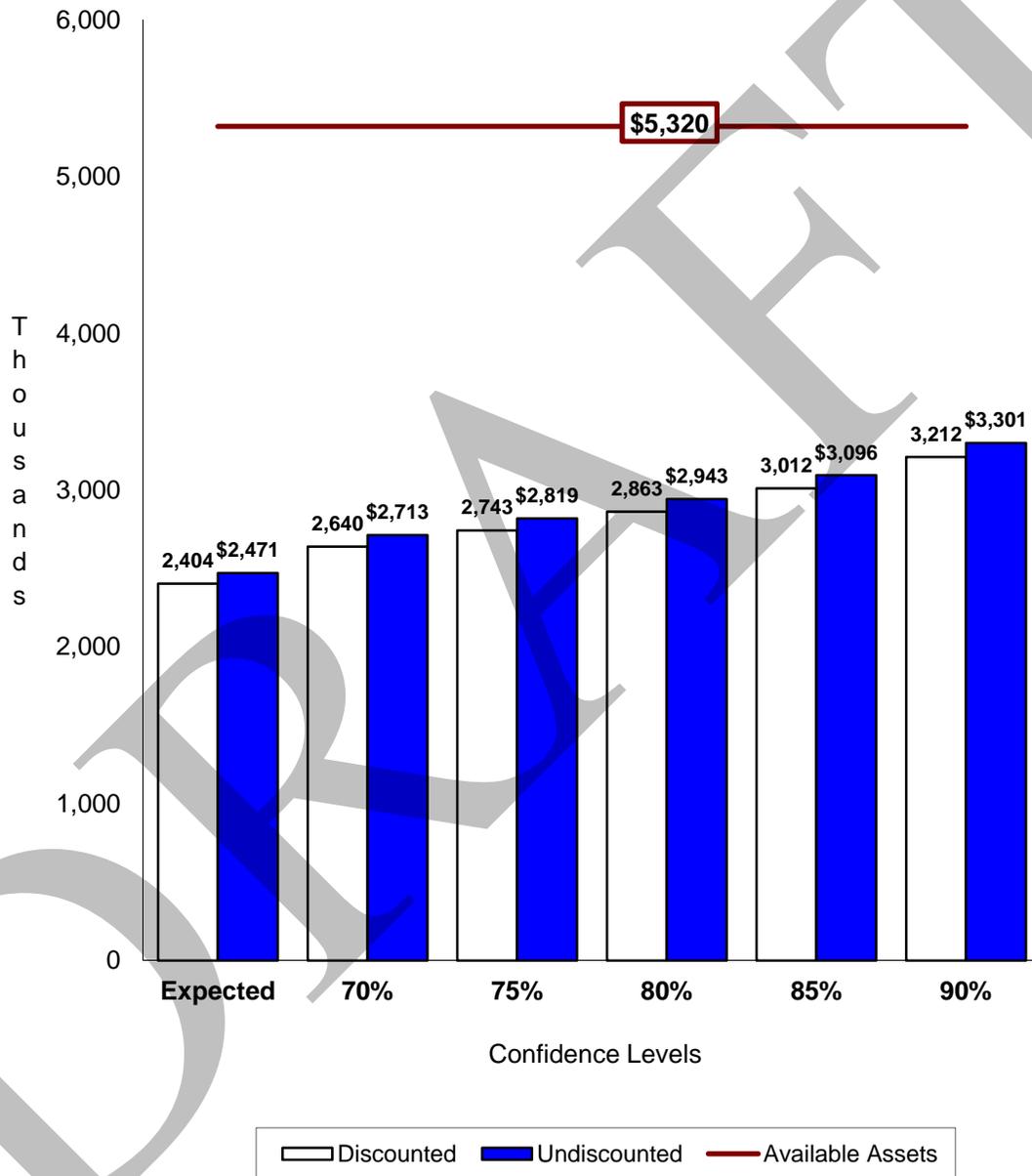
Investment income earnings will be less than this when the program does not maintain sufficient funding, and more when there is excess funding. Thus, thinking in terms of liabilities discounted for investment income can actually mask funding deficiencies and redundancies that might otherwise be obvious.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

NCCSIF - Liability
 Available Assets vs Outstanding Liability (\$000's)
 at June 30, 2018
 Banking and Shared Layers Combined

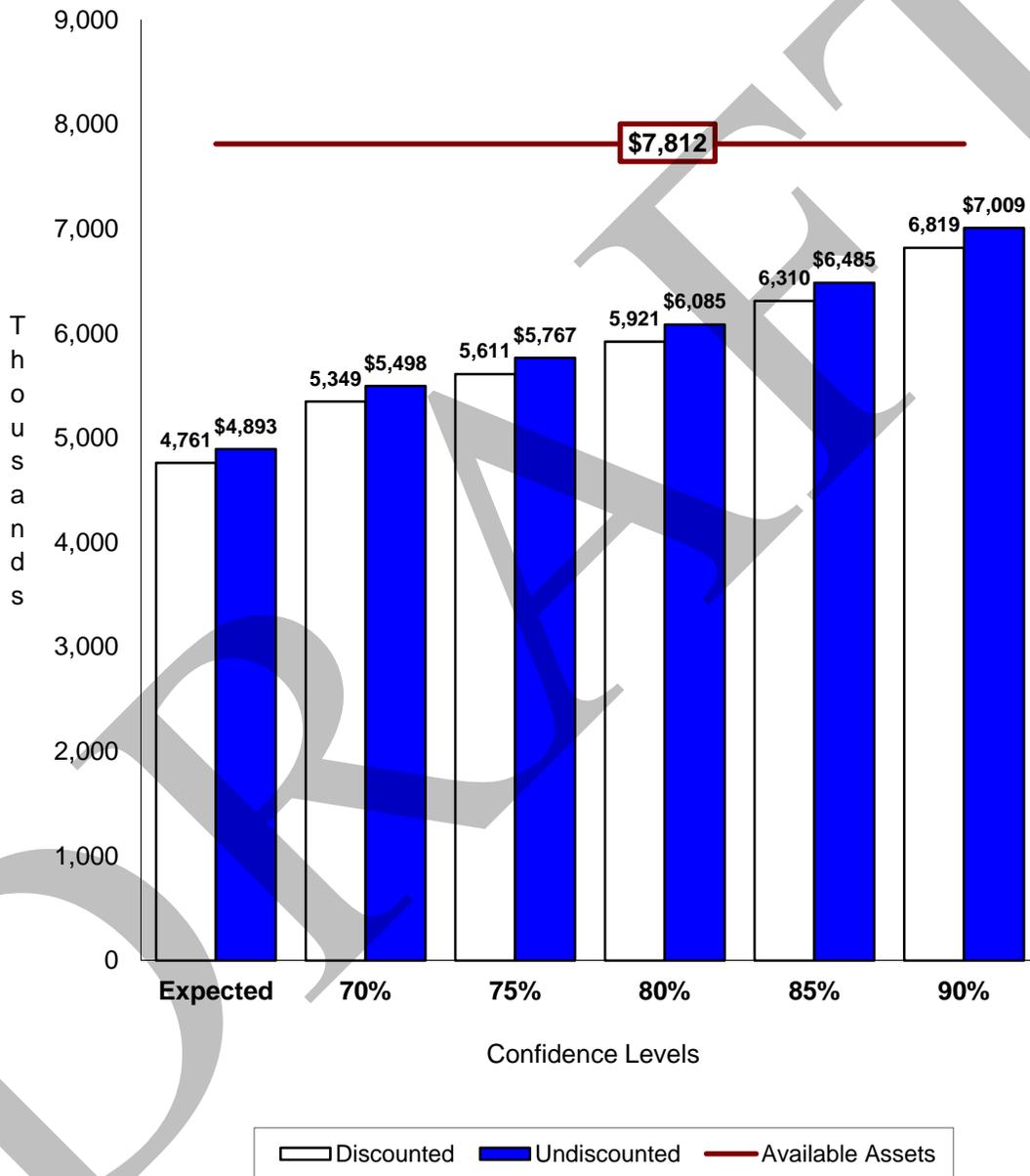


Graph 1b

NCCSIF - Liability
Available Assets vs Outstanding Liability (\$000's)
at June 30, 2018
Banking Layer



NCCSIF - Liability
 Available Assets vs Outstanding Liability (\$000's)
 at June 30, 2018
 Shared Layer



The table below displays a breakdown of the program's outstanding loss and LAE liabilities into case reserves and incurred but not reported (IBNR) reserves at June 30, 2018, before recognition of investment income.

Northern California Cities Self Insurance Fund
 Self-Insured Liability Program
 Estimated Liability for Unpaid Loss and LAE at June 30, 2018

Year	Case Reserves	IBNR Reserves	Total Outstanding
Prior	\$0	\$0	\$0
2008-09	176,858	7,376	184,234
2009-10	163,889	22,466	186,355
2010-11	59,459	22,933	82,392
2011-12	63,993	34,360	98,353
2012-13	180,801	63,492	244,293
2013-14	62,048	100,302	162,350
2014-15	697,442	202,586	900,028
2015-16	526,460	376,609	903,069
2016-17	1,139,918	769,172	1,909,090
2017-18	836,362	1,857,004	2,693,366
Loss and ALAE	\$3,907,230	\$3,456,300	\$7,363,530
ULAE		0	0
Total	\$3,907,230	\$3,456,300	\$7,363,530

B. PROGRAM FUNDING: GOALS AND OBJECTIVES

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

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

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

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

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

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

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

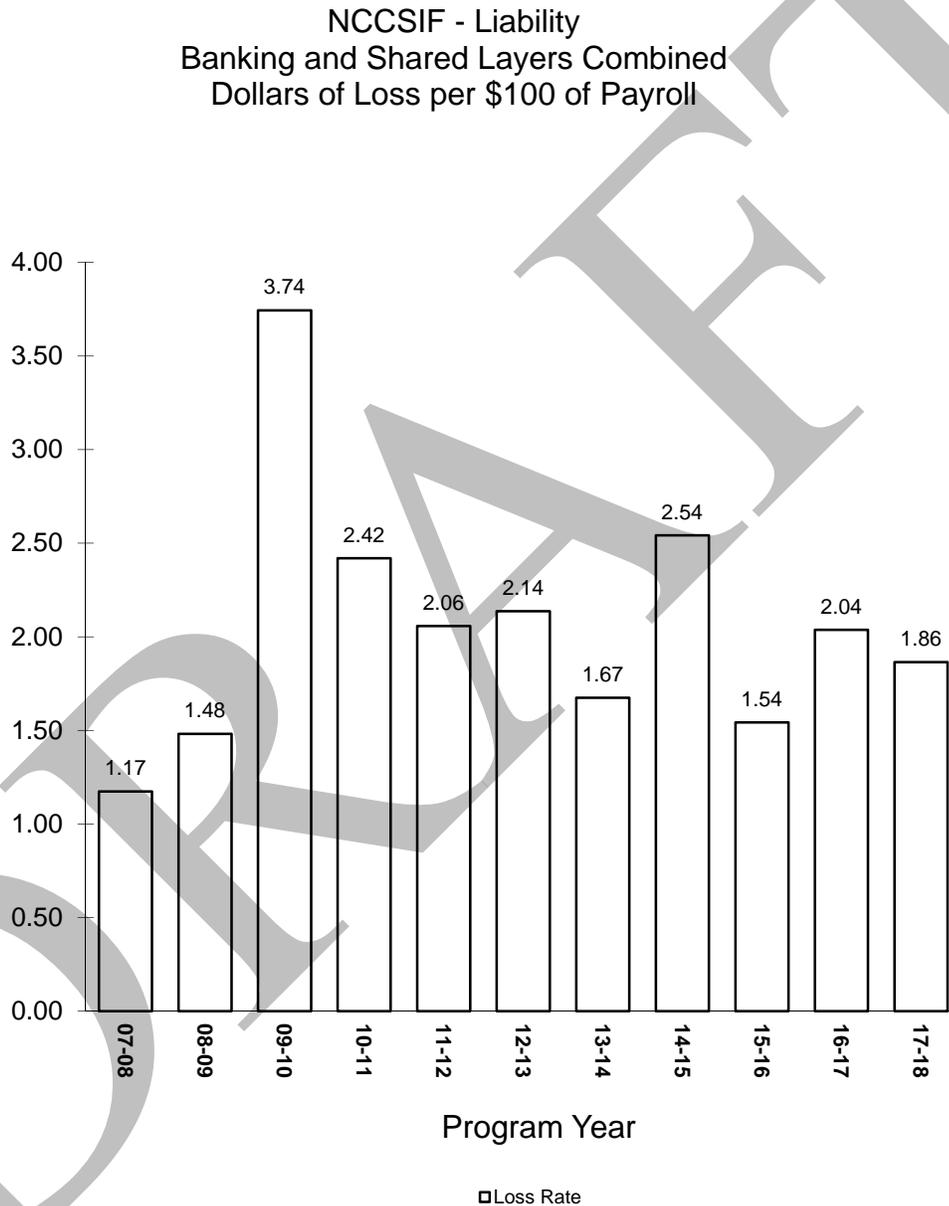
In general, we recommend funding each year's claims costs in that year. When surpluses or deficits have developed on outstanding liabilities and funding adjustments are necessary, they should be clearly identified as such so that the habit of funding each year's claims costs that year is maintained.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

It is estimated that program assets will be \$13,132,000 at June 30, 2018, \$5,320,000 for the banking layer and \$7,812,000 for the shared layer, resulting in the program being funded above the 90% confidence level on a combined basis and for both the banking and shared layer separately.

C. HISTORICAL TRENDS IN THE SELF-INSURANCE PROGRAM

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

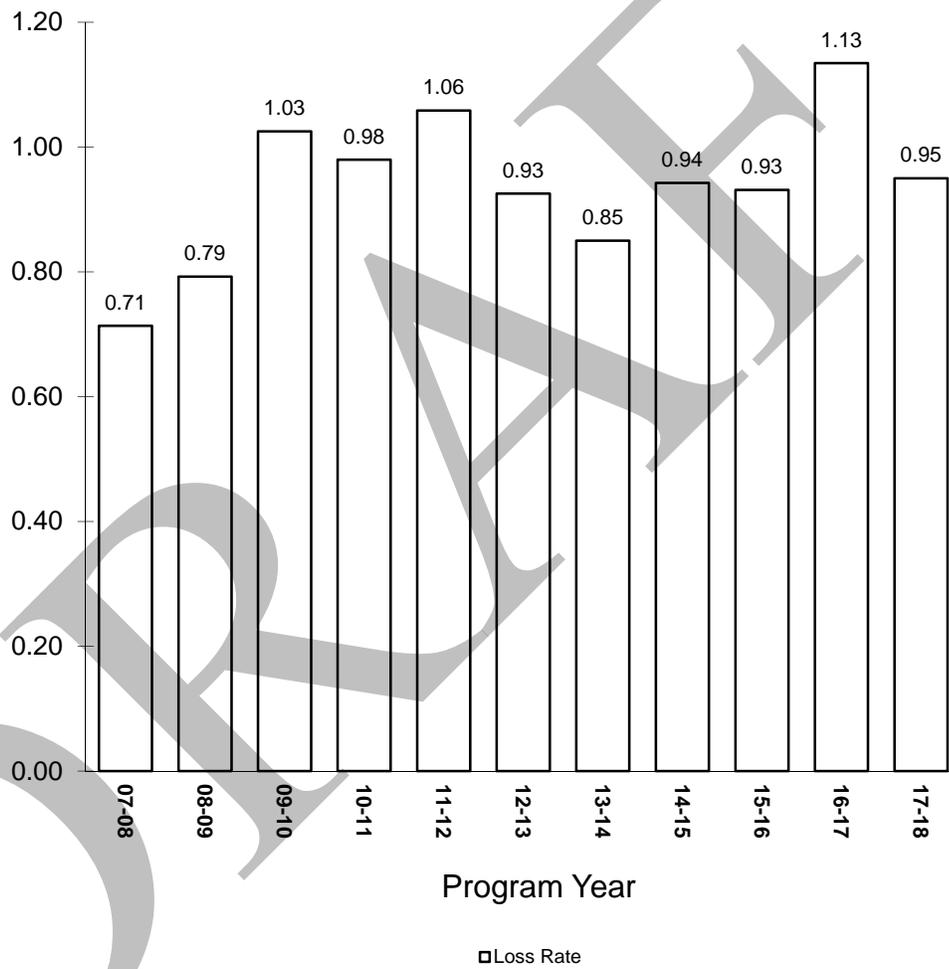
Graph 2a



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

Graph 2b

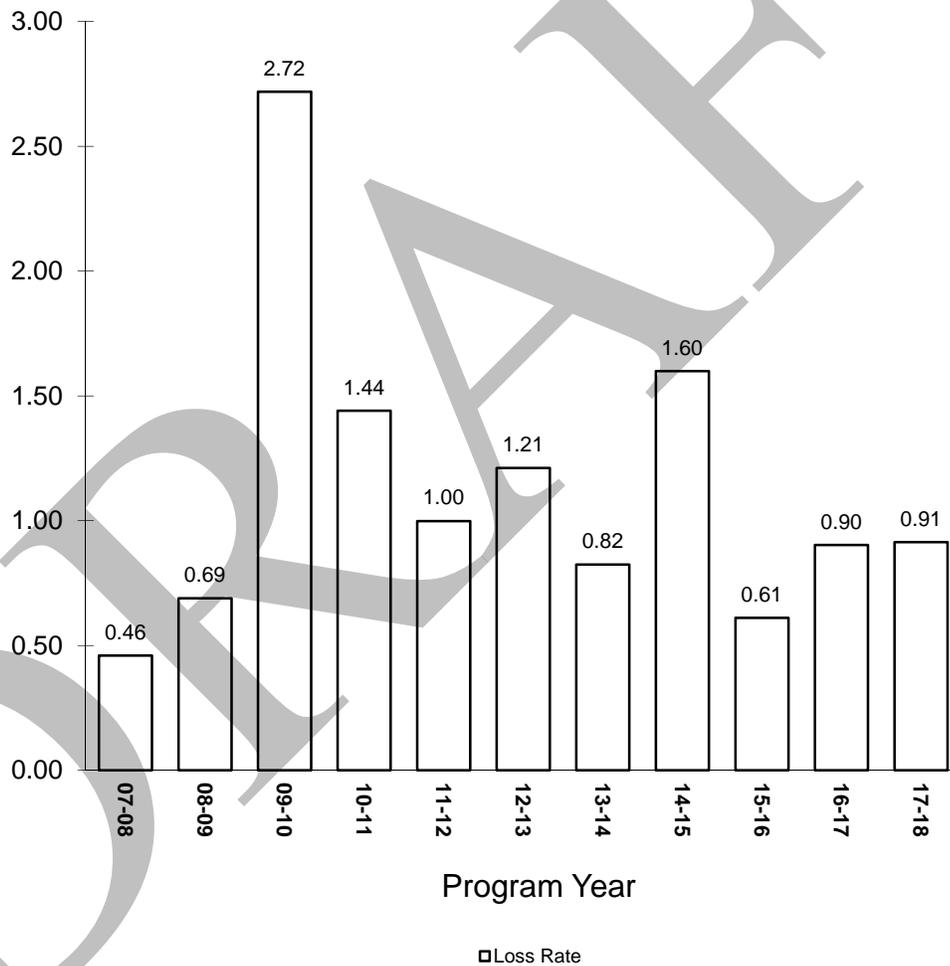
NCCSIF - Liability
Banking Layer
Dollars of Loss per \$100 of Payroll



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

Graph 2c

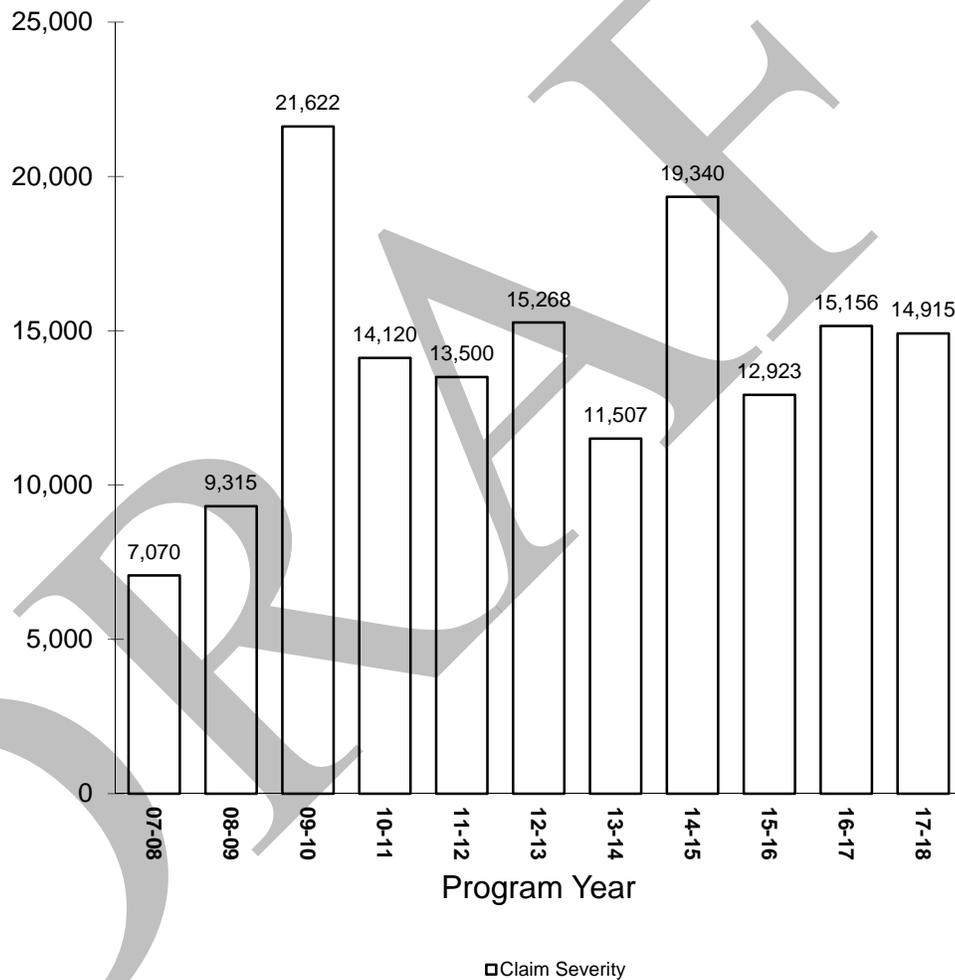
NCCSIF - Liability
Shared Layer
Dollars of Loss per \$100 of Payroll



The program's average cost per claim, or severity, has followed a generally increasing trend over the past ten years, with the 2009-10 and 2014-15 years coming in particularly high. The projected 2017-18 severity reflects that increasing trend. See Graph 3a below.

Graph 3a

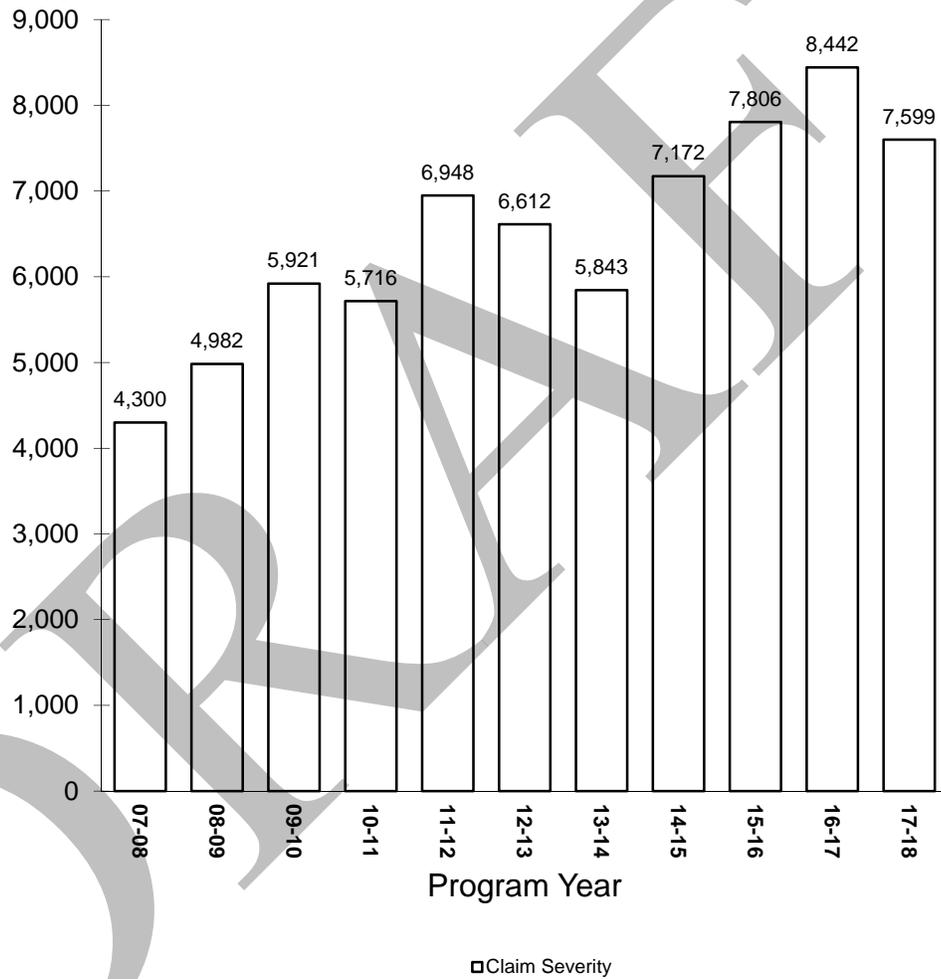
NCCSIF - Liability
Banking and Shared Layers Combined
Dollars of Loss per Claim



The banking layer average cost per claim, or severity, has followed a generally increasing trend over the past ten years. The projected 2017-18 severity reflects that increasing trend. See Graph 3b below.

Graph 3b

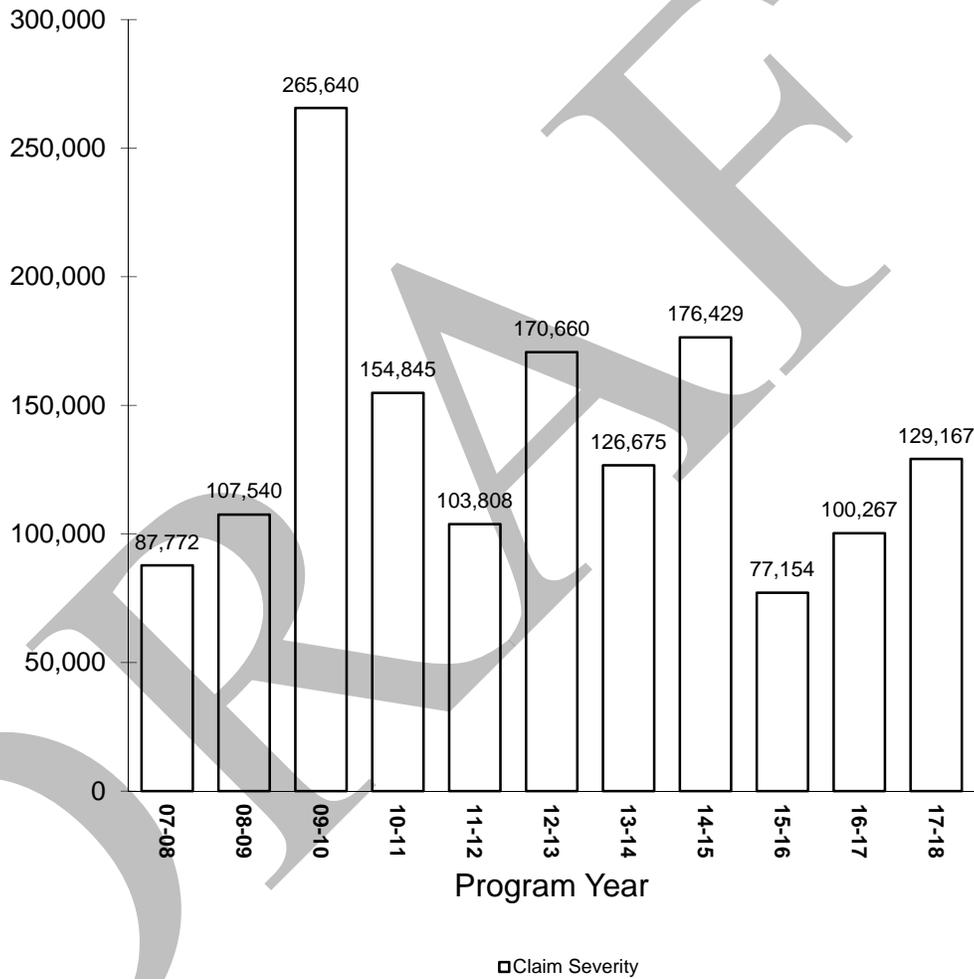
NCCSIF - Liability
Banking Layer
Dollars of Loss per Claim



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

Graph 3c

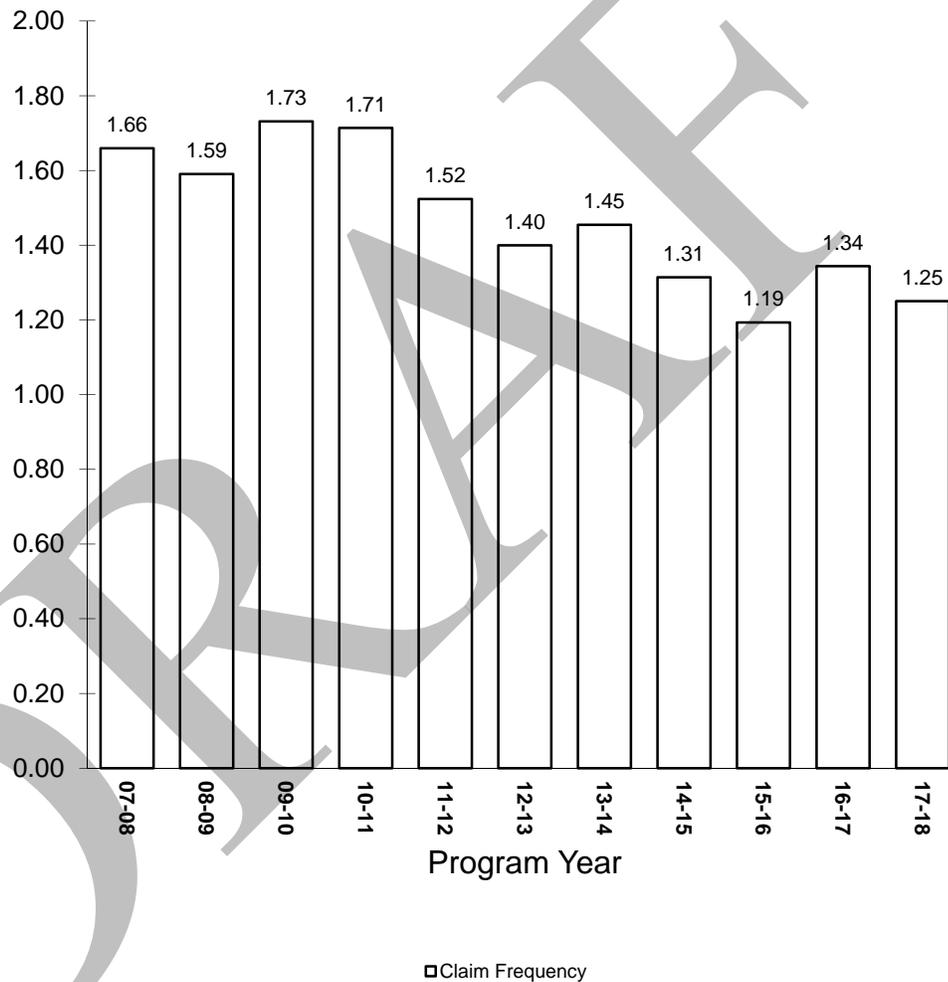
NCCSIF - Liability
 Shared Layer
 Dollars of Loss per Claim



The program's frequency of claims per \$1 million payroll has been generally decreasing over the past ten years. The projected 2017-18 frequency reflects that decreasing trend. See Graph 4a below. (Note that banking layer frequency is the same as shown below for the program.)

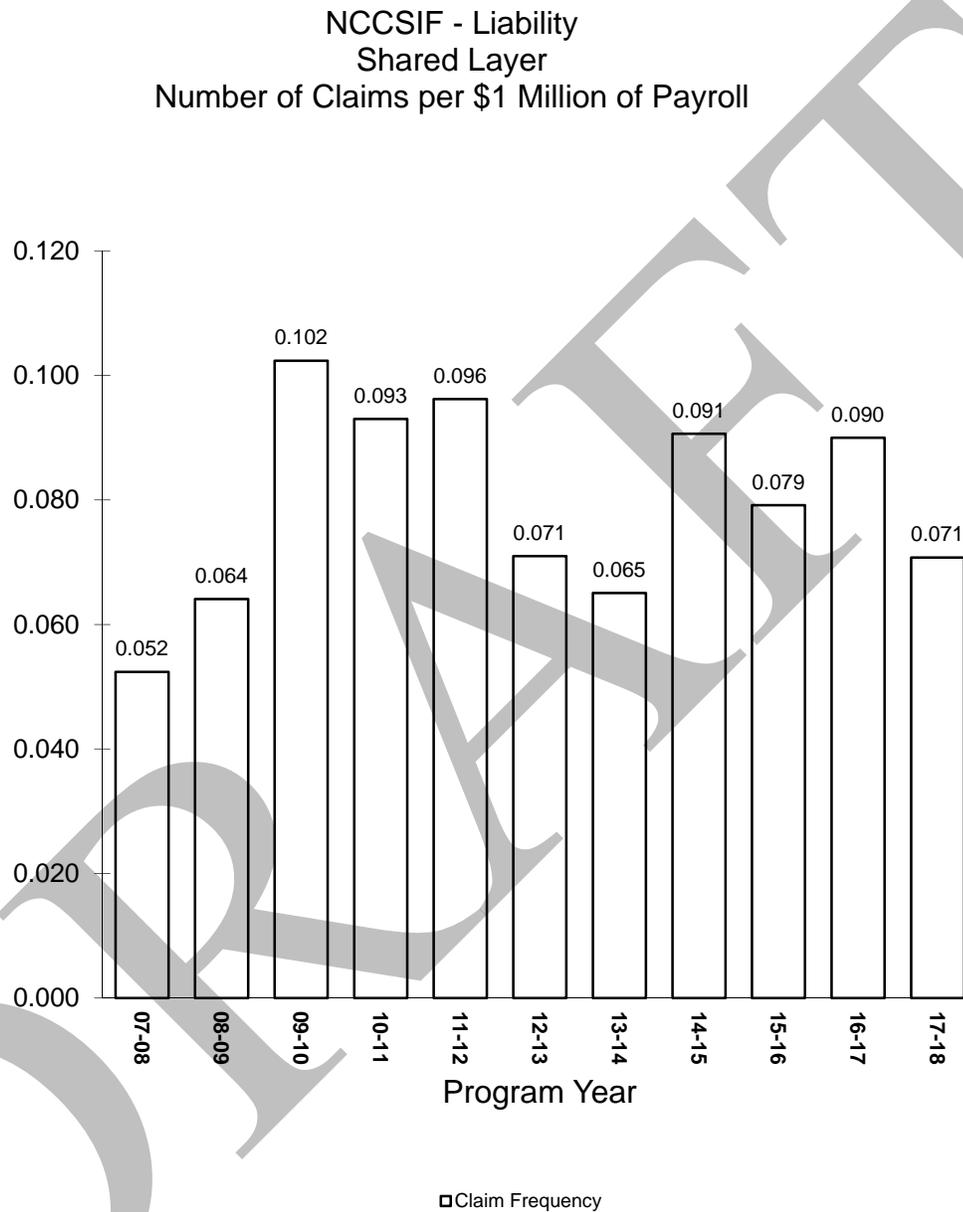
Graph 4a

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



The shared layer frequency of claims per \$1 million payroll has been quite volatile but has been generally decreasing since 2009-10. See Graph 4b below.

Graph 4b



D. COMPARISON WITH PREVIOUS RESULTS

The prior report for Northern California Cities Self Insurance Fund was dated March 10, 2017. In the table below we display actual versus expected development of incurred losses and ALAE by accident year between the 12/31/2016 evaluation date of the prior report and the 12/31/2017 evaluation date of the current report.

Actual Versus Expected Incurred Loss and ALAE Development

Banking and Shared Layers Combined

Accident Year	Expected Incurred Development	Actual Incurred Development	Actual Minus Expected
Prior	\$1,000	(\$16,000)	(\$17,000)
1997-98	0	0	0
1998-99	0	0	0
1999-00	0	0	0
2000-01	2,000	(16,000)	(18,000)
2001-02	0	0	0
2002-03	0	0	0
2003-04	0	0	0
2004-05	0	0	0
2005-06	0	0	0
2006-07	0	0	0
2007-08	0	0	0
2008-09	5,000	0	(5,000)
2009-10	13,000	23,000	10,000
2010-11	17,000	50,000	33,000
2011-12	46,000	(71,000)	(117,000)
2012-13	59,000	381,000	322,000
2013-14	59,000	236,000	177,000
2014-15	162,000	59,000	(103,000)
2015-16	754,000	(251,000)	(1,005,000)
2016-17	1,608,000	1,902,000	294,000
Total	\$2,726,000	\$2,297,000	(\$429,000)

* ULAE is included with Loss and ALAE

As shown, actual incurred development was less than anticipated since the prior report. Based on the assumptions from the prior report, it was expected that incurred losses would increase by \$2,726,000 between the two evaluation dates. However, actual development was approximately \$2,297,000; or about \$429,000 less than expected. The favorable development in the 2015-16 year more than offset the overall adverse development in the remaining years.

In the table below we display actual versus expected development of paid losses and ALAE by accident year between the 12/31/2016 evaluation date of the prior report and the 12/31/2017 evaluation date of the current report.

Actual Versus Expected Paid Loss and ALAE Development

Banking and Shared Layers Combined

Accident Year	Expected Paid Development	Actual Paid Development	Actual Minus Expected
Prior	\$18,000	\$0	(\$18,000)
1997-98	0	0	0
1998-99	0	0	0
1999-00	0	0	0
2000-01	21,000	3,000	(18,000)
2001-02	0	0	0
2002-03	0	0	0
2003-04	0	0	0
2004-05	0	0	0
2005-06	0	0	0
2006-07	0	0	0
2007-08	0	0	0
2008-09	111,000	7,000	(104,000)
2009-10	129,000	49,000	(80,000)
2010-11	38,000	23,000	(15,000)
2011-12	202,000	183,000	(19,000)
2012-13	272,000	692,000	420,000
2013-14	316,000	557,000	241,000
2014-15	847,000	470,000	(377,000)
2015-16	966,000	709,000	(257,000)
2016-17	736,000	982,000	246,000
Total	\$3,656,000	\$3,675,000	\$19,000

* ULAE is included with Loss and ALAE

As shown, actual paid development was greater than anticipated since the prior report. Based on the assumptions from the prior report, it was expected that paid losses would increase by \$3,656,000 between the two evaluation dates. However, actual development was approximately \$3,675,000; or about \$19,000 more than expected.

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

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

Accident Year	Prior Report	Current Report	Change In Ultimate
Prior	\$12,606,000	\$12,588,000	(\$18,000)
1997-98	2,915,000	2,915,000	0
1998-99	1,842,000	1,842,000	0
1999-00	2,774,000	2,774,000	0
2000-01	2,038,000	2,020,000	(18,000)
2001-02	2,038,000	2,038,000	0
2002-03	2,291,000	2,291,000	0
2003-04	2,054,000	2,054,000	0
2004-05	3,058,000	3,058,000	0
2005-06	2,338,000	2,338,000	0
2006-07	2,898,000	2,898,000	0
2007-08	2,051,000	2,050,000	(1,000)
2008-09	2,604,000	2,599,000	(5,000)
2009-10	6,002,000	6,011,000	9,000
2010-11	3,737,000	3,770,000	33,000
2011-12	3,249,000	3,132,000	(117,000)
2012-13	2,867,000	3,191,000	324,000
2013-14	2,315,000	2,497,000	182,000
2014-15	3,964,000	3,926,000	(38,000)
2015-16	3,510,000	2,533,000	(977,000)
2016-17	3,142,000	3,395,000	253,000
Total	\$70,293,000	\$69,920,000	(\$373,000)

* ULAE is included with Loss and ALAE

As shown, overall we have decreased our estimated ultimates by \$373,000 since our prior report. The less than anticipated incurred loss development mentioned above translates to a decrease in our estimates of ultimate losses. The changes by accident year generally track well with the actual versus expected incurred loss development.

At the time of the prior report, we estimated the liability for outstanding claims as of June 30, 2017 to be \$7,948,000 at the discounted, expected level. Our current estimate as of June 30, 2018, is \$7,165,000, a decrease in our assessment of NCCSIF's outstanding liabilities, as shown below:

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

	Prior Report at June 30, 2017	Current Report at June 30, 2018	Change
(A) Case Reserves:	\$4,704,000	\$3,908,000	(\$796,000)
(B) IBNR Reserves:	3,465,000	3,456,000	(9,000)
(C) Claims Administration (ULAE*):	0	0	0
(D) Total Reserves:	\$8,169,000	\$7,364,000	(\$805,000)
(E) Offset for Investment Income:	(221,000)	(199,000)	22,000
(F) Total Outstanding Claim Liabilities:	\$7,948,000	\$7,165,000	(\$783,000)

* ULAE is included with Loss and ALAE

As shown, our estimate of outstanding claims liabilities at the discounted, expected level has decreased between June 30, 2017 and June 30, 2018 as reflected in our prior and current reports respectively.

The decrease in claim reserves (case and IBNR) is driven primarily by a large decrease in case reserves. Reserves for future claims administration expenses are included with Loss and ALAE, resulting in an \$805,000 decrease in total claim reserves. This decrease in reserves leads to a smaller offset for investment income. The net change due to the above factors is an overall decrease of \$783,000 in our estimate of outstanding claim liabilities for loss and LAE.

At the time of the prior report, available assets were estimated to be \$11,811,000 as of June 30, 2017, which corresponded to the then-estimated discounted liability for outstanding claims above the 90% confidence levels. Available assets are currently estimated to be \$13,132,000 as of June 30, 2018, which corresponds to the currently estimated liability for outstanding claims above the 90% confidence level. It can be summarized as follows:

Funding Margin
Banking and Shared Layers Combined

	Prior Report at June 30, 2017	Current Report at June 30, 2018	Change
(A) Outstanding Liability at the Discounted Expected Level:	\$7,948,000	\$7,165,000	(\$783,000)
(B) Estimated Assets At June 30:	11,811,000	13,132,000	1,321,000
(C) Surplus/(Deficit):	\$3,863,000	\$5,967,000	\$2,104,000

As you can see, our estimate of the program's funding margin at the discounted, expected level has increased by \$2,104,000 between June 30, 2017 (as previously estimated) and June 30, 2018 (as currently estimated). This is driven by an increase in the estimated fund assets between the two points, coupled with a decrease in the estimated outstanding liability.

At the time of the prior report, our funding estimate for the 2017-18 year was \$3,104,000 at the discounted, expected level. That amount included allocated loss adjustment expenses (ALAE), unallocated loss adjustment expenses (ULAE), and a discount for anticipated investment income. Our current estimate for the 2018-19 year is \$3,147,000 at the discounted, expected level, an increase in the program's expected loss costs, as shown in the table below:

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

	Prior Report 2017-18 Pool Limit = \$500,000	Current Report 2018-19 Pool Limit = \$500,000	Change
(A) Ultimate Loss and ALAE:	\$3,206,000	\$3,251,000	\$45,000
(B) Ultimate Claims Administration (ULAE):	0	0	0
(C) Total Claim Costs:	\$3,206,000	\$3,251,000	\$45,000
(D) Offset for Investment Income:	(102,000)	(104,000)	(2,000)
(E) Total Recommended Funding:	\$3,104,000	\$3,147,000	\$43,000
(F) Funding per \$100 of Payroll:	\$1.906	\$1.856	(\$0.050)

* ULAE is included with Loss and ALAE

As you can see, our funding recommendations at the discounted, expected level have increased between 2017-18 and 2018-19, as shown in our prior and current reports respectively.

Our estimates of ultimate loss and ALAE have increased by \$45,000, driven primarily by an increase in exposure. Investment income is expected to be slightly greater. The net change due to the above factors is an overall increase of \$43,000 in our annual funding estimate for loss and LAE. It should be noted that, although the overall recommended funding has increased, the average funding rate has decreased by 2.6%.

E. DATA PROVIDED FOR THE ANALYSIS

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

Comments and issues regarding the data are as follows:

- We have assumed that the program's self-insured retention will remain at \$500,000 per occurrence for 2017-18 and 2018-19 (See Appendix K).
- We estimated the 6/30/2018 asset balance by beginning with the 12/31/2017 asset balance, and adjusting for anticipated revenue and expense for the last six months of 2017-18 (see Appendix L).
- We received loss data evaluated as of 12/31/2017 (See Appendix M). We also utilized the data from NCCSIF's most recent actuarial study for our assessment of loss development.
- We have assumed that NCCSIF's payroll for 2018-19 will be \$169,593,203, based upon information provided by NCCSIF (See Appendix N).

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

III. ASSUMPTIONS AND LIMITATIONS

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

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

- We have assumed that assets held for investment will generate an average annual return of 1.5% over the duration of payment of the loss liabilities. It should be noted that actual future investment returns may vary significantly from this assumption, depending upon the prevailing investment market conditions.
- The claims costs we have estimated include indemnity and medical payments, and all loss adjustment expenses. We have not included estimates for excess insurance contributions and other expenses associated with the program based upon information provided by NCCSIF.
- Our funding recommendations do not include provisions for catastrophic events not in NCCSIF's history, such as earthquakes, flooding, mass civil disorder, or mass occupational disease.
- Our estimates assume that all excess insurance is valid and collectible. Further, our funding recommendations do not include a provision for losses greater than NCCSIF's excess coverage.
- NCCSIF's assets available for the program are estimated to be \$13,132,000 as of June 30, 2018 for use in this report. This is shown in further detail in Appendix L.

IV. GLOSSARY OF ACTUARIAL TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Paid Losses - Losses actually paid on all reported claims.

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

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

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

Severity - Average claim cost.

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

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

Northern California Cities Self Insurance Fund - Liability

Funding Guidelines for Outstanding Liabilities
December 31, 2017

	<u>Total</u>	<u>Banking</u>	<u>Shared</u>
(A) Estimated Ultimate Losses Incurred through 12/31/17: (From Appendix G)	\$71,503,000	\$36,704,000	\$34,799,000
(B) Estimated Paid Losses through 12/31/17: (From Appendix G)	64,024,000	34,248,000	29,776,000
(C) Estimated Liability for Claims Outstanding at 12/31/17: (From Appendix G)	<u>\$7,479,000</u>	<u>\$2,455,000</u>	<u>\$5,024,000</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 12/31/17: (From Appendix F)	0	0	0
(E) Total Outstanding Liability for Claims at 12/31/17: ((C) + (D))	<u>\$7,479,000</u>	<u>\$2,455,000</u>	<u>\$5,024,000</u>
(F) Anticipated Investment Income: ((E) x [1 - Appendix I, Page 1, (H)])	202,000	66,000	136,000
(G) Discounted Outstanding Liability for Claims at 12/31/17: ((E) - (F))	<u>\$7,277,000</u>	<u>\$2,389,000</u>	<u>\$4,888,000</u>
(H) Confidence Level Factor: (From Appendix J)			
60%	1.029	1.026	1.030
65%	1.070	1.060	1.075
70%	1.115	1.098	1.123
75%	1.166	1.141	1.178
80%	1.226	1.191	1.243
85%	1.301	1.253	1.324
90%	1.400	1.336	1.431
(I) Total Required Available Funding at December 31, 2017 ((G) * (H))			
60%	\$7,488,000	\$2,451,000	\$5,037,000
65%	7,786,000	2,532,000	5,254,000
70%	8,114,000	2,623,000	5,491,000
75%	8,485,000	2,726,000	5,759,000
80%	8,922,000	2,845,000	6,077,000
85%	9,467,000	2,993,000	6,474,000
90%	10,188,000	3,192,000	6,996,000
(J) Available Assets at December 31, 2017	\$12,875,000	\$5,141,000	\$7,734,000
(K) Funding Surplus/(Deficit) at December 31, 2017 ((J) - (I))			
Expected	\$5,598,000	\$2,752,000	\$2,846,000
60%	5,387,000	2,690,000	2,697,000
65%	5,089,000	2,609,000	2,480,000
70%	4,761,000	2,518,000	2,243,000
75%	4,390,000	2,415,000	1,975,000
80%	3,953,000	2,296,000	1,657,000
85%	3,408,000	2,148,000	1,260,000
90%	2,687,000	1,949,000	738,000

Northern California Cities Self Insurance Fund - Liability

Funding Guidelines for Outstanding Liabilities
June 30, 2018

	<u>Total</u>	<u>Banking</u>	<u>Shared</u>
(A) Estimated Ultimate Losses Incurred through 6/30/18: (From Appendix G)	\$73,083,000	\$37,509,000	\$35,574,000
(B) Estimated Paid Losses through 6/30/18: (From Appendix G)	65,719,000	35,038,000	30,681,000
(C) Estimated Liability for Claims Outstanding at 6/30/18: (From Appendix G)	<u>\$7,364,000</u>	<u>\$2,471,000</u>	<u>\$4,893,000</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 6/30/18: (From Appendix F)	0	0	0
(E) Total Outstanding Liability for Claims at 6/30/18: ((C) + (D))	<u>\$7,364,000</u>	<u>\$2,471,000</u>	<u>\$4,893,000</u>
(F) Anticipated Investment Income: ((E) x [1 - Appendix I, Page 1, (H)])	199,000	67,000	132,000
(G) Discounted Outstanding Liability for Claims at 6/30/18: ((E) - (F))	<u>\$7,165,000</u>	<u>\$2,404,000</u>	<u>\$4,761,000</u>
(H) Confidence Level Factor: (From Appendix J)			
60%	1.029	1.026	1.030
65%	1.070	1.060	1.075
70%	1.115	1.098	1.124
75%	1.166	1.141	1.179
80%	1.226	1.191	1.244
85%	1.301	1.253	1.325
90%	1.400	1.336	1.432
(I) Total Required Available Funding at June 30, 2018 ((G) * (H))			
60%	\$7,373,000	\$2,467,000	\$4,906,000
65%	7,667,000	2,548,000	5,119,000
70%	7,989,000	2,640,000	5,349,000
75%	8,354,000	2,743,000	5,611,000
80%	8,784,000	2,863,000	5,921,000
85%	9,322,000	3,012,000	6,310,000
90%	10,031,000	3,212,000	6,819,000
(J) Available Assets at June 30, 2018	\$13,132,000	\$5,320,000	\$7,812,000
(K) Funding Surplus/(Deficit) at June 30, 2018 ((J) - (I))			
Expected	\$5,967,000	\$2,916,000	\$3,051,000
60%	5,759,000	2,853,000	2,906,000
65%	5,465,000	2,772,000	2,693,000
70%	5,143,000	2,680,000	2,463,000
75%	4,778,000	2,577,000	2,201,000
80%	4,348,000	2,457,000	1,891,000
85%	3,810,000	2,308,000	1,502,000
90%	3,101,000	2,108,000	993,000

Northern California Cities Self Insurance Fund - Liability

Funding Options for Program Year 2018-2019

Banking Layer Retention: \$50,000 (Folsom: \$100,000)
Shared Layer Retention: \$500,000 (Including Folsom From \$100,000 - \$500,000)

	Total	Banking	Excl. Folsom	Folsom Only	Shared
(A) Estimated Ultimate Losses Incurred in Accident Year 2018-2019:	\$3,251,000	\$1,626,000	\$1,158,000	\$468,000	\$1,625,000
(B) Estimated Claims Administration Fees Incurred in Accident Year 2018-2019:	0	0	0	0	0
(C) Total Claims Costs Incurred in Accident Year 2018-2019: ((A) + (B))	\$3,251,000	\$1,626,000	\$1,158,000	\$468,000	\$1,625,000
(D) Anticipated Investment Income: ((C) x Average Discount Factor at 1.5%.	104,000	33,000	22,000	11,000	71,000
(E) Discounted Total Claims Costs Incurred in Accident Year 2018-2019: ((C) - (D))	\$3,147,000	\$1,593,000	\$1,136,000	\$457,000	\$1,554,000
(F) Rate per \$100 2018-2019 Payroll:	\$1.856	\$0.939	\$0.881	\$1.123	\$0.916
	Total	Banking	Banking ex Folsom	Banking Folsom	Shared
(G) Confidence Level Factor:					
60%	1.034	1.034	1.033	1.037	1.034
65%	1.098	1.097	1.092	1.110	1.098
67.5%	1.115	1.128	1.121	1.146	1.102
70%	1.168	1.166	1.157	1.191	1.170
75%	1.249	1.246	1.231	1.284	1.252
80%	1.344	1.340	1.318	1.393	1.349
85%	1.462	1.456	1.427	1.529	1.468
90%	1.620	1.612	1.572	1.711	1.628
(H) Total Required Funding for 2018-2019 Incurred Claims Costs ((E) * (G))					
60%	\$3,254,000	\$1,647,000	\$1,173,000	\$474,000	\$1,607,000
65%	3,455,000	1,748,000	1,241,000	507,000	1,707,000
67.5%	3,509,000	1,797,000	1,273,000	524,000	1,712,000
70%	3,676,000	1,858,000	1,314,000	544,000	1,818,000
75%	3,931,000	1,985,000	1,398,000	587,000	1,946,000
80%	4,230,000	2,134,000	1,497,000	637,000	2,096,000
85%	4,601,000	2,320,000	1,621,000	699,000	2,281,000
90%	5,098,000	2,568,000	1,786,000	782,000	2,530,000
(I) Funding Rates for 2018-2019 Incurred Claims Costs					
60%	\$1.919	\$0.971	\$0.910	\$1.165	\$0.948
65%	\$2.037	\$1.031	\$0.963	\$1.246	\$1.007
67.5%	\$2.069	\$1.060	\$0.988	\$1.288	\$1.009
70%	\$2.168	\$1.096	\$1.019	\$1.337	\$1.072
75%	\$2.318	\$1.170	\$1.085	\$1.443	\$1.147
80%	\$2.494	\$1.258	\$1.161	\$1.565	\$1.236
85%	\$2.713	\$1.368	\$1.258	\$1.718	\$1.345
90%	\$3.006	\$1.514	\$1.386	\$1.922	\$1.492

Rates based on 2018-2019 payroll of \$169,593,200



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

ACTION ITEM

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

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

FISCAL IMPACT: TBD - based on review and discussion at meeting.

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

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

ATTACHMENT(S): Workers' Compensation Banking Layer Plan Adjustments

NCCSIF Banking Layer Targeted Equity and Dividend and Assessment Worksheet
Workers Compensation Banking Layer
Evaluation of Equity by member above 90% confidence level
as of 12/31/17 with actuary dated 3-9-18

	Adjusted Net Position Equity at 12/31/17 A	O/S @ Exp times 90% Factor B	margin to 90% claims C	10 x SIR \$1M Layer Allocated D	Net Margin above (below) 90% and 10xSIR E	Members above target Amount Available F	Limited Amount Available Above target G	100% Net Equity above pool 10xsir and 90% conf. level	50% Net Equity above pool 10xsir and 90% conf. level	35% Net Equity above pool 10xsir and 90% conf. level H	\$10,000 or less assess 100%, else 20% Expected Assessment I
		5630.1			A-C-D		Limited to the net margin above target should equal col E				
		1.184									
ANDERSON	99,243	410,786	63,838	27,144	8,261	8,261	6,819	-	-	2,387	-
AUBURN	203,979	802,382	124,695	50,883	28,401	28,401	23,445	-	-	8,206	-
COLUSA	92,411	95,108	14,780	6,389	71,242	71,242	58,809	-	-	20,583	-
CORNING	211,328	122,522	19,041	9,769	182,518	182,518	150,666	-	-	52,733	-
DIXON	709,094	418,186	64,988	28,002	616,104	616,104	508,585	-	-	178,005	-
ELK GROVE	663,767	1,440,313	223,832	99,825	340,110	340,110	280,756	-	-	98,265	-
FOLSOM	2,999,004	3,248,316	504,806	200,120	2,294,078	2,294,078	1,893,727	-	-	662,804	-
GALT	208,876	849,632	132,038	49,567	27,271	27,271	22,512	-	-	7,879	-
GRIDLEY	400,248	140,997	21,912	9,076	369,260	369,260	304,819	-	-	106,687	-
IONE	45,292	22,237	3,455	1,995	39,842	39,842	32,889	-	-	11,511	-
JACKSON	126,316	57,073	8,869	4,541	112,906	112,906	93,202	-	-	32,621	-
LINCOLN	723,108	481,590	74,842	34,884	613,382	613,382	506,338	-	-	177,218	-
MARYSVILLE	196,035	478,812	74,410	28,320	93,305	93,305	77,022	-	-	26,958	-
NEVADA CITY	67,526	196,738	30,574	12,912	24,040	24,040	19,845	-	-	6,946	-
OROVILLE	(210,762)	720,951	112,039	39,764	(362,565)	-	-	-	-	-	(72,513)
PARADISE	(29,851)	756,216	117,520	38,334	(185,705)	-	-	-	-	-	(37,141)
PLACERVILLE	336,677	498,448	77,461	31,291	227,925	227,925	188,149	-	-	65,852	-
RED BLUFF	20,756	1,311,540	203,820	73,008	(256,072)	-	-	-	-	-	(51,214)
RIO VISTA	49,604	222,223	34,535	14,663	406	406	335	-	-	117	-
ROCKLIN	513,758	1,650,272	256,462	106,301	150,995	150,995	124,644	-	-	43,625	-
WILLOWS	222,980	68,778	10,689	4,196	208,095	208,095	171,779	-	-	60,123	-
YUBA CITY	314,393	2,090,245	324,836	129,017	(139,460)	-	-	-	-	-	(27,892)
	7,963,782	16,083,365	2,499,442	1,000,001	4,464,339	5,408,141	4,464,341	-	-	1,562,520	(188,760)
			Total								
			Margin to 90%		2,499,442						
			Plus 10x SIR		1,000,000						
			Total Target Margin		3,499,442						
			Amount above (below) Margin		4,464,339					-	



BACK TO AGENDA

Northern California Cities Self Insurance Fund
Executive Committee Meeting
March 22, 2018

Agenda Item G.2.b.

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

ACTION ITEM

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

Based on the latest actuarial report, the Fund has \$1,562,000 in excess of the minimum required assets, defined as the lesser of total assets less outstanding liabilities at the 90% Confidence Level or Net Position of five times the SIR of \$400,000 (\$2,000,000). Please refer to the attached for details and discussion points, including how much of the available funds to disburse to each member.

RECOMMENDATION: Refund no more than 50% of the available amount, or \$781,000, per the attached breakdown by member.

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

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

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



**WORKERS' COMPENSATION PROGRAM
FY 18/19 DEPOSIT PREMIUM CALCULATIONS**

ACTION ITEM

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

- Total funding at the current 75% Confidence Level (CL) for FY 18/19 is estimated at \$11,672,129, compared to \$11,568,170 for FY 17/18, an **increase of 0.9%**. Given the rate has decreased, the overall increase is *due to increased payroll of 4.3%* (compared to 7.7% last year). For comparison, total funding rose 9.4% last year, but with payroll up by 7.7% and an increase in the Confidence Level from 70% to 75%.
- Total funding at an 80% CL is estimated at \$12,068,129, an **increase of 4.3%** over current funding at the 75% CL. The individual funding increase cap of 40% is not applicable this year, and members are within a narrow range of increases, from 3.7% to 4.7%. The notable exception is the City of Willows, with a decrease of almost 20% due to outsourcing police.

The excess coverage rate is decreasing slightly, with total excess funding increasing an *estimated* 4%, just below the payroll increase.

RECOMMENDATION: Use this opportunity to increase funding to the pool's goal of an 80% CL.

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

BACKGROUND: Members have steadily increased the Confidence Level of annual funding from 65% to 70% to the current 75% CL. Over the same period the Discount Factor has decreased from 3% to 1.5%. Both of these changes have contributed to an increase in total funding, in addition to increases in payroll. NCCSIF's Funding Policy sets a goal of annual funding at an 80% CL.

ATTACHMENTS:

1. Preliminary FY 18/19 Workers' Compensation Deposit Calculations, 75% CL
2. Preliminary FY 18/19 Workers' Compensation Deposit Calculations, 80% CL
3. CSAC-EIA FY 18/19 Excess Workers' Compensation Premium Estimate

FY 18/19 NCCSIF Workers' Compensation Allocation PRELIMINARY

75% Confidence Level

Total Admin Expense = \$718,775

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 18/19 WCIRB Loss Rate Premium, Weighted 75%	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		
Member	FY 18/19 Estimated PAYROLL (P)	BANKING LAYER \$0 to \$100K	SHARED LAYER \$100K to \$500K	CSAC-EIA EXCESS LAYER \$500K TO STATUTORY	Variable ADMIN EXPENSE 65%	Fixed ADMIN EXPENSE 35%	FY 18/19 DEPOSIT	FY 17/18 DEPOSIT	% Change DEPOSIT	Cap 40% Increase	Payroll Increase from FY 17/18	FY 17/18 Estimated Payroll
Rate/Amount	Exposure Base	\$6,242,000	\$3,198,000	\$1,530,000	\$467,204	\$251,571	75% CL	75% CL		N/A		Exposure Base
Anderson	\$3,758,796	\$166,868	\$68,750	\$29,840	\$11,306	\$11,435	\$288,198	\$284,350	1.4%		12.1%	\$3,354,498
Auburn	\$6,562,867	\$168,025	\$96,178	\$50,030	\$13,383	\$11,435	\$339,051	\$334,922	1.2%		-17.1%	\$7,916,837
Colusa	\$2,271,794	\$60,466	\$33,788	\$18,981	\$4,823	\$11,435	\$129,494	\$127,821	1.3%		15.5%	\$1,966,977
Corning	\$2,841,529	\$28,091	\$46,623	\$14,318	\$3,792	\$11,435	\$104,259	\$103,588	0.6%		19.0%	\$2,388,300
Dixon	\$9,438,269	\$287,960	\$153,585	\$78,290	\$22,139	\$11,435	\$553,409	\$546,367	1.3%		5.1%	\$8,982,975
Elk Grove	\$40,866,211	\$718,270	\$420,834	\$186,930	\$56,475	\$11,435	\$1,393,943	\$1,376,970	1.2%		11.3%	\$36,710,148
Folsom	\$40,691,769	\$1,080,694	\$542,227	\$304,914	\$82,105	\$11,435	\$2,021,376	\$1,994,023	1.4%		1.0%	\$40,270,106
Galt	\$11,835,264	\$326,974	\$167,693	\$74,024	\$24,220	\$11,435	\$604,347	\$596,845	1.3%		4.6%	\$11,314,378
Gridley	\$3,804,797	\$62,999	\$56,585	\$22,014	\$6,031	\$11,435	\$159,063	\$157,542	1.0%		0.1%	\$3,801,769
Ione	\$1,092,528	\$18,840	\$18,920	\$7,095	\$1,910	\$11,435	\$58,200	\$57,575	1.1%		-3.4%	\$1,130,943
Jackson	\$2,266,229	\$90,823	\$35,338	\$19,495	\$6,203	\$11,435	\$163,295	\$160,981	1.4%		7.9%	\$2,101,191
Lincoln	\$12,747,000	\$255,894	\$158,364	\$81,328	\$21,107	\$11,435	\$528,128	\$521,847	1.2%		2.3%	\$12,464,564
Marysville	\$3,589,009	\$157,226	\$55,869	\$29,154	\$10,317	\$11,435	\$264,001	\$260,249	1.4%		10.6%	\$3,244,568
Nevada City	\$2,579,036	\$117,959	\$41,611	\$22,398	\$7,750	\$11,435	\$201,153	\$198,259	1.5%		2.3%	\$2,522,165
Oroville	\$6,368,537	\$311,766	\$149,300	\$56,348	\$22,036	\$11,435	\$550,885	\$543,973	1.3%		-9.8%	\$7,060,401
Paradise	\$4,204,235	\$248,208	\$92,044	\$35,287	\$15,994	\$11,435	\$402,967	\$397,478	1.4%		7.3%	\$3,917,312
Placerville	\$6,746,666	\$133,665	\$82,138	\$43,794	\$11,056	\$11,435	\$282,089	\$278,720	1.2%		6.7%	\$6,321,107
Red Bluff	\$6,264,914	\$393,946	\$143,467	\$64,849	\$25,650	\$11,435	\$639,346	\$630,362	1.4%		3.3%	\$6,066,197
Rio Vista	\$4,162,522	\$95,057	\$54,125	\$31,086	\$7,677	\$11,435	\$199,380	\$196,866	1.3%		8.6%	\$3,833,651
Rocklin	\$24,306,065	\$614,636	\$306,040	\$156,907	\$45,893	\$11,435	\$1,134,912	\$1,120,048	1.3%		9.2%	\$22,258,058
Willows	\$1,175,718	\$44,598	\$30,454	\$9,143	\$3,586	\$11,435	\$99,215	\$127,466	-22.2%		-34.8%	\$1,804,372
Yuba City	\$22,211,361	\$859,034	\$444,068	\$193,774	\$63,751	\$11,435	\$1,572,062	\$1,551,917	1.3%		-1.1%	\$22,467,222
Total:	\$219,785,116	\$6,242,000	\$3,198,000	\$1,530,000	\$467,204	\$251,571	\$11,688,775	\$11,568,170	1.0%		3.7%	\$211,897,739
Actuary/Verification		\$6,242,000	\$3,198,000									

no police

Total Payroll Less Capped Members \$203,876,383

FY 18/19 NCCSIF Workers' Compensation Allocation PRELIMINARY

80% Confidence Level

Total Admin Expense = \$718,775

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 18/19 WCIRB Loss Rate Premium, Weighted 75%	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	
Member	FY 18/19 Estimated PAYROLL (P)	BANKING LAYER \$0 to \$100K	SHARED LAYER \$100K to \$500K	CSAC-EIA EXCESS LAYER \$500K TO STATUTORY	Variable ADMIN EXPENSE 65%	Fixed ADMIN EXPENSE 35%	FY 18/19 DEPOSIT 80% CL	FY 17/18 DEPOSIT 75% CL	% Change DEPOSIT	Cap 40% Increase	Payroll Increase from FY 17/18	FY 17/18 Estimated Payroll
Rate/Amount	Exposure Base	\$6,433,000	\$3,403,000	\$1,530,000	\$467,204	\$251,571	80% CL	75% CL		N/A		Exposure Base
Anderson	\$3,758,796	\$171,974	\$73,157	\$29,840	\$11,303	\$11,435	\$297,709	\$284,350	4.7%		12.1%	\$3,354,498
Auburn	\$6,562,867	\$173,166	\$102,343	\$50,030	\$13,381	\$11,435	\$350,356	\$334,922	4.6%		-17.1%	\$7,916,837
Colusa	\$2,271,794	\$62,317	\$35,954	\$18,981	\$4,820	\$11,435	\$133,507	\$127,821	4.4%		15.5%	\$1,966,977
Corning	\$2,841,529	\$28,951	\$49,612	\$14,318	\$3,818	\$11,435	\$108,134	\$103,588	4.4%		19.0%	\$2,388,300
Dixon	\$9,438,269	\$296,771	\$163,430	\$78,290	\$22,135	\$11,435	\$572,062	\$546,367	4.7%		5.1%	\$8,982,975
Elk Grove	\$40,866,211	\$740,248	\$447,810	\$186,930	\$56,519	\$11,435	\$1,442,943	\$1,376,970	4.8%		11.3%	\$36,710,148
Folsom	\$40,691,769	\$1,113,763	\$576,985	\$304,914	\$82,032	\$11,435	\$2,089,130	\$1,994,023	4.8%		1.0%	\$40,270,106
Galt	\$11,835,264	\$336,979	\$178,443	\$74,024	\$24,229	\$11,435	\$625,111	\$596,845	4.7%		4.6%	\$11,314,378
Gridley	\$3,804,797	\$64,927	\$60,212	\$22,014	\$6,049	\$11,435	\$164,637	\$157,542	4.5%		0.1%	\$3,801,769
Ione	\$1,092,528	\$19,416	\$20,132	\$7,095	\$1,917	\$11,435	\$59,996	\$57,575	4.2%		-3.4%	\$1,130,943
Jackson	\$2,266,229	\$93,602	\$37,603	\$19,495	\$6,195	\$11,435	\$168,330	\$160,981	4.6%		7.9%	\$2,101,191
Lincoln	\$12,747,000	\$263,724	\$168,515	\$81,328	\$21,110	\$11,435	\$546,113	\$521,847	4.7%		2.3%	\$12,464,564
Marysville	\$3,589,009	\$162,037	\$59,450	\$29,154	\$10,303	\$11,435	\$272,379	\$260,249	4.7%		10.6%	\$3,244,568
Nevada City	\$2,579,036	\$121,568	\$44,278	\$22,398	\$7,738	\$11,435	\$207,418	\$198,259	4.6%		2.3%	\$2,522,165
Oroville	\$6,368,537	\$321,306	\$158,871	\$56,348	\$22,054	\$11,435	\$570,013	\$543,973	4.8%		-9.8%	\$7,060,401
Paradise	\$4,204,235	\$255,803	\$97,944	\$35,287	\$15,991	\$11,435	\$416,460	\$397,478	4.8%		7.3%	\$3,917,312
Placerville	\$6,746,666	\$137,755	\$87,404	\$43,794	\$11,055	\$11,435	\$291,443	\$278,720	4.6%		6.7%	\$6,321,107
Red Bluff	\$6,264,914	\$406,000	\$152,663	\$64,849	\$25,630	\$11,435	\$660,577	\$630,362	4.8%		3.3%	\$6,066,197
Rio Vista	\$4,162,522	\$97,966	\$57,594	\$31,086	\$7,922	\$11,435	\$205,753	\$196,866	4.5%		8.6%	\$3,833,651
Rocklin	\$24,306,065	\$633,443	\$325,658	\$156,907	\$45,874	\$11,435	\$1,173,317	\$1,120,048	4.8%		9.2%	\$22,258,058
Willows	\$1,175,718	\$45,963	\$32,406	\$9,143	\$3,597	\$11,435	\$102,544	\$127,466	-19.6%		-34.8%	\$1,804,372
Yuba City	\$22,211,361	\$885,320	\$472,534	\$193,774	\$63,780	\$11,435	\$1,626,843	\$1,551,917	4.8%		-1.1%	\$22,467,222
Total:	\$219,785,116	\$6,433,000	\$3,403,000	\$1,530,000	\$467,204	\$251,571	\$12,084,775	\$11,568,170	4.5%		3.7%	\$211,897,739
Actuary/Verification		\$6,433,000	\$3,233,000									

no police

Total Payroll Less Capped Members \$203,876,383



CSAC Excess Insurance Authority
2018/19 Early Budget Estimates, March 2018

Northern California Cities Self Insurance Fund (NCCSIF)

This final round of early estimates have been prepared to further aid you in budgeting for the 2018/19 fiscal year. At this time, updated estimates are being provided for all major programs. Since the December version: (1) The budget estimates have been updated with actuarial rates for the pooled layers; (2) The reinsurance rates were updated where we have proposals; and (3) We have incorporated more accurate administrative budget numbers. While the estimates provided are more refined from the previous version, they still contain a range if there are still outstanding items specific to the program. The estimates are still intended to be conservative, however there may be a chance that final numbers may come in higher than the assumptions currently in place. For this reason we recommend continuing to budget toward the high end of the estimate range where one is provided.

Excess Workers' Compensation Program

Premium

16/17 Premium:	\$1,177,155	2016/17 Estimated Payroll:	\$196,762,337
17/18 Premium:	\$1,440,433	2017/18 Estimated Payroll:	\$211,897,739
18/19 Estimated Premium:	\$1,530,000	2018/19 Estimated Payroll:	\$219,785,114
Premium Audit:	\$42,742		
Collectible Amount:	\$1,572,742		

The EWC premium projections have been updated to reflect your entity's estimated 2018/19 exposure, as provided on your renewal application, as well as losses based on the June 30, 2017 data collection. Since the December estimate, we have updated the projected program administrative costs and received and updated the pool and reinsurance rates.

Pool rates have changed from last year as follows:

- County rates are down 2% on average
- Low Safety rates are down 0.2% on average
- High Safety rates are down 6.2% on average
- School rates are down 5.9% on average

Reinsurance Premiums changed from last year as follows:

- Ace layer \$45m x \$5M - 3.5% increase
- Liberty Mutual layer \$50M to Statutory - Pending proposals, estimated 5% increase
- Safety National - No Rate change

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



BACK TO AGENDA

Northern California Cities Self Insurance Fund
Executive Committee Meeting
March 22, 2018

Agenda Item G.3.a.

**LIABILITY PROGRAM
ANNUAL BANKING PLAN ADJUSTMENTS**

ACTION ITEM

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

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

FISCAL IMPACT: TBD, based on committee recommendation.

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

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

ATTACHMENT(S): Liability Banking Layer Plan Adjustments



**LIABILITY PROGRAM
ANNUAL SHARED RISK PLAN ADJUSTMENTS**

ACTION ITEM

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

Based on the most recent actuary report, the Fund is estimated to have available assets of \$7,812,000 as of June 30, 2018. This is \$3,051,000 above Outstanding Liabilities at the Expected Confidence Level (CL) and \$993,000 over Liabilities at the 90% CL. This represents a significant improvement over last year, when the Fund was (\$1,525,000) *below* the 90% CL, and the first time assets have been above the 90% CL in at least five years. The Fund has also reached its other target benchmark of Net Position at least 5 times the SIR of \$450,000 (\$2,250,000), with Net Position estimated at just over \$3 million.

Members previously agreed to assess themselves \$600,000 per year for up to five years in an effort to increase assets and meet target funding goals, with FY 18/19 the fifth year of assessments. The attached provides the allocation of the assessment among the members, noting that *there will be no CJPRMA dividend this year to offset any assessment*. Given that the Fund has just exceeded its funding goals after years of assessments, the Program Managers do not recommend a refund or assessment if the members agree to fund at the 80% CL for FY 18/19 (next agenda item).

RECOMMENDATION: No refund or assessment if GL funding is increased to 80% CL for FY 18/19.

FISCAL IMPACT: Funding at the 80% CL will increase the total by \$485,925 over the 75% CL

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

ATTACHMENT(S): Liability Shared Risk Layer Plan Adjustments

NCCSIF Shared Risk Layer Plan Fund Adjustments - LIABILITY for 2018

Estimated Available Assets as of June 30, 2018		Outstanding Liabilities @ Expected 6/30/18	Outstanding Liabilities @ 70%	Outstanding Liabilities @ 80%	Outstanding Liabilities @ 90%	Benchmark Comparison Net Position to 5x SIR	Refund Available
A	B	C	D	E	F	G	Lesser of (A-F) or (C-G)
\$7,812,000		\$4,761,000	\$5,349,000	\$5,921,000	\$6,819,000	Net Position minus 5X SIR	\$993,000
	Surplus/Deficit	\$3,051,000	\$2,463,000	\$1,891,000	\$993,000	\$3,051,000 - \$2,250,000	\$801,000
		-\$					No refund recommended
Members	Historical Shared Layer Contributions FY 05/06 to FY 15/16	Total %		Assessment Allocation	Less CJPRMA Refund	Assessment Amount	
				\$600,000	\$ -		
Anderson	\$448,753	2.61%		\$15,679	0	\$15,679	
Auburn	\$945,212	5.50%		\$33,025	0	\$33,025	
Colusa	\$284,690	1.66%		\$9,947	0	\$9,947	
Corning	\$426,439	2.48%		\$14,899	0	\$14,899	
Dixon	\$892,109	5.19%		\$31,170	0	\$31,170	
Elk Grove	\$0						
Folsom	\$2,846,711	16.58%		\$99,462	0	\$99,462	
Galt	\$1,140,979	6.64%		\$39,865	0	\$39,865	
Gridley	\$458,569	2.67%		\$16,022	0	\$16,022	
Ione	\$71,389	0.42%		\$2,494	0	\$2,494	
Jackson	\$325,473	1.90%		\$11,372	0	\$11,372	
Lincoln	\$1,396,708	8.13%		\$48,800	0	\$48,800	
Marysville	\$679,694	3.96%		\$23,748	0	\$23,748	
Nevada City	\$0						
Oroville	\$1,059,847	6.17%		\$37,030	0	\$37,030	
Paradise	\$760,768	4.43%		\$26,581	0	\$26,581	
Placerville	\$0						
Red Bluff	\$973,379	5.67%		\$34,009	0	\$34,009	
Rio Vista	\$380,549	2.22%		\$13,296	0	\$13,296	
Rocklin	\$1,786,838	10.41%		\$62,431	0	\$62,431	
Willows	\$218,492	1.27%		\$7,634	0	\$7,634	
Yuba City	\$2,076,093	12.09%		\$72,537	0	\$72,537	
Total	\$17,172,692	100.00%		\$600,000	0	\$600,000	

* Missing data from 2001/02 and 2004/05

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



**LIABILITY PROGRAM
FY 18/19 DEPOSIT PREMIUM CALCULATIONS**

ACTION ITEM

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

- Total funding at the current 75% Confidence Level (CL) for FY 18/19 is estimated at \$5,792,599, compared to \$5,605,674 for FY 17/18 (an increase of 3.3%, or \$186,925). Payroll for the liability program increased by 3.5%, accounting for all of the funding increase. One member exceeded the 25% cap slightly.
- Total funding at an 80% CL is estimated at \$6,091,599, an increase of 8.7% over FY 17/18 funding at the 75% CL. The increase from a 75% to 80% CL for FY 18/19 funding is \$299,000, or 5.2%. One member is capped at 28%, to adjust the 25% cap to the higher CL.

RECOMMENDATION: Recommend to the Board, increasing funding to 80% CL, especially if members do not assess themselves in the Shared Layer for FY 18/19.

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

BACKGROUND: Members have steadily increased the Confidence Level of annual funding from 67.5% to 70% to the current 75% CL. Over the same period the Discount Factor has decreased from 3% to 1.5%. Both of these changes have contributed to an increase in total funding, in addition to increases in payroll in prior years. In addition, members have been assessed \$600,000 per year for the last several years to increase Shared Layer assets.

ATTACHMENTS:

1. Preliminary FY 18/19 Liability Deposit Calculations, 75% CL
2. Preliminary FY 18/19 Liability Deposit Calculations, 80% CL

FY 18/19 NCCSIF General Liability Funding Allocation PRELIMINARY

75% Confidence Level

Total Admin Expense = \$584,139

A	B	C	D	E	F	G	H	I	J	K	L	S	
Formula/Allocation	Payroll (P)	Member Weighted Share Last 5 Years 25% Payroll, 75% Losses	Member Share of EX MOD Adjusted Payroll X Total Funding	Member Weighted Share Last 5 Years 75% Payroll, 25% Losses	(Admin/2) X Member % of Total Payroll	(Admin/2) ÷ 19 Equal Shares	C+D+E+F+G				Member % of Total Uncapped Payroll X Capped Amount		
Member	2017 Calendar Year Payroll (DE 9)	BANKING LAYER \$0 to \$50K	SHARED LAYER \$50K to \$500K	CJPRMA EXCESS LAYER \$500k to \$40M	ADMIN EXPENSE 50%	ADMIN EXPENSE 50%	FY 18/19 TOTAL DEPOSIT 75% CL	FY 17/18 TOTAL DEPOSIT 75% CL	\$ Change Overall	% Change Overall	Cap 25%*	Payroll Increase from FY 17/18	2016 Calendar Year Payroll (DE 9) Exposure Base
Rate/Amount	Exposure Base	\$1,985,000	\$1,946,000	\$1,277,460	\$292,070	\$292,070					\$444		
Anderson	\$3,892,316	\$37,165	\$43,003	\$25,820	\$6,812	\$15,372	\$128,172	\$113,720	\$14,452	12.71%	\$128,183	9%	\$3,564,429
Auburn	\$6,599,546	\$147,389	\$111,435	\$64,012	\$11,550	\$15,372	\$349,758	\$279,451	\$70,307	25.16%	\$349,313	4%	\$6,348,787
Colusa	\$2,307,226	\$42,998	\$30,942	\$20,701	\$4,038	\$15,372	\$114,051	\$98,013	\$16,039	16.36%	\$114,058	0%	\$2,304,648
Corning	\$3,180,106	\$38,101	\$39,011	\$24,449	\$5,566	\$15,372	\$122,499	\$110,682	\$11,817	10.68%	\$122,508	1%	\$3,140,249
Dixon	\$7,539,682	\$34,302	\$67,042	\$46,331	\$13,196	\$15,372	\$176,243	\$176,962	-\$719	-0.41%	\$176,264	-2%	\$7,693,827
Elk Grove													
Folsom*	\$40,703,191	\$578,783	\$488,774	\$333,720	\$71,238	\$15,372	\$1,487,888	\$1,508,244	-\$20,356	-1.35%	\$1,488,000	7%	\$37,958,470
Galt	\$10,696,052	\$96,930	\$104,958	\$71,735	\$18,720	\$15,372	\$307,715	\$297,317	\$10,398	3.50%	\$307,745	9%	\$9,787,885
Gridley	\$3,898,873	\$46,601	\$58,785	\$34,688	\$6,824	\$15,372	\$162,270	\$162,401	-\$130	-0.08%	\$162,281	8%	\$3,599,942
Ione	\$1,328,981	\$17,256	\$16,243	\$10,567	\$2,326	\$15,372	\$61,765	\$60,693	\$1,072	1.77%	\$61,768	4%	\$1,273,191
Jackson	\$2,377,166	\$74,081	\$36,958	\$27,294	\$4,160	\$15,372	\$157,866	\$156,798	\$1,068	0.68%	\$157,872	7%	\$2,223,818
Lincoln	\$13,781,309	\$125,610	\$135,550	\$90,413	\$24,120	\$15,372	\$391,065	\$353,754	\$37,312	10.55%	\$391,104	7%	\$12,897,112
Marysville	\$3,323,440	\$91,558	\$44,554	\$36,043	\$5,817	\$15,372	\$193,344	\$224,879	-\$31,535	-14.02%	\$193,353	0%	\$3,325,857
Nevada City													
Oroville	\$5,721,964	\$63,729	\$87,762	\$51,466	\$10,015	\$15,372	\$228,344	\$230,761	-\$2,417	-1.05%	\$228,360	-18%	\$7,008,304
Paradise	\$4,051,393	\$73,962	\$61,444	\$38,058	\$7,091	\$15,372	\$195,927	\$189,816	\$6,111	3.22%	\$195,938	-1%	\$4,094,565
Placerville													
Red Bluff	\$6,200,247	\$53,557	\$61,869	\$39,627	\$10,852	\$15,372	\$181,277	\$197,038	-\$15,761	-8.00%	\$181,294	7%	\$5,798,073
Rio Vista	\$3,944,364	\$32,714	\$37,361	\$24,716	\$6,903	\$15,372	\$117,067	\$106,195	\$10,873	10.24%	\$117,078	6%	\$3,736,526
Rocklin	\$20,590,340	\$223,105	\$272,223	\$162,211	\$36,037	\$15,372	\$708,948	\$664,376	\$44,572	6.71%	\$709,005	-7%	\$22,156,572
Willows	\$1,691,174	\$22,239	\$25,660	\$15,395	\$2,960	\$15,372	\$81,625	\$75,942	\$5,683	7.48%	\$81,630	-8%	\$1,836,025
Yuba City	\$25,051,436	\$184,919	\$222,424	\$160,216	\$43,845	\$15,372	\$626,774	\$598,635	\$28,140	4.70%	\$626,844	4%	\$24,146,931
Total:	\$166,878,805	\$1,985,000	\$1,946,000	\$1,277,460	\$292,070	\$292,070	\$5,792,599	\$5,605,674	\$186,925	3.33%	\$5,792,599	3.5%	\$161,275,769
Actuary/Verification		\$1,985,000	\$1,946,000	\$1,277,460			\$5,792,599						

*Adjusted based on increased CL.

Don't Participate In GL Program

Payroll Less Capped Members \$160,279,260

FY 18/19 NCCSIF General Liability Funding Allocation PRELIMINARY

80% Confidence Level

Total Admin Expense = \$584,139

A	B	C	D	E	F	G	H	I	J	K	L	S	
Formula/Allocation	Payroll (P)	Member Weighted Share Last 5 Years 25% Payroll, 75% Losses	Member Share of EX MOD Adjusted Payroll X Total Funding	Member Weighted Share Last 5 Years 75% Payroll, 25% Losses	(Admin/2) X Member % of Total Payroll	(Admin/2) ÷ 19 Equal Shares	C+D+E+F+G				Member % of Total Uncapped Payroll X Capped Amount		
Member	2017 Calendar Year Payroll (DE 9)	BANKING LAYER \$0 to \$50K	SHARED LAYER \$50K to \$500K	CJPRMA EXCESS LAYER \$500k to \$40M	ADMIN EXPENSE 50%	ADMIN EXPENSE 50%	FY 18/19 TOTAL DEPOSIT 80% CL	FY 17/18 TOTAL DEPOSIT 75% CL	\$ Change Overall	% Change Overall	Cap 28%*	Payroll Increase from FY 17/18	2016 Calendar Year Payroll (DE 9) Exposure Base
Rate/Amount	Exposure Base	\$2,134,000	\$2,096,000	\$1,277,460	\$292,070	\$292,070					\$11,714		
Anderson	\$3,892,316	\$39,954	\$46,318	\$25,820	\$6,812	\$15,372	\$134,277	\$113,720	\$20,556	18.08%	\$134,561	9%	\$3,564,429
Auburn	\$6,599,546	\$158,452	\$120,025	\$64,012	\$11,550	\$15,372	\$369,411	\$279,451	\$89,960	32.19%	\$357,697	4%	\$6,348,787
Colusa	\$2,307,226	\$46,226	\$33,328	\$20,701	\$4,038	\$15,372	\$119,664	\$98,013	\$21,651	22.09%	\$119,833	0%	\$2,304,648
Corning	\$3,180,106	\$40,961	\$42,018	\$24,449	\$5,566	\$15,372	\$128,366	\$110,682	\$17,684	15.98%	\$128,598	1%	\$3,140,249
Dixon	\$7,539,682	\$36,877	\$72,210	\$46,331	\$13,196	\$15,372	\$183,986	\$176,962	\$7,024	3.97%	\$184,537	-2%	\$7,693,827
Elk Grove													
Folsom*	\$40,703,191	\$622,228	\$526,450	\$333,720	\$71,238	\$15,372	\$1,569,008	\$1,508,244	\$60,764	4.03%	\$1,571,983	7%	\$37,958,470
Galt	\$10,696,052	\$104,206	\$113,048	\$71,735	\$18,720	\$15,372	\$323,081	\$297,317	\$25,764	8.67%	\$323,863	9%	\$9,787,885
Gridley	\$3,898,873	\$50,099	\$63,316	\$34,688	\$6,824	\$15,372	\$170,300	\$162,401	\$7,899	4.86%	\$170,585	8%	\$3,599,942
Ione	\$1,328,981	\$18,552	\$17,495	\$10,567	\$2,326	\$15,372	\$64,312	\$60,693	\$3,619	5.96%	\$64,409	4%	\$1,273,191
Jackson	\$2,377,166	\$79,641	\$39,807	\$27,294	\$4,160	\$15,372	\$166,275	\$156,798	\$9,478	6.04%	\$166,449	7%	\$2,223,818
Lincoln	\$13,781,309	\$135,039	\$145,998	\$90,413	\$24,120	\$15,372	\$410,942	\$353,754	\$57,189	16.17%	\$411,950	7%	\$12,897,112
Marysville	\$3,323,440	\$98,431	\$47,989	\$36,043	\$5,817	\$15,372	\$203,651	\$224,879	-\$21,228	-9.44%	\$203,894	0%	\$3,325,857
Nevada City													
Oroville	\$5,721,964	\$68,513	\$94,527	\$51,466	\$10,015	\$15,372	\$239,893	\$230,761	\$9,132	3.96%	\$240,311	-18%	\$7,008,304
Paradise	\$4,051,393	\$79,514	\$66,180	\$38,058	\$7,091	\$15,372	\$206,215	\$189,816	\$16,399	8.64%	\$206,511	-1%	\$4,094,565
Placerville													
Red Bluff	\$6,200,247	\$57,577	\$66,638	\$39,627	\$10,852	\$15,372	\$190,066	\$197,038	-\$6,972	-3.54%	\$190,519	7%	\$5,798,073
Rio Vista	\$3,944,364	\$35,170	\$40,241	\$24,716	\$6,903	\$15,372	\$122,403	\$106,195	\$16,208	15.26%	\$122,691	6%	\$3,736,526
Rocklin	\$20,590,340	\$239,852	\$293,207	\$162,211	\$36,037	\$15,372	\$746,678	\$664,376	\$82,302	12.39%	\$748,183	-7%	\$22,156,572
Willows	\$1,691,174	\$23,908	\$27,638	\$15,395	\$2,960	\$15,372	\$85,272	\$75,942	\$9,331	12.29%	\$85,396	-8%	\$1,836,025
Yuba City	\$25,051,436	\$198,799	\$239,568	\$160,216	\$43,845	\$15,372	\$657,800	\$598,635	\$59,165	9.88%	\$659,630	4%	\$24,146,931
Total:	\$166,878,805	\$2,134,000	\$2,096,000	\$1,277,460	\$292,070	\$292,070	\$6,091,599	\$5,605,674	\$485,925	8.67%	\$6,091,599	3%	\$161,275,769

Actuary/Verification

\$2,134,000 \$2,096,000 \$1,277,460

\$6,091,599

*Adjusted based on increased CL.

Don't Participate In GL Program

Payroll Less Capped

Members \$160,279,260



FY 18/19 NCCSIF ADMINISTRATION BUDGET

INFORMATION ITEM

ISSUE: The Executive Committee reviews and recommends to the Board the budget for the next fiscal year. Attached is the preliminary budget for review and discussion. The Administrative Costs are discussed in more detail below. The budget to actual revenues provided by our accountant are used in creating the FY 18/19 budget.

Administrative Expenses

1. The Claims Audits - Every year either the Liability or Workers' Compensation claims are audited. The Liability claims audit was budgeted in FY 17/18 at \$7,500 and will be conducted in May 2018. Budgeted expense of \$10,500 is allocated for a Workers' Compensation Claims audit in FY 18/19.
2. The Financial Audit increased by 2% based on the current three-year contract.
3. Actuarial Services are increasing 3% per current contract, at \$7,350 for Liability and \$5,350 for Workers' Comp, including the \$2,000 credit we received from CSAC EIA for the actuarial each year.
4. Accounting Services are expected to increase 3%.
5. Bickmore's services are the same as last year based on the current three-year contract.
6. State Funding/Fraud Assessment has been estimated to increase by *18% from the actual expense for FY 17/18.*
7. Program Administration costs have been increased 2% based on the fee schedule in the current program administration agreement.

New items highlighted in yellow to be discussed:

8. Lexipol Fire Services - will be allocated to subscribing members only - TBD
9. Property Appraisals - RFP and allocated costs by member TIV



BACK TO AGENDA

**Northern California Cities Self Insurance Fund
Executive Committee Meeting
March 22, 2018**

Agenda Item G.4. *continued*

RECOMMENDATION: None - information item only. The EC may give direction regarding the appraisal funding for the next draft budget.

FISCAL IMPACT: Total administrative expenses are estimated to be \$1,314,932, a 4% increase over FY 17/18. Last year's increase was 7% largely due to the State Comp Assessment increase. A small amount of surplus offset may be available to reduce the funding, to be determined as we get closer to the fiscal year end.

BACKGROUND: None

ATTACHMENT(S): Preliminary FY 18/19 NCCSIF Budget

**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
PROPOSED ADMIN BUDGET
July 1, 2018 to June 30, 2019**

EXPENSES:		WORK COMP	LIABILITY	2018-19 TOTAL	2017-18 PRIOR YEAR	\$ CHANGE	% CHANGE	
Administrative Expenses:								
Consultants								
52101	Claims Audit	\$11,000		\$11,000	\$7,500	\$3,500	47%	GL audit last year less than WC
52102	Financial Audit	\$13,577	\$13,577	\$27,154	\$26,622	\$532	2%	Per 2017-19 contract
52103	Legal Services	\$2,000	\$15,000	\$17,000	\$17,000	\$0	0%	
52104	Actuarial Review	\$5,350	\$7,350	\$12,700	\$12,340	\$360	3%	Per 2016-19 contract including 6/30 Update
52105	Computer Services			n/a	\$0	n/a	n/a	Moved as part of Accounting Services
52106	CAJPA Accreditation (2018)				\$4,500	(\$4,500)	-100%	
52107	Employee Dishonesty Bonds			n/a	n/a	n/a	n/a	Included in ACIP coverage
52109	Misc. Consulting/Contingency	\$2,500	\$2,500	\$5,000	\$5,000	\$0	0%	
	Total Consultant Expenses	\$34,427	\$38,427	\$72,854	\$72,962	(\$108)	0%	
Safety Services:								
52204	Bickmore Onsite Risk Assessments	\$41,250	\$41,250	\$82,500	\$84,000	(\$1,500)	-2%	
52203	Bickmore Police Risk Mgmt Comm Training	\$6,200	\$6,200	\$12,400	\$7,900	\$4,500	57%	
52204	Bickmore Risk Control Service Days	\$16,500	\$16,500	\$33,000	\$36,460	(\$3,460)	-9%	
52204	Bickmore Phone Consultation	\$9,530	\$9,530	\$19,060	\$18,600	\$460	2%	Per 2016-19 contract
52204	Bickmore Newsletter	\$2,790	\$2,790	\$5,580	\$5,580	\$0	0%	
52204	Bickmore Safety Training Coordination	\$7,440	\$7,440	\$14,880	\$14,880	\$0	0%	
52204	Bickmore Meeting Preparation	\$4,650	\$4,650	\$9,300	\$9,300	\$0	0%	
52214	OCCUMED Occupational Health Consulting			n/a	n/a	n/a	n/a	
52215	Online Risk Management Services			n/a	n/a	n/a	n/a	
52217	ACI - Wellness Optional			n/a	n/a	n/a	n/a	Direct Bill
52201	Outside Training	\$15,000	\$15,000	\$30,000	\$30,000	\$0	0%	
52202	Risk Mgmt Comm Mtg Expense	\$750	\$750	\$1,500	\$1,500	\$0	0%	
52207	Member Training and Risk Management	\$50,000	\$38,000	\$88,000	\$88,000	\$0	0%	Formerly Seminars and PARMA - renamed beginning 17/18
52208	Lexipol Police Manual Updates & DTBs	\$15,903	\$127,247	\$143,150	\$132,546	\$10,604	8%	
52209	Police Risk Management Funds	\$25,000	\$25,000	\$50,000	\$50,000	\$0	0%	RMC recommendation
	Fire Training Services Subscription			\$28,664	n/a	\$28,664	100%	NEW: Pending RMC/BOD approval - received quotes from Lexipol and TargetSolutions
	Total Safety Services Expenses	\$195,013	\$294,357	\$518,034	\$478,766	\$39,268	8%	

				2018-19	2017-18			
EXPENSES:	WORK COMP	LIABILITY	TOTAL	PRIOR YEAR	\$ CHANGE	% CHANGE		
Claims Administration								
52302	Claims Administration Fee (Reports, etc.)	\$29,700	\$20,900	\$50,600	\$50,600	\$0	0%	Current contract: GL 2016-19 and WC 2016-19
	Claims Adjustment Fee*							
52303	Fraud Hotline			\$0	\$0	\$0		
52305	MPN Services			\$0	\$0	\$0		
52304	State Funding/Fraud Assessment	\$245,524		\$245,524	\$225,667	\$19,857	9%	Actual 17/18 = \$208,071 + 18% Est. increase
	Total Claims Administration Expenses	\$275,224	\$20,900	\$296,124	\$276,267	\$19,857	7%	
Program Administration								
52401	Program Administration and Brokerage Fee	\$140,716	\$168,860	\$309,576	\$303,505	\$6,071	2%	Per 2014-19 contract
52403	Accounting Services	\$51,345	\$51,345	\$102,690	\$99,330	\$3,360	3%	Current Contract 2018-22: \$99,360 + \$215 Intacct Software monthly fee + \$750 e-check delivery annual fee
	Total Program Administration Expenses	\$192,061	\$220,205	\$412,266	\$402,835	\$9,431	2%	
Board Expenses								
52501	Executive Committee	\$1,250	\$1,250	\$2,500	\$2,500	\$0	0%	
52502	Executive Committee Member Travel	\$2,000	\$2,000	\$4,000	\$4,000	\$0	0%	
52503	Board of Directors Meetings (includes Travel)	\$4,000	\$4,000	\$8,000	\$8,000	\$0	0%	
XXXXX	Board of Directors Long Range Planning Session (\$1,000	\$1,000	\$2,000	\$2,000	\$0	0%	
52504	Association Memberships (PARMA, CAJPA, AGRIF	\$2,000	\$2,000	\$4,000	\$4,000	\$0	0%	
	Total Board Expenses	\$10,250	\$10,250	\$20,500	\$20,500	\$0	0%	
Other Administration Expenses - Not identified with above budget line items								
52000	Administrative Expense	\$0	\$0	\$0	\$0	\$0	0%	
52001	Administration Expense - Other	\$0	\$0	\$0	\$0	\$0	0%	
52900	Member Identity Theft Protection**	\$11,800	0	\$11,800	\$11,800	\$0	0%	
	APIP Property Appraisal (@5 years, last 2013)			TBD				Appraisal for properties outside of APIP paid appraisals <\$5M value
	Total Other Admin	\$11,800	\$0	\$11,800	\$11,800	\$0	0%	
						\$0		
Total Admin Expenses		\$718,775	\$584,139	\$1,331,578	\$1,263,130	\$68,448	5%	
Net Loss/Admin Surplus Offset					TBD		0%	Possible offset TBD
						\$48,591	4%	Without State Fund Increase

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



CLAIMS COMMITTEE MEMBERSHIP APPOINTMENT

ACTION ITEM

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

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

FISCAL IMPACT: None.

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

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

The NCCSIF Claims Committee for 2017 is as follows:

1. Liz Cottrell, City of Anderson
2. Liz Ehrenstrom, City of Oroville, *Chair*
3. David Warren, City of Placerville, *Vice Chair*
4. Tim Sailsbery, City of Willows
5. Natalie Springer, City of Yuba City - *no longer on EC*

ATTACHMENT(S): None



Agenda Item G.6.

FIRE DEPARTMENT GUIDELINES AND TRAINING OPTIONS

ACTION ITEM

ISSUE: A number of members have expressed interest in subscribing to Lexipol’s Fire Services to establish and maintain their Fire Policy Manuals and provide regular training bulletins and webinars. This service is similar to the service NCCSIF provides to member police departments.

Members will receive a significant discount if NCCSIF pays for the service and allocates the cost to the applicable members (\$52,769 if purchased separately, \$28,664 if one invoice to NCCSIF).

For comparison of member options, the Program Managers also requested a quote from Target Solutions to add their Premium Fire and EMS Content to the currently available menu of online training. The annual fee is quoted at \$21,520. Given the additional services provided by Lexipol, their discounted pricing compares favorably to the cost of the additional online training, though the Premium content would be available to all members rather than the nine members who have expressed interest in Lexipol so far.

RECOMMENDATION: Approve moving forward with Lexipol Fire services through NCCSIF and allocate the costs to interested members as an addition to their annual funding invoice.

FISCAL IMPACT: None to NCCSIF. See attached for breakdown by member.

BACKGROUND: Interest in the Lexipol Fire Services was initiated by both the City of Dixon and the newly combined Lincoln and Rocklin Fire Departments, both of whom needed assistance in updating and maintaining their policy manuals. Other members expressed interest after the Program Managers reached out for feedback.

ATTACHMENT(S):

1. Lexipol Fire Services Cost Breakdown by City
2. Lexipol Fire Subscription Services Quote
3. TargetSolutions Fire & EMS Premium Content Quote

NCCSIF Fire Department Info

	Member Entity	Full Time Fire Fighters	Number of FF Volunteers	Currently Using Lexipol	Currently Using TargetSolutions	Lexipol Fire Subscription Services
1	City of Auburn	14	5			\$5,684
2	City of Colusa	5	20			\$4,260
3	City of Dixon	22	10		Yes	\$7,819
4	City of Folsom	65			Yes	\$9,643
5	City of Jackson	6	12			\$4,260
6	City of Lincoln	31		Yes		\$9,643
7	City of Red Bluff	33				\$8,725
6	City of Rocklin	41		Yes		<i>see Lincoln</i>
8	City of Willows	5		Yes		\$2,735
	Total	222	47			\$52,769

***Discounted price if single invoice to NCCSIF \$28,664**

**NCCSIF members would receive:*

- 1) the policy subscription*
- 2) legal updates*
- 3) Daily Training Bulletins (DTBs) - 10 per month; and*
- 4) SPS platform - where agencies 'house' their procedues*

In addition, Willows would begin receiving DTBs; and both Willows and Lincoln/Rocklin would receive the SPS platform

Note: Implementation and Management Services is separate service and does not include in the training subscription services. Cost for this service is based on 'page count' of current policy manual and number of policies each individual agency has. Estimate cost to assist an agency with the implementation is between \$8,000 to \$16,000 (100 hours to 200 hours for most agencies).



ENSURE SAFETY AND REDUCE LIABILITY WITH STATE-SPECIFIC POLICIES AND TRAINING

Are your policies putting you at risk?

Operating with inconsistent or incomplete policies can increase your department's chances of experiencing an adverse event—and the potential for significant legal liability.

Achieve Peace of Mind with Lexipol

Lexipol's Fire Policy Manual provides:

- State-specific policies vetted by fire service professionals and public safety attorneys
- Updates in response to legislation, case law and evolving best practices
- Daily, scenario-based training to bring policies to life
- 24/7 access to your policies via a web-based platform and mobile app

Trusted by more than **3,000 public safety agencies** in **32 states**

PROVEN RESULTS

After implementing Lexipol, Oregon agencies experienced:

45% reduction in frequency of litigated claims

48% reduction in severity of claims paid out.

(Source: Citycounty Insurance Services)

Colorado member agencies that implemented Lexipol had

37% fewer claims and

67% lower incurred costs than those that didn't.

(Source: Colorado Intergovernmental Risk Sharing Agency)

Experience the benefits of Lexipol's fire policy services:



Keep your firefighters safe

Easy-to-understand policies and training create the foundation for consistent, safe operations



Reduce liability

Policies that reflect federal and state laws and fire service best practices provide a strong legal defense



Improve policy understanding

Daily scenario-based training helps your firefighters learn and apply your policies



Save time and money

Comprehensive, continuously updated policy content means you'll spend fewer resources on creating and maintaining your policies



Improve access to policy content

Your policy manual is available anytime, anywhere through our online platform and mobile app



Enhance accountability

Reporting features let you track policy acknowledgement and training

What our customers are saying:



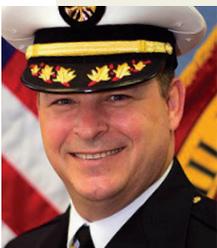
"The benefit of Lexipol is that the work has already been done for you. All of the laws and standards are there; it's just a matter of conforming it to your organization."

Battalion Chief Jeff Stewart
Clark County (WA) Fire District 3



"Before, our firefighters really only accessed policy when something went wrong. With Lexipol, policy content is so much more accessible. And with the ongoing training, we're going to get policy into their heads."

Chief Ted Martin
Branson (MO) Fire Department



"When my firefighters ask, 'Who wrote this?' I can say it's not some lawyer who's just trying to make buck and doesn't care about you. [Lexipol co-founder] Gordon Graham and [Lexipol consultant] Billy Goldfeder are vested in the fire service, in risk management.

As soon as the members know this is coming from them, they buy in."

Chief Jeffrey Pilz
Hillside (IL) Fire Department



"Lexipol serves three purposes: One, it protects citizens by giving us vetted guidelines to follow. Two, it protects firefighters because in court, they can show that they follow the guidelines. And three, as long as we follow the policies, it protects the city's assets."

Chief Bob Watson
Borger (TX) Fire Department

EDUCATE, TRACK AND VERIFY WITH TRAINING BULLETINS

Are You Training On Your Policies?

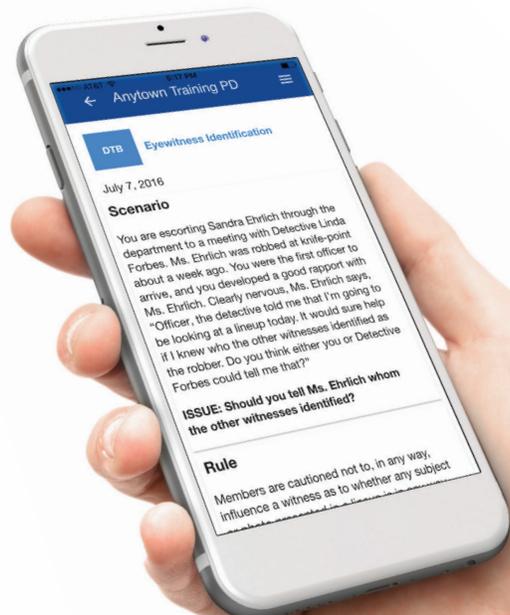
Even the best policy manual isn't as effective if it's not backed by ongoing training. Yet too often, public safety agencies merely ask personnel to acknowledge policies; they don't offer ongoing training. This creates the risk that personnel don't understand policy. It also leaves the organization vulnerable when something goes wrong and it's impossible to prove employees were trained on and understood agency policies.

Improve Policy Compliance

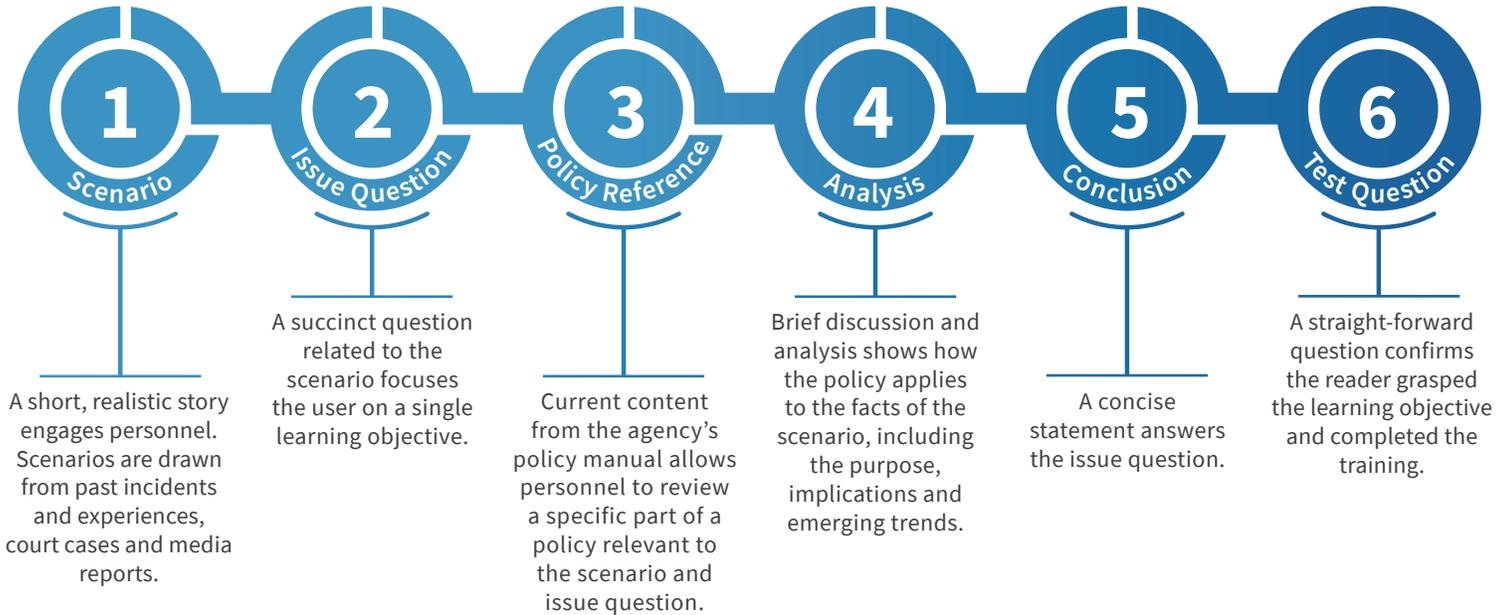
Lexipol's Daily Training Bulletins use a proven system of realistic, ongoing and verifiable training to help personnel learn to apply policies and improve their ability to make well-reasoned decisions. These brief, scenario-based lessons provide a convenient way to enhance your members' policy understanding and defend against claims that you failed to train.

Lexipol's Daily Training Bulletin service provides:

- Enhanced retention of policy content in just minutes a day
- Application of policies to real-world situations
- Ability to electronically issue training bulletins and track completion
- Reports that document training by topic and staff member
- 24/7 access via a web-based platform and mobile app



Anatomy of a Daily Training Bulletin



Training Designed To Protect

Scenario-based training covering high-risk, low-frequency events and core critical tasks, including:

Law Enforcement

- Preventing bias in policing
- Interacting with mentally ill persons
- Use of force
- Traffic stops
- Body-worn cameras

Fire

- Social media
- Personal protective equipment
- Critical incident stress debriefing
- Apparatus operation
- Response to violent incidents

Corrections

- Inmate classification
- Inmate safety checks
- PREA compliance
- Restrictive housing
- Mentally ill inmates

Plus, you can use Lexipol's technology platform to create custom training bulletins!

More Than 3,000 Public Safety Agencies In 35 States Trust Lexipol



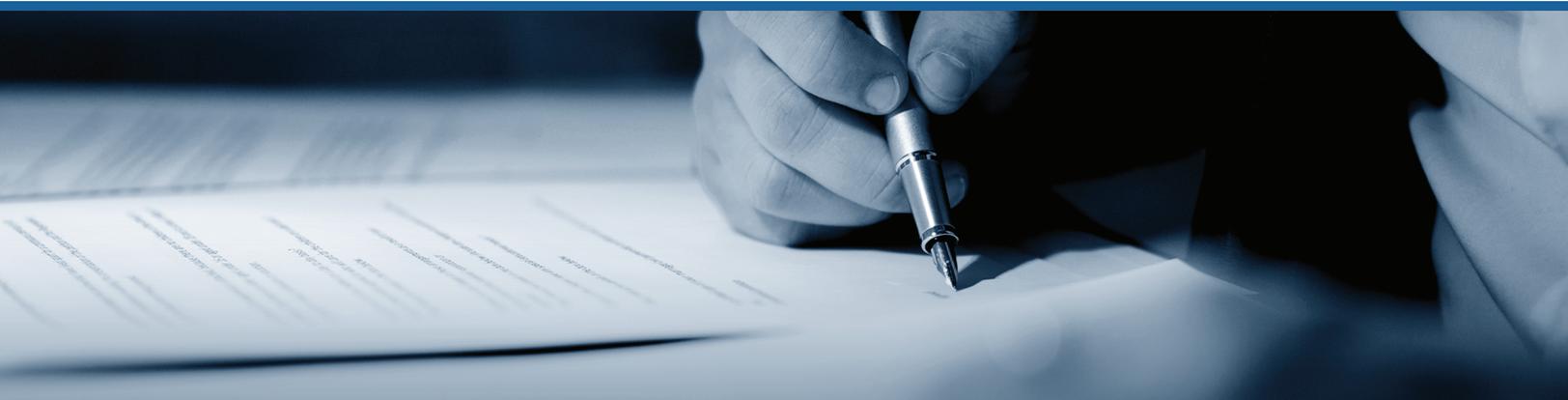
"The Daily Training Bulletins [DTBs] make training on policy so simple. They give the officers an opportunity to review the policies using real-life scenarios, and we can easily track completion. Obviously a more thorough knowledge of the policy manual keeps the officers safer. And the DTBs are huge in helping us avoid litigation."

Chief Clifford Block
Midland (MI) Police Department



"The Daily Training Bulletins are a big asset. We now have a tool where an employee can log in any time, be given a policy to review, and complete a test. It shows that the employees have been taken through the policy and understand it."

Chief Ted Martin
Branson (MO) Fire and Rescue



LIGHTEN YOUR WORKLOAD WITH MANAGEMENT SERVICES

One Less Thing To Worry About

Policy updates and monthly training packages are valuable aspects of your Lexipol subscription. But processing updates and issuing training bulletins can take away from other operational priorities.

Lexipol's skilled Management Services staff can free up your time to focus on what matters most. Let our policy experts manage the review, customization and distribution of policy updates and training bulletins as soon as they're available to your agency.

Lexipol's Management Services Include:

Policy Update Management

Start-to-finish project management on every policy update. We'll customize policy updates, integrate them into your agency's online manual, and coordinate review and distribution to your staff.

Policy Update Catch-Up

One-time assistance designed for agencies that have fallen behind on policy updates. We'll review your pending policy updates and develop an implementation plan, integrate the updates into your existing manual, and coordinate review and distribution.

Daily Training Bulletin (DTB) Management

Monthly assistance to maximize the value and applicability of DTBs for your agency. We'll adapt the monthly training packages to fit the parameters of your agency's policy content, issue DTBs to personnel, and provide customized training reports and analysis.

Benefits of Lexipol's Management Services

-  **Stay up to date** on critical policy changes
-  **Deliver timely training** on your policies
-  **Maintain consistency** as you integrate updates
-  **Spend less time** reviewing policy updates and training packages
-  **Free your staff** to focus on other important department initiatives

Trusted By More Than 3,000 Public Safety Agencies In 35 States



SCHEDULE A PROPOSAL

TargetSolutions Learning, LLC

4890 W KENNEDY BLVD. SUITE 740
 TAMPA, FL 33609
 877-944-6372 - TOLL FREE
 858-592-6880 - DIRECT / 858-487-8762 - FAX

DATE OF SUBMISSION
2/14/2018
<p>3/01/2018-2/28/2020 Term of contract is 24 months and may LICENSE TERMS: be cancelled by customer after agreed term of service. Payment terms are annually in advance.</p>

Contract Renewal Proposal Exclusively Created for:
**Northern California Cities Self Insurance Fund Alliant
 Insurance Services, Inc.**
 ATTN: Raychelle Maranan
 2180 Harvard Street
 Suite 460
 Sacramento, CA 95815
 916-643-2700

Account Manager: Tomasita Butler
Email: tomasita.butler@targetsolutions.com
Phone: 858-376-1608

DESCRIPTION	UNIT PRICE PER USER	QUANTITY (# of Users)	TOTAL
TargetSolutions Premium Content			
TargetSolutions Premium Fire & EMS Content	\$ 109.00	269	\$ 29,321.00
EIA Member Discount	\$ (29.00)	269	\$ (5,380.00)
Site Setup Fee: N/A		N/A	\$ -
Annual Maintenance Fee: N/A		N/A	\$ -
TOTAL DUE ANNUALLY			\$21,520.00

By signing the Client agreement, you are 1) agreeing to the pricing and terms presented in this proposal; 2) agreeing you have read and accept the Client Agreement and License terms and; 3) agreeing you have read the TargetSolutions Platform System Requirements and Platform Solution Description documents listed in detail at the following url:

<http://www.targetsolutions.com/clients/client-resources/>

TargetSolutions, Inc. business proposal pricing is good for 30 days from Date of Submission listed above.



Client Agreement

This Client Agreement (the "Agreement"), effected as of the date noted in the attached Schedule A (the "Effective Date"), is by and between TargetSolutions Learning, LLC. ("TSL"), a Delaware limited liability company, and the undersigned client ("Client"), and governs the purchase and ongoing use of the services described in this Agreement (the "Services").

1. Services. TSL shall provide the following services:

1.1. Access. TSL will provide Client a non-exclusive, non-transferable, revocable, limited license to remotely access and use the Services hereunder and, unless prohibited by law, will provide access to any person designated by Client ("Users").

1.2. Availability. TSL shall use commercially reasonable efforts to display its content and coursework for access and use by Client's Users twenty-four (24) hours a day, seven (7) days a week, subject to scheduled downtime for routine maintenance, emergency maintenance, system outages and other outages beyond TSL's control.

1.3. Help Desk. TSL will assist Users as needed on issues relating to usage via e-mail, and a toll free Help Desk five (5) days per week at scheduled hours.

2. Client's Obligations.

2.1. Compliance. Client shall be responsible for Users' compliance with this Agreement, and use commercially reasonable efforts to prevent unauthorized access to or use of the Services.

2.2. Identify Users. Client shall (i) provide a listing of its designated/enrolled Users; (ii) cause each of its Users to complete a profile; (iii) maintain user database by adding and removing Users as appropriate.

2.3. Future Functionality. Client agrees that its purchases hereunder are neither contingent on the delivery of any future functionality or features nor dependent on any public comments regarding future functionality or features.

3. Fees and Payments.

3.1. Fees. Client will pay for the Services in accordance with the fee schedule in Schedule A attached to this Agreement. Unless otherwise agreed in writing by the parties, upon expiration of the Term (the "Initial Term"), the Fees listed in Schedule A shall be increased by 3% for any Renewal Term of this Agreement, as listed in Schedule A.

3.2. Payments. All fees due under this Agreement must be paid in United States dollars. Such charges will be made in advance, according to the frequency stated in Schedule A. TSL will invoice in advance, and such invoices are due net 30 days from the invoice date. All fees collected under this Agreement are fully earned when due and nonrefundable when paid.

3.3. Suspension of Service for Overdue Payments. Any fees unpaid for more than ten (10) days past the due date shall bear interest at 1.5% per month. With fifteen (15) days prior written notice, TSL shall have the right, in addition to all other rights and remedies to which TSL may be entitled, to suspend Client's Users' access to the Services until all overdue payments are paid in full.

4. Intellectual Property Rights. 4.1. Client acknowledges that TSL alone (and its licensors,

where applicable) shall own all rights, title and interest in and to TSL's software, website or technology, the course content, and the Services provided by TSL, as well as any and all suggestions, ideas, enhancement requests, feedback, recommendations or other information provided by Client, and this Agreement does not convey to Client any rights of ownership to the same. The TSL name and logo are trademarks of TSL, and no right or license is granted to Client to use them.

4.2. Except as otherwise agreed in writing or to the extent necessary for Client to use the Services in accordance with this Agreement, Client shall not: (i) copy the course content in whole or in part; (ii) display, reproduce, create derivative works from, transmit, sell, distribute, rent, lease, sublicense, transfer or in any way exploit the course content in whole or in part; (iii) embed the course content into other products; (iv) use any trademarks, service marks, domain names, logos, or other identifiers of TSL or any of its third party suppliers; or (v) reverse engineer, decompile, disassemble, or access the source code of any TSL software.

4.3. Client hereby authorizes TSL to share any intellectual property owned by Client ("User Generated Content") that its Users upload to the Community Resources section of TSL's website with TSL's 3rd party customers and users that are unrelated to Client ("Other TSL Customers"); provided that TSL must provide notice to Client's users during the upload process that such User Generated Content will be shared with such Other TSL Customers.

5. Term.

The term of this Agreement shall commence on the Effective Date, and will remain in full force and effect for the term indicated in Schedule A ("Term"). Upon expiration of the Initial Term, this agreement shall automatically renew for successive one (1) year periods (each, a "Renewal Term"), unless notice is given by either party of its intent to terminate the Agreement, at least sixty (60) days prior to the scheduled termination date. Upon expiration of the Initial or any Renewal Term, access to the Services may remain active for thirty (30) days solely for purpose of Company's record keeping (the "Expiration Period"). Any access to or usage of the Services following the Expiration Period shall be deemed Client's renewal of the Agreement under the same terms and conditions.

6. Mutual Warranties and Disclaimer.

6.1. Mutual Representations & Warranties. Each party represents and warrants that it has full authority to enter into this Agreement and to fully perform its obligations hereunder.

6.2. Disclaimer. EXCEPT AS EXPRESSLY PROVIDED HEREIN, NEITHER PARTY MAKES ANY WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR

FITNESS FOR A PARTICULAR PURPOSE, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW.

7. Miscellaneous.

7.1. Limitation on Liability. Except as it relates to claims related to Section 4 or Section 7.2 of this Agreement, (a) in no event shall either party be liable to the other, whether in contract, warranty, tort (including negligence) or otherwise, for special, incidental, indirect or consequential damages (including lost profits) arising out of or in connection with this Agreement; and (b) the total liability of either party for any and all damages, including, without limitation, direct damages, shall not exceed the amount of the total fees due to, or already paid to, TSL for the preceding twelve (12) months.

7.2. Indemnification. TSL shall indemnify and hold Client harmless from any and all claims, damages, losses and expenses, including but not limited to reasonable attorney fees, arising out of or resulting from any third party claim that the Services or any component thereof infringes or violates any intellectual property right of any person.

7.3. Assignment. Neither party may assign or delegate its rights or obligations pursuant to this Agreement without the prior written consent of the other, provided that such consent shall not be unreasonably withheld. Notwithstanding the foregoing, TSL may freely assign or transfer any or all of its rights without Client consent to an affiliate, or in connection with a merger, acquisition, corporate reorganization, or sale of all or substantially all of its assets.

7.4. Force Majeure. TSL shall have no liability for any failure or delay in performing any of its obligations pursuant to this Agreement due to, or arising out of, any act not within its control, including, without limitation, acts of God, strikes, lockouts, war, riots, lightning, fire, storm, flood, explosion, interruption or delay in power supply, computer virus, governmental laws or regulations.

7.5. No Waiver. No waiver, amendment or modification of this Agreement shall be effective unless in writing and signed by the parties.

7.6. Severability. If any provision of this Agreement is found to be contrary to law by a court of competent jurisdiction, such provision shall be of no force or effect; but the remainder of this Agreement shall continue in full force and effect.

7.7. Entire Agreement. This Agreement and its exhibits represent the entire understanding and agreement between TSL and Client, and supersedes all other negotiations, proposals, understandings and representations (written or oral) made by and between TSL and Client.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the last date set forth below.

TargetSolutions Learning, LLC

Client Name:

Address:

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____



TARGETSOLUTIONS

**CSAC EXCESS INSURANCE AUTHORITY
ONLINE COURSE CATALOG**



UPDATED AUGUST 2017

ONLINE COURSE CATALOG :: TABLE OF CONTENTS

Welcome to TargetSolutions' course catalog. On pages 3-15, you will find courses available to EIA members through TargetSolutions, including LearnSmart & SmartTeam courses for professional development. Pages 16-26 feature additional courses that can be purchased by EIA members at a discounted rate. Please contact us at (800) 840-8048 with questions.

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Premium Contents at additional cost to members.



PREMIUM CONTENT

The following pages feature additional courses that are available to EIA members at an exclusive, discounted rate. For more information about these courses, or to add them to your course catalog, please contact TargetSolutions at (800) 840-8048.



EMERGENCY MEDICAL SERVICES

TargetSolutions offers a comprehensive catalog of online EMS continuing education courses that are accepted in most states. Our courses allow first responders, EMT-Basics, EMT-Intermediates and EMT-Paramedics to complete their continuing education requirements in an engaging and easy-to-use format. These courses are available to EIA members at an exclusive, discounted rate. For more information about these courses, or to add them to your course catalog, please contact TargetSolutions at (800) 840-8048.

PREPARATORY

- Clinical Decision-Making
- Common Infectious Pathogens
- Communication and Documentation
- Cultural Diversity for EMS Providers
- Diet & Nutrition
- Health & Wellness
- HIPAA Awareness
- Infectious Disease Control
- Medical, Ethical, and Legal Issues
- Protecting Yourself from Influenza
- Therapeutic Communications
- Workplace Stress

AIRWAY

- Advanced Airways: Intubation and Beyond (2 hours)
- Airway Management Advanced (2 hours)
- Airway Management Basic
- Blind Nasotracheal Intubation
- Capnography
- Mechanics of Breathing
- Orotracheal Intubation
- Respiratory System A&P Review
- Suctioning the Patient Airway
- Supplemental Oxygen
- Tracheostomies Advanced

PATIENT ASSESSMENT

- Assessing the Patient with Major Trauma
- Patient Assessment Advanced
- Patient Assessment Basic
- Rapid Secondary Assessment
- Special Challenges in Patient Assessment

MEDICAL

- Acute Respiratory Distress Syndrome Advanced
- Allergies and Anaphylaxis Advanced
- Allergies and Anaphylaxis Basic
- Altered Mental Status Advanced
- Altitude Emergencies
- Aquatic Emergencies
- Asthma Advanced
- Behavioral Emergencies Advanced
- Behavioral Emergencies Basic

- Carbon Monoxide Poisoning
- Cardiac Emergencies Advanced
- Cardiac Emergencies Basic
- Cardiovascular Anatomy & Physiology Review
- Complete Resuscitation: Integrating Post-Care Advanced
- Date Rape Drugs
- Diabetic Ketoacidosis Advanced
- Endocrine System Emergencies Advanced
- Epilepsy
- Fundamentals of 12 Lead ECG Operation and Interpretation
- H1N1 (Swine Flu)
- Heat Illness and Emergencies
- Hematology
- HIV/AIDS Awareness
- Intraosseous Infusion Advanced
- Intro to Arrhythmias: Escape Rhythms and Premature Complexes
- Intro to Arrhythmias: Tachy-arrhythmias and Fibrillation
- Managing Cardiac Arrest: During and After Resuscitation
- Medication Errors
- Methamphetamine
- MRSA Infections
- Non-Traumatic Abdominal Injuries
- Non-Traumatic Chest Pain
- Obstetrical Emergencies Advanced (2 hours)
- Operating an AED
- Pharmacology Advanced
- Pharmacology Basic
- Poisoning and Overdose
- Prehospital Pulmonary Embolism Care
- Renal Failure Advanced
- Respiratory Emergencies Advanced
- Respiratory Emergencies Basic
- Toxicology and Substance Abuse Advanced
- Understanding the Basics of ECGs

TRAUMA

- Abdominal Trauma Advanced
- Abdominal Trauma Basic
- Amputation Injuries Advanced
- Bleeding and Shock Advanced
- Bleeding and Shock Basic
- Bomb Blast Injuries Advanced
- Burn Management Advanced
- Burn Management Basic
- CNS Injuries Advanced
- CNS Injuries Basic
- Environmental Emergencies Advanced
- Environmental Emergencies Basic
- Femur Fractures
- Gunshot Wounds
- Head and Facial Injuries Advanced
- Injuries and Infections of the Eye
- Kinematics of Trauma
- Musculoskeletal Injuries Advanced
- Musculoskeletal Injuries Basic
- Pelvic Fractures Advanced
- Spinal Cord Injuries

- Thoracic Emergencies Advanced
- Thoracic Emergencies Basic
- Traumatic Head and Brain Injuries Advanced
- Traumatic Injury During Pregnancy

SPECIAL CONSIDERATIONS

- Bariatric Patients
- Geriatric Behavioral Emergencies
- Geriatric Emergencies Advanced
- Geriatric Emergencies Basic
- Geriatric Hip Injuries
- Managing Chronic Care Patients
- Neonatology Advanced
- Obstetrical Emergencies Advanced (2 hour)
- Obstetrical Emergencies Basic
- Patient Abuse and Assault
- Patients with Special Challenges
- Pediatric Airway Management Advanced
- Pediatric Assessment
- Pediatric Burns Advanced
- Pediatric Cardiac Arrest Advanced
- Pediatric Emergencies Advanced
- Pediatric Emergencies Basic
- Pediatric Shock Advanced (2 hours)
- Pediatric Trauma Advanced
- Sudden Infant Death Syndrome (SIDS)

OPERATIONS

- Back Injury Prevention
- Confined-Space Entry
- Crime Scene Awareness
- Driving Safety
- Emergency Response to Terrorism (Modules 1-4)
- Fire & EMS Grant Writing
- First Responder Operations Level Refresher (Modules 1-4)
- Incident Command
- Introduction to Hazardous Materials
- Managing Multiple Casualty Incidents
- Medical Extrication & Rescue
- Right to Know (Hazard Communication)

These courses are available at a discounted rate for EIA members. Please contact TargetSolutions at (800) 840-8048 for information.

FIRE

TargetSolutions' course catalog delivers more than 250 hours of recertification courses for emergency responders. Courses based on the NFPA codes and standards, including NFPA 1001, 1021 and the 1500 Series. Courses also cover wildland fire, response to terrorism and much more.

NFPA 1001 SERIES | FIREFIGHTER I & II

TargetSolutions has a complete library of Firefighter I & II awareness and refresher level courses based on NFPA codes and standards.

- Building Construction
- Fire Behavior
- Fire Control
- Fire Department Communications
- Fire Detection, Alarm & Suppression Systems
- Fire Hose
- Fire Prevention and Public Education
- Fire Streams
- Firefighter Orientation and Safety
- Firefighter Personal Protective Equipment
- Firefighting Foams
- Forcible Entry into a Structure
- Ground Ladders
- Loss Control
- Portable Extinguishers
- Protection of Evidence of Fire Origin & Cause
- Rescue and Extrication
- Self-Contained Breathing Apparatus
- Vehicle Extrication
- Ventilation
- Water Supply

NFPA 1021 SERIES | COMPANY OFFICER

TargetSolutions has developed a complete line of company officer awareness and refresher level courses based on NFPA codes and standards.

- Action Plan Implementation
- Assuming the Role of Company Officer
- Budgeting
- Community Awareness
- Company-Level Training
- Elements of Supervision and Management
- Fire and Life Safety Inspections
- Fire Department Communications
- Fire Department Structure
- Fire Investigation
- Firefighter Safety and Health
- Firefighter Safety and Health Part II
- Government Structure
- Incident Response Safety
- Incident Scene Communications
- Incident Scene Management
- Information Management

- Labor Relations
- Leadership as a Group Influence
- Legal Responsibilities and Liabilities
- Pre-Incident Planning
- Professional Ethics
- Public Education Programs

NFPA 1410 SERIES

TargetSolutions' NFPA 1410 training series illustrates the most commonly practiced fireground evolutions. These video-based courses are written to the NFPA firefighter training standard.

- Evolution 1
- Evolution 2
- Evolution 3
- Evolution 4
- Evolution 5
- Evolution 6
- Evolution 7
- Evolution 8
- Evolution 9
- Evolution 10
- Evolution 11
- Evolution 12
- Evolution 13
- Evolution 14

NFPA 1500 SERIES

This series of courses is designed specifically for the fire industry and meets the NFPA 1500 code requirements. These courses were developed in conjunction with the NFPA, and specific content experts at the NFPA participated in their creation.

- Advanced HAZWOPER Awareness (Modules 1–4)
- Bloodborne Pathogens Safety
- Combustible & Flammable Liquids
- Compressed Gas Safety
- Confined Space Entry
- CPR Academic
- Driving Safety
- HAZMAT Spill Prevention & Control
- HAZMAT Transportation
- Laboratory Safety
- Materials Handling, Storage, Use & Disposal
- Personal Protective Equipment
- Respiratory Protection
- Hazard Communication
- Welding Safety

GENERAL

- Customer Service for Fire Department Personnel
- Emergency Response to Terrorism (Modules 1–4)
- Fire & EMS Grant Writing
- Fire Industry Driver Intersection Safety
- Fire Industry Driver Operator

- Fire Industry Introduction to Wildland Fire Behavior
- First Responder Hybrid Vehicle Incidents
- First Responder Operations Level Refresher
(Modules 1–4)
- Firefighter Rehabilitation (Modules 1 and 2)
- Fire Service: Health & Safety
- NFPA 1403 Live Fire Training Evolutions
- NFPA 1584 Firefighter Rehabilitation

WILDLAND FIREFIGHTING

- RT-130 Annual Wildland Fire Safety Refresher
(Modules 1–4)
- S-190 Introduction to Wildland Fire Behavior
(Modules 1–4)

ARFF TRAINING

TargetSolutions is pleased to offer valuable training for airport firefighters. The 17-course bundle delivers 13 hours of training featuring video- and scenario-based lessons.

- Adapting and Using Structural Equipment
- Aircraft Cargo Hazards (Parts 1-2)
- Aircraft Familiarization
- Aircraft Rescue - Emergency Communications
- Airport Rescue And Firefighting Ops
- Application of Extinguishing Agents (Parts 1-4)
- Aviation Incident Response/Crash Rescue Management
- Command and Control of Aircraft Incidents
- Emergency Aircraft Evacuation
- Out of the Blue
- Personnel Safety
- Vehicle Rescue
- Water Rescue

These courses are available at a discounted rate for EIA members. Please contact TargetSolutions at (800) 840-8048 for information.



REVIEW OF STRATEGIC GOALS

INFORMATION ITEM

ISSUE: From time to time it is necessary for the members to review its long term goals and consider any necessary additions, deletions or revisions.

RECOMMENDATION: Review the goals and provide feedback as necessary.

FISCAL IMPACT: None at this time.

BACKGROUND: The NCCSIF Board of Directors, at their December 2017 Long Range Planning meeting, discussed future goals for the JPA. The attached list reflects the ideas that came out of that meeting.

ATTACHMENT(S): NCCSIF FY 18/19 Long Range Planning Timeline

NCCSIF STRATEGIC GOALS & ACTION PLAN

Goals Established: 12/14/17 BOD Long Range Planning meeting

Updated: 3/13/18

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.

GOAL	ACTION/TASK	RESPONSIBLE ENTITY	DEADLINE	STATUS
LRP-1				
What do we want to be when we grow up	1. Open to grow membership, but not actively market with caveat to maintain geographic centric/similar exposures as current members. Will underwrite on an as-needed basis when a city approach the pool to join.	BOD	Open	As Needed
	2. Self-insured Group Benefits: interest from members - ask CSAC EIA to present employee benefits program at April BOD meeting.	Alliant	Open	4/26/18 <i>presentation at BOD Mtg</i>
	<i>Representatives from EIA and GSRMA will be in attendance at the April BOD meeting to present the health benefits programs.</i>			
LRP-2				
What more can NCCSIF do for members	1. Develop a unified policy for Active Shooters Response - coordinate with PRMC.	BOD, PRMC, Alliant, Bickmore	Ongoing	2/1/18 initial discussion at PRMC Mtg
	<i>PRMC feels this is under control - Folsom conducted training with school on 3/2/18.</i>			
	2. Case Management Workshop: 2-hour Litigation Claims Management presentation on best practices at future BOD meeting.	BOD, York, CJPRMA	Open	10/25/18 <i>presentation at BOD Mtg</i>
	3. Interest in Parametric Coverage: BI for Liability - Civil Disorder, Wildfire Coverage, Active Shooter.	Alliant	7/1/18	Open
<i>Propose using a self-insured layer for active shooter (Corning) situation.</i>				
LRP-3				
How do we achieve greatness	1. Incrementally increase Confidence Level to 80% in the next few years.	BOD, Alliant, Marta, Actuary	Open	TBD
	<i>Currently at 75%, will look at options for higher CL % for FY 18/19.</i>			
	2. Marta and Alliant to present benchmarks of what our SIR could be after 6/30/18 Financials (discussion stems from CJPRMA potentially requiring members with high loss exposures to higher SIR).	BOD, Alliant, Marta, Actuary	Open	10/25/18 BOD Mtg



Agenda Item G.8.

ACTIVE SHOOTER LIABILITY PROGRAM SUBLIMIT OPTION

ACTION ITEM

ISSUE: As a result of the shooting incident in Tehama County this past November, one Member (Corning) incurred significant overtime response costs that impacted their budget. At the Long Range Planning meeting, the Board requested options for providing some type of coverage for the cost of responding to such events - - possibly tied to the NCCSIF Liability Program although not specifically a Third Party loss.

This new exposure has created coverage for *Active Shooter* that is now being offered commercially, but is tailored to the needs of insureds who have an incident occur *on their property*. While that, too, is an exposure faced by Members, it does not address the unique exposures related to responding to such events, most notably the extraordinary cost of emergency personnel. The Program Administrators have drafted an endorsement to the Liability MOC that will allow Members to both use their Banking Layer funds, and receive payment (to a suggested Sublimit) of \$50,000 from the Shared Risk Layer following an Active Shooter event, as defined in the endorsement.

The recommended endorsement language is based on similar language found in the “parametric” insurance policies we briefly discussed. Parametric coverage is the preferred approach because it delivers payment to the insured most quickly after a triggering event. The amount of the payment is set in advance and paid promptly once the event that meets the coverage parameters occurs. Please refer to the Background below for more details on this type of coverage and how it may be expanded in the future to cover more types of events.

The endorsement language allows the Member to decide if they want to use their Banking Layer after an Active Shooter event. If so, and they elect to use all of their Banking Layer, the Shared Risk Layer would respond with an additional payment of \$50,000. Members could choose to set another common parameter for payment in commercial policies, a minimum number of casualties. However, allowing the Member to trigger payment by first using all of their own Banking Layer should limit the Shared Layer exposure to only those events that have a significant impact. If a Member does not have sufficient funds in their Banking Layer to absorb a \$50,000 payment a parameter could be established to limit access to the Shared Layer.

RECOMMENDATION: Review and provide recommendation to the Board regarding a coverage option for active shooter incidents.

FISCAL IMPACT: TBD. The biggest impact may be to a Member who elects to use this coverage, in that they would still be required to maintain a sufficient balance in their Banking Layer for other claims and would end up repaying the money over time. The impact to the Shared Layer for one member would be minimal, though it is possible that perhaps four or five members could be involved in a single Active



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Agenda Item G.8. *continued*

Shooter event and receive payment. No actuarial analysis will assist us in determining these costs - - they are random (and hopefully infrequent).

BACKGROUND: One of the strategic goals identified by the Board at their last meeting was an interest in “parametric” style coverage for certain types of risks, like civil disorder, wildfires, or active shooters. Parametric coverage differs from other types of coverage in the “trigger” for loss payment by the insurer. There are three general types of insurance coverage triggers:

Standard insurance reimburses based on *indemnity* – making the insured “whole” again after a loss. Catastrophe bonds and other types of insurance-backed securities use an *index* –a single value representing an aggregation of defined losses within a specific time.

Parametric coverage uses set *parameters*, such as the magnitude of the event, e.g. a 7.5 magnitude earthquake. Both the securities and parametric coverage pay a *set amount* based on their triggers, regardless of the amount of the insured’s actual loss. This makes the payment of the loss much quicker and more certain when the trigger is met.

The key to providing the coverage is to define the parameters upon which payment is made. Active shooter coverage for one company is triggered by “an armed person who has used or attempted to use deadly force on other persons and aggressively continues to do so while having unrestricted access to additional victims”. Some commercial policies set parameters of at least three casualties or injuries and no more than fifty.

If Members wanted to later expand the coverage to include more incidents, like civil disorder, it may be possible to cover a number of triggering events. The parameters for payment might be based on a Member’s public safety payroll increasing by a minimum percentage due to overtime in responding to the event. Before we expand coverage on a broader context we should 1) take this first step with Active Shooter, and 2) explore all available options to provide coverage commercially available, if at a reasonable cost. (Right now, any sort of “parametric”, or other insurance product, would not likely be cost effective unless NCCSIF secured this coverage through a large ‘group purchase’ to generate the economies of scale necessary).

Commercial insurance options, designed for property owners, also include coverages that NCCSIF members already have, including third-party legal liability and Critical Incident Counseling Services through CSAC-EIA for incidents that impact a member’s workplace. A comparison of how these coverages and services may overlap will be part of the analysis if NCCSIF were to consider purchasing commercial insurance

ATTACHMENT(S): Draft Active Shooter Endorsement



LIABILITY AMENDATORY ENDORSEMENT UNDERLYING MEMORANDUM OF COVERAGE

ACTIVE SHOOTER COVERAGE

It is understood and agreed that in the event of an **Active Shooter** requiring emergency service response from any Member, such Member may elect payment up to the amount of their Banking Layer. If the Member exhausts their Banking Layer under this coverage an additional payment of \$50,000 will be made from the Shared Layer.

Active Shooter is defined as an armed person who has used or attempted to use deadly force on other persons and continues to do so while having unrestricted access to additional victims.

Notwithstanding what is stated in the applicable declarations, the Shared Risk Layer limit of coverage described in this endorsement shall not exceed \$50,000 per Member per Program Year.

All other terms and conditions of this underlying memorandum of coverage are unchanged. If this endorsement is issued after the effective date of this underlying memorandum of coverage, then it must be signed by an Officer of NCCSIF.

David R. Warren, NCCSIF President

Endorsement Effective Date: July 1, 2018



BACK TO AGENDA

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Agenda Item G.9.

ROUND TABLE DISCUSSION

INFORMATION ITEM

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

RECOMMENDATION: None.

FISCAL IMPACT: None.

BACKGROUND: The item is to the Executive Committee members for any topics or ideas that members would like to address.

ATTACHMENT(S): None.



BACK TO AGENDA

Northern California Cities Self Insurance Fund
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Agenda Item H.

INFORMATION ITEMS

INFORMATION ITEM

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

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

FISCAL IMPACT: None.

BACKGROUND: None

ATTACHMENT(S):

1. NCCSIF Organizational Chart
2. NCCSIF 2018 Meeting Calendar
3. NCCSIF Travel Reimbursement

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND 2018 Organizational Chart

MEMBER ENTITY	BOARD OF DIRECTORS	BOARD ALTERNATES	RISK MANAGEMENT COMMITTEE	POLICE RISK MANAGEMENT COMMITTEE
City of ANDERSON	EC / CC Liz Cottrell	Jeff Kiser	Liz Cottrell	Chief Michael Johnson
City of AUBURN	<i>Vacant</i>	<i>Vacant</i>	Shari Harris	Chief John Ruffcorn (Chair)
City of COLUSA	Toni Benson	<i>Vacant</i>	<i>Vacant</i>	Chief Josh Fitch
City of CORNING	EC Kristina Miller	Tom Watson	Tom Watson	Chief Jeremiah Fears
City of DIXON	Rachel Ancheta	Kim Stalie	Rachel Ancheta	Chief Robert Thompson
City of ELK GROVE	Brad Koehn	Kara Reddig	Jim Ramsey	Lieutenant Jeff Scott
City of FOLSOM	Jim Francis	Kristine Haile	Kristine Haile	Chief Cynthia Renaud
City of GALT	Cora Hall	Eugene Palazzo	Cora Hall	Chief Tod Sockman
City of GRIDLEY	EC Juan Solis	Elisa Arteaga	<i>Vacant</i>	Chief Dean Price
City of IONE	Jon Hanken	Lori McGraw	Jon Hanken	Chief Tracy Busby
City of JACKSON	Yvonne Kimball	Dalacie Blankenship	Yvonne Kimball	Chief Scott Morrison
City of LINCOLN	S / EC / CJPRMA Rep. Astrida Trupovnieks	Ruthann Codina	Astrida Trupovnieks	Chief Doug Lee
City of MARYSVILLE	<i>Vacant</i>	Martha Brown	<i>Vacant</i>	Interim Chief Chris Sachs
City of NEVADA CITY	Loree' McCay	Catrina Olson	Loree McCay	Chief Tim Foley
City of OROVILLE	VP / EC / CC Liz Ehrenstrom (Vice-Chair)	<i>Vacant</i>	Liz Ehrenstrom (Chair)	Asst. Chief Allen Byers
Town of PARADISE	EC Gina Will	Crystal Peters	Crystal Peters	Lieutenant Eric Reinbold
City of PLACERVILLE	P / EC / CC Dave Warren (Chair)	Cleve Morris	Dave Warren	Chief James Ortega
City of RED BLUFF	EC Sandy Ryan	Anita Rice	Sandy Ryan	Chief Kyle Sanders (Vice-Chair)
City of RIO VISTA	Yujun Du	Robert Hickey	<i>Vacant</i>	Chief Dan Dailey
City of ROCKLIN	Steven Rudolph	Kimberly Sarkovich	Steven Rudolph	Chief Chad Butler
City of WILLOWS	T / EC / CC Tim Sailsbery	<i>Vacant</i>	Wayne Peabody	Chief Jason Dahl
City of YUBA CITY	Natalie Springer	Robin Bertagna	Sheleen Loza	Chief Robert Landon

OFFICERS

P = President **VP = Vice President**
S = Secretary **T = Treasurer**
CJPRMA Board Rep.

EC = Executive Committee
CC = Claims Committee

PROGRAM ADMINISTRATORS (Alliant Insurance Services)
Marcus Beverly
Michael Simmons
Raychelle Maranan

CLAIMS ADMINISTRATORS (York Risk Services)
Dorienne Zumwalt
Cameron Dewey (Liability)
Steven Scott (Workers' Comp)

RISK CONTROL CONSULTANTS (Bickmore)
Enriqueta (Henri) Castro
Tom Kline
Gail Zeigler

ADVISORS
Byrne Conley (Board Counsel)
James Marta (Accounting)
Alana Theiss (Accounting)



2018 MEETING CALENDAR

- Thursday, February 1, 2018 **Police Risk Management Committee** at 10:00 a.m.
- Thursday, March 22, 2018 *Executive Committee* at 10:00 a.m.
Claims Committee at 11:30 a.m.
- Thursday, April 26, 2018 **Risk Management Committee** at 10:00 a.m.
Board of Directors at 12 noon
- Wednesday, May 2, 2018 **Police Risk Management Committee** - 10:00 a.m.
- Thursday, May 17, 2018 **Claims Committee** at 10:00 a.m.
Executive Committee at 11:30 a.m.
- Thursday, June 14, 2018 **Risk Management Committee** at 10:00 a.m.
Board of Directors at 12 noon
- Thursday, August 2, 2018 **Police Risk Management Committee** at 10:00 a.m.
- Thursday, September 27, 2018 **Claims Committee** at 10:00 a.m.
Executive Committee at 11:30 a.m.
- Thursday, October 25, 2018 **Risk Management Committee** at 10:00 a.m.
Board of Directors at 12:30 p.m.
- Thursday, November 1, 2018 **Police Risk Management Committee** at 10:00 a.m.
- Thursday, December 13, 2018 **Board of Directors** at 10:00 a.m.

Meeting Location: Rocklin Event Center - Garden Room (except February - Ballroom)
2650 Sunset Boulevard, Rocklin, CA 95677

Note: *Additional Claims Committee Meetings may be scheduled as needed for Claims Authority approval which will be held via teleconference.*

Northern California Cities Self Insurance Fund

Travel Reimbursement Expense Form

Member Representative: _____

Entity: _____

Payee Address: _____

Meeting or Committee: _____

Date of Meeting: _____

Location of Meeting: _____

Total Mileage: _____

Payment Made to:

Signature _____ Date _____