



President Mr. Steve Baker City of Yreka	Vice President Mr. Wes Heathcock City of Colfax
Secretary Mr. John Duckett City of Shasta Lake	Treasurer Mr. Roger Carroll Town of Loomis

**SMALL CITIES ORGANIZED RISK EFFORT
BOARD OF DIRECTORS
MEETING**

A	Action
I	Information
1	Attached
2	Hand Out
3	Separate Cover
4	Verbal

Date: Friday, March 26, 2021
Time: 10:00 AM
Location: TELECONFERENCE
 Call in number: 877-853-5257 (Toll Free) or 669-900-6833
 Conference Code: 929 5656 5356

<https://alliantinsurance.zoom.us/j/92956565356?pwd=SVIrY21lcDVyTFh6RWQ5LzJ1NlJ6dz09>

<i>PAGE</i>	A. CALL TO ORDER 10:00 AM	
	B. ROLL CALL	
	C. APPROVAL OF AGENDA AS POSTED	A 1
	D. PUBLIC COMMENTS	I 4
	<i>This time is reserved for members of the public to address the Board of Directors on matters of SCORE that are of interest to them.</i>	
	E. CONSENT CALENDAR	A 1
	<i>All matters listed in consent calendar are considered routine with no separate discussion necessary. Any member of the public or Board of Directors may request an item to be considered separately. If not, the Board will take action to accept and file the items below.</i>	
<i>Pg. 5</i>	1. Executive Committee Meeting Draft Minutes – January 28, 2021	
<i>Pg. 7</i>	2. Board of Directors Meeting Draft Minutes – January 29, 2021	
<i>Pg. 13</i>	3. US Bank Custodial Account Statement – January – February 2021	
<i>Pg. 34</i>	4. SCORE Checking Register – January – February 28, 2021	
<i>Pg. 35</i>	5. Investment Statements from Chandler Asset Management – January – February 2021	
<i>Pg. 47</i>	6. PRISM Pollution – Premium Estimate V3 – March 2021	
<i>Pg. 48</i>	7. FY 21/22 SCORE Service Calendar – Draft Approved by BOD on January 29, 2021	
	F. ADMINISTRATIVE REPORTS	
	1. President’s Report	I 4
	<i>Steve Baker will address the Board on items pertaining to SCORE.</i>	
	2. Excess Pool Reports	I 4
	<i>The Board will receive updates from the Excess Representatives of each Pool.</i>	
	a. CJPRMA (Rep. Roger Carroll) Minutes of the last meeting can be found at www.cjprma.org.	
	b. ERMA (Rep. John Duckett) Minutes of the last meeting can be found at www.ermajpa.org.	



c. **LAWCX (Rep. Wes Heathcock)** *Minutes of the last meeting can be found at lawcx.org.*

- 3. Alliant Update** **I 3**
Marcus Beverly will update the Board on Alliant matters pertinent to SCORE.
 a. **Form 700**
 b. **SCORE Website ADA Compliance**

G. FINANCIAL

*Time
Certain
10:30am
Pg. 57
Pg. 94*

1. Actuarial Studies **A 3**
Mike Harrington will present the Board with the actuarial studies completed by Bickmore Actuarial for the Board to review and accept.
 a. **Liability – Actuarial Review**
 b. **Workers’ Compensation – Actuarial Review**

Pg. 129

2. Quarterly Financial Report – Period Ended December 31, 2020 **A 1**
Gilbert Associates will present the December 31, 2020 Quarterly Financial Report and the Board may take action to Accept and File or give direction.

Pg. 146

SCORE PROGRAM COVERAGE REVIEW - Alliant Property Insurance Program (APIP) **I 4**
The Board will receive a review of the coverage documents and will be provided with a summary of coverage.

H. JPA BUSINESS

Pg. 148

1. Liability Claims Audit **A 1**
The Board will be presented with the Audit Report and Sedgwick’s response to the findings.

Pg. 154

2. SCORE Resolution 21-02 – Delegation of Treasurer Responsibilities **A 4**
The Board will be asked to review and approve a resolution delegating responsibilities for managing funds to the Treasurer.

3. FY 21/22 Funding Rates **A 1**
The Board will use the information provided by the Program Administrators and Actuary to establish the funding rates used in the FY 21/22 Budget deposit calculations.

*Pg. 156
Pg. 163*

a. **Liability Program**
 b. **Workers’ Compensation Program**

Pg. 170

4. FY 21/22 SCORE Preliminary Administration Budget **A 1**
The Preliminary Administration Budget will be presented for Board direction and/or approval.



Pg. 172	5. Loss Control Grant Fund Program	A 1
	<i>The Board will received status of funds used in FY 20/21 and will consider the FY 21/22 funding.</i>	
Pg. 174	6. SCORE Driving Standards	A 1
	<i>The Board will receive and may approve the updated Driving Standards.</i>	
Pg. 182	7. SCORE Training/Planning Day	I 1
	<i>The Board of Directors will review and discuss training and/or planning topics to provide direction for the October Board meeting agenda.</i>	
Pg. 183	I. GENERAL RISK MANAGEMENT ISSUES	I 1
	<i>This is an opportunity for a member to discuss a topic of interest or seek guidance and input from the group about a current issue, risk management topic or exposure the member is facing. Please mail a copy of any materials to each member City in advance of the meeting.</i>	
	1. Shake and Pay	
	2. Wildfire Legislation	
	J. INFORMATION ITEMS	I
Pg. 195	1. FY 20/21 Resource Contact Guide	1
Pg. 204	2. Glossary of Terms	1
Pg. 214	K. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95 **REQUESTING AUTHORITY	
	1. Liability	
	a. SCGA02085A2 v. City of Dunsmuir**	
	2. Workers Compensation	
	a. SCWA-556085 v. City of Portola**	
	b. SCWA-556110 v. City of Yreka**	
	c. SCWA-386445 v. City of Williams**	
Pg. 215	L. REPORT FROM CLOSED SESSION	I 4
	M. CLOSING COMMENTS	
	N. ADJOURNMENT	

UPCOMING MEETING: Board of Directors Meeting – June 26, 2021, Teleconference

IMPORTANT NOTICES AND DISCLAIMERS: 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 Michelle Minnick at Alliant Insurance at (916) 643-2715. The Agenda packet will be posted on the SCORE website at www.scorejpa.org. Documents and material relating to an open session agenda item that are provided to the SCORE Board of Directors 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, SCORE 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.



**Small Cities Organized Risk Effort
Board of Directors Meeting
March 26, 2021**

Agenda Item E.

CONSENT CALENDAR

ACTION ITEM

ISSUE: Items on the Consent Calendar should be reviewed by the Board, and if there is any item requiring clarification or amendment such item should be pulled from the agenda for separate discussion. The Board should adopt the Consent Calendar excluding those items removed. *Items requested to be removed from Consent will be placed back on the agenda in an order determined by the President.*

RECOMMENDATION: The Program Administrator recommends adoption of the Consent Calendar after review by the Board of Directors.

FISCAL IMPACT: None.

BACKGROUND: Items of importance, that may not require discussion, are included on the Consent Calendar for adoption.

ATTACHMENTS:

1. Executive Committee Meeting *Draft* Minutes – January 28, 2021
2. Board of Directors Meeting *Draft* Minutes – January 29, 2021
3. US Bank Custodial Account Statement – January – February 2021
4. SCORE Checking Register – January – February 28, 2021
5. Investment Statements from Chandler Asset Management – January – February 2021
6. PRISM Pollution – Premium Estimate V3 – March 2021
7. FY 21/22 SCORE Service Calendar – Draft Approved by BOD on January 29, 2021



**Small Cities Organized Risk Effort (SCORE)
Special Executive Committee
Teleconference Meeting Minutes
January 28, 2021**

Member Cities Present:

Wes Heathcock, City of Colfax
Blake Michaelsen, City of Dunsmuir
Roger Carroll, Town of Loomis

John Duckett, City of Shasta Lake
Steve Baker, City of Yreka

Member Cities Absent:

Consultants & Guests:

Ariel Leonhard, Sedgwick
Shawn Millar, Sedgwick
Jill Petrarca, Sedgwick

Dori Zumwalt, Sedgwick
Marcus Beverly, Alliant Insurance Services
Michelle Minnick, Alliant Insurance Services

A. CALL TO ORDER

Mr. Steve Baker called the meeting to order at 2:01 P.M.

B. ROLL CALL

The above mentioned members were present constituting a quorum.

C. APPROVAL OF AGENDA AS POSTED

No objection was made to the agenda as posted.

Motion carried unanimously.

D. PUBLIC COMMENT

There were no public comments.

E. CONSENT CALENDAR

There were no Consent Calendar items.



**F. CLOSED SESSION PURSUANT TO GOVERNMENT CODE 54956.95
REQUESTING AUTHORITY

At 2:04 P.M., pursuant to Government code section 54956.95, the Board held a closed session to discuss the following claims for payment of tort liability loss or public liability loss.

1. Workers' Compensation

a. SCWA-556121 v. City of Yreka**

2. Liability

a. SCGA02081A2 v. City of Shasta Lake**

F. REPORT FROM CLOSED SESSION

The Executive Committee returned from closed session at 2:13 P.M. Marcus Beverly announced the Committee provided direction on the claims but no reportable actions were taken.

G. CLOSING COMMENTS

Marcus Beverly reminded the Executive Committee that we have a SCORE Board meeting tomorrow and an informational presentations prior to the Board meeting that they are encouraged to attend.

H. AJOURNMENT

The meeting was adjourned at 2:16 P.M.

NEXT MEETING DATE: January 29, 2021 Teleconference

Respectfully Submitted,

John Duckett, Secretary

Date



Small Cities Organized Risk Effort (SCORE) Board of Directors Meeting Minutes January 29, 2021

Member Cities Present:

Mark Sorensen, City of Biggs
Wes Heathcock, City of Colfax
Todd Juhasz, City of Dunsmuir
Blake Michaelsen, City of Dunsmuir
Aaron Palmer, City of Live Oak
Crickett Strock, Town of Loomis
David Dunn, City of Montague
Muriel Howarth Terrell, City of Mt. Shasta

Lauren Knox, City of Portola
John Duckett, City of Shasta Lake
Heidi Whitlock, City of Susanville
Penny Velador, City of Tulelake
Jenny Coelho, City of Tulelake
Emily Coulter, City of Weed
Steve Baker, City of Yreka
Rene Hoisington, City of Yreka

Member Cities Absent:

City of Etna
City of Isleton

City of Loyalton
City of Rio Dell

Consultants & Guests

Marcus Beverly, Alliant Insurance Services
Michelle Minnick, Alliant Insurance Services
Conor Boughey, Alliant Insurance Services

Jennifer Zraick, Gilbert Associates, Inc.
Ariel Leonhard, Sedgwick Risk Services
Jill Petrarca, Sedgwick Risk Services

A. CALL TO ORDER

Mr. Steve Baker called the meeting to order at 10:02 a.m.

B. ROLL CALL

The above mentioned members were present constituting a quorum. Cities absent from this meeting were the City of Loyalton.

C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

MOTION: Lauren Knox

SECOND: Wes Heathcock

**MOTION CARRIED
UNANIMOUSLY**



D. PUBLIC COMMENT

There were no public comments.

E. CONSENT CALENDAR

1. Board of Directors Meeting *Draft* Minutes – October 23, 2020
2. US Bank Custodial Account Statement – September – December 2020
3. SCORE Checking Register – September – December 31, 2020
4. Investment Statements from Chandler Asset Management – September – December 2020
5. Local Agency Investment Fund (LAIF) Quarterly Statement of Investments – December 31, 2020
6. Treasurer’s Report as of December 31, 2020
7. ACI Specialty Quarterly Utilization Report – July – December 2020
8. Target Solutions Utilization Report Summary – August – December 2020
9. Alliant Additional Commission Opt Out letter (APIP & ACIP) FY 2020-2021
10. Company Nurse Injury Summary Report October 2020
11. Loss Control Fund Program Usage by member as of January 2021
12. Ken Maiolini General Liability Claims Audit Agreement
13. PRISM Pollution January 2021 Premium Estimate

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

MOTION: Todd Juhasz

SECOND: John Duckett

**MOTION CARRIED
UNANIMOUSLY**

F. ADMINISTRATIVE REPORTS

F1. President’s Report

Mr. Steve Baker had no issues to report for SCORE. Steve Baker shared information about the ERMA Compliance Survey as a claim was submitted and the city was not able to prove that 90% of their staff had received the required training to be in compliance with ERMA’s resolution. Members were encouraged to complete all required training and complete the ERMA Compliance Survey that was sent out recently to avoid issues and to avoid your retention being doubled.

F.2.A. CJPRMA Update

Marcus Beverly noted that Roger is not on the call and noted that CJPRMA had a recent meeting to discuss their financials = their net position is tending to decrease and the plan to increase their net position they are changing their formula and increasing their confidence level.

F.2.B. ERMA Update

John Duckett noted there was a lack of recent meetings for ERMA and there was nothing to update.



F.2.C. LAWCX Update

It was noted that Wes Heathcock is the new Representative for the SCORE Board and it was mentioned there have not been any recent meetings but there are no major increased anticipated.

F.3. Alliant Update

- a. Annual Report**
- b. Excess Cyber App Portal**

Marcus Beverly provided members with a brief review of the SCORE Annual Report and provided an update regarding the Excess Cyber Application Portal being created. He noted that the website will be the new location to complete Excess Cyber Applications and members should be receiving login information via email.

The Board requested to review item G.2. at this time.

G.2. Quarterly Financial Report – Period Ended September 30, 2020

Jennifer Zraick provided a review of the Quarterly Financial Report for the Period Ending September 30, 2020. She noted that the Statement of Net Position is showing \$900k due to the increase in premium and low number of claim payments. It was noted that there was an error in the ERMA Dividend Expense as we did receive the check before the checks went out to members so in actuality Net Revenue Over (Under) Expenses is \$14k greater than what is listed and should show \$192k – this will be fixed in the December financial statement.

A motion was made to accept and file the Quarterly Financial Report for the Period Ended September 30, 2020.

MOTION: Wes Heathcock

SECOND: Jenny Coelho

**MOTION CARRIED
UNANIMOUSLY**

G. FINANCIAL

G.1. Audited Financial Report for Year Ending June 30, 2020

Amy Meyer from Maze & Associates presented the SCORE Audited Financial Report for Year Ending June 30, 2020. She provided a review of the report and noted that they have issued an unmodified (clean) opinion, the highest assurance that can be provided, and there were no material weaknesses or significant deficiencies to report. There was a brief discussion about the Treasurer’s Investment Report content and Compliance with the Investment Policy.

A motion was made to accept and file the FY 19-20 Audited Financial report as presented.

MOTION: John Duckett

SECOND: Jenny Coelho

**MOTION CARRIED
UNANIMOUSLY**



G.3. SCORE Dividend & Assessment Plan (DAP)

Marcus Beverly provided the board with a review of the SCORE Dividend & Assessment Plan (DAP) and how the allocation is calculated. He noted there was no recommended distribution from the Workers' Compensation program in the shared or banking layer. In the Liability program we started with no distribution from the shared layer into the banking layer and then release \$74,044 from the banking layer.

A motion was made to approve the no Liability Shared distribution for FY 20-21 as recommended.

MOTION: Wes Heathcock

SECOND: Mark Sorenson

**MOTION CARRIED
UNANIMOUSLY**

H. JPA BUSINESS

H.1. SCORE Wildfire Risk Scoring

Marcus Beverly noted that the property insurance market is more focused on fire risk mitigation and we are looking at analyzing and rating relative wildfire risk so that we can take steps to address those higher risk locations in an effort to show underwriters that we are taking steps to address the risk. He provided a review of the CoreLogic Wildfire risk scoring and after a discussion members generally supported moving forward to obtain risk score.

A motion was made to approve moving forward with the CoreLogic Wildfire Risk Scoring not to exceed \$3k.

MOTION: John Duckett

**SECOND: Muriel Howarth
Terrell**

**MOTION CARRIED
UNANIMOUSLY**

H.2. LAWCX Alternate Representative

Marcus Beverly indicated that he has been the back up for the LAWCX Board and we are seeking someone to take on that role. It was noted that Roger Carroll has agreed to assume the role if no one presented interest.

A motion was made to appoint Roger Carroll as the alternate LAWCX representative.

MOTION: Cricket Strook

SECOND: John Duckett

**MOTION CARRIED
UNANIMOUSLY**

H.3. FY 21/22 Renewal Marketing Plan

Marcus Beverly provided the board with a review of the intended renewal plan for FY 21/22. He noted there are no changes to the carriers being suggested at this time but noted the changes that could occur could be to the SIR in CJPRMA, it was noted that we will have to adjust to higher SIR in the future but maybe not this year. Members requested revisiting the Mini-cities payroll threshold up from



\$500,000 as payroll has been increasing in recent years. There was a brief discussion related to the caps applied in the past, but it was noted that it only applied for the first year of a three-year plan.

H.4. FY 21/22 Service Calendar

Michelle Minnick mentioned that we have reached out to the Gaia Hotel and they have confirmed that all of these dates are available for FY 21/22 and our hope is that we can return to in person meetings later this year. In order to secure the dates the Gaia Hotel does require a \$500 deposit which will be applied toward the first meeting of the fiscal year and if the Board is in agreement we will execute the agreement to lock in those dates.

A motion was made to approve the 21/22 service calendar and grant Program Administration authority to execute the agreement with the Gaia Hotel.

MOTION: John Duckett

SECOND: Jenny Coelho

**MOTION CARRIED
UNANIMOUSLY**

H.5. Form 700 Reporting Protocol Changes

Michelle Minnick informed the Board that the FPPC required Form 700 can now be completed online. It was noted that members should have received a welcome email from the FPPC indicating this change and if not they should reach out to Alliant for assistance. If there has been a change to the Board Representative or Board Alternate please let the Program Staff know as soon as possible to ensure the Form 700 is completed within 30 days of assuming or leaving a position. Members were reminded that failure to complete the Form 700 by the April 1, 2019 deadline may receive a penalty of \$10 for every day it is late up to a maximum fine of \$100. It was also noted that some members have already completed their Form 700 and provided feedback to the Board indicating the website was very easy to use and took very little time to complete.

H.6. SCORE Service Provider Survey Results

Marcus Beverly presented the SCORE Service Provider Survey Results to the members and the Board noted they are generally happy with the services provided to SCORE members.

A motion was made accept and file the results.

MOTION: Lauren Knox

SECOND: John Duckett

**MOTION CARRIED
UNANIMOUSLY**

I. GENERAL RISK MANAGEMENT ISSUES

J. INFORMATION ITEMS

J.1. 2021 PARMA VIRTUAL Conference – February 1 – 3, 2021

This was provided as an information item only.



J.2. Glossary of Terms

This was provided as an information item only.

J.3. FY 20/21 Resource Contact Guide

This was provided as an information item only.

K. CLOSING COMMENTS

There were no closing comments.

L. ADJOURNMENT

A motion was made to adjourn the meeting.

MOTION: Steve Baker

SECOND: John Duckett

**MOTION CARRIED
UNANIMOUSLY**

The meeting was adjourned at 12:03 PM

NEXT MEETING DATE: March 29, 2021 Teleconference

Respectfully Submitted,

John Duckett, Secretary

Date



QUESTIONS?

If you have any questions regarding your account or this statement, please contact your Administrator.

KYLE TOLLE
CN-OH-W5IT
CN-OH-W5IT
425 WALNUT STREET
CINCINNATI OH 45202
Phone 513-629-8233
E-mail kyle.tolle@usbank.com

Portfolio Manager:
TRADE SERVICES PORTLAND #4

ACCOUNT NUMBER: 001050986308
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from January 1, 2021 to January 31, 2021



000001684 04 SP 000638710900874 P
SMALL CITIES ORGANIZED RISK EFFORT
2180 HARVARD STREET, SUITE 460
SACRAMENTO, CA 95815-3329



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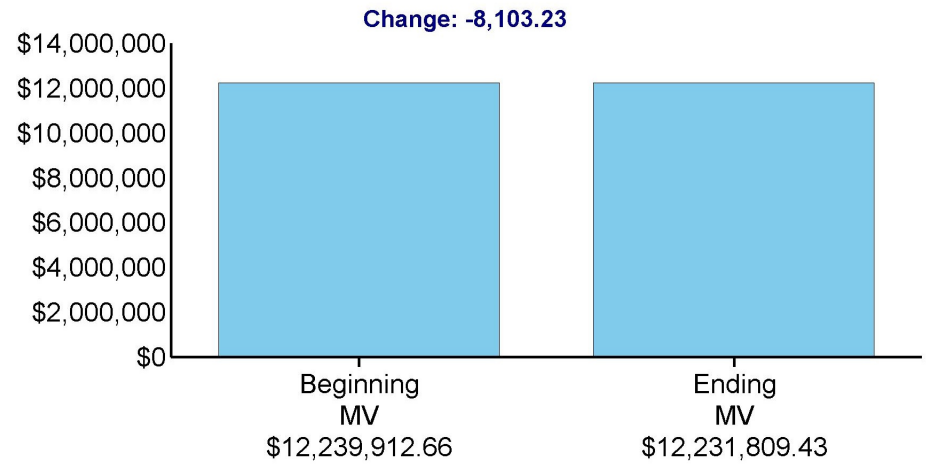


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MARKET VALUE SUMMARY

	Current Period 01/01/21 to 01/31/21
Beginning Market Value	\$12,239,912.66
Taxable Interest	18,430.74
Fees and Expenses	-1,332.84
Long Term Gains/Losses	-814.22
Change in Investment Value	-24,386.91
Ending Market Value	\$12,231,809.43





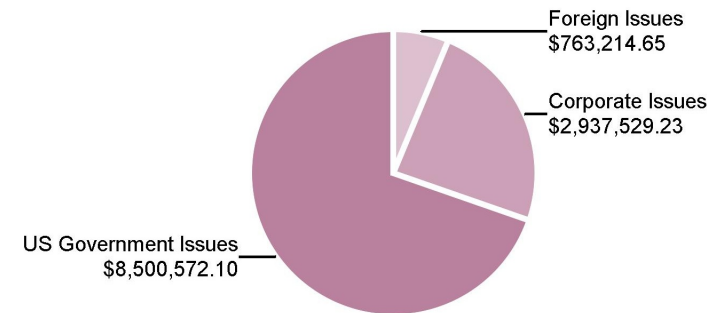
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ASSET SUMMARY

Assets	Current Period Market Value	% of Total	Estimated Annual Income
Cash & Equivalents	30,493.45	0.20	1.83
Taxable Bonds	12,201,315.98	99.80	223,661.90
Total Market Value	\$12,231,809.43	100.00	\$223,663.73

Fixed Income Summary





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INCOME SUMMARY

	Income Received Current Period
Taxable Interest	18,430.74
Total Current Period Income	\$18,430.74



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CASH SUMMARY

	Principal Cash	Income Cash	Total Cash
Beginning Cash 01/01/2021	-\$1,386,644.55	\$1,386,644.55	\$0.00
Taxable Interest		18,430.74	18,430.74
Fees and Expenses	-1,332.84		-1,332.84
Purchases	-277,615.81		-277,615.81
Sales	260,430.77		260,430.77
Net Money Market Activity	87.14		87.14
Ending Cash 01/31/2021	-\$1,405,075.29	\$1,405,075.29	\$0.00



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SALE/MATURITY SUMMARY (continued)

	Settlement Date	Description	Tax Cost	Proceeds	Estimated Gain/Loss
Nissan Auto Receivables					
A B S Ser 2018 B CI A3					
3.060 03/15/2023					
65479GAD1					
	01/15/21	Paid Down 4,572.79 Par Value Trade Date 1/15/21	-4,572.64	4,572.79	0.15
Total Taxable Bonds			-\$261,244.99	\$260,430.77	-\$814.22
Total Sales & Maturities			-\$261,244.99	\$260,430.77	-\$814.22

SALE/MATURITY SUMMARY MESSAGES

Estimated Year-To-Date Long-Term Gain (Loss): (\$814.22)

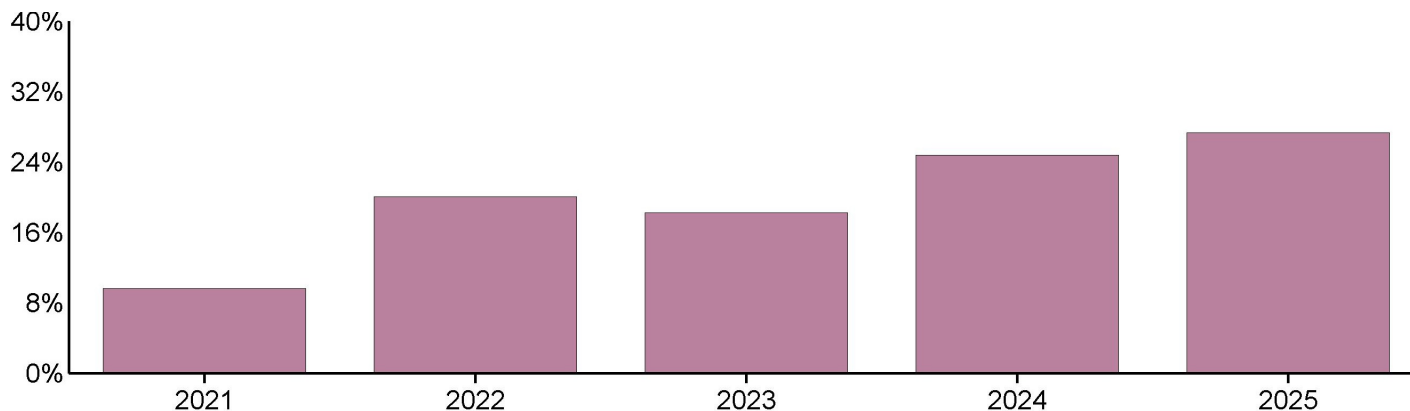
Estimates should not be used for tax purposes



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BOND SUMMARY



	Par Value	Market Value	Percentage of Category
MATURITY			
2021	1,165,000.00	1,173,616.45	9.62
2022	2,391,486.89	2,444,216.62	20.04
2023	2,108,499.14	2,225,862.49	18.24
2024	2,848,000.00	3,023,911.62	24.78
2025	3,250,000.00	3,333,708.80	27.32
Total of Category	\$11,762,986.03	\$12,201,315.98	100.00

MOODY'S RATING

Aaa	9,400,944.11	9,715,205.44	79.61
Aa1	290,000.00	313,217.60	2.57
Aa2	395,000.00	409,930.95	3.36
Aa3	135,000.00	146,470.95	1.20
A1	360,000.00	371,808.00	3.05
A2	803,000.00	854,775.92	7.01
A3	300,000.00	310,575.00	2.55



SMALL CITIES ORGANIZED
ACCOUNT NUMBER: 001050986308

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January 1, 2021 to January 31, 2021

BOND SUMMARY (continued)

	Par Value	Market Value	Percentage of Category
N/A	79,041.92	79,332.12	0.65
Total of Category	\$11,762,986.03	\$12,201,315.98	100.00

S&P RATING			
AAA	970,565.79	979,992.69	8.03
AA+	5,025,000.00	5,222,972.35	42.81
AA	535,000.00	561,871.55	4.61
AA-	150,000.00	158,569.50	1.30
A+	135,000.00	137,848.50	1.13
A	740,000.00	769,350.65	6.31
A-	573,000.00	617,861.22	5.06
N/A	3,459,420.24	3,567,095.77	29.24
NOT RATED	175,000.00	185,753.75	1.51
Total of Category	\$11,762,986.03	\$12,201,315.98	100.00

BOND SUMMARY MESSAGES

Data contained within this section excluded Mutual Funds, Exchange Traded Funds, and Closed-Ended Funds.

Glossary

Accretion - The accumulation of the value of a discounted bond until maturity.

Adjusted Prior Market Realized Gain/Loss - The difference between the proceeds and the Prior Market Value of the transaction.

Adjusted Prior Market Unrealized Gain/Loss - The difference between the Market Value and the Adjusted Prior Market Value.

Adjusted Prior Market Value - A figure calculated using the beginning Market Value for the fiscal year, adjusted for all asset related transactions during the period, employing an average cost methodology.

Amortization - The decrease in value of a premium bond until maturity.

Asset - Anything owned that has commercial exchange value. Assets may consist of specific property or of claims against others, in contrast to obligations due to others (liabilities).

Bond Rating - A measurement of a bond's quality based upon the issuer's financial condition. Ratings are assigned by independent rating services, such as Moody's, or S&P, and reflect their opinion of the issuer's ability to meet the scheduled interest and principal repayments for the bond.

Cash - Cash activity that includes both income and principal cash categories.

Change in Unrealized Gain/Loss - Also reported as Gain/Loss in Period in the Asset Detail section. This figure shows the market appreciation (depreciation) for the current period.

Cost Basis (Book Value) - The original price of an asset, normally the purchase price or appraised value at the time of acquisition. Book Value method maintains an average cost for each asset.

Cost Basis (Tax Basis) - The original price of an asset, normally the purchase price or appraised value at the time of acquisition. Tax Basis uses client determined methods such as Last-In-First-Out (LIFO), First-In-First-Out (FIFO), Average, Minimum Gain, and Maximum Gain.

Ending Accrual - (Also reported as Accrued Income) Income earned but not yet received, or expenses incurred but not yet paid, as of the end of the reporting period.

Estimated Annual Income - The amount of income a particular asset is anticipated to earn over the next year. The shares multiplied by annual income rate.

Estimated Current Yield - The annual rate of return on an investment expressed as a percentage. For stocks, yield is calculated by taking the annual dividend payments divided by the stock's current share price. For bonds, yield is calculated by the coupon rate divided by the bond's market price.

Ex-Dividend Date - (Also reported as Ex-Date) For stock trades, the person who owns the security on the ex-dividend date will earn the dividend, regardless of who currently owns the stock.

Income Cash - A category of cash comprised of ordinary earnings derived from investments, usually dividends and interest.

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Maturity Date - The date on which an obligation or note matures.

Payable Date - The date on which a dividend, mutual fund distribution, or interest on a bond will be made.

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Realized Gain/Loss Calculation - The Proceeds less the Cost Basis of a transaction.

Settlement Date - The date on which a trade settles and cash or securities are credited or debited to the account.

Trade Date - The date a trade is legally entered into.

Unrealized Gain/Loss - The difference between the Market Value and Cost Basis at the end of the current period.

Yield on/at Market - The annual rate of return on an investment expressed as a percentage. For stocks, yield is calculated by the annual dividend payments divided by the stock's current share price. For bonds, yield is calculated by the coupon rate divided by the bond's market price.

The terms defined in this glossary are only for use when reviewing your account statement. Please contact your Relationship Manager with any questions.



QUESTIONS?

If you have any questions regarding your account or this statement, please contact your Administrator.

KYLE TOLLE
CN-OH-W5IT
CN-OH-W5IT
425 WALNUT STREET
CINCINNATI OH 45202
Phone 513-629-8233
E-mail kyle.tolle@usbank.com

Portfolio Manager:
TRADE SERVICES PORTLAND #4

ACCOUNT NUMBER: 001050986308
SMALL CITIES ORGANIZED RISK EFFORT

This statement is for the period from February 1, 2021 to February 28, 2021



000001738 04 SP 000638740895726 P
SMALL CITIES ORGANIZED RISK EFFORT
2180 HARVARD STREET, SUITE 460
SACRAMENTO, CA 95815-3329



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Sale/Maturity Summary	19
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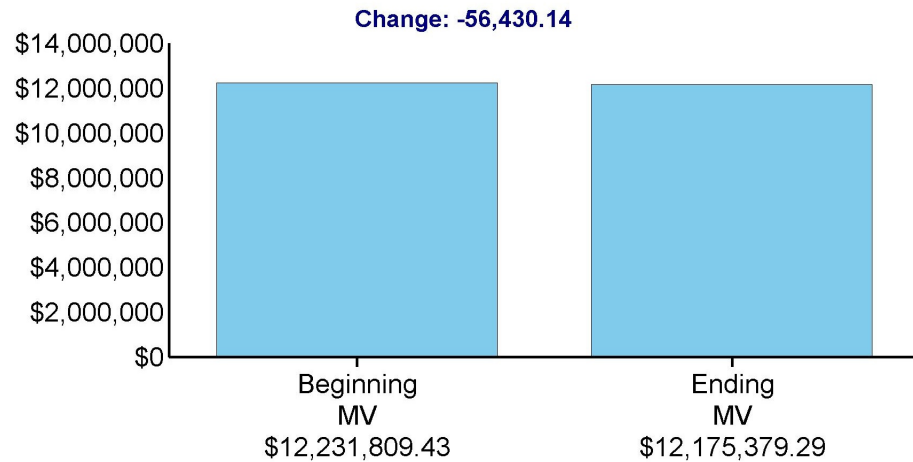


SMALL CITIES ORGANIZED
ACCOUNT NUMBER: 001050986308

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February 1, 2021 to February 28, 2021

MARKET VALUE SUMMARY

	Current Period 02/01/21 to 02/28/21
Beginning Market Value	\$12,231,809.43
Taxable Interest	12,276.31
Fees and Expenses	-1,333.20
Long Term Gains/Losses	1,965.90
Change in Investment Value	-69,339.15
Ending Market Value	\$12,175,379.29





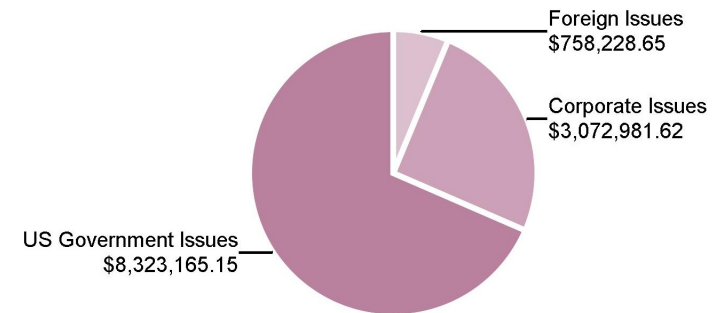
SMALL CITIES ORGANIZED
ACCOUNT NUMBER: 001050986308

Page 2 of 23
February 1, 2021 to February 28, 2021

ASSET SUMMARY

Assets	Current Period Market Value	% of Total	Estimated Annual Income
Cash & Equivalents	21,003.87	0.20	1.26
Taxable Bonds	12,154,375.42	99.80	225,679.36
Total Market Value	\$12,175,379.29	100.00	\$225,680.62

Fixed Income Summary





SMALL CITIES ORGANIZED
ACCOUNT NUMBER: 001050986308

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February 1, 2021 to February 28, 2021

INCOME SUMMARY

	Income Received Current Period
Taxable Interest	12,276.31
Total Current Period Income	\$12,276.31



SMALL CITIES ORGANIZED
ACCOUNT NUMBER: 001050986308

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February 1, 2021 to February 28, 2021

CASH SUMMARY

	Principal Cash	Income Cash	Total Cash
Beginning Cash 02/01/2021	-\$1,405,075.29	\$1,405,075.29	\$0.00
Taxable Interest		12,276.31	12,276.31
Fees and Expenses	-1,333.20		-1,333.20
Purchases	-182,894.03		-182,894.03
Sales	162,461.34		162,461.34
Net Money Market Activity	9,489.58		9,489.58
Ending Cash 02/28/2021	-\$1,417,351.60	\$1,417,351.60	\$0.00

SMALL CITIES ORGANIZED
ACCOUNT NUMBER: 001050986308Page 20 of 23
February 1, 2021 to February 28, 2021**SALE/MATURITY SUMMARY (continued)**

	Settlement Date	Description	Tax Cost	Proceeds	Estimated Gain/Loss
John Deere Owner Trust A B S Ser 2018 A CI A3 2.660 04/18/2022 47788CAC6	02/16/21	Paid Down 1,762.76 Par Value Trade Date 2/15/21	-1,762.63	1,762.76	0.13
John Deere Owner Trust A B S Ser 2019 B CI A2 2.280 05/16/2022 477870AB5	02/16/21	Paid Down 8,181.89 Par Value Trade Date 2/15/21	-8,181.85	8,181.89	0.04
John Deere Owner Trust C M O Ser 2018 B CI A3 3.080 11/15/2022 47788EAC2	02/16/21	Paid Down 9,510.43 Par Value Trade Date 2/15/21	-9,509.71	9,510.43	0.72
Nissan Auto Receivables A B S Ser 2018 B CI A3 3.060 03/15/2023 65479GAD1	02/16/21	Paid Down 4,397.68 Par Value Trade Date 2/15/21	-4,397.54	4,397.68	0.14
Total Taxable Bonds			-\$160,495.44	\$162,461.34	\$1,965.90
Total Sales & Maturities			-\$160,495.44	\$162,461.34	\$1,965.90



SMALL CITIES ORGANIZED
ACCOUNT NUMBER: 001050986308

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February 1, 2021 to February 28, 2021

SALE/MATURITY SUMMARY MESSAGES

Estimated Year-To-Date Long-Term Gain (Loss): \$1,151.68

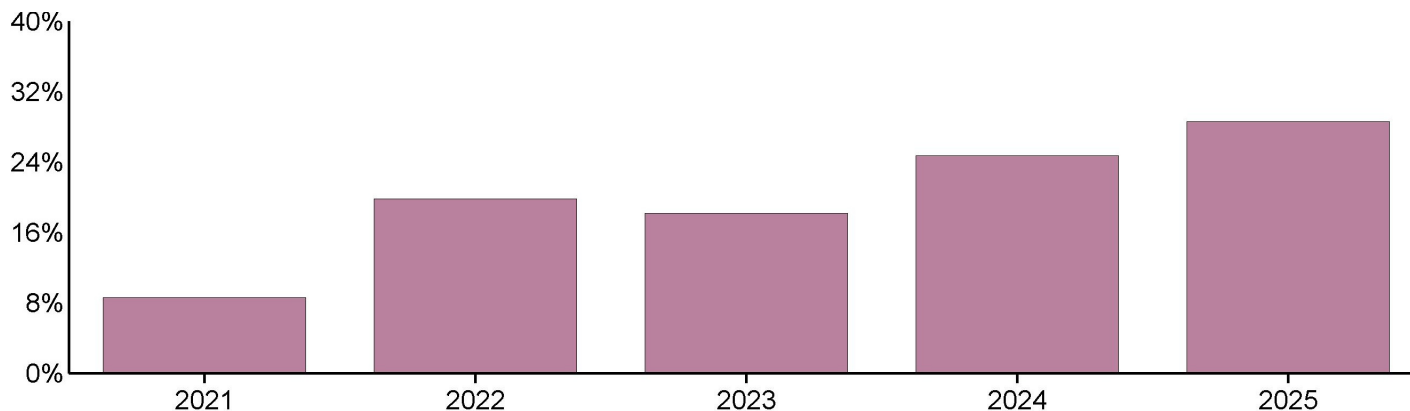
Estimates should not be used for tax purposes



SMALL CITIES ORGANIZED
ACCOUNT NUMBER: 001050986308

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February 1, 2021 to February 28, 2021

BOND SUMMARY



	Par Value	Market Value	Percentage of Category
MATURITY			
2021	1,040,000.00	1,046,666.55	8.62
2022	2,359,036.98	2,407,818.29	19.82
2023	2,104,101.46	2,214,460.92	18.21
2024	2,848,000.00	3,007,286.41	24.74
2025	3,420,000.00	3,478,143.25	28.61
Total of Category	\$11,771,138.44	\$12,154,375.42	100.00

MOODY'S RATING

Aaa	9,271,543.67	9,528,507.14	78.40
Aa1	290,000.00	311,123.70	2.56
Aa2	395,000.00	408,858.70	3.36
Aa3	135,000.00	145,628.55	1.20
A1	360,000.00	371,155.35	3.05
A2	803,000.00	851,068.96	7.00
A3	440,000.00	461,285.70	3.80



SMALL CITIES ORGANIZED
ACCOUNT NUMBER: 001050986308

Page 23 of 23
February 1, 2021 to February 28, 2021

BOND SUMMARY (continued)

	Par Value	Market Value	Percentage of Category
N/A	76,594.77	76,747.32	0.63
Total of Category	\$11,771,138.44	\$12,154,375.42	100.00

S&P RATING			
AAA	958,058.90	963,072.52	7.92
AA+	4,900,000.00	5,063,523.90	41.66
AA	250,000.00	263,531.00	2.17
AA-	435,000.00	454,178.90	3.74
A+	135,000.00	137,660.85	1.13
A	880,000.00	918,795.15	7.56
A-	573,000.00	614,468.56	5.06
N/A	3,465,079.54	3,554,260.54	29.24
NOT RATED	175,000.00	184,884.00	1.52
Total of Category	\$11,771,138.44	\$12,154,375.42	100.00

BOND SUMMARY MESSAGES

Data contained within this section excluded Mutual Funds, Exchange Traded Funds, and Closed-Ended Funds.

Glossary

Accretion - The accumulation of the value of a discounted bond until maturity.

Adjusted Prior Market Realized Gain/Loss - The difference between the proceeds and the Prior Market Value of the transaction.

Adjusted Prior Market Unrealized Gain/Loss - The difference between the Market Value and the Adjusted Prior Market Value.

Adjusted Prior Market Value - A figure calculated using the beginning Market Value for the fiscal year, adjusted for all asset related transactions during the period, employing an average cost methodology.

Amortization - The decrease in value of a premium bond until maturity.

Asset - Anything owned that has commercial exchange value. Assets may consist of specific property or of claims against others, in contrast to obligations due to others (liabilities).

Bond Rating - A measurement of a bond's quality based upon the issuer's financial condition. Ratings are assigned by independent rating services, such as Moody's, or S&P, and reflect their opinion of the issuer's ability to meet the scheduled interest and principal repayments for the bond.

Cash - Cash activity that includes both income and principal cash categories.

Change in Unrealized Gain/Loss - Also reported as Gain/Loss in Period in the Asset Detail section. This figure shows the market appreciation (depreciation) for the current period.

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Small Cities Organized Risk Effort
Transactions by Account
As of February 28, 2021

Type	Date	Num	Adj	Name	Memo	Class	Cir	Split	Debit	Credit	Balance
100-01 - Mechanics Bank - Main											228,050.87
Transfer	01/05/2021				Funds Transfer		○	106-01 - Trust - Liab - MB 7380		7.75	228,043.12
Transfer	01/05/2021				Funds Transfer		○	106-02 - Trust - WC - MB 7379	30,093.81		197,949.31
General Journal	01/06/2021	Bill.com		DKF Solutions Group, LLC	https://app01.us.bill.com/BillPay?id=blp01KANGJUBOS5zrh9i			200 - Accounts Payable	8,750.00		189,199.31
General Journal	01/06/2021	Bill.com		York Risk Services Group, Inc. - Sedgwick	https://app01.us.bill.com/BillPay?id=blp01ROOBVKGKM600f2s			200 - Accounts Payable	8,629.58		180,569.73
General Journal	01/06/2021	Bill.com		York Risk Services Group, Inc. - Sedgwick	https://app01.us.bill.com/BillPay?id=blp01ABKREHXT0600f2i			200 - Accounts Payable	6,762.67		173,807.06
Transfer	01/12/2021				Funds Transfer		○	106-02 - Trust - WC - MB 7379		10,067.50	163,739.56
Deposit	01/15/2021				Deposit		○	-SPLIT-	243,500.21		407,239.77
General Journal	01/19/2021	Bill.com		City of Weed	https://app01.us.bill.com/BillPay?id=blp01PFQNBOSRi61e2ms			200 - Accounts Payable	1,100.47		406,139.30
General Journal	01/19/2021	Bill.com		Maze and Associates	https://app01.us.bill.com/BillPay?id=blp01ZKLZUKQYU61e2mu			200 - Accounts Payable	4,500.00		401,639.30
Transfer	01/19/2021				Funds Transfer		○	106-01 - Trust - Liab - MB 7380		19,352.15	382,287.15
Transfer	01/19/2021				Funds Transfer		○	106-02 - Trust - WC - MB 7379		22,106.89	360,180.26
Deposit	01/22/2021				Deposit		○	-SPLIT-	159,905.16		520,085.42
Deposit	01/22/2021				Deposit		○	180-01 - Recovery WC	605.55		520,690.97
Deposit	01/28/2021				Deposit		○	-SPLIT-	219,023.78		739,714.75
Deposit	01/31/2021				Interest	ADMINISTRATIVE	○	Mechanics Bank	2.73		739,717.48
Transfer	02/02/2021				Funds Transfer		○	106-01 - Trust - Liab - MB 7380		7,817.46	731,900.02
Transfer	02/02/2021				Funds Transfer		○	106-02 - Trust - WC - MB 7379		12,110.85	719,789.17
General Journal	02/03/2021	Bill.com		Gaia Hotel	https://app01.us.bill.com/BillPay?id=blp01MMKOFXHUR63uuc9			200 - Accounts Payable	500.00		719,289.17
Deposit	02/05/2021				Deposit		○	12000 - Undeposited Funds	28,874.10		748,163.27
General Journal	02/08/2021	Bill.com		City of Yreka	https://app01.us.bill.com/BillPay?id=blp01NKWLCQYP64h20w			200 - Accounts Payable	15,444.00		732,719.27
General Journal	02/08/2021	Bill.com		City of Live Oak	https://app01.us.bill.com/BillPay?id=blp01LXBJSHP64h20n			200 - Accounts Payable	7,482.00		725,237.27
General Journal	02/08/2021	Bill.com		City of Shasta Lake	https://app01.us.bill.com/BillPay?id=blp01KBYJGXAY64h20r			200 - Accounts Payable	18,054.00		707,183.27
General Journal	02/08/2021	Bill.com		City of Colfax	https://app01.us.bill.com/BillPay?id=blp01MQAHZJCM64h20j			200 - Accounts Payable	1,543.00		705,640.27
General Journal	02/08/2021	Bill.com		Town of Loomis	https://app01.us.bill.com/BillPay?id=blp01USXETPGXG64h21i			200 - Accounts Payable	4,994.00		700,646.27
General Journal	02/08/2021	Bill.com		Crowe Horwath LLP	https://app01.us.bill.com/BillPay?id=blp01AUUZJUTRL64h20z			200 - Accounts Payable	750.00		699,896.27
General Journal	02/08/2021	Bill.com		City of Susanville	https://app01.us.bill.com/BillPay?id=blp01GAEOKBQRA64h20t			200 - Accounts Payable	17,369.00		682,527.27
General Journal	02/08/2021	Bill.com		City of Rio Dell	https://app01.us.bill.com/BillPay?id=blp01ZQBHRCP064h20p			200 - Accounts Payable	6,141.00		676,386.27
General Journal	02/08/2021	Bill.com		City of Ione	https://app01.us.bill.com/BillPay?id=blp01EFFDISOTQ64h20l			200 - Accounts Payable	235.00		676,151.27
General Journal	02/11/2021	Bill.com		Maze and Associates	https://app01.us.bill.com/BillPay?id=blp01DMNHTZMMF652kc2			200 - Accounts Payable	3,720.00		672,431.27
General Journal	02/11/2021	Bill.com		City of Colfax	https://app01.us.bill.com/BillPay?id=blp01AWIUTHWLQ652kc8			200 - Accounts Payable	2,077.82		670,353.45
General Journal	02/11/2021	Bill.com		Crowe Horwath LLP	https://app01.us.bill.com/BillPay?id=blp01GCBGVCHCL652kc4			200 - Accounts Payable	250.00		670,103.45
Transfer	02/17/2021				Funds Transfer		○	106-01 - Trust - Liab - MB 7380		8,350.43	661,753.02
Transfer	02/17/2021				Funds Transfer		○	106-02 - Trust - WC - MB 7379		24,212.94	637,540.08
Deposit	02/19/2021				Deposit		○	-SPLIT-	78,706.04		716,246.12
General Journal	02/22/2021	Bill.com		York Risk Services Group, Inc. - Sedgwick	https://app01.us.bill.com/BillPay?id=blp01YCVUKIBDK66ixs7			200 - Accounts Payable	8,629.58		707,616.54
General Journal	02/22/2021	Bill.com		York Risk Services Group, Inc. - Sedgwick	https://app01.us.bill.com/BillPay?id=blp01NHMAPXUSF66ixs8			200 - Accounts Payable	6,762.67		700,853.87
Deposit	02/22/2021				Deposit		○	180-01 - Recovery WC	3,647.59		704,501.46
General Journal	02/26/2021	Bill.com		DKF Solutions Group, LLC	https://app01.us.bill.com/BillPay?id=blp01LERWWSBET67comh			200 - Accounts Payable	9,748.40		694,753.06
Deposit	02/28/2021				Interest	ADMINISTRATIVE	○	Mechanics Bank	5.37		694,758.43
Total 100-01 - Mechanics Bank - Main											694,758.43
106-00 - TRUST ACCOUNTS											
106-01 - Trust - Liab - MB 7380											39,992.82
Transfer	01/05/2021				Funds Transfer	Liability		100-01 - Mechanics Bank - Main	7.75		40,000.57
Transfer	01/19/2021				Funds Transfer	Liability		100-01 - Mechanics Bank - Main	19,352.15		59,352.72
Check	01/31/2021	5622-5632		York Risk Services Group, Inc.				Liability Claim Payments		27,169.61	32,183.11
General Journal	01/31/2021	JLZ 1-21	√		Mechanics Bank Interest	Liability		-SPLIT-	0.32		32,183.43
Transfer	02/02/2021				Funds Transfer	Liability		100-01 - Mechanics Bank - Main	7,817.46		40,000.89
Transfer	02/17/2021				Funds Transfer	Liability		100-01 - Mechanics Bank - Main	8,350.43		48,351.32
General Journal	02/28/2021	JLZ 2-21 Vo	√		Void check 5630	Liability		Workers' Comp Claims Payments	4,492.26		52,843.58
Check	02/28/2021	5633-5643		York Risk Services Group, Inc.				Liability Claim Payments		52,302.88	540.70
General Journal	02/28/2021	JLZ 2-21	√		Mechanics Bank Interest	Liability		-SPLIT-	0.31		541.01
Total 106-01 - Trust - Liab - MB 7380											541.01
106-02 - Trust - WC - MB 7379											29,907.44
Transfer	01/05/2021				Funds Transfer	Workers' Comp		100-01 - Mechanics Bank - Main	30,093.81		60,001.25
Transfer	01/12/2021				Funds Transfer	Workers' Comp		100-01 - Mechanics Bank - Main	10,067.50		70,068.75
Transfer	01/19/2021				Funds Transfer	Workers' Comp		100-01 - Mechanics Bank - Main	22,106.89		92,175.64
General Journal	01/31/2021	JLZ 1-21	√		Mechanics Bank Interest	Workers' Comp		106-01 - Trust - Liab - MB 7380	0.54		92,176.18
Check	01/31/2021	42857-42906		York Risk Services Group, Inc.				Workers' Comp Claims Payments		44,286.49	47,889.69
Transfer	02/02/2021				Funds Transfer	Workers' Comp		100-01 - Mechanics Bank - Main	12,110.85		60,000.54
Transfer	02/17/2021				Funds Transfer	Workers' Comp		100-01 - Mechanics Bank - Main	24,212.94		84,213.48
General Journal	02/28/2021	JLZ 2-21	√		Mechanics Bank Interest	Workers' Comp		106-01 - Trust - Liab - MB 7380	0.49		84,213.97
Check	02/28/2021	42907-42970		York Risk Services Group, Inc.				Workers' Comp Claims Payments		37,686.64	46,527.33
Total 106-02 - Trust - WC - MB 7379											46,527.33
Total 106-00 - TRUST ACCOUNTS											47,068.34



Small Cities Organized Risk Effort - Account #590

MONTHLY ACCOUNT STATEMENT

JANUARY 1, 2021 THROUGH JANUARY 31, 2021

Chandler Team:

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

Custodian

US Bank
Christopher Isles
(503) 464-3685

CHANDLER ASSET MANAGEMENT
chandlerasset.com

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Please see Important Disclosures.



PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.61
Average Coupon	1.90%
Average Purchase YTM	1.78%
Average Market YTM	0.28%
Average S&P/Moody Rating	AA+/Aa1
Average Final Maturity	2.78 yrs
Average Life	2.69 yrs

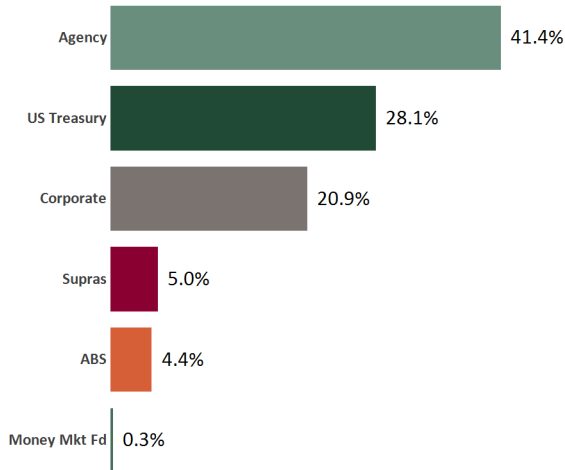
ACCOUNT SUMMARY

	Beg. Values as of 12/31/20	End Values as of 1/31/21
Market Value	12,238,754	12,233,846
Accrued Interest	55,338	52,576
Total Market Value	12,294,092	12,286,422
Income Earned	18,368	18,065
Cont/WD		-1,333
Par	11,788,924	11,796,620
Book Value	11,840,014	11,859,575
Cost Value	11,831,315	11,850,740

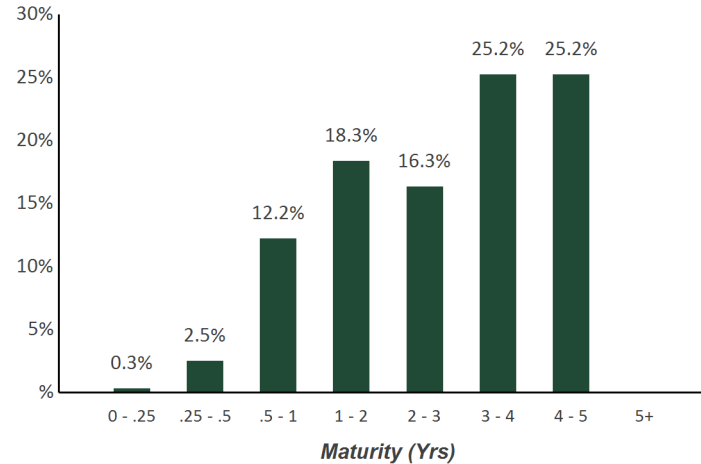
TOP ISSUERS

Government of United States	28.1%
Federal National Mortgage Assoc	18.7%
Federal Home Loan Bank	12.8%
Federal Home Loan Mortgage Corp	8.6%
Intl Bank Recon and Development	4.2%
Toyota ABS	1.5%
Apple Inc	1.3%
JP Morgan Chase & Co	1.3%
Total	76.5%

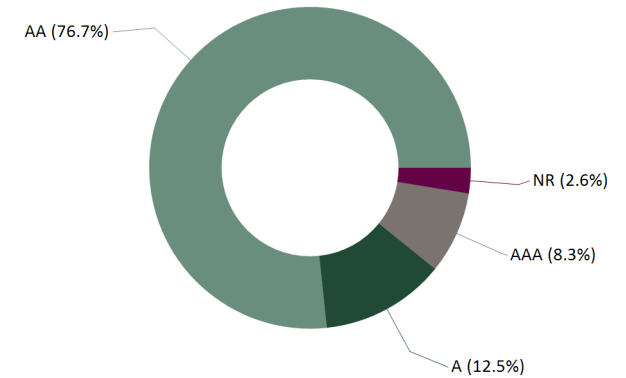
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	Annualized									
	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	3/31/2006	
Small Cities Organized Risk Effort	-0.05%	0.23%	-0.05%	3.48%	4.19%	3.63%	2.35%	1.93%	3.06%	
ICE BAML 1-5 Year US Treasury/Agency Index	-0.04%	0.10%	-0.04%	3.28%	4.01%	3.48%	2.10%	1.75%	2.82%	
ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx	-0.05%	0.15%	-0.05%	3.42%	4.16%	3.59%	2.25%	1.89%	2.91%	

Statement of Compliance

As of January 31, 2021



Small Cities Organized Risk Effort

Assets managed by Chandler Asset Management are in full compliance with state law and with the Client's investment policy.

Category	Standard	Comment
U.S. Treasury Issues	No limitations	Complies
Government Agencies	No limitations	Complies
Municipal Securities	"A-" rated by a NRSRO; 20% maximum; 5% per issuer	Complies
Supranationals	Issued by IBRD, IFC or IADB only; "AA" rated or higher by a NRSRO; 30% maximum; 10% per issuer	Complies
Negotiable CDs	"A" or better by a NRSRO; 30% maximum; 5% per issuer	Complies
Banker's Acceptances	A-1 rated or equivalent by a NRSRO; 30% maximum; 5% per issuer; 180 days max maturity	Complies
Commercial Paper	A-1 rated or equivalent by a NRSRO; 25% maximum; 5% per issuer; 270 days max maturity; Issuing Corp must be organized and operating within U.S., having total assets in excess of \$500 million.	Complies
Medium Term Notes	"A-" or better by a NRSRO; 30% maximum; 5% per issuer	Complies
Asset-Backed Securities	AAA rated or equivalent by a NRSRO; 20% maximum with Mort. Pass-Throughs; 5% per issuer	Complies
Mortgage Pass-Through Securities	AAA rated or equivalent by a NRSRO; 20% maximum with Asset Backs; 5% per issuer	Complies
Money Market Funds	AAA/Aaa rated by two NRSROs; 20% maximum; 10 per fund	Complies
Repurchase Agreements	5% per issuer; 1 year max maturity; Not used by investment adviser	Complies
LAIF	Not used by investment adviser	Complies
Max Per Issuer	5% per issuer (except US Government, Agencies, Supranationals, and LAIF)	Complies
Maximum maturity	5 years	Complies



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$11,840,014.06
Acquisition		
+ Security Purchases	\$277,615.81	
+ Money Market Fund Purchases	\$132,090.64	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$409,706.45
Dispositions		
- Security Sales	\$150,073.50	
- Money Market Fund Sales	\$127,704.31	
- MMF Withdrawals	\$1,332.84	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$80,000.00	
- Calls	\$0.00	
- Principal Paydowns	\$30,357.27	
Total Dispositions		\$389,467.92
Amortization/Accretion		
+/- Net Accretion	(\$744.37)	
		(\$744.37)
Gain/Loss on Dispositions		
+/- Realized Gain/Loss	\$66.93	
		\$66.93
ENDING BOOK VALUE		\$11,859,575.15

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$30,580.59
Acquisition		
Contributions	\$0.00	
Security Sale Proceeds	\$150,073.50	
Accrued Interest Received	\$1,305.43	
Interest Received	\$21,732.87	
Dividend Received	\$0.50	
Principal on Maturities	\$80,000.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$30,357.27	
Total Acquisitions	\$283,469.57	
Dispositions		
Withdrawals	\$1,332.84	
Security Purchase	\$277,615.81	
Accrued Interest Paid	\$1,467.43	
Total Dispositions	\$280,416.08	
ENDING BOOK VALUE		\$33,634.08



Chandler Asset Management, Inc. ("Chandler") is an SEC registered investment adviser. For additional information about our firm, please see our current disclosures (Form ADV). To obtain a copy of our current disclosures, you may contact your client service representative by calling the number on the front of this statement or you may visit our website at www.chandlerasset.com.

Information contained in this monthly statement is confidential and is provided for informational purposes only and should not be construed as specific investment or legal advice. The information contained herein was obtained from sources believed to be reliable as of the date of this statement, but may become outdated or superseded at any time without notice.

Custody: Your qualified custodian bank maintains control of all assets reflected in this statement and we urge you to compare this statement to the one you receive from your qualified custodian. Chandler does not have any authority to withdraw or deposit funds from/to the custodian account.

Valuation: 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.

Performance: Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

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Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

Ratings: Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody's and Fitch respectively.



Benchmark Index	Disclosure
ICE BAML 1-5 Year US Treasury/Agency Index	The ICE BAML 1-5 Year US Treasury & Agency Index tracks the performance of US dollar denominated US Treasury and nonsubordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). Qualifying securities must have at least one year remaining term to final maturity and less than five years remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for sovereigns and \$250 million for agencies. (Index: GVA0. Please visit www.mlindex.ml.com for more information)
ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx	The ICE BAML US Issuers 1-5 Year AAA-A US Corporate & Government Index tracks the performance of US dollar denominated investment grade debt publicly issued in the US domestic market, including US Treasury, US agency, foreign government, supranational and corporate securities. Qualifying securities must issued from US issuers and be rated AAA through A3 (based on an average of Moody's, S&P and Fitch). In addition, qualifying securities must have at least one year remaining term to final maturity and less than five years remaining term to final maturity, at least 18 months to final maturity at point of issuance, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for US Treasuries and \$250 million for all other securities. (Index: GU10. Please visit www.mlindex.ml.com for more information)



Small Cities Organized Risk Effort - Account #590

MONTHLY ACCOUNT STATEMENT

FEBRUARY 1, 2021 THROUGH FEBRUARY 28, 2021

Chandler Team:

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

Custodian

US Bank
Christopher Isles
(503) 464-3685

CHANDLER ASSET MANAGEMENT
chandlerasset.com

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Please see Important Disclosures.



PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.58
Average Coupon	1.91%
Average Purchase YTM	1.77%
Average Market YTM	0.41%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.75 yrs
Average Life	2.65 yrs

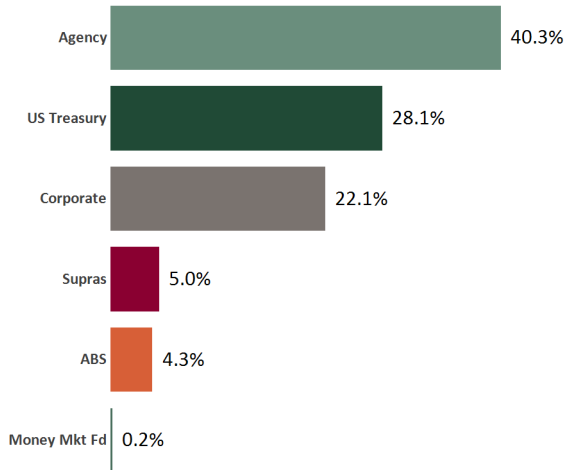
ACCOUNT SUMMARY

	Beg. Values as of 1/31/21	End Values as of 2/28/21
Market Value	12,233,846	12,179,011
Accrued Interest	52,576	58,641
Total Market Value	12,286,422	12,237,652
Income Earned	18,065	17,440
Cont/WD		-1,333
Par	11,796,620	11,795,236
Book Value	11,859,575	11,870,358
Cost Value	11,850,740	11,863,602

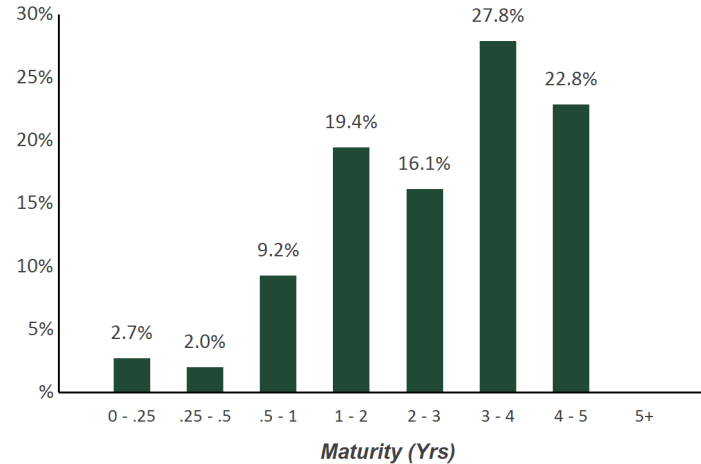
TOP ISSUERS

Government of United States	28.1%
Federal National Mortgage Assoc	18.7%
Federal Home Loan Bank	12.8%
Federal Home Loan Mortgage Corp	7.5%
Intl Bank Recon and Development	4.2%
Toyota ABS	1.7%
JP Morgan Chase & Co	1.3%
Apple Inc	1.3%
Total	75.6%

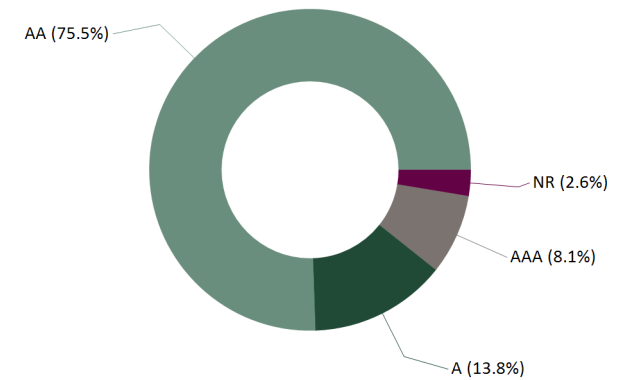
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	Annualized									
	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	3/31/2006	
Small Cities Organized Risk Effort	-0.39%	-0.31%	-0.44%	2.05%	3.92%	3.55%	2.23%	1.90%	3.02%	
ICE BAML 1-5 Year US Treasury/Agency Index	-0.38%	-0.35%	-0.42%	1.72%	3.80%	3.39%	1.97%	1.73%	2.78%	
ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx	-0.38%	-0.33%	-0.42%	1.89%	3.93%	3.51%	2.12%	1.87%	2.86%	

Statement of Compliance

As of February 28, 2021



Small Cities Organized Risk Effort

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Government Agencies	No limitations	Complies
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Commercial Paper	A-1 rated or equivalent by a NRSRO; 25% maximum; 5% per issuer; 270 days max maturity; Issuing Corp must be organized and operating within U.S., having total assets in excess of \$500 million.	Complies
Medium Term Notes	"A-" or better by a NRSRO; 30% maximum; 5% per issuer	Complies
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LAIF	Not used by investment adviser	Complies
Max Per Issuer	5% per issuer (except US Government, Agencies, Supranationals, and LAIF)	Complies
Maximum maturity	5 years	Complies



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$11,859,575.15
Acquisition		
+ Security Purchases	\$182,894.03	
+ Money Market Fund Purchases	\$176,663.02	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$359,557.05
Dispositions		
- Security Sales	\$125,613.75	
- Money Market Fund Sales	\$184,866.28	
- MMF Withdrawals	\$1,333.20	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$36,847.59	
Total Dispositions		\$348,660.82
Amortization/Accretion		
+/- Net Accretion	(\$854.18)	
		(\$854.18)
Gain/Loss on Dispositions		
+/- Realized Gain/Loss	\$740.61	
		\$740.61
ENDING BOOK VALUE		\$11,870,357.81

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$33,634.08
Acquisition		
Contributions	\$0.00	
Security Sale Proceeds	\$125,613.75	
Accrued Interest Received	\$50.78	
Interest Received	\$14,150.62	
Dividend Received	\$0.28	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$36,847.59	
Total Acquisitions	\$176,663.02	
Dispositions		
Withdrawals	\$1,333.20	
Security Purchase	\$182,894.03	
Accrued Interest Paid	\$1,972.25	
Total Dispositions	\$186,199.48	
ENDING BOOK VALUE		\$24,097.62



Chandler Asset Management, Inc. ("Chandler") is an SEC registered investment adviser. For additional information about our firm, please see our current disclosures (Form ADV). To obtain a copy of our current disclosures, you may contact your client service representative by calling the number on the front of this statement or you may visit our website at www.chandlerasset.com.

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SCORE

This third round of early estimates have been prepared to further aid you in budgeting for the 2021/22 fiscal year. At this time, updated estimates are being provided for all major programs. Since the January 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 are more refined from the previous version, they contain a range if there are still outstanding items specific to the program. The estimates are intended to be conservative; however, there may be a chance that final numbers will come in higher than the assumptions currently in place. For this reason we recommend continuing to budget toward the high end of the estimate range if one is provided.

If you are aware that you have had any substantial changes over the past 12 months, please contact Rebekah Winger and a better estimate can be developed for you.

Pollution Program

Premium

19/20 Premium:	\$5,801
20/21 Premium:	\$5,989
21/22 Estimated Premium:	\$7,800 to \$8,400

The estimated premiums shown are based on a 30-40% premium increase.



FY 2021-22 SCORE SERVICE CALENDAR

AS = Alliant Insurance Services Staff
 CA = Claims Auditor
 FA = Financial Auditor
 GB = Accounting Firm, Gilbert & Assoc.
 SW = Sedgwick Staff

BD = Board of Directors

Orange denotes request for information from member	Purple denotes Conference Dates	Light Blue indicates a SCORE Board Meeting Date
Tentative Dates	Activity	Completed by
JULY 2021		
07/01/2021	Send Program Invoices from ERMA, LAWCX, & CJPRMA to Gilbert Associates for payment	ALL
07/01/2021	Prepare all signature items for Board President – Policies, MOCs, Summaries of Coverage, etc. Follow up with President of the Board regarding items needing signatures	AS/BD
07/03/2021	Send Members Binders for all coverages including: WC, GL, Property, Crime, etc via email	
07/03/2021	Update SCORE Website to include coverage information	AS
07/09/2021	Begin Agenda for October Board of Directors Meeting 10/28/21 - 10/29/21 (it will be presented as a DRAFT at Aug Teleconference Meeting)	AS
07/12/2021	Request Proposal for either WC or LIAB Claims audit (then alternate WC every even year, Liab every odd year)	AS
07/15/2021	Follow up with ACIP members regarding premium payments	AS
07/20/2021	Follow up on payments for ERMA, LAWCX, PEPIP, CJPRMA, etc	AS
07/22/2021	Obtain LAIF Quarterly Report from State Controller Website & send Treasurer Report for signature	AS
07/23/2021	Request Consent Calendar items from vendors for August Board of Directors Meeting	AS
07/27/2021	Prepare Draft October Training and Board of Directors Agenda for inclusion in the 8/27/2021 Agenda	AS
07/27/2021	Request RSVP by 08/20/2021 to members for Aug BOD Meeting on 08/27/2021 – Teleconference	AS, BD
07/31/2021	DE9 due to EDD by today	
AUGUST 2021		
08/03/2021	Send request to members for DE9 Reports for Q2 of 2021	AS, BD
08/05/2021	Continue work on Agenda for October Training Day for 8/27/2021 Agenda	AS
08/05/2021	LAWCX sends renewal apps to members in Workers' Compensation	AS/BD
08/07/2021	Follow up with members to ensure they complete the LAWCX application on RiskConsole Website (Payroll Audit) due 09/15/2021	AS/BD
08/20/2021	Confirm Attendance for BOD Meeting (ensure quorum)	AS
08/21/2021	Post BOD Meeting Agenda on SCORE Website and email to members	AS
08/21/2021	Collect Q2 2021 DE9 from members and submit to: CJPRMA – deadline quarterly send to Saima via email LAWCX – deadline for all quarters 09/15/2021	BD/AS
08/21/2021	Begin Public Self/Insurers Report with the State of California (OSIP)	AS



FY 2021-22 SCORE SERVICE CALENDAR

AS = Alliant Insurance Services Staff BD = Board of Directors
 CA = Claims Auditor
 FA = Financial Auditor
 GB = Accounting Firm, Gilbert & Assoc.
 SW = Sedgwick Staff

Orange denotes request for information from member	Purple denotes Conference Dates	Light Blue indicates a SCORE Board Meeting Date
Tentative Dates	Activity	Completed by
08/27/2021	August Board of Directors Meeting – Teleconference	AS
Mtg	Begin Selecting topics for Training Day Agenda	AS/BD
Mtg	Conflict of Interest Code Revision/Approval (every even year)	AS/BD
Mtg	ACI Quarterly Utilization Reports: April 1, 2021 – June 30, 2021	AS
Mtg	Quarterly Financials as of June 30 , 2021	GB
Mtg	Select & Reserve October Training Day and Board meeting location	AS
Mtg	Draft October Training Day Agenda	AS
Mtg	Remind members about LAWCX application due 09/15/2021	BD
Mtg	Select Training Material and Potential Trainer to present at Training Day Meeting in October 2021	AS/BD
08/31/2021	Submit Fiscal Year Financial Information to Auditor–SW and Gilbert as needed	AS
08/31/2021	Debrief from 08/27/2021 BOD meeting—determine action steps	AS
08/31/2021	LAWCX Actual payroll Audit by class code –receive from members and post to LAWCX website with DE9’s for all members	AS
SEPTEMBER 2021		
09/08/2021	Finalize and email August Board Meeting draft minutes – due today	AS
09/08/2021	Prepare Annual Report for members – ready for October 29, 21 BOD MTG	AS
	CAJPA Accreditation (2020 and every 3 years after – next up late 2024)	AS
09/08/2021	Retrieve Loss Run data from SW and determine if loss trends exist that can be addressed through training	AS
09/09/2021	Request Consent Calendar Items from Service Providers	GB
09/09/2021	Develop Loss Analysis charts showing frequency and severity of claims by department and cause of loss to present at Training Day	AS
09/10/2021	Reminder email RSVP by 10/12/2021 to members for October BOD Meeting on 10/28/2021-10/29/2021 in Anderson, California	BD/AS
09/10/2021	Financial Audit - review status and determine if ready for BOD	BD/AS
09/15/2021-09/18/2021	2021 CAJPA Fall Conference and Training Seminar – South Lake Tahoe	BD/AS
09/15/2021	Final reminder email to all members to complete LAWCX application on RiskConsole Website (Payroll Audit) due 09/15/2021	AS
09/15/2021	LAWCX application deadline is today	BD
09/16/2021	Work with Board Members on finalizing October Training Day reservations and scheduling	AS
09/16/2021	Confirm Attendance for BOD Meeting (ensure quorum, catering and hotel accommodations)	AS



FY 2021-22 SCORE SERVICE CALENDAR

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 FA = Financial Auditor
 GB = Accounting Firm, Gilbert & Assoc.
 SW = Sedgwick Staff

BD = Board of Directors

Orange denotes request for information from member	Purple denotes Conference Dates	Light Blue indicates a SCORE Board Meeting Date
Tentative Dates	Activity	Completed by
09/16/2021	OSIP Public Self Insurer's Annual Report for JPA & Members – due 10/01/21	AS
09/19/2021	Request RSVP from members by today for October BOD Meeting on 10/28/2021-10/29/2021 in Anderson, California	BD/AS
09/28/2021	Biennial Notice for JPA & Members-deadline 10/01/2021	AS/SW
OCTOBER 2021		
10/01/2021	Annual Report of Financial Transactions Report -deadline 10/01/2021	GS, AS/SW
10/01/2021	Biennial Notice for JPA & Members-deadline 10/01/2021	AS/SW
10/07/2021	Follow up with Action Plan from Long Range Planning Meeting-debrief	AS
10/07/2021	Draft Program Manuals – when complete notify members via email when posted to the website	AS
10/07/2021	Begin working on PRISM Pollution Renewal (currently 1 year policy 7/1/2021 – 7/1/2022) – may request additional application from members	AS
10/07/2021	Follow up with Action Plan from Long Range Planning Meeting-debrief	AS
10/15/2021	Receive ACI Quarterly Utilization Reports	AS
10/15/2021	Finalize and October Training Day and Board Meeting Draft Minutes for inclusion in the January 2021 Agenda	AS
10/15/2021	File Controllers Report with the State of California (filed with Controller)	GB
10/19/2021	Obtain LAIF Quarterly Report from State Controller Website & send Treasurer Report for signature and for November Agenda	AS
10/21/2021	Annual Recertification Profile Report for RRE ID# 36464 (Medicare) – receive email and respond	AS
10/21/2021	Prepare FY 21/22 Marketing Plan & Renewal Timeline - submit for approval	AS
10/28/2021-10/29/2021	Training Day and Board of Directors Meeting – Anderson, CA	BD
Mtg	Present Loss Analysis Data to Board for review	BD
Mtg	Investment Policy - submit for approval (annually)	BD
Mtg	Annual Survey Members – Vendor Performance – Announce & Send after	AS
Mtg	List PARMA Conference on Board/Training Day agenda	
10/30/2021	Completed Program Manual sent to Members and posted to the website	AS
10/31/2021	Send request to members for DE9 Reports for Q3 of 2021	AS,BD
10/31/2021	DE9 due to EDD by today	
NOVEMBER 2021		
11/09/2021	Collect Q3 2021 DE9 from members and submit to: CJPRMA – deadline quarterly send to Saima via email LAWCX – deadline for all quarters 09/15/2021	AS



FY 2021-22 SCORE SERVICE CALENDAR

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Orange denotes request for information from member	Purple denotes Conference Dates	Light Blue indicates a SCORE Board Meeting Date
Tentative Dates	Activity	Completed by
11/12/2021	Property (location schedules), Liability & WC Programs (estimated payroll) - request renewal specifications for the next fiscal year, if needed	AS, BD
11/18/2021	Follow up with LAWCX regarding their W.C. Claims Audit	AS/GB
11/23/2021	Set up new year Budget file	AS
DECEMBER 2021		
12/03/2021	Request Agenda items for vendors to be included in the January 2022 Board of Directors Meeting including Excess Pool Partners	AS, BD
12/10/2021	Submit Audited Financials to County of Sacramento and State of California	AS, GB
12/14/2021	Mail out Holiday Cards to Board Members	AS
12/14/2021	Prepare Statement of Facts – Roster of Public Agencies to be filed with the State and County – DUE 1/1/2022	AS
12/16/2021	Prepare 2022/23 Service Calendar – Prepare for January 2022 Board mtg.	BD
12/16/2021	Begin preparing agenda for January Board meeting	AS
12/17/2021	Begin working on CJPRMA Excess Liability Application – DUE 1/7/2022	AS,BD
JANUARY 2022		
01/01/2022	Statement of Facts – Roster of Public Agencies to be filed with the State and County – due today	AS
01/04/2022	Form 700s – FPPC will email BOD Representatives and Alternates to complete online – deadline 04/1/2021	BD/AS
01/04/2022	Request RSVP by 01/24/2022 to members for January BOD Meeting on 01/28/2022 in Anderson, California	AS
01/04/2022	Determine WCIRB Class Code Rates - taken from WCIRB.com for member payroll allocations by class code	AS
01/06/2022	Request Electronic Loss Runs from SW for Liability and Workers' Compensation and ask to separate 4850. Deadline 01/15/2022 for receipt from SW	AS, SW
01/06/2022	Begin working with Gilbert on next year's dividend calculations	AS, GB
01/06/2022	Review to do list from prior Board of Directors Meeting	AS
01.07/2021	CJPRMA Excess Liability Application – DUE 1/7/2022	AS,BD
01/15/2022	Continue working on preliminary FY 2022/23 Budget – put loss data & payroll into the Budget Spreadsheet	BD, AS
01/19/2022	Request Audit of WC and Liability Programs (then alternate WC every even year, Liab every odd year)	AS
01/21/2022	Submit Loss Runs, Payroll data and any options requested to Actuary for studies in Liability/ WC	AS

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Tentative Dates	Activity	Completed by
01/21/2022	Obtain LAIF Quarterly Report from State Controller Website & send Treasurer Report for signature	AS
01/21/2022	Send Loss Runs to Gilbert Associates for review	AS
01/21/2022	Follow up with Gilbert Associates for dividend return calculations	GB
01/21/2022	Develop recommendation for dividend release for the Board	AS, GB
01/22/2022	Submit Incurred Loss Valued as of 12/31/2021 <i>OR</i> "No Known Loss" letter to send to ERMA	AS
01/22/2022	Confirm Attendance for BOD Meeting on 01/28/2022 in Anderson, California (ensure quorum, catering and hotel accommodations)	AS, BD
01/22/2022	Post January BOD Meeting Agenda on SCORE Website & Email to members	AS
01/25/2022	Send out renewal items for ACIP Crime program	AS
01/25/2022	Reminder to member that Property Schedules need to be reviewed and returned – deadline March 2, 2022	AS/BD
01/26/2022	Property (APIP) Policy Notebooks – when available prepare and send via email to Members and post to the website	AS
01/27/2022	Obtain Draft Quarterly Financials from Gilbert Associates–deadline 03/18/2022	GB
01/28/2022	Reminder to member that Property Schedules need to be submitted – deadline March 2, 2022	AS
01/28/2022	Board of Directors Meeting – in Anderson, California	BD/AS
Mtg	2022/23 Service Calendar - submit for approval	BD
Mtg	2022/23 Meeting Dates Calendar - submit for approval	BD
Mtg	Present Marketing Plan & Renewal Timeline: submit for approval	BD
Mtg	Survey Member interest in joining ERMA	BD
Mtg	Present Claims Administration Audit agreement to Board (<i>even years ONLY</i>)	BD
Mtg	Present the Long Range Planning derived Action Plan to Board of Directors (every other year, after LRP Meeting)	AS
Mtg	Dividend and Assessment Analysis	BD
Mtg	Loss Control Grant Fund Program Update	AS
Mtg	Service Provider Performance Evaluations – Submit responses for review	BD
01/31/2022	DE9 due to EDD by today	
01/20/2022	Property Program – <u>Upon notification</u> send out Renewal items & Property Schedules/Vehicle Schedules to members and request update—DUE 3/2/2022 Update Oasys with member updates to property schedule as they come in	AS



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FEBRUARY 2022		
02/01/2022	Submit 2021 Calendar Year Payroll (for all members) to ERMA in Excel format – deadline 02/01/2022	AS
02/01/2022-02/03/2022	PARMA Annual Risk Management Conference – Anaheim, California	BD/AS
02/03/2022	Debrief of 01/28/2022 BOD meeting – determine action steps	AS
02/03/2022	Prepare January BOD Meeting Draft Minutes for inclusion in March Agenda	AS
02/03/2022	Review Loss Runs for Common Loss Trends	AS
02/03/2022	Send request to members for DE9 Reports for Q4 of 2021	AS
02/04/2022	Collect Q4 2021 DE9 from members and submit 2021 CY Payroll to: ERMA (all members) in Excel format – deadline 02/01/2022 CJPRMA – deadline quarterly send to Saima via email LAWCX – deadline for all quarters 09/15/2022	AS
02/05/2022	Collect APIP Renewal information from Members and Submit to Alliant Underwriting	AS, BD
02/08/2022	Reminder to member that Property Schedules need to be submitted – deadline March 2, 2022	AS
02/08/2022	Receive Dividend Calculations and Info from CJPRMA	AS, BD
02/08/2022	PA to meet to discuss updates to Administrative Costs for Budget	AS
02/10/2022	Request consent calendar items for March Agenda	AS
02/12/2022	Crime Program – prepare and send applications to Members	AS, BD
02/12/2022	Submit PRISM Pollution Program Renewal Applications to Members – (currently 1 year policy 7/1/2021 – 7/1/2022)	AS, BD
02/15/2022	Reminder to member that Property Schedules need to be reviewed and returned – deadline March 2, 2022	AS/BD
02/15/2022	Collect drafts of WC & Liability Actuarial Studies for March 2022 BOD meeting and send to Gilbert Associates for EX mods and credibility	AS, Actuary
02/19/2022	Request RSVP by 03/19/2022 to members for March Board Meeting on 03/25/2022 in Anderson, California	AS, BD
02/22/2022	Reminder – Form 700s to Board and Alternate Members – due 04/01/2022	AS, BD
02/22/2022	Begin to work on ACIP Crime Application – DUE 3/11/2022	AS, BD
02/22/2022	Begin to work on ID Fraud Renewal – DUE 3/11/2022	
02/22/2022	Reminder to member that Property Schedules need to be submitted – deadline March 2, 2022 (next week)	AS



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MARCH 2022		
03/02/2022	Begin to work on ACI Employee Assistance Program Application (Employee Count) – DUE 3/16/2022	AS, BD
03/02/2022	Claims Audit – if any findings, request response from SW and include in agenda packet.	AS, SW
03/02/2022	Reminder Property Schedules need to be submitted – deadline TODAY	AS
03/08/2022- 03/12/2022	Continue working on Draft Budget and Member allocations for next Fiscal Year (Review and incorporate LAWCX, ERMA, CJPRMA & PEPID draft members into budget)	AS
03/02/2022	Begin to work on ACI Employee Assistance Program Application (Employee Count) – DUE 3/16/2022	AS, BD
03/19/2022	Confirm Attendance for BOD Meeting	AS
03/19/2022	Post BOD Meeting Agenda on SCORE Website & send out to all members	AS
03/25/2022	Board of Directors Meeting – Anderson, California	BD
Mtg	4 th Quarter Investment Reports (as of 12/31) - submit for review	BD
Mtg	4 th Quarter Financials (as of 12/31) - submit for review	BD
Mtg	Review and approve actuarial studies	BD
Mtg	Preliminary FY 2022/23 Budget - submit for review	BD
Mtg	Liability & WC Banking & Shared Layer – preliminary deposit calculation for review	BD
Mtg	Claims Auditor – Receive audit results for Both Liability and Worker’s Compensation and present to Board for review and approval	BD
Mtg	Contract Renewals for expiring services (Actuary, Loss Control Services, Accounting, Liability Claims Audit)	BD
03/29/2022	Debrief from 03/25/2022 BOD Meeting–determine action steps	AS
03/29/2022	Start March Board of Directors Draft Minutes for inclusion in June Agenda	AS
03/30/2022	Renewal Certificates List sent to members for review – Deadline 30 days	AS, BD
03/30/2022	Form 700s - receive from Board Members and Alternates – due 04/01/21	AS, BD
APRIL 2022		
04/01/2022	Form 700s – file with FPPC due today – due 04/01/2022 (TODAY IS LAST DAY TO SUBMIT)	AS
04/05/2022	Service Provider contract signing & submission for approval at June Board Mtg	AS
04/05/2022	Finalize March Board of Directors Draft Minutes for inclusion in June Agenda	AS
04/15/2022	Alliant begins contact with various contractors regarding renewal terms	AS

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Tentative Dates	Activity	Completed by
04/19/2022	Obtain LAIF Quarterly Report from State Controller Website & send Treasurer Report for signature for inclusion in the June Agenda	AS
04/21/2022	1 st Quarter Losses - receive from SW (as of 03/31)	GB
04/23/2022	Banking Layer and Shared Risk Layer Member Allocation Calculations finalized	AS
04/23/2022	Update Draft Budget to include updates from the March BOD meeting	AS
04/26/2022	Crime Renewal Apps received – send to ACIP	AS
04/30/2022	CJRPMA Certificate Renewal List DUE TODAY	AS
04/30/2022	SCORE Certificate Renewal List Due	AS
04/30/2021	DE9 due to EDD by today	AS
MAY 2022		
05/03/2022	Review Contracts and terms for next FY	AS
05/03/2022	Annual Certificate Renewal reminder to members – all submitted?	AS, BD
05/03/2022	Obtain PEPPIP Renewal Proposals From Oasys	AS
05/03/2022	Obtain Quarterly Financials as of 3/31/2022	AS
05/06/2022	Send request to members for DE9 Reports for Q1 of 2022	AS
05/06/2022	Obtain Final Actuarial Reports for W.C. and Liability for June BOD Meeting	AS
05/10/2022	Collect Q1 2021 DE9 from members and submit to: CJPRMA – deadline quarterly send to Saima via email LAWCX – deadline for all quarters 09/15/2022	AS
05/17/2022	Request Agenda Items from Vendors	AS
05/17/2022	W.C. & Liability Memorandum of Coverage FY 2022/22 – submit for approval	AS
05/25/2022	Request RSVP by 06/17/2022 to members for June BOD Meeting on 06/25/2022 in Anderson, California, California	AS, BD
05/26/2022	Property Renewal Status Review	AS
05/28/2022	Request Employee Count (from all members) for ACI renewal and budget allocations- reminder about payroll by class code to ensure proper allocations	AS, BD
JUNE 2022		
06/07/2022	Claims analysis (as of 12/31)	RM
06/17/2022	Confirm Attendance for BOD Meeting	AS
06/18/2022	Post BOD Meeting Agenda on SCORE Website & email to all members	AS
06/24/2022	Board of Directors Meeting – in Anderson, California	BD
Mtg	1 st Quarter Investment Reports (as of 03/31) - submit for approval	BD
Mtg	1 st Quarter Financials (as of 03/31) - submit for approval	BD
Mtg	FY 2022/22 Budget - submit final for approval	BD

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Tentative Dates	Activity	Completed by
Mtg	Liability and WC FY 2022/23 Banking & Shared Risk Layer Program Deposits - submit final for approval	BD
Mtg	Liability Memorandum of Coverage FY 2022/23 - submit for approval	BD
Mtg	WC Memorandum of Coverage FY 2022/23 - submit for approval	BD
Mtg	Property Program - provide report and allocations on renewal quotes	BD
Mtg	Crime Program – provide report and allocations on renewal quotes	AS
06/30/2022	Send Bind Orders for PEPiP Program – BOD will vote at 6/24/2022 meeting	AS
06/30/2022	Debrief from 06/24/2022 BOD meeting – determine action steps	AS
06/30/2022	Generate Certificate Holder Renewal Insurance Certificates for next year	AS
06/30/2022	Send certificates to Certificate Holders and Members	AS
06/30/2022	Generate Auto ID Cards for Members – send out	AS



LIABILITY ACTUARIAL REVIEW

ACTION ITEM

ISSUE: Bickmore Actuarial has prepared a *draft* of their annual actuarial review of SCORE's Liability Program, based on 12/31/20 loss data. The review estimates the ultimate cost of claims and expenses for the Banking and Shared Risk Layers for the FY 21/22 Program Year. This review also estimates the outstanding liabilities for the Banking and Shared Risk layers as of 6/30/21.

Rates for FY 21/22 at the 75% Confidence Level (CL), \$500,000 SIR, discounted at 1.5%, are as follows:

- Combined **rates decreased 9%**, from \$3.48 last year to \$3.17 this year. *Banking Layer rates are down 12%, and the Shared Layer rates are down 8%.*

Outstanding Liabilities at the Expected Confidence Level as of 6/30/21, discounted at 1.5%, are:

- Total Outstanding **Liabilities have remained flat, with a slight increase** from \$1,677,000, to 1,690,000. Banking Layer liabilities increased \$30,000 (1.8%), from \$277,000 to \$307,000, while *Shared Layer liabilities decreased \$16,000 (1.1%), from \$1,400,000 to \$1,384,000.*

The program remains very well-funded, with an estimated Net Position of \$5.9M and \$5M in assets above liabilities at the 90% CL.

RECOMMENDATION: Accept and request a final report.

FISCAL IMPACT: The results of the study are an overall decrease of 9% in rate at the \$500,000 SIR.

BACKGROUND: SCORE's Actuarial Studies are completed annually for accreditation and budget purposes. The studies determine funding for the upcoming fiscal year and outstanding liabilities as of June 30. The SCORE Board approved a move to the 75% CL for FY 19/20.

ATTACHMENTS: Draft Actuarial Review of the Self-Insured Liability Program, *without Exhibits or Appendices*, dated March 12, 2021.



Bickmore

Actuarial

Actuarial Review of the Self-Insured Liability Program

Outstanding Liabilities as of June 30, 2021
Forecast for Program Years 2021-22

Presented to
Small Cities Organized Risk Effort

March 12, 2021 - DRAFT

Friday, March 12, 2021

Mr. Marcus Beverly
Pool Administrator
Small Cities Organized Risk Effort
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 requested, we have completed our review of the Small Cities Organized Risk Effort's (SCORE's) self-insured liability program.

Assuming an SIR of \$500,000 per occurrence and a 1.5% annual return on investment, we estimate the ultimate cost of claims and expenses for claims incurred during the 2021-22 program year to be \$236,000 for the banking layer and \$414,000 for the shared layer for a total of \$650,000. For budgeting purposes, these costs translate to rates of \$0.858, \$1.509 and \$2.367 per \$100 of rated payroll for the banking layer, shared layer, and in total respectively.

These amounts include allocated loss adjustment expenses (ALAE) and a discount for anticipated investment income, but exclude 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 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 SCORE's claims.

Assuming a 1.5% annual return on investment, we estimate the program's liability for outstanding claims as of June 30, 2021 to be \$307,000 for the banking layer and \$1,384,000 for the shared layer for a total of \$1,690,000. Given estimated program assets of \$7,633,000 as of June 30, 2021, the program is expected to be funded above the 90% confidence level on a combined basis.

These amounts include allocated loss adjustment expenses (ALAE), unallocated loss adjustment expenses (ULAE), and a discount for anticipated investment income.

The estimates in this report do not include a provision for the potential impact on the cost of liability claims as a result of the coronavirus (COVID-19) pandemic.

These estimates are the minimum liabilities to be booked by SCORE at June 30, 2021 for its liability program for each layer, in accordance with Governmental Accounting Standards Board (GASB) Statement #10. GASB #10 requires SCORE 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.

GASB #10 does not address an actual asset requirement for the program, but only speaks to the liability to be recorded on SCORE'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.

Our conclusions regarding SCORE's liability for unpaid loss and loss adjustment expenses (LAE) at June 30, 2021 are summarized in the following tables.

Small Cities Organized Risk Effort
Self-Insured Liability Program
Estimated Liability for Unpaid Loss and LAE at June 30, 2021
1.5% Discount Rate

Banking Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$274,000	\$311,000	\$328,000	\$346,000	\$370,000	\$401,000
ULAE	37,000	42,000	44,000	47,000	50,000	54,000
Investment Income Offset	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>(6,000)</u>	<u>(6,000)</u>	<u>(7,000)</u>
Discounted Loss and LAE	\$307,000	\$348,000	\$366,000	\$387,000	\$414,000	\$448,000

Shared Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$1,239,000	\$1,441,000	\$1,539,000	\$1,653,000	\$1,795,000	\$1,987,000
ULAE	184,000	214,000	228,000	244,000	266,000	293,000
Investment Income Offset	<u>(39,000)</u>	<u>(46,000)</u>	<u>(49,000)</u>	<u>(52,000)</u>	<u>(57,000)</u>	<u>(63,000)</u>
Discounted Loss and LAE	\$1,384,000	\$1,609,000	\$1,718,000	\$1,845,000	\$2,004,000	\$2,217,000

Combined

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$1,513,000	\$1,753,000	\$1,866,000	\$1,999,000	\$2,164,000	\$2,387,000
ULAE	221,000	256,000	272,000	292,000	316,000	348,000
Investment Income Offset	<u>(44,000)</u>	<u>(51,000)</u>	<u>(54,000)</u>	<u>(58,000)</u>	<u>(63,000)</u>	<u>(69,000)</u>
Discounted Loss and LAE	\$1,690,000	\$1,957,000	\$2,084,000	\$2,233,000	\$2,417,000	\$2,666,000
Assets	<u>\$7,633,000</u>	<u>\$7,633,000</u>	<u>\$7,633,000</u>	<u>\$7,633,000</u>	<u>\$7,633,000</u>	<u>\$7,633,000</u>
Surplus or (Deficit)	\$5,943,000	\$5,676,000	\$5,549,000	\$5,400,000	\$5,216,000	\$4,968,000

The tables below show our funding recommendations for SCORE for the 2021-22 fiscal year, assuming the current SIR of \$500,000 and discount rate of 1.5%.

Small Cities Organized Risk Effort
Self-Insured Liability Program
Loss and LAE Funding Guidelines for 2021-22

Banking Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$239,000	\$281,000	\$301,000	\$325,000	\$354,000	\$393,000
ULAE	0	0	0	0	0	0
Investment Income Offset	(4,000)	(4,000)	(4,000)	(5,000)	(5,000)	(6,000)
Discounted Loss and LAE	\$236,000	\$277,000	\$297,000	\$320,000	\$349,000	\$387,000
Rate per \$100 of Rated Payroll	\$0.858	\$1.010	\$1.081	\$1.165	\$1.270	\$1.410

Shared Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$430,000	\$533,000	\$595,000	\$668,000	\$759,000	\$884,000
ULAE	0	0	0	0	0	0
Investment Income Offset	(16,000)	(20,000)	(22,000)	(24,000)	(28,000)	(32,000)
Discounted Loss and LAE	\$414,000	\$514,000	\$573,000	\$643,000	\$732,000	\$852,000
Rate per \$100 of Rated Payroll	\$1.509	\$1.871	\$2.086	\$2.343	\$2.664	\$3.102

Combined Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$669,000	\$814,000	\$895,000	\$992,000	\$1,112,000	\$1,275,000
ULAE	0	0	0	0	0	0
Investment Income Offset	(19,000)	(23,000)	(26,000)	(29,000)	(32,000)	(37,000)
Discounted Loss and LAE	\$650,000	\$791,000	\$870,000	\$963,000	\$1,080,000	\$1,239,000
Rate per \$100 of Rated Payroll	\$2.367	\$2.881	\$3.167	\$3.508	\$3.934	\$4.511

* Rated Payroll is 2020 DE-9 Payroll x 1.03.

The tables below show our funding recommendations for SCORE for the 2021-22 fiscal year, assuming an SIR of \$750,000 and discount rate of 1.5%.

Small Cities Organized Risk Effort
Self-Insured Liability Program
Loss and LAE Funding Guidelines for 2021-22

Banking Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$239,000	\$281,000	\$301,000	\$325,000	\$354,000	\$393,000
ULAE	0	0	0	0	0	0
Investment Income Offset	(4,000)	(4,000)	(4,000)	(5,000)	(5,000)	(6,000)
Discounted Loss and LAE	\$236,000	\$277,000	\$297,000	\$320,000	\$349,000	\$387,000
Rate per \$100 of Rated Payroll	\$0.858	\$1.010	\$1.081	\$1.165	\$1.270	\$1.410

Shared Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$483,000	\$593,000	\$669,000	\$761,000	\$876,000	\$1,030,000
ULAE	0	0	0	0	0	0
Investment Income Offset	(18,000)	(22,000)	(25,000)	(29,000)	(33,000)	(39,000)
Discounted Loss and LAE	\$465,000	\$571,000	\$644,000	\$733,000	\$843,000	\$992,000
Rate per \$100 of Rated Payroll	\$1.692	\$2.079	\$2.347	\$2.668	\$3.071	\$3.612

Combined Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$722,000	\$874,000	\$970,000	\$1,085,000	\$1,228,000	\$1,421,000
ULAE	0	0	0	0	0	0
Investment Income Offset	(22,000)	(26,000)	(29,000)	(32,000)	(37,000)	(43,000)
Discounted Loss and LAE	\$700,000	\$848,000	\$941,000	\$1,052,000	\$1,192,000	\$1,379,000
Rate per \$100 of Rated Payroll	\$2.550	\$3.088	\$3.427	\$3.833	\$4.340	\$5.021

* Rated Payroll is 2020 DE-9 Payroll x 1.03.

The tables below show our funding recommendations for SCORE for the 2021-22 fiscal year, assuming an SIR of \$1,000,000 and discount rate of 1.5%.

Small Cities Organized Risk Effort
Self-Insured Liability Program
Loss and LAE Funding Guidelines for 2021-22

Banking Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$239,000	\$281,000	\$301,000	\$325,000	\$354,000	\$393,000
ULAE	0	0	0	0	0	0
Investment Income Offset	(4,000)	(4,000)	(4,000)	(5,000)	(5,000)	(6,000)
Discounted Loss and LAE	\$236,000	\$277,000	\$297,000	\$320,000	\$349,000	\$387,000
Rate per \$100 of Rated Payroll	\$0.858	\$1.010	\$1.081	\$1.165	\$1.270	\$1.410

Shared Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$515,000	\$618,000	\$707,000	\$814,000	\$949,000	\$1,131,000
ULAE	0	0	0	0	0	0
Investment Income Offset	(20,000)	(23,000)	(27,000)	(31,000)	(36,000)	(43,000)
Discounted Loss and LAE	\$496,000	\$595,000	\$681,000	\$783,000	\$913,000	\$1,088,000
Rate per \$100 of Rated Payroll	\$1.806	\$2.167	\$2.479	\$2.853	\$3.327	\$3.962

Combined Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$755,000	\$900,000	\$1,008,000	\$1,138,000	\$1,302,000	\$1,521,000
ULAE	0	0	0	0	0	0
Investment Income Offset	(23,000)	(27,000)	(31,000)	(35,000)	(40,000)	(46,000)
Discounted Loss and LAE	\$732,000	\$872,000	\$977,000	\$1,103,000	\$1,262,000	\$1,475,000
Rate per \$100 of Rated Payroll	\$2.665	\$3.176	\$3.560	\$4.018	\$4.596	\$5.372

* Rated Payroll is 2020 DE-9 Payroll x 1.03.

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The funding recommendations shown in the tables above do not include any recognition of the existing funding margin at June 30, 2021. They are for losses and allocated loss adjustment expenses only, and do not include a provision for claims administration, 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 SCORE's internal use. It is not intended for general circulation.

We appreciate the opportunity to be of service to the Small Cities Organized Risk Effort 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 Actuarial

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I. BACKGROUND

The Small Cities Organized Risk Effort began its self-insured liability program on July 1, 1983. Its current self-insured retention is \$500,000, and excess coverage is provided by the California Joint Powers Risk Management Authority (CJPRMA). SCORE has a banking layer to \$25,000 per occurrence. Each member is directly responsible for its own losses within the banking layer. Losses above \$25,000 are shared up to SCORE's self-insured retention. Claims administration services are provided by Sedgwick. Additional background on the program is shown in Appendix BL-J or SIR-J.

The purpose of this review is to provide a guide to SCORE to determine reasonable funding levels for its self-insurance program according to the funding policy SCORE has adopted and to comply with Governmental Accounting Standards Board Statements #10 and #30. The specific objectives of the study are to estimate SCORE's liability for outstanding claims as of June 30, 2021, project ultimate loss costs for 2021-22, 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 SCORE's funding position as of June 30, 2021. 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.

Our best estimate of the full value of SCORE's liability for outstanding claims within its self-insured retention (SIR) as of June 30, 2021, is \$311,000 for the banking layer and \$1,423,000 for the shared layer for a total of \$1,734,000. 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).

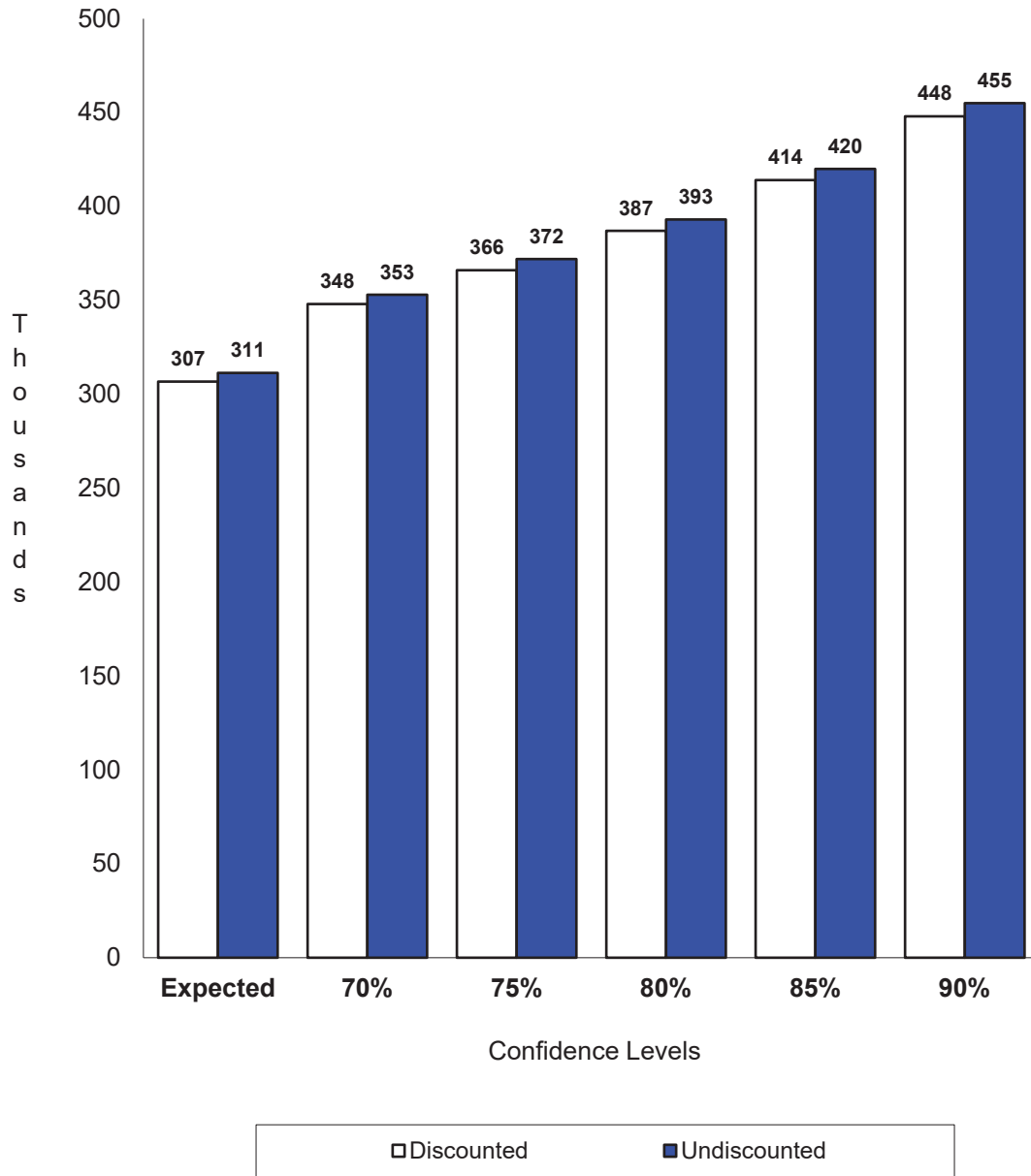
There is some measure of uncertainty associated with our best estimate because of the random nature of much of the process that determines ultimate claims costs. For this reason, we generally recommend that a program such as this include some funding margin for the possibility that actual loss costs 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.

SCORE 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 2.5% if the program is funded within the range indicated in the graphs, resulting in a discounted liability for outstanding claims of \$307,000 for the banking layer and \$1,384,000 for the shared layer for a total of \$1,690,000 as of June 30, 2021.

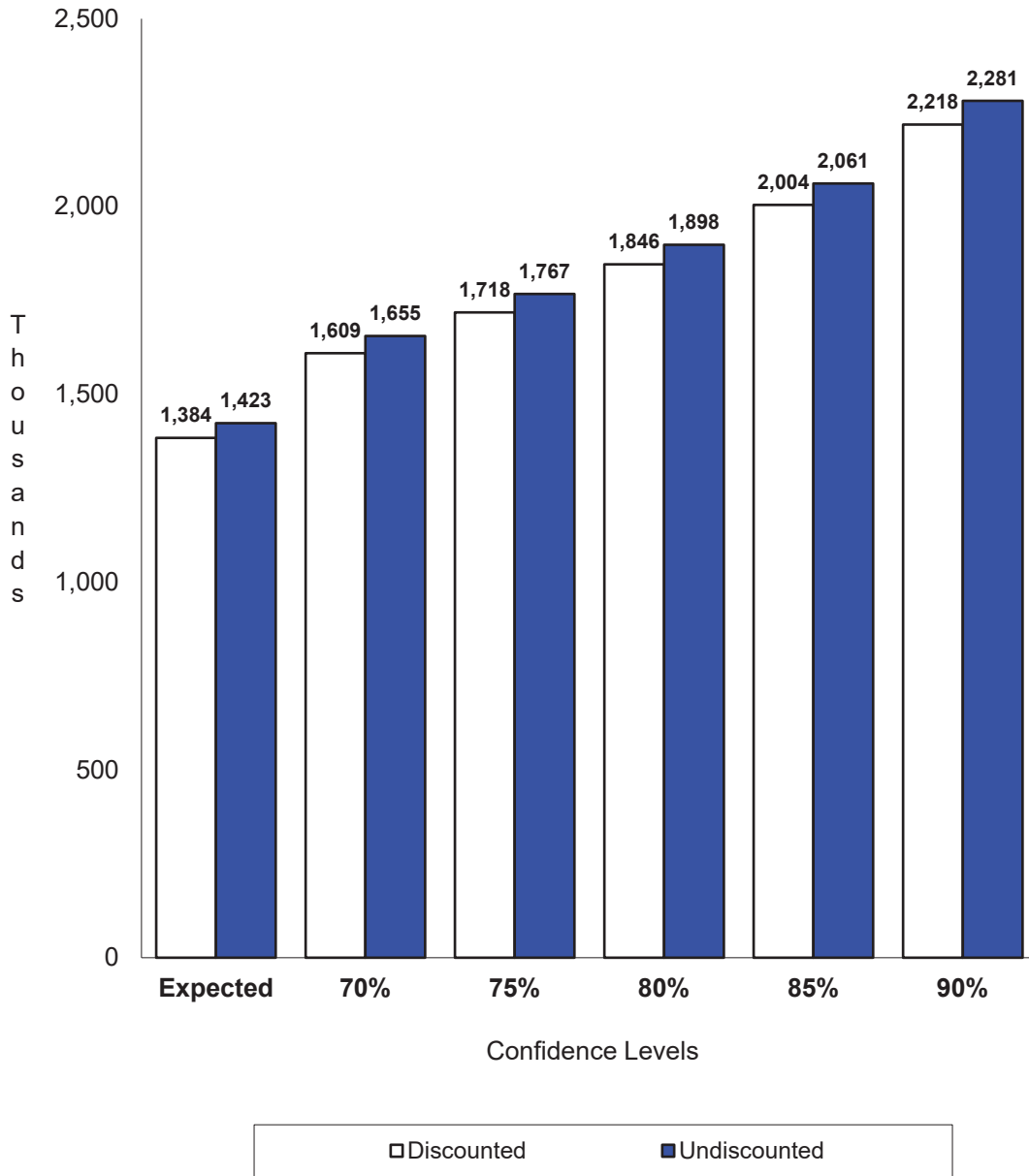
Investment income earnings will be less than this when the program does not maintain sufficient funding, and more when there is excess funding. Thus, thinking in terms of liabilities discounted for investment income can actually mask funding deficiencies and redundancies that might otherwise be obvious.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

Graph 1a

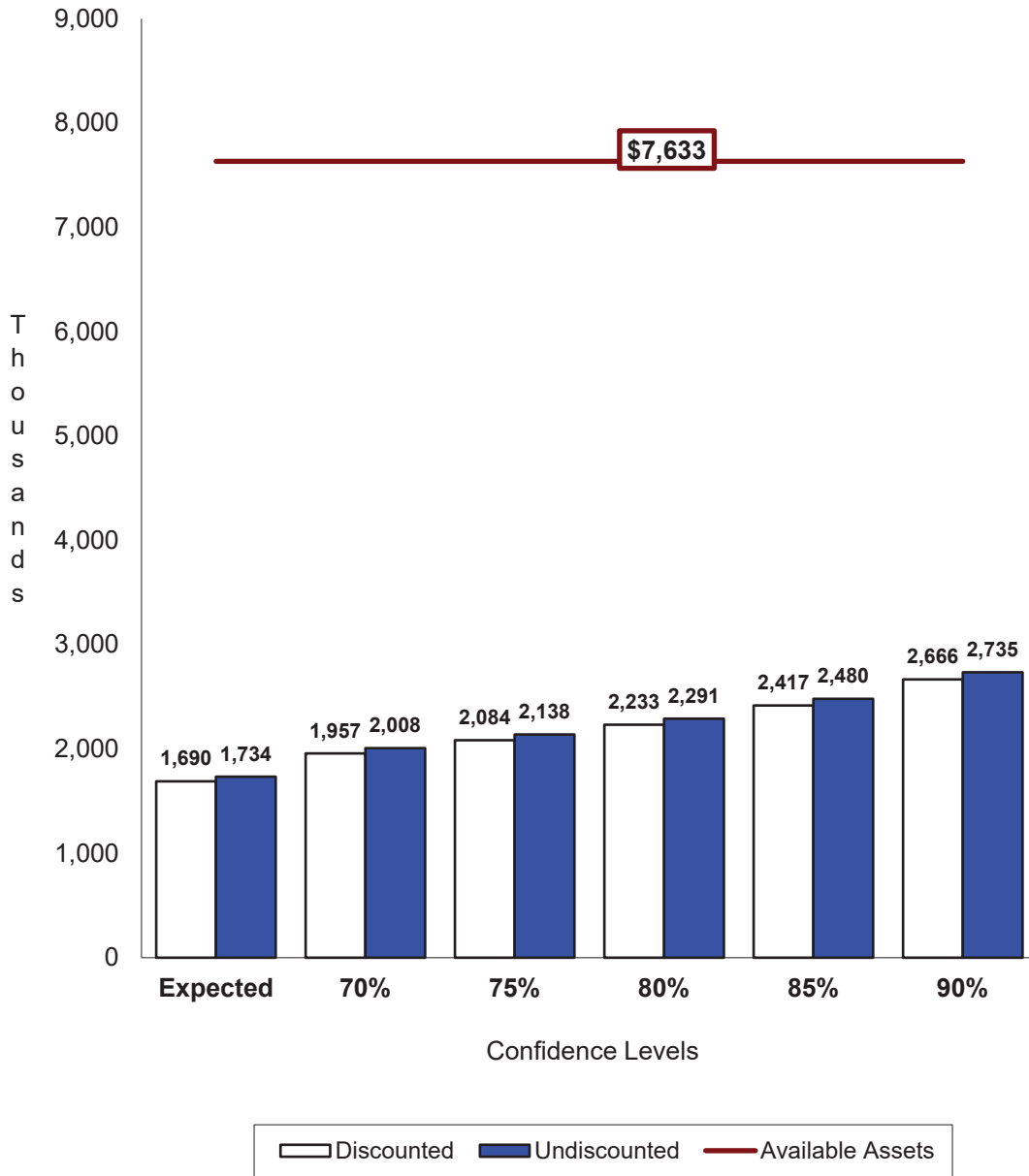
SCORE - Liability
Outstanding Liability (\$000's)
at June 30, 2021
Banking Layer



SCORE - Liability
Outstanding Liability (\$000's)
at June 30, 2021
Shared Layer



SCORE - Liability
Available Assets vs Outstanding Liability (\$000's)
at June 30, 2021
Combined



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, 2021, before recognition of investment income.

Small Cities Organized Risk Effort
Self-Insured Liability Program – Combined
Estimated Liability for Unpaid Loss and LAE at June 30, 2021

Year	Case Reserves	IBNR Reserves	Total Outstanding
Prior	\$0	\$0	\$0
2016-17	1,021	7,542	8,563
2017-18	105,879	38,309	144,188
2018-19	65,985	95,272	161,257
2019-20	483,436	176,143	659,579
2020-21	163,730	376,141	539,871
Loss and ALAE	\$820,051	\$693,407	\$1,513,458
ULAE		220,687	220,687
Total	\$820,051	\$914,094	\$1,734,145

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 SCORE.

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, SCORE'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.

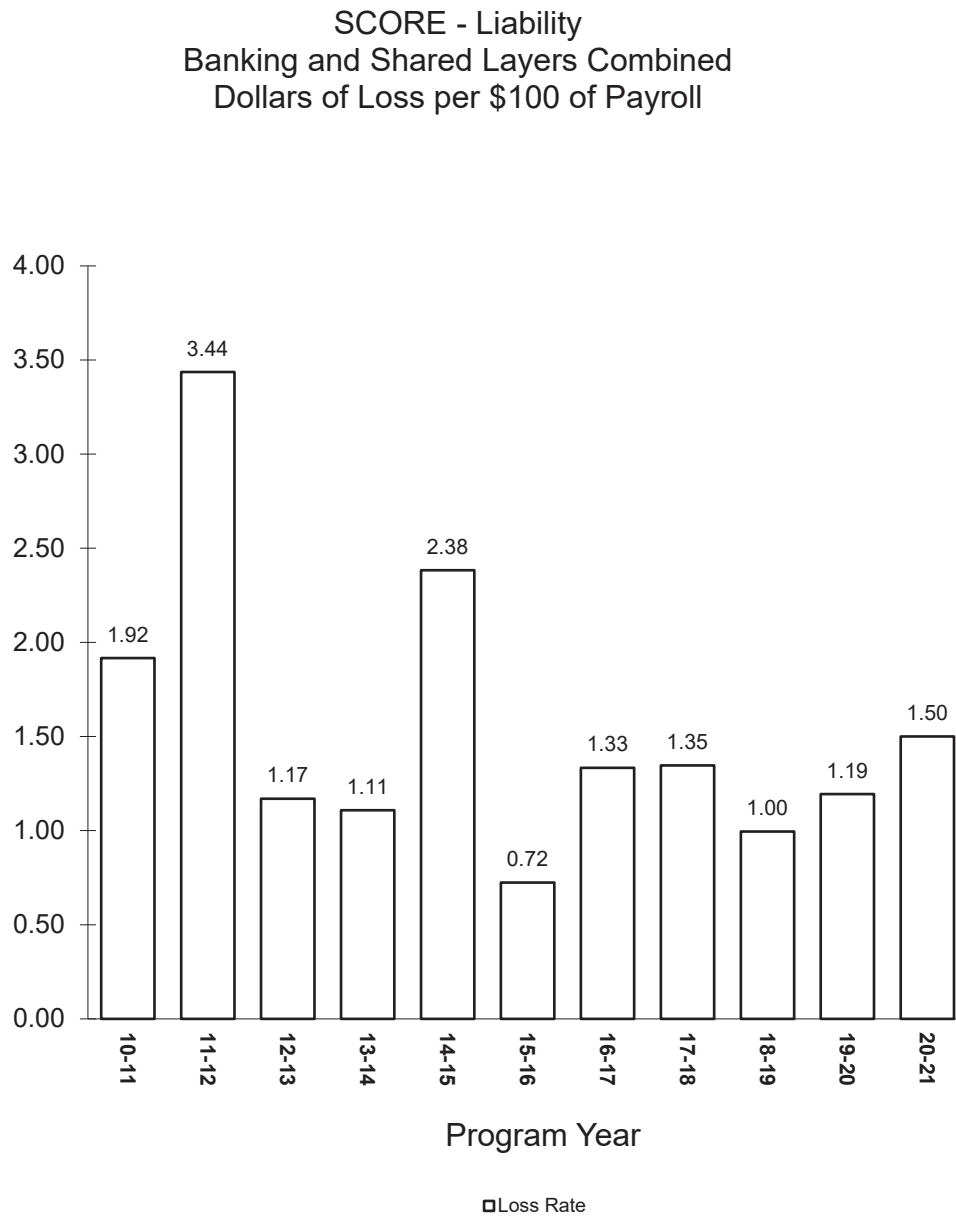
In general, we recommend funding each year's claims costs in that year. When surpluses or deficits have developed on outstanding liabilities and funding adjustments are necessary, they should be clearly identified as such so that the habit of funding each year's claims costs that year is maintained. 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 \$7,633,000 at June 30, 2021, resulting in the program being funded above the 90% confidence level on a combined basis.

C. HISTORICAL TRENDS IN THE SELF-INSURANCE PROGRAM

The program's loss rate per \$100 payroll has varied substantially from year to year. We selected a loss rate of \$1.50 per \$100 of payroll for the 2020-21 program year based on the average of the recent years. See Graph 2a below.

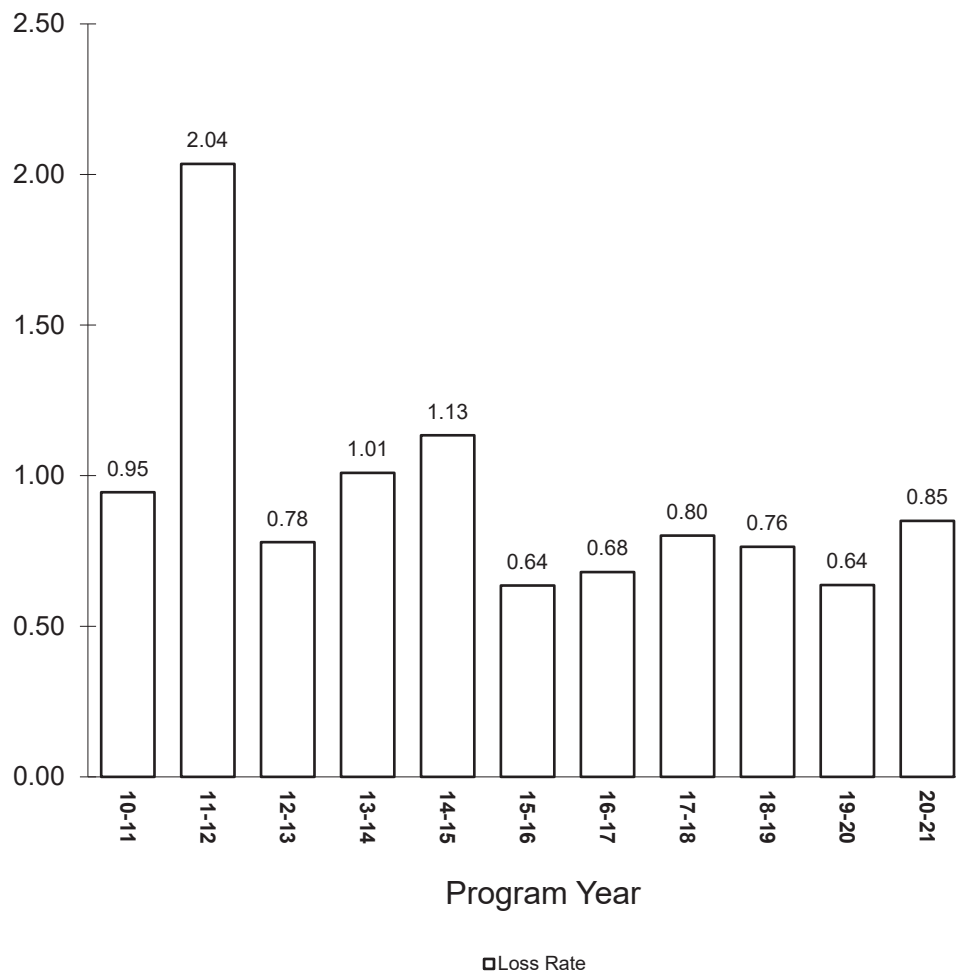
Graph 2a



The banking layer loss rate per \$100 payroll has also varied over the past ten years but has been increasing overall since 2015-16. Our projected 2020-21 loss rate of \$0.85 per \$100 of payroll is based on the average of the recent years and the apparent upward trend. See Graph 2b below.

Graph 2b

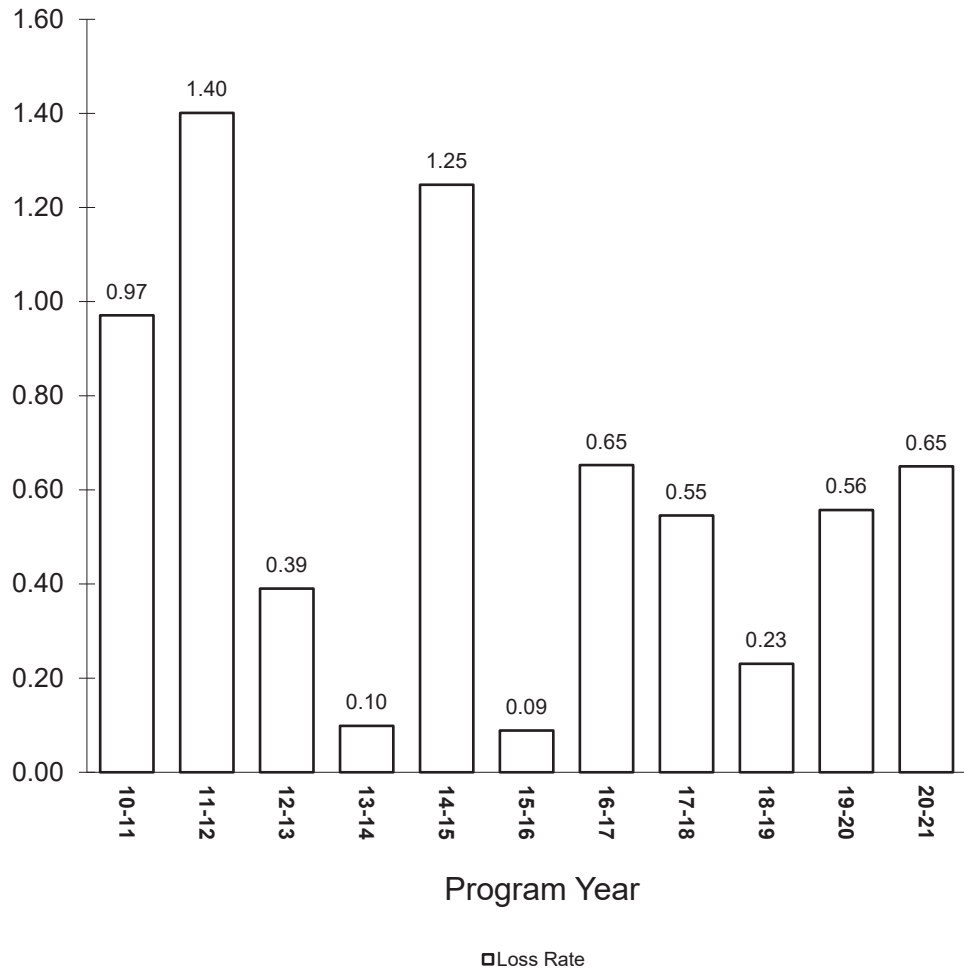
SCORE - Liability
Banking Layer
Dollars of Loss per \$100 of Payroll



The shared layer loss rate has varied over the last ten years, typical for excess layers losses, with no apparent trend. See Graph 2c below.

Graph 2c

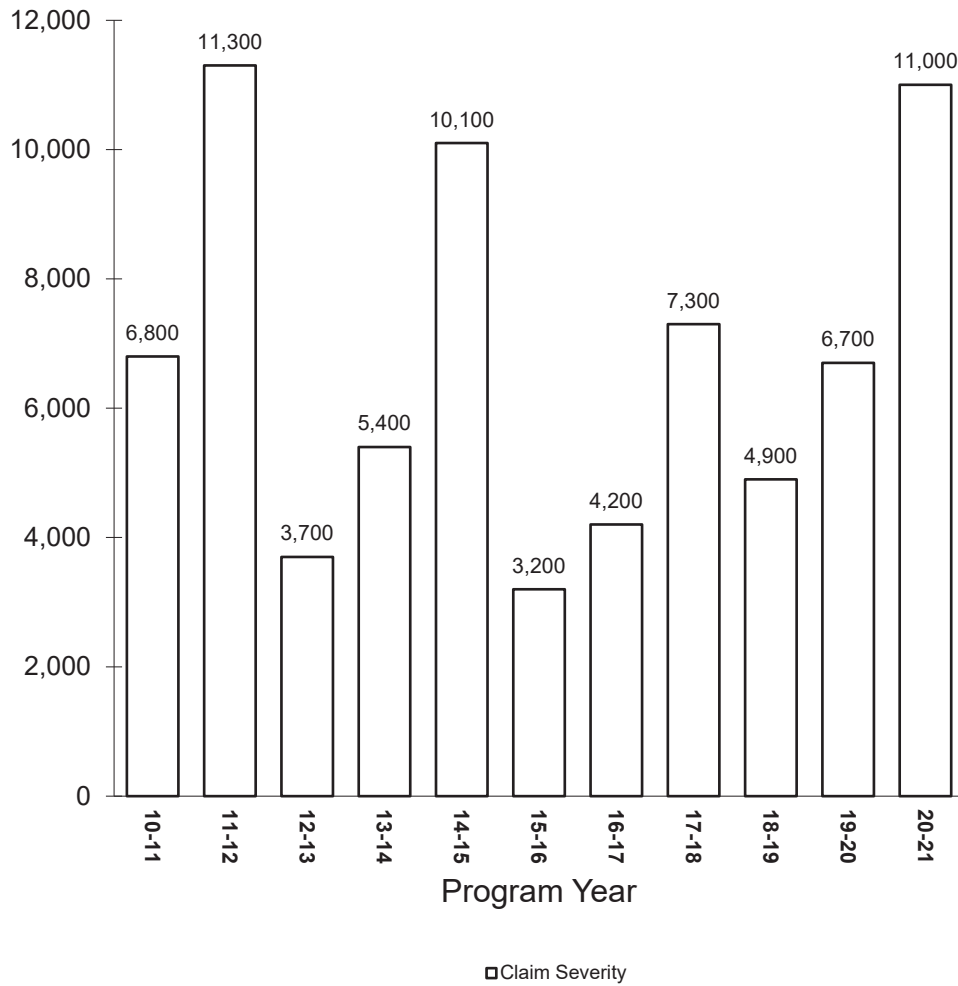
SCORE - Liability
Shared Layer
Dollars of Loss per \$100 of Payroll



The program's average cost per claim, or severity, has been volatile over the past ten years, with the 2011-12 and 2014-15 years coming in particularly high. Our projected 2020-21 average cost is \$11,000 per claim. See Graph 3a below.

Graph 3a

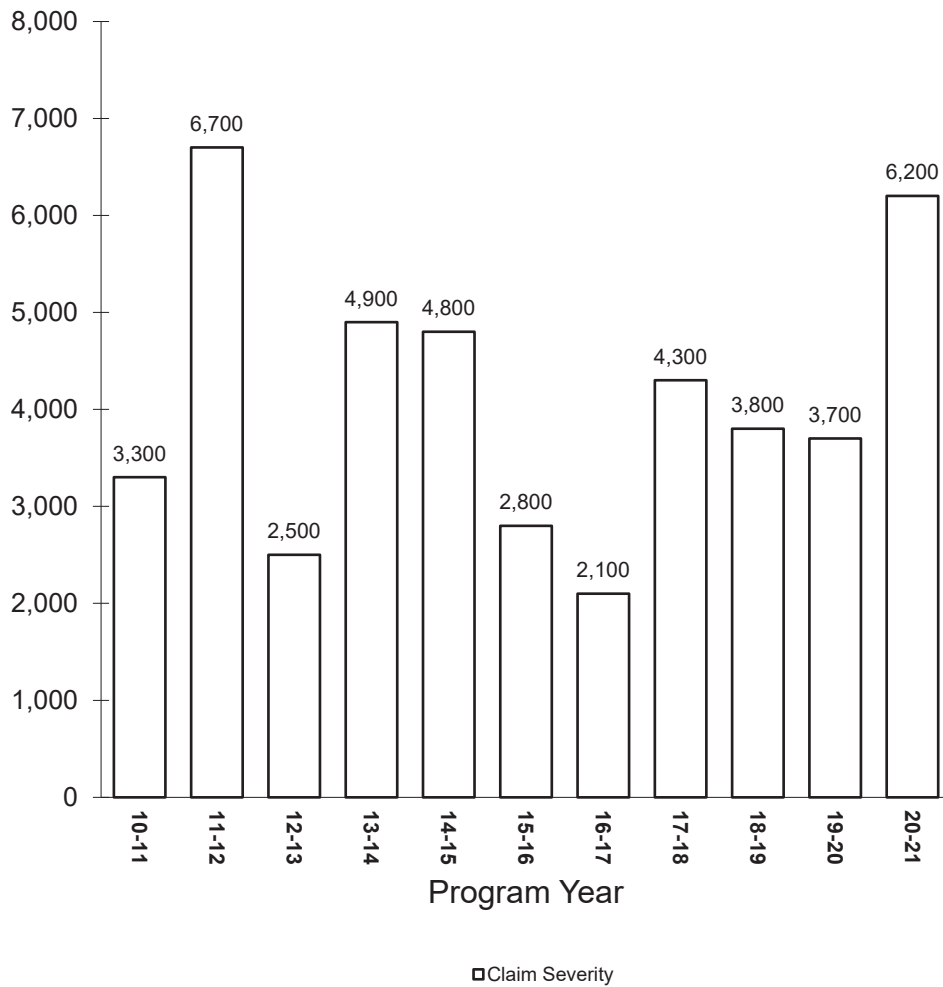
SCORE - Liability
Banking and Shared Layers Combined
Dollars of Loss per Claim



The banking layer average cost per claim, or severity, has varied over the last ten years. Our projected 2020-21 average cost is \$6,200. See Graph 3b below.

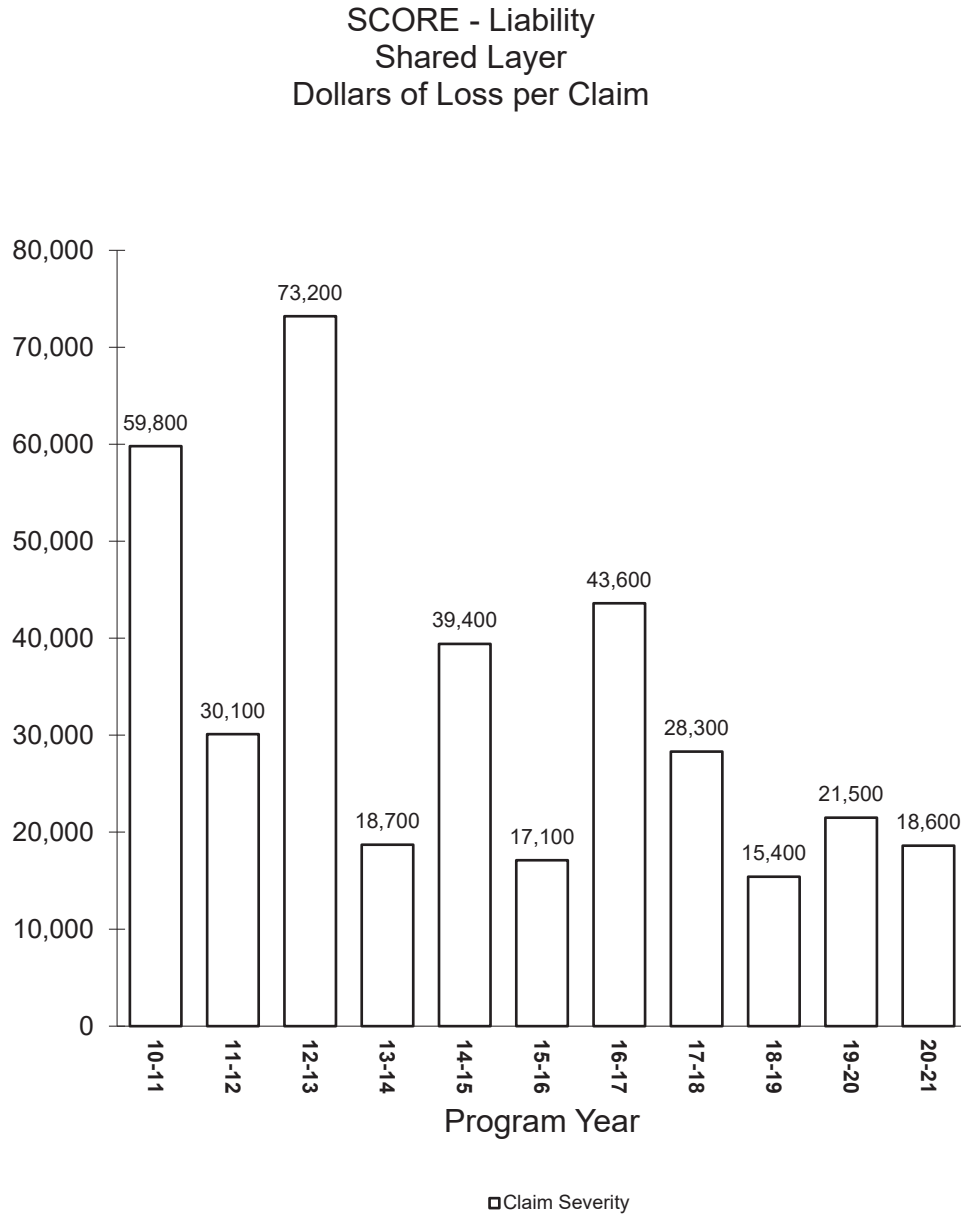
Graph 3b

SCORE - Liability
Banking Layer
Dollars of Loss per Claim



The shared layer average cost per claim has been volatile over the period shown below. We project the 2020-21 shared layer severity to be \$18,600 per claim. See Graph 3c below.

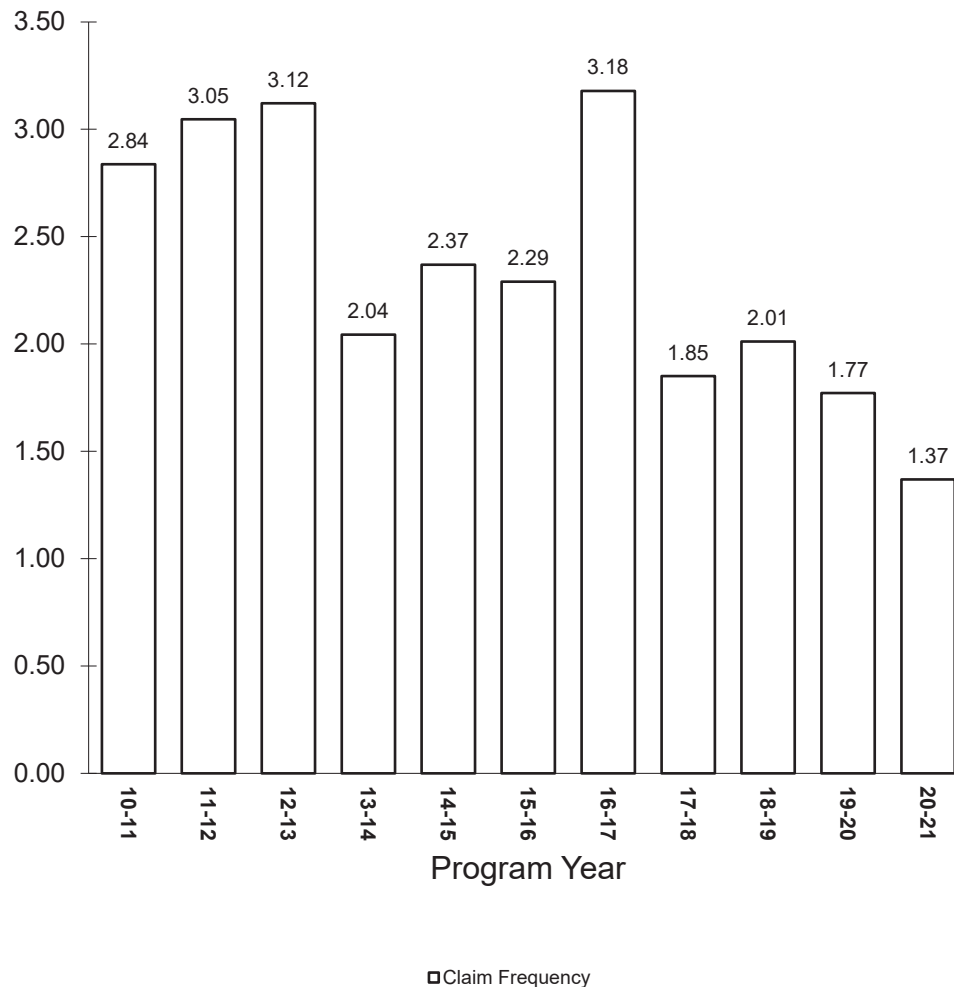
Graph 3c



The program's frequency of claims per \$1 million payroll had been generally increasing until 2012-13. Since then, the frequency has been trending downward. The projected 2020-21 frequency is based on the latest seven years. See Graph 4a below. (Note that shared and banking layers' frequency is the same as shown below for the program.)

Graph 4a

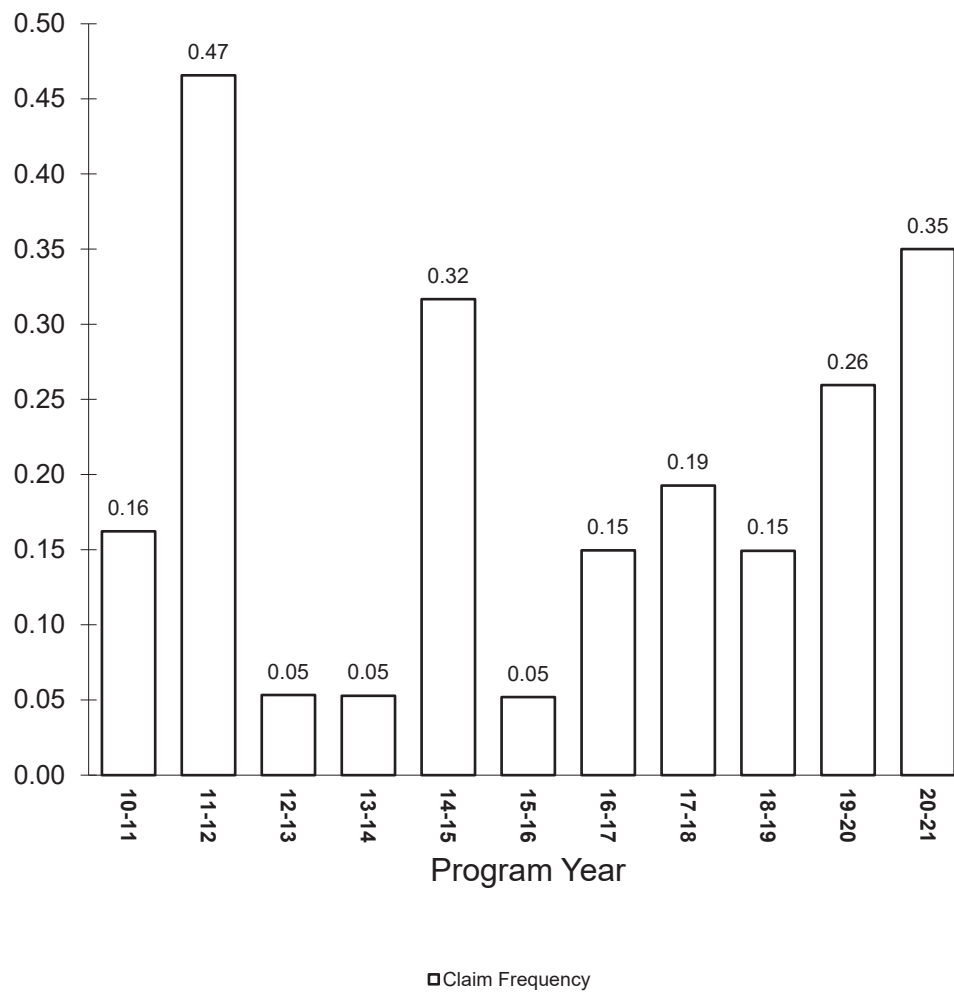
SCORE - Liability
Banking and Shared Layers Combined
Number of Claims per \$1 Million of Payroll



The shared layer frequency of claims per \$1 million payroll has been quite volatile, 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 2020-21 shared layer frequency to be 0.35 claims per \$1M payroll. See Graph 4b below.

Graph 4b

SCORE - Liability
Shared Layers
Number of Claims per \$1 Million of Payroll



D. COMPARISON WITH PREVIOUS RESULTS

The prior report for the Small Cities Organized Risk Effort was dated March 17, 2020. In the table below we display actual versus expected development of incurred losses and ALAE by accident year between the December 31, 2019 evaluation date of the prior report and the December 31, 2020 evaluation date of the current report.

Actual Versus Expected Incurred Loss and ALAE Development – Combined

Accident Year	Expected Incurred Development	Actual Incurred Development	Actual Minus Expected
Prior	\$0	\$0	\$0
2000-01	0	0	0
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	0	0	0
2009-10	0	0	0
2010-11	0	0	0
2011-12	0	0	0
2012-13	0	0	0
2013-14	0	0	0
2014-15	0	0	0
2015-16	0	0	0
2016-17	34,000	(23,000)	(57,000)
2017-18	69,000	138,000	70,000
2018-19	88,000	(140,000)	(228,000)
2019-20	387,000	130,000	(257,000)
2020-21	117,000	87,000	(30,000)
Total	\$695,000	\$192,000	(\$502,000)

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 \$695,000 between the two evaluation dates. However, actual development was approximately \$192,000; or about \$502,000 less than expected. Four of the five most recent program years have developed less than anticipated.

In the table below we display actual versus expected development of paid losses and ALAE by accident year between the December 31, 2019 evaluation date of the prior report and the December 31, 2020 evaluation date of the current report.

Actual Versus Expected Paid Loss and ALAE Development – Combined

Accident Year	Expected Paid Development	Actual Paid Development	Actual Minus Expected
Prior	\$0	\$0	\$0
2000-01	0	0	0
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	0	0	0
2009-10	0	0	0
2010-11	0	0	0
2011-12	0	0	0
2012-13	0	0	0
2013-14	0	0	0
2014-15	0	0	0
2015-16	0	0	0
2016-17	59,000	46,000	(12,000)
2017-18	93,000	70,000	(24,000)
2018-19	169,000	33,000	(136,000)
2019-20	356,000	50,000	(306,000)
2020-21	39,000	0	(39,000)
Total	\$717,000	\$200,000	(\$517,000)

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 \$717,000 between the two evaluation dates. However, actual development was approximately \$200,000; or about \$517,000 less than expected. All program years developed less than anticipated.

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 – Combined

Accident Year	Prior Report	Current Report	Change In Ultimate
1999-00	\$999,000	\$999,000	\$0
2000-01	502,000	502,000	0
2001-02	744,000	744,000	0
2002-03	1,215,000	1,215,000	0
2003-04	775,000	775,000	0
2004-05	370,000	370,000	0
2005-06	645,000	645,000	0
2006-07	836,000	836,000	0
2007-08	755,000	755,000	0
2008-09	272,000	272,000	0
2009-10	353,000	353,000	0
2010-11	545,000	545,000	0
2011-12	764,000	764,000	0
2012-13	625,000	625,000	0
2013-14	217,000	217,000	0
2014-15	513,000	513,000	0
2015-16	149,000	149,000	0
2016-17	369,000	303,000	(66,000)
2017-18	356,000	421,000	65,000
2018-19	545,000	363,000	(182,000)
2019-20	1,109,000	876,000	(233,000)
2020-21	715,000	640,000	(75,000)
Total	\$13,372,000	\$12,881,000	(\$491,000)

As shown, overall we have decreased our estimated ultimate losses by \$491,000 since our prior report. The changes in our estimates of ultimate losses take into account both the incurred and paid development listed on the previous two pages.

At the time of the prior report, we estimated the liability for outstanding claims as of June 30, 2020 to be \$1,677,000 at the discounted, expected level. Our current estimate as of June 30, 2021, is \$1,690,000, an increase in our assessment of SCORE's outstanding liabilities, as shown below:

Outstanding Claim Liabilities for Loss and LAE – Combined

	Prior Report at June 30, 2020	Current Report at June 30, 2021	Change
(A) Case Reserves:	\$839,000	\$820,000	(\$19,000)
(B) IBNR Reserves:	665,000	693,000	28,000
(C) Claims Administration (ULAE):	217,000	221,000	4,000
(D) Total Reserves:	\$1,721,000	\$1,734,000	\$13,000
(E) Offset for Investment Income:	(44,000)	(44,000)	0
(F) Total Outstanding Claim Liabilities:	\$1,677,000	\$1,690,000	\$13,000

As shown, our estimate of outstanding claims liabilities at the discounted, expected level has increased between June 30, 2020 and June 30, 2021 as reflected in our prior and current reports respectively.

The increase in claim reserves (case and IBNR) is driven primarily by the addition of the most recent accident year. The ultimate losses in the most recent years are greater than ultimate losses for older years, resulting in growth in IBNR. Reserves for future claims administration expenses have increased, resulting in a \$13,000 increase in total claim reserves. The offset for investment income is expected to be consistent. The net change due to the above factors is an overall increase of \$13,000 in our estimate of outstanding claim liabilities for loss and LAE.

At the time of the prior report, our funding estimate for the 2020-21 year was \$695,000 at the discounted, expected level. That amount included allocated loss adjustment expenses (ALAE) and a discount for anticipated investment income. Our current estimate for the 2021-22 year is \$650,000 at the discounted, expected level, a decrease in the program’s expected loss costs, as shown in the table below:

Comparison of Funding for Loss and ALAE – Combined

	Prior Report 2020-21	Current Report 2021-22	Change
	SIR = \$500,000	SIR = \$500,000	
(A) Ultimate Loss and ALAE:	\$715,000	\$669,000	(\$46,000)
(B) Ultimate Claims Administration (ULAE):	0	0	0
(C) Total Claim Costs:	\$715,000	\$669,000	(\$46,000)
(D) Offset for Investment Income:	(20,000)	(19,000)	1,000
(E) Total Recommended Funding:	\$695,000	\$650,000	(\$45,000)
(F) Funding per \$100 of Payroll:	\$2.614	\$2.367	(\$0.247)

As you can see, our funding recommendations at the discounted, expected level have decreased between 2020-21 and 2021-22, as shown in our prior and current reports respectively.

Our estimates of ultimate loss and ALAE have decreased by \$46,000, driven by less than expected loss experience in the most recent accident years, as previously discussed. This decrease in loss estimate leads to a slightly smaller offset for investment income. The net change due to the above factors is an overall decrease of \$45,000 in our annual funding estimate for loss and ALAE.

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 2020-21 and 2021-22 (See Appendix BL-J or SIR-J).
- We estimated the June 30, 2021 asset balance by beginning with the June 30, 2020 asset balance and adjusting for anticipated revenue and expense for 2020-21 (see Appendix SIR-K).
- We received loss data evaluated as of December 31, 2020 (See Appendix BL-L or SIR-L). We also utilized the data from SCORE's most recent actuarial study for our assessment of loss development.
- We have assumed that SCORE's payroll for 2021-22 will be \$27,846,778, based upon information provided by SCORE (See Appendix BL-M or SIR-M).
- We have calculated funding rates using 2020 DE-9 payroll of \$26,656,844 increased by 3%, or \$27,456,550, since that is used as the rating base for the 2021-22 premiums.
- The estimates in this report do not include a provision for the potential impact on the cost of liability claims as a result of the coronavirus (COVID-19) pandemic.

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 SCORE. 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 entity 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 similar liability programs in the aggregate form a reasonable basis of comparison to the patterns from the Small Cities Organized Risk Effort'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 0.5% per year. We have assumed that claim severity increases at 2.0% per year, and that claim frequency decreases at 1.5% 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 SCORE.
- Our funding recommendations do not include provisions for catastrophic events not in SCORE'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 SCORE's excess coverage.
- SCORE's assets available for the program are estimated to be \$7,633,000 as of June 30, 2021 for use in this report. This is shown in further detail in Appendix SIR-J.

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.)



WORKERS' COMPENSATION - ACTUARIAL REVIEW

ACTION ITEM

ISSUE: Bickmore Risk Services has prepared a *draft* of their annual Workers' Compensation Program actuarial review, based on 12/31/20 loss data. The review estimates the ultimate cost of claims and expenses for the banking and shared risk layers for FY 21/22. This review also estimates the outstanding liabilities for the banking and shared risk layers as of 6/30/21.

Overall losses have developed favorably since last year, with outstanding losses up slightly due to payments less than expected during the year.

Funding Rates at the current 80% Confidence Level (CL), discounted at 1.5%, are as follows:

- Combined Rates have **decreased 5%, from \$6.74 to \$6.39**. *Banking Layer rates are decreasing 6%, from \$1.91 to \$1.79, and Shared Layer rates are decreasing 5%, from \$4.83 to \$4.59.*

Outstanding Liabilities at the Expected Confidence Level, discounted at 1.5%, are:

- Combined liabilities have **increased \$308,000, or 6.7%**, from \$4,549,000 to \$4,857,000.

Overall the program remains well-funded, with an estimated Net Position of \$3.7M and assets of \$1.8M above the 90% Confidence Level.

RECOMMENDATION: Accept and request a final report after review at meeting.

FISCAL IMPACT: The results of the study are a rate decrease of 5%, which will be included in the overall funding.

BACKGROUND: SCORE has Actuarial Studies completed annually for accreditation and budget purposes. The studies determine funding for the upcoming fiscal year and outstanding liabilities as of June 30.

ATTACHMENTS: Draft Actuarial Review of the Self-Insured Workers' Compensation Program, *without Exhibits or Appendices*, dated March 12, 2021.



Bickmore

Actuarial

Actuarial Review of the Self-Insured Workers' Compensation Program

Outstanding Liabilities as of June 30, 2021
Forecast for Program Years 2021-22

Presented to
Small Cities Organized Risk Effort

March 12, 2021 - DRAFT

Friday, March 12, 2021

Mr. Marcus Beverly
Pool Administrator
Small Cities Organized Risk Effort
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 requested, we have completed our review of the Small Cities Organized Risk Effort's self-insured workers' compensation program.

Assuming an SIR of \$250,000 per occurrence and a 1.5% annual return on investment, we estimate the ultimate cost of claims and expenses for claims incurred during the 2021-22 program year to be \$363,000 for the banking layer and \$901,000 for the shared layer, for a total of \$1,264,000. For budgeting purposes, these costs translate to rates of \$1.343, \$3.332 and \$4.675 per \$100 of rated payroll for the banking layer, shared layer, and in total respectively.

These forecast amounts include allocated loss adjustment expenses (ALAE) and a discount for anticipated investment income, but exclude unallocated loss adjustment expenses (ULAE) and 4850 SC (Salary Continuation) 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 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 SCORE's claims.

Assuming a 1.5% annual return on investment, we estimate the program's liability for outstanding claims as of June 30, 2021 to be \$427,000 for the banking layer and \$4,430,000 for the shared layer, for a total of \$4,857,000. Given estimated program assets of \$8,555,000 as of June 30, 2021, the program is expected to be funded above the 90% confidence level on a combined basis.

These outstanding amounts include allocated loss adjustment expenses (ALAE), unallocated loss adjustment expenses (ULAE), and a discount for anticipated investment income, but exclude 4850 SC benefits.

These estimates are the minimum liabilities to be booked by SCORE at June 30, 2021 for its liability program for each layer, in accordance with Governmental Accounting Standards Board (GASB) Statement #10. GASB #10 requires SCORE 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.

GASB #10 does not address an actual asset requirement for the program, but only speaks to the liability to be recorded on SCORE'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 estimates in this report do not include a provision for the potential impact on the cost of workers' compensation claims as a result of the coronavirus (COVID-19) pandemic.

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.

Our conclusions regarding SCORE's liability for unpaid loss and loss adjustment expenses (LAE) at June 30, 2021 are summarized in the following tables.

Small Cities Organized Risk Effort
Self-Insured Workers' Compensation Program
Estimated Liability for Unpaid Loss and LAE at June 30, 2021
1.5% Discount Rate / Net of 4850 SC

Banking Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$407,000	\$458,000	\$480,000	\$506,000	\$538,000	\$580,000
ULAE	30,000	34,000	36,000	37,000	40,000	43,000
Investment Income Offset	<u>(10,000)</u>	<u>(11,000)</u>	<u>(12,000)</u>	<u>(13,000)</u>	<u>(13,000)</u>	<u>(14,000)</u>
Discounted Loss and LAE	\$427,000	\$480,000	\$504,000	\$530,000	\$564,000	\$608,000

Shared layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$4,449,000	\$4,946,000	\$5,157,000	\$5,403,000	\$5,706,000	\$6,100,000
ULAE	353,000	392,000	409,000	429,000	453,000	485,000
Investment Income Offset	<u>(372,000)</u>	<u>(413,000)</u>	<u>(431,000)</u>	<u>(452,000)</u>	<u>(477,000)</u>	<u>(510,000)</u>
Discounted Loss and LAE	\$4,430,000	\$4,925,000	\$5,135,000	\$5,380,000	\$5,682,000	\$6,075,000

Combined

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$4,855,000	\$5,404,000	\$5,637,000	\$5,909,000	\$6,244,000	\$6,681,000
ULAE	383,000	427,000	445,000	467,000	493,000	528,000
Investment Income Offset	<u>(382,000)</u>	<u>(425,000)</u>	<u>(443,000)</u>	<u>(465,000)</u>	<u>(491,000)</u>	<u>(526,000)</u>
Discounted Loss and LAE	\$4,857,000	\$5,406,000	\$5,639,000	\$5,911,000	\$6,246,000	\$6,683,000
Assets	<u>\$8,555,000</u>	<u>\$8,555,000</u>	<u>\$8,555,000</u>	<u>\$8,555,000</u>	<u>\$8,555,000</u>	<u>\$8,555,000</u>
Surplus or (Deficit)	\$3,698,000	\$3,149,000	\$2,916,000	\$2,644,000	\$2,309,000	\$1,872,000

The tables below show our funding recommendations for SCORE for the 2021-22 fiscal year, assuming the current SIR of \$250,000 and discount rate of 1.5%, net of 4850 SC.

Small Cities Organized Risk Effort
Self-Insured Workers' Compensation Program
Loss and LAE Funding Guidelines for 2021-22

Banking Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$369,000	\$431,000	\$460,000	\$493,000	\$535,000	\$592,000
ULAE	0	0	0	0	0	0
Investment Income Offset	(6,000)	(7,000)	(8,000)	(8,000)	(9,000)	(10,000)
Discounted Loss and LAE	\$363,000	\$424,000	\$452,000	\$485,000	\$526,000	\$581,000
Rate per \$100 of Rated Payroll	\$1.343	\$1.567	\$1.672	\$1.794	\$1.945	\$2.151

Shared layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$1,002,000	\$1,193,000	\$1,278,000	\$1,381,000	\$1,505,000	\$1,675,000
ULAE	0	0	0	0	0	0
Investment Income Offset	(101,000)	(120,000)	(129,000)	(139,000)	(152,000)	(169,000)
Discounted Loss and LAE	\$901,000	\$1,073,000	\$1,149,000	\$1,241,000	\$1,353,000	\$1,506,000
Rate per \$100 of Rated Payroll	\$3.332	\$3.968	\$4.251	\$4.592	\$5.006	\$5.572

Combined Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$1,371,000	\$1,623,000	\$1,737,000	\$1,873,000	\$2,039,000	\$2,265,000
ULAE	0	0	0	0	0	0
Investment Income Offset	(107,000)	(127,000)	(136,000)	(147,000)	(160,000)	(178,000)
Discounted Loss and LAE	\$1,264,000	\$1,496,000	\$1,601,000	\$1,726,000	\$1,879,000	\$2,087,000
Rate per \$100 of Rated Payroll	\$4.675	\$5.535	\$5.923	\$6.386	\$6.951	\$7.723

* Rated Payroll is 2020 DE-9 Payroll x 1.03.

The tables below show our funding recommendations for SCORE for the 2021-22 fiscal year, assuming an SIR of \$500,000 and discount rate of 1.5%, net of 4850 SC.

Small Cities Organized Risk Effort
Self-Insured Workers' Compensation Program
Loss and LAE Funding Guidelines for 2021-22

Banking Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$369,000	\$431,000	\$460,000	\$493,000	\$535,000	\$592,000
ULAE	0	0	0	0	0	0
Investment Income Offset	(6,000)	(7,000)	(8,000)	(8,000)	(9,000)	(10,000)
Discounted Loss and LAE	\$363,000	\$424,000	\$452,000	\$485,000	\$526,000	\$581,000
Rate per \$100 of Rated Payroll	\$1.343	\$1.567	\$1.672	\$1.794	\$1.945	\$2.151

Shared layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$1,353,000	\$1,625,000	\$1,752,000	\$1,902,000	\$2,085,000	\$2,336,000
ULAE	0	0	0	0	0	0
Investment Income Offset	(155,000)	(186,000)	(200,000)	(217,000)	(238,000)	(267,000)
Discounted Loss and LAE	\$1,199,000	\$1,439,000	\$1,552,000	\$1,684,000	\$1,846,000	\$2,069,000
Rate per \$100 of Rated Payroll	\$4.435	\$5.325	\$5.741	\$6.231	\$6.830	\$7.653

Combined Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$1,723,000	\$2,055,000	\$2,210,000	\$2,393,000	\$2,617,000	\$2,923,000
ULAE	0	0	0	0	0	0
Investment Income Offset	(161,000)	(192,000)	(207,000)	(224,000)	(245,000)	(273,000)
Discounted Loss and LAE	\$1,562,000	\$1,863,000	\$2,004,000	\$2,169,000	\$2,372,000	\$2,650,000
Rate per \$100 of Rated Payroll	\$5.777	\$6.892	\$7.412	\$8.025	\$8.776	\$9.804

* Rated Payroll is 2020 DE-9 Payroll x 1.03.

The tables below show our funding recommendations for SCORE for the 2021-22 fiscal year, assuming an SIR of \$1,000,000 and discount rate of 1.5%, net of 4850 SC.

Small Cities Organized Risk Effort
Self-Insured Workers' Compensation Program
Loss and LAE Funding Guidelines for 2021-22

Banking Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$369,000	\$431,000	\$460,000	\$493,000	\$535,000	\$592,000
ULAE	0	0	0	0	0	0
Investment Income Offset	(6,000)	(7,000)	(8,000)	(8,000)	(9,000)	(10,000)
Discounted Loss and LAE	\$363,000	\$424,000	\$452,000	\$485,000	\$526,000	\$581,000
Rate per \$100 of Rated Payroll	\$1.343	\$1.567	\$1.672	\$1.794	\$1.945	\$2.151

Shared layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$1,643,000	\$1,990,000	\$2,159,000	\$2,362,000	\$2,611,000	\$2,951,000
ULAE	0	0	0	0	0	0
Investment Income Offset	(199,000)	(241,000)	(261,000)	(286,000)	(316,000)	(357,000)
Discounted Loss and LAE	\$1,444,000	\$1,749,000	\$1,898,000	\$2,076,000	\$2,295,000	\$2,594,000
Rate per \$100 of Rated Payroll	\$5.343	\$6.470	\$7.020	\$7.680	\$8.491	\$9.596

Combined Layer

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$2,013,000	\$2,419,000	\$2,616,000	\$2,852,000	\$3,142,000	\$3,536,000
ULAE	0	0	0	0	0	0
Investment Income Offset	(205,000)	(247,000)	(267,000)	(291,000)	(320,000)	(361,000)
Discounted Loss and LAE	\$1,807,000	\$2,172,000	\$2,349,000	\$2,561,000	\$2,821,000	\$3,175,000
Rate per \$100 of Rated Payroll	\$6.686	\$8.036	\$8.692	\$9.474	\$10.437	\$11.747

* Rated Payroll is 2020 DE-9 Payroll x 1.03.

DRAFT

The funding recommendations shown in the tables above do not include any recognition of the existing funding margin at June 30, 2021. They are for losses and allocated loss adjustment expenses only, and do not include a provision for claims administration, 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 SCORE's internal use. It is not intended for general circulation.

We appreciate the opportunity to be of service to the Small Cities Organized Risk Effort 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 Actuarial

DRAFT

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

DRAFT

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

DRAFT

Eric Small
Actuarial Consultant, Bickmore Actuarial

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I. BACKGROUND

The Small Cities Organized Risk Effort began its self-insured workers' compensation program on July 1, 1993. Its current self-insured retention is \$250,000, and excess coverage is provided by the Local Agency Workers' Compensation Excess (LAWCX) Joint Powers Authority. SCORE has a banking layer to \$25,000 per occurrence. Each member is directly responsible for its own losses within the banking layer. Losses above \$25,000 are shared up to SCORE's self-insured retention. Claims administration services are provided by Sedgwick. Additional background on the program is given in Appendix BL-J or SIR-J.

Please note that the estimates contained in this report exclude costs for 4850 SC (salary continuation).

The purpose of this review is to provide a guide to SCORE to determine reasonable funding levels for its self-insurance program according to the funding policy SCORE has adopted and to comply with Governmental Accounting Standards Board Statements #10 and #30. The specific objectives of the study are to estimate SCORE's liability for outstanding claims as of June 30, 2021, project ultimate loss costs for 2021-22, 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 SCORE's funding position as of June 30, 2021. 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.

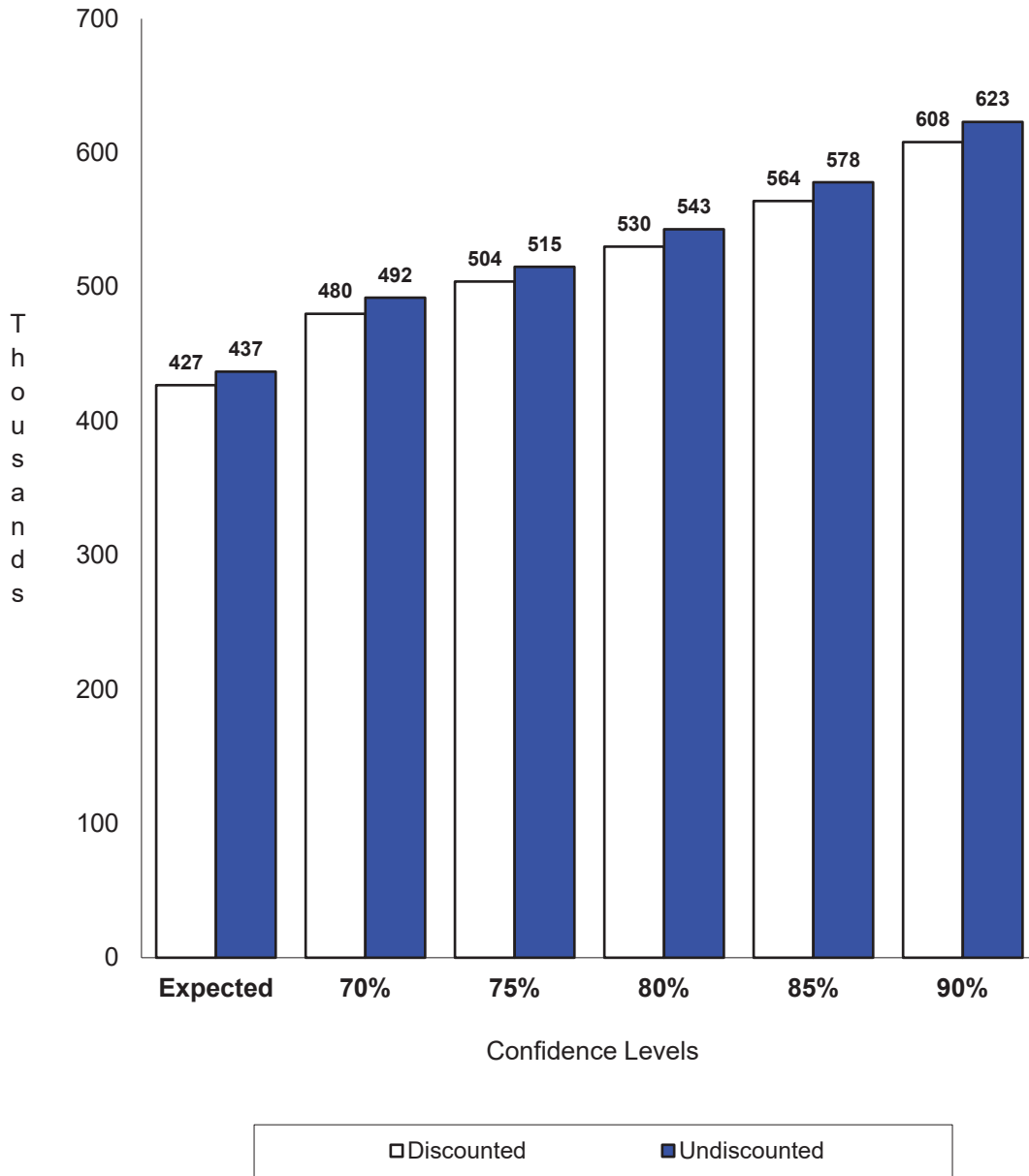
Our best estimate of the full value of SCORE's liability for outstanding claims within its self-insured retention (SIR) as of June 30, 2021 is \$437,000 for the banking layer and \$4,802,000 for the shared layer, for a total of \$5,239,000. This amount includes losses, allocated loss adjustment expenses (ALAE) and unallocated loss adjustment expenses (ULAE), but excludes 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.

SCORE 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 7.3% if the program is funded within the range indicated in the graphs, resulting in a discounted liability for outstanding claims of \$427,000 for the banking layer and \$4,430,000 for the shared layer for a total of \$4,857,000 as of June 30, 2021.

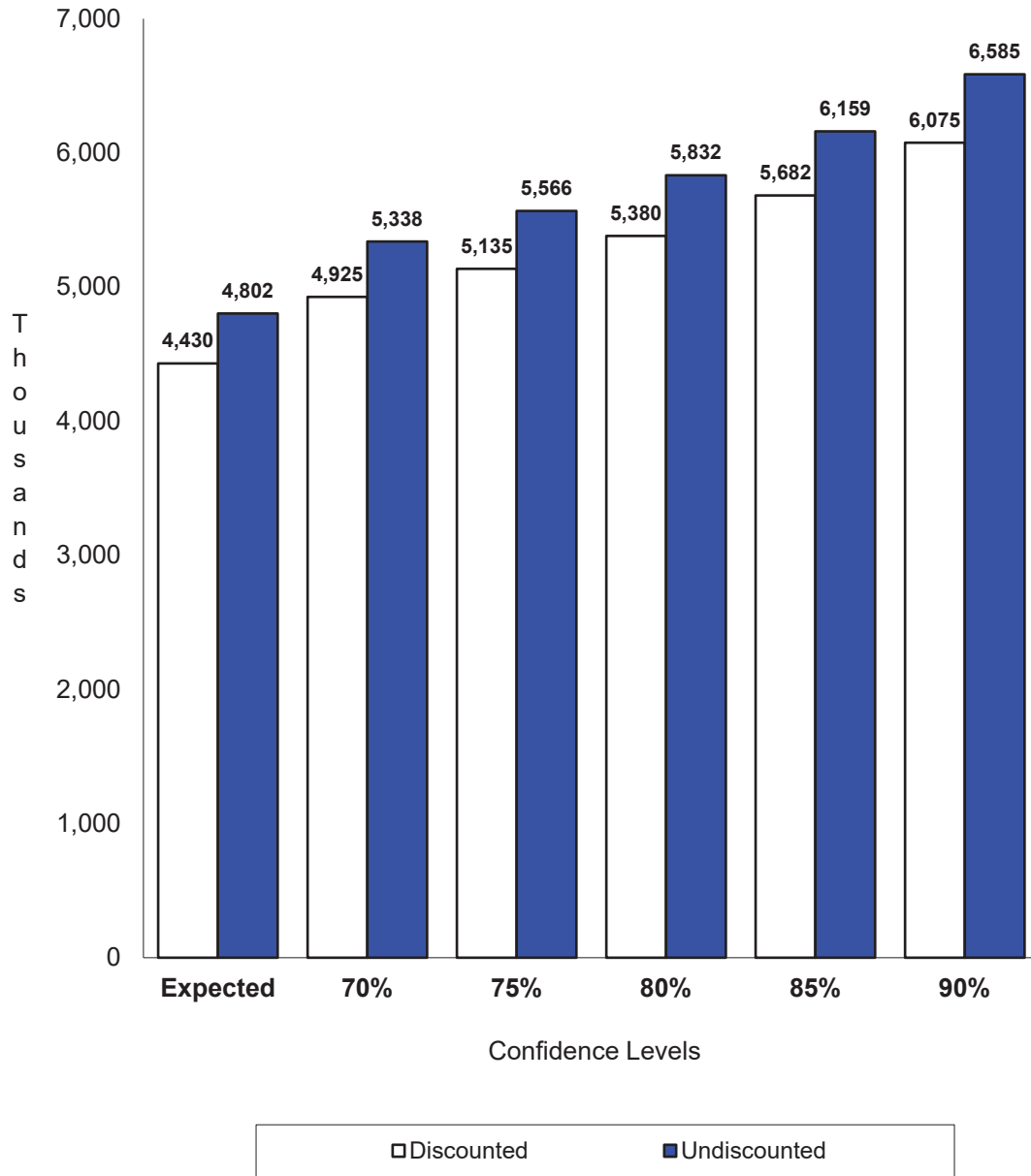
Investment income earnings will be less than this when the program does not maintain sufficient funding, and more when there is excess funding. Thus, thinking in terms of liabilities discounted for investment income can actually mask funding deficiencies and redundancies that might otherwise be obvious.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

SCORE - Workers' Compensation
Outstanding Liability (\$000's)
at June 30, 2021
Banking Layer

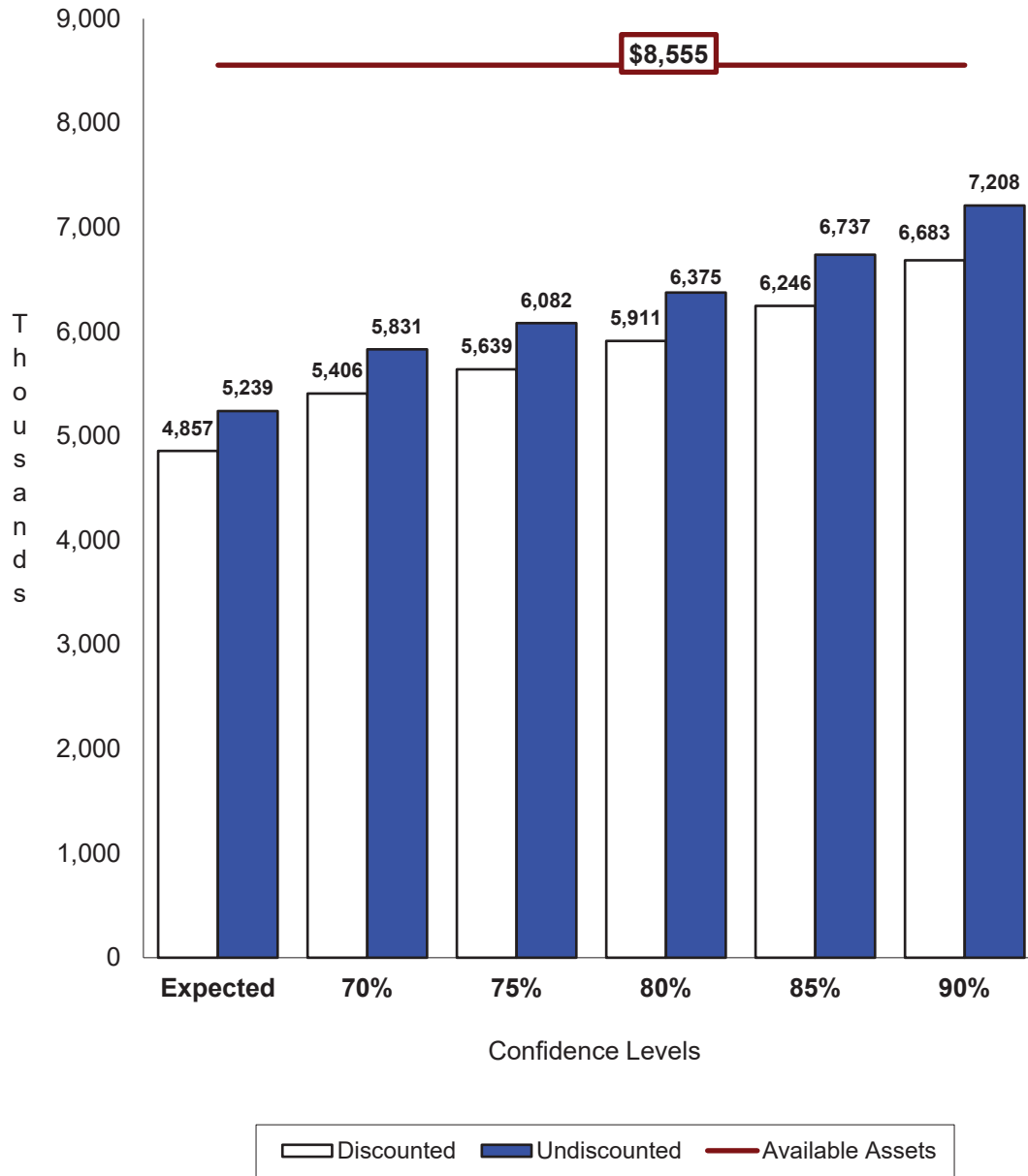


Graph 1b

SCORE - Workers' Compensation
Outstanding Liability (\$000's)
at June 30, 2021
Shared layer



SCORE - Workers' Compensation
Available Assets vs Outstanding Liability (\$000's)
at June 30, 2021
Combined



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, 2021, before recognition of investment income.

Small Cities Organized Risk Effort
Self-Insured Workers' Compensation Program – Combined
Estimated Liability for Unpaid Loss and LAE at June 30, 2021

Year	Case Reserves	IBNR Reserves	Total Outstanding
Prior	\$27,401	\$33,013	\$60,414
2000-01	53,430	391	53,821
2001-02	36,161	9,406	45,567
2002-03	0	0	0
2003-04	58,499	10,710	69,209
2004-05	56,814	16,641	73,455
2005-06	0	0	0
2006-07	23,171	17,156	40,327
2007-08	8,154	28,498	36,652
2008-09	0	0	0
2009-10	0	0	0
2010-11	4,220	42,538	46,758
2011-12	103,909	65,054	168,963
2012-13	20,806	71,044	91,850
2013-14	0	0	0
2014-15	84,288	138,997	223,285
2015-16	211,307	160,055	371,362
2016-17	48,157	250,919	299,076
2017-18	401,996	264,164	666,160
2018-19	521,222	237,920	759,142
2019-20	179,947	533,425	713,372
2020-21	202,836	933,014	1,135,850
Loss and ALAE	\$2,042,318	\$2,812,945	\$4,855,263
ULAE		383,410	383,410
Total	\$2,042,318	\$3,196,355	\$5,238,673

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 SCORE.

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, SCORE'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.

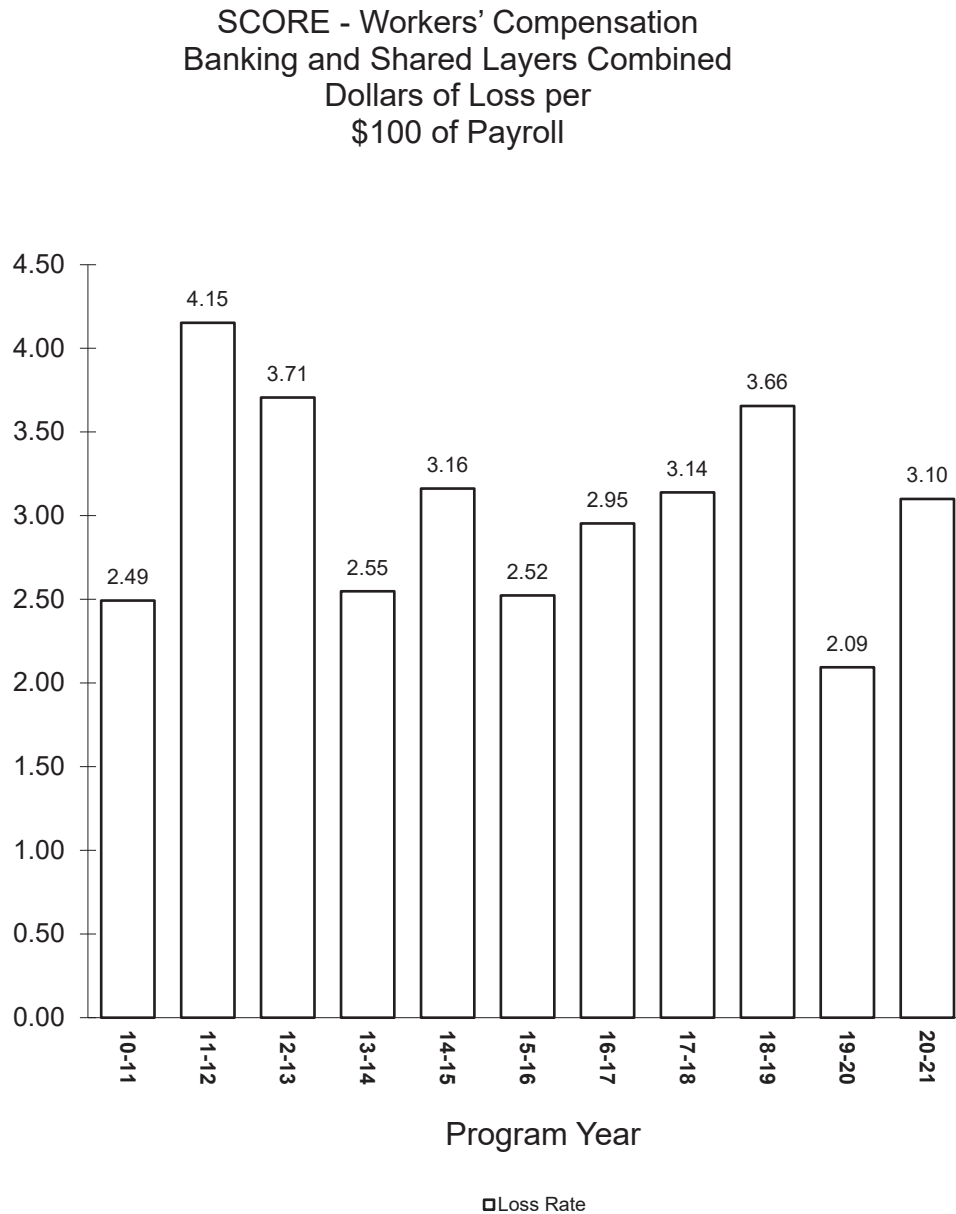
In general, we recommend funding each year's claims costs in that year. When surpluses or deficits have developed on outstanding liabilities and funding adjustments are necessary, they should be clearly identified as such so that the habit of funding each year's claims costs that year is maintained. 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 \$8,555,000 at June 30, 2021, resulting in the program being funded above the 90% confidence level on a combined basis.

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 during most recent seven years. We selected a loss rate of \$3.10 per \$100 of payroll for the 2020-21 program year based on the assumption that this trend will continue. See Graph 2a below.

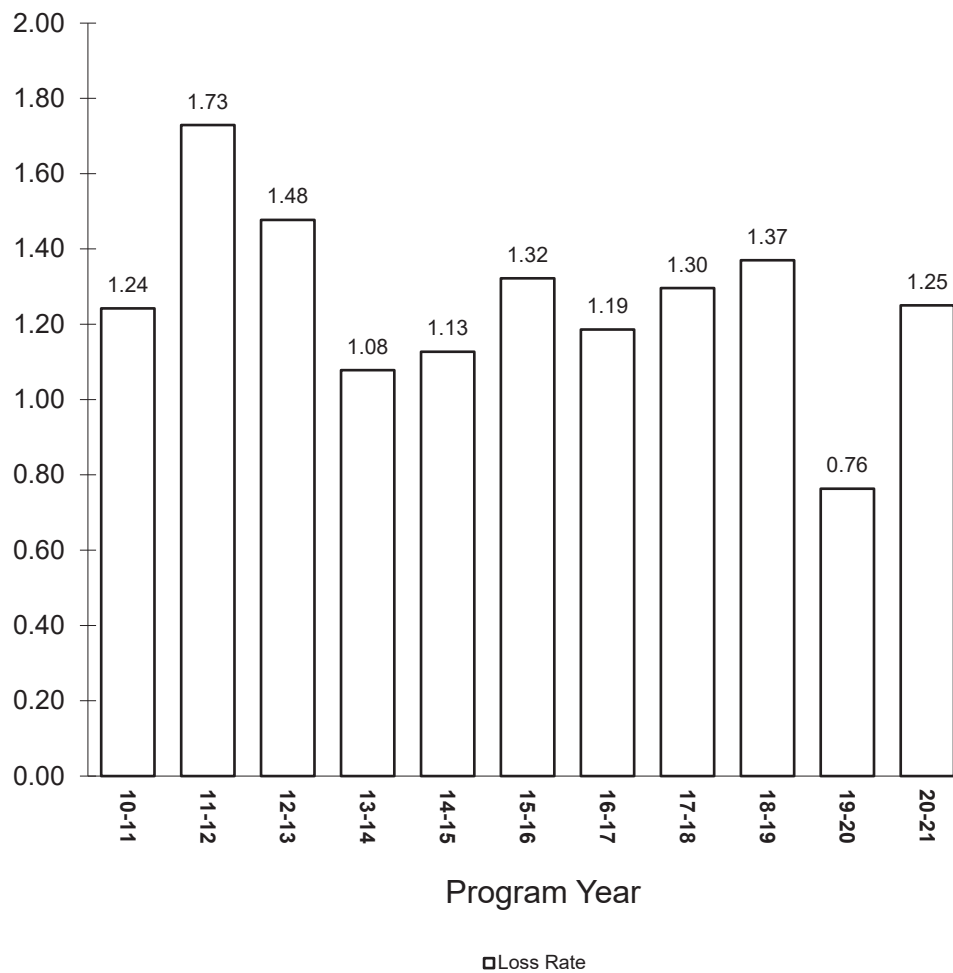
Graph 2a



The banking layer loss rate per \$100 payroll has been increasing overall during most recent seven years. Our projected 2020-21 loss rate of \$1.25 per \$100 of payroll reflects this trend. See Graph 2b below.

Graph 2b

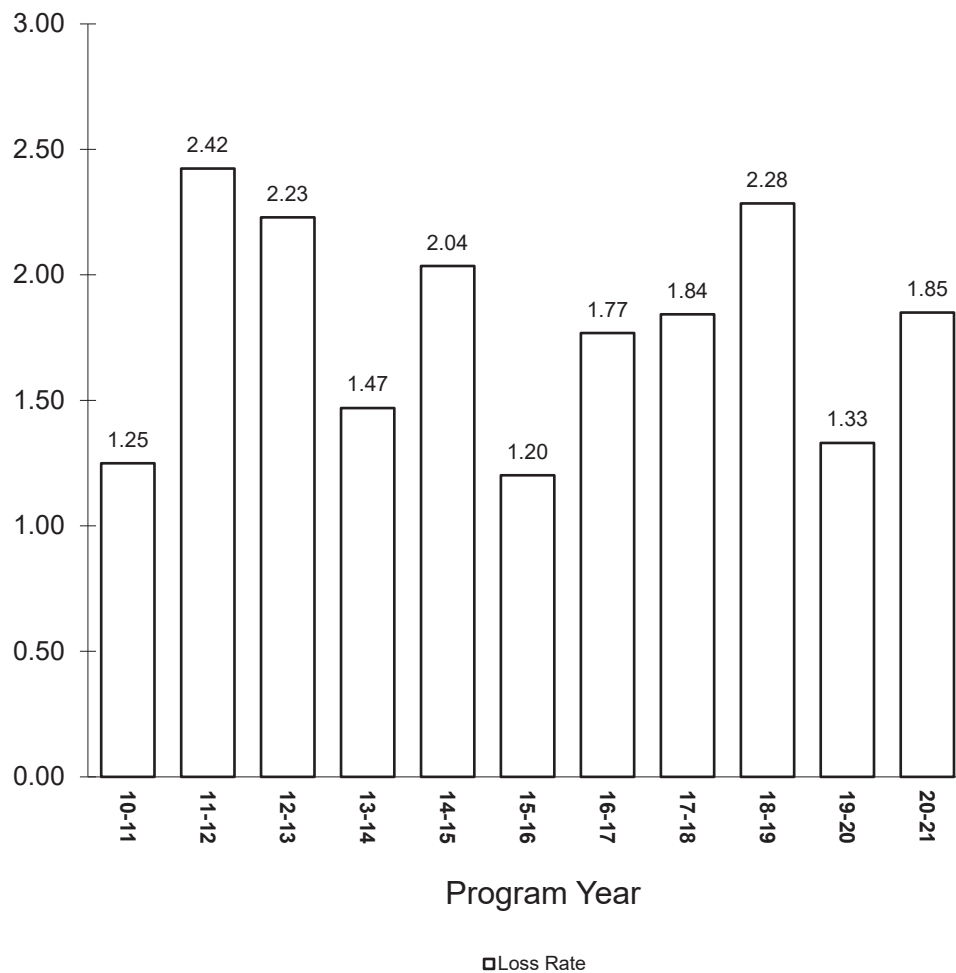
SCORE - Workers' Compensation
Banking Layer
Dollars of Loss per
\$100 of Payroll



The shared layer loss rate has varied over the last ten years, typical for excess layers losses. Overall rates appear to follow an increasing trend in the most recent seven years. We projected 2020-21 loss rate of \$1.85 based on this recent trend. See Graph 2c below.

Graph 2c

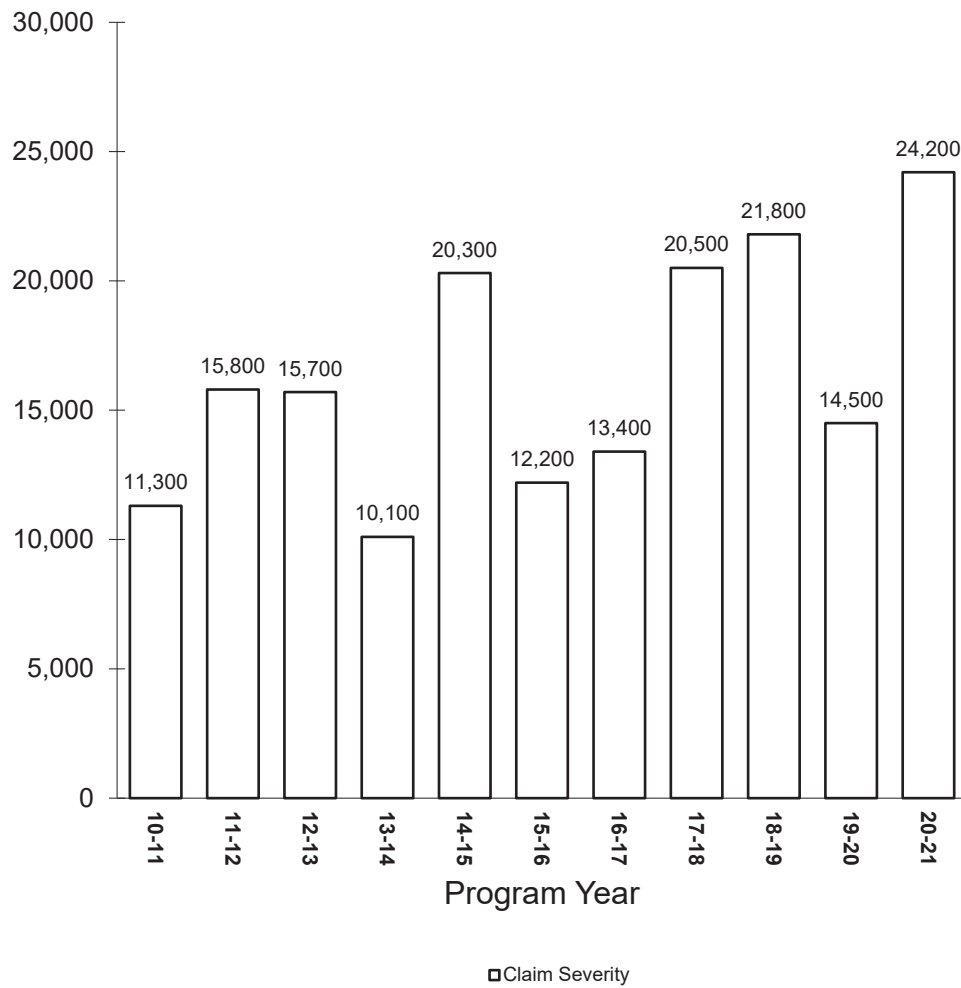
SCORE - Workers' Compensation
Shared Layer
Dollars of Loss per
\$100 of Payroll



The program's average cost per claim has been following a generally increasing trend over the past ten years. Our projected 2020-21 average cost of \$24,200 per claim reflects this trend. See Graph 3a below.

Graph 3a

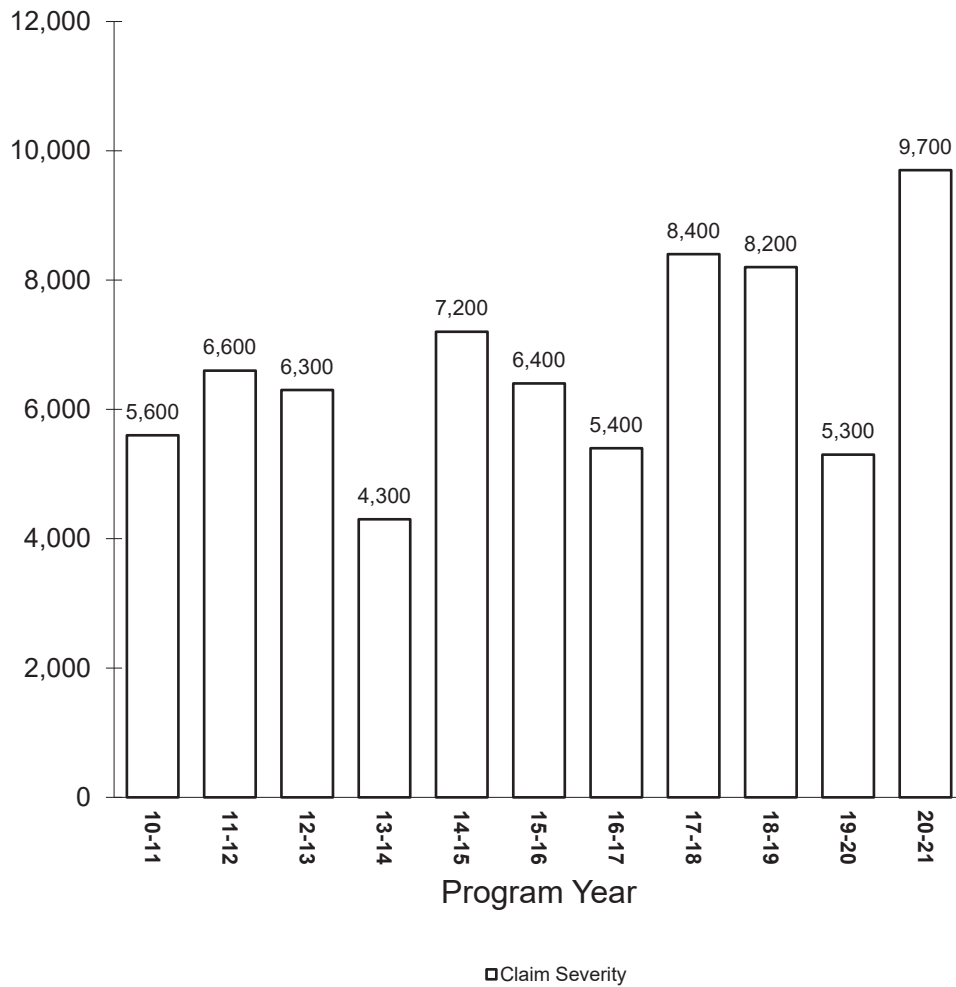
SCORE - Workers' Compensation
Banking and Shared Layers Combined
Dollars of Loss per Claim



The banking layer's average cost per claim has been increasing overall since 2010-11. Our projected 2020-21 average cost is \$9,700. See Graph 3b below.

Graph 3b

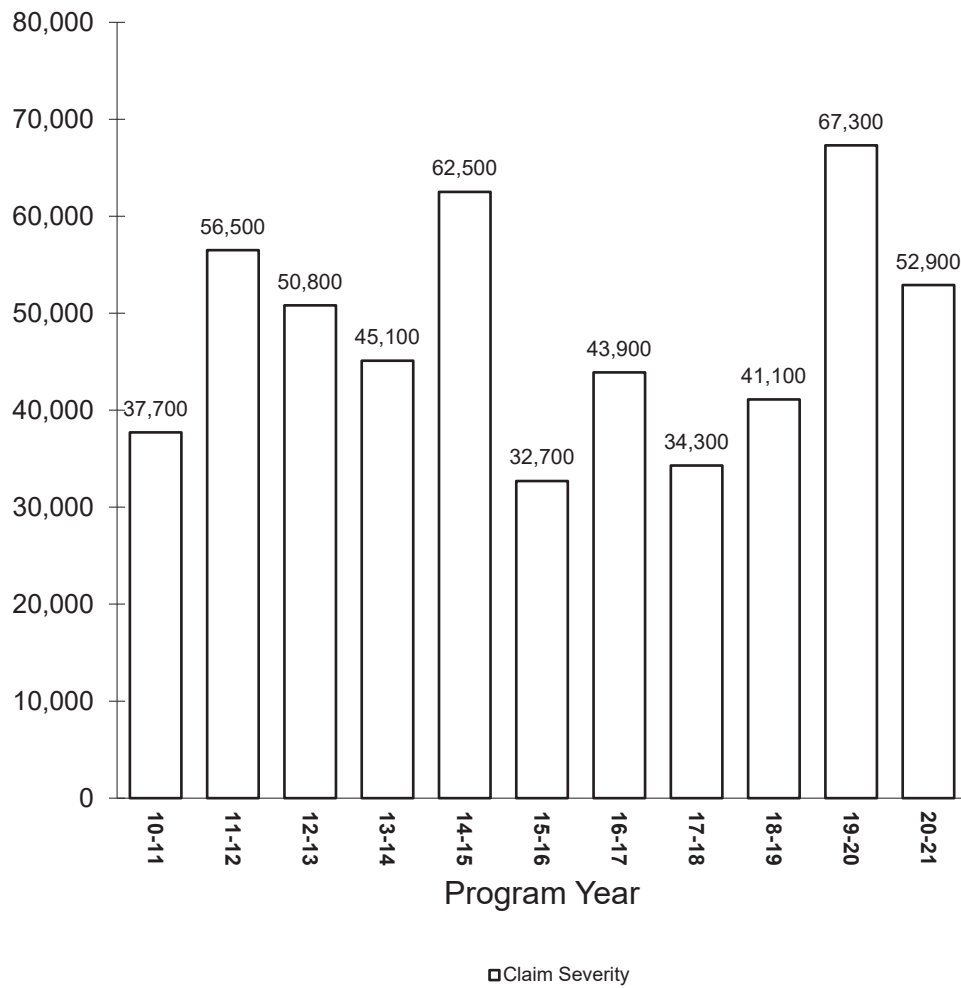
SCORE - Workers' Compensation
Banking Layer
Dollars of Loss per Claim



The shared layer average cost per claim has been volatile over the period shown below. We project the 2020-21 shared layer severity to be \$52,900 per claim. See Graph 3c below.

Graph 3c

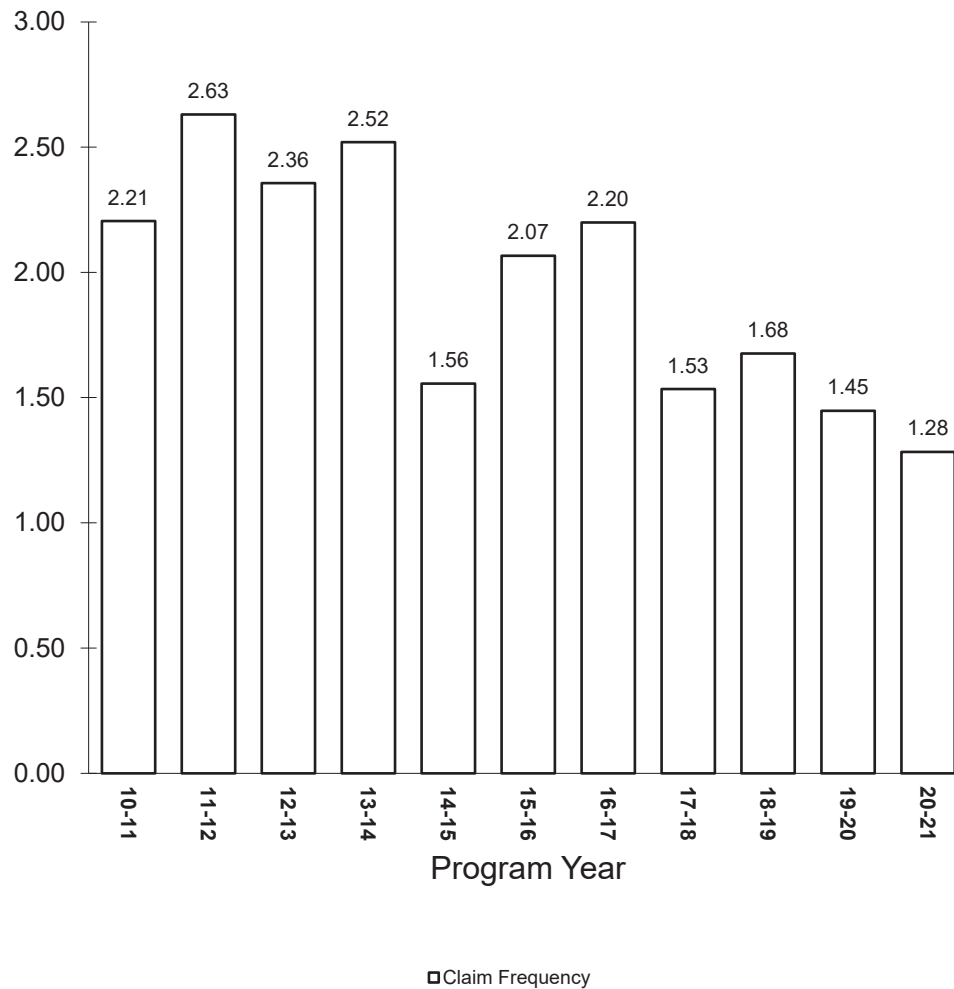
SCORE - Workers' Compensation
Shared Layer
Dollars of Loss per Claim



The program's frequency of claims per \$1 million payroll has been generally trending downward. The projected 2020-21 frequency of 1.28 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

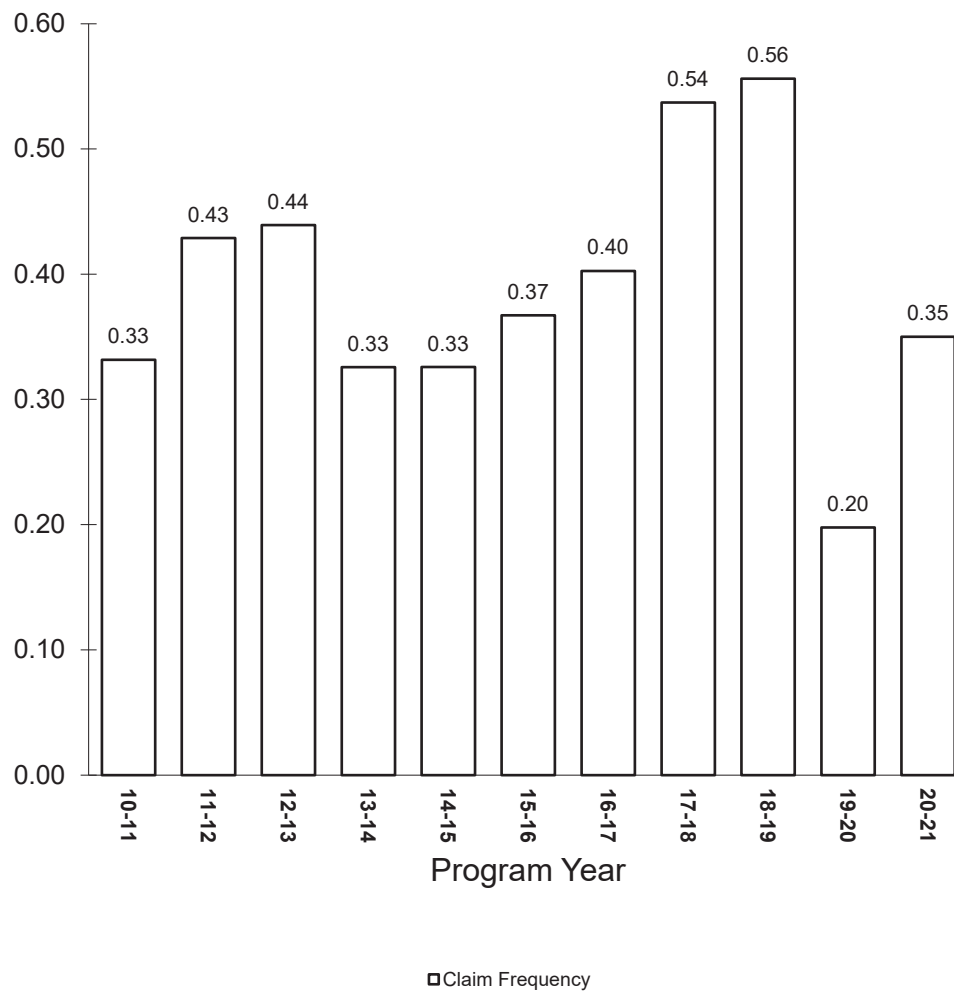
SCORE - Workers' Compensation
Banking and Shared Layers Combined
Number of Claims per
\$1 Million of Payroll



The shared layer frequency of claims per \$1 million payroll has been 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 2020-21 shared layer frequency to be 0.35 claims per \$1M payroll. See Graph 4b below.

Graph 4b

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



D. COMPARISON WITH PREVIOUS RESULTS

The prior report for the Small Cities Organized Risk Effort was dated March 17, 2020. In the table below we display actual versus expected development of incurred losses and ALAE by accident year between the December 31, 2019 evaluation date of the prior report and the December 31, 2020 evaluation date of the current report.

Actual Versus Expected Incurred Loss and ALAE Development – Combined

Net of 4850 SC

Accident Year	Expected Incurred Development	Actual Incurred Development	Actual Minus Expected
Prior	\$9,000	(\$77,000)	(\$86,000)
2000-01	1,000	24,000	24,000
2001-02	4,000	0	(4,000)
2002-03	0	0	0
2003-04	3,000	48,000	45,000
2004-05	4,000	0	(4,000)
2005-06	0	0	0
2006-07	4,000	0	(4,000)
2007-08	0	0	0
2008-09	0	0	0
2009-10	0	0	0
2010-11	0	0	0
2011-12	11,000	0	(11,000)
2012-13	13,000	0	(13,000)
2013-14	46,000	(14,000)	(60,000)
2014-15	28,000	(22,000)	(50,000)
2015-16	40,000	176,000	136,000
2016-17	61,000	(37,000)	(98,000)
2017-18	68,000	(38,000)	(107,000)
2018-19	70,000	67,000	(3,000)
2019-20	480,000	117,000	(363,000)
2020-21	275,000	83,000	(192,000)
Total	\$1,116,000	\$327,000	(\$789,000)

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 \$1,116,000 between the two evaluation dates. However, actual development was approximately \$327,000; or about \$789,000 less than expected. Most accident years have developed lower than expected.

In the table below we display actual versus expected development of paid losses and ALAE by accident year between the December 31, 2019 evaluation date of the prior report and the December 31, 2020 evaluation date of the current report.

Actual Versus Expected Paid Loss and ALAE Development – Combined

Net of 4850 SC

Accident Year	Expected Paid Development	Actual Paid Development	Actual Minus Expected
Prior	\$20,000	\$3,000	(\$17,000)
2000-01	5,000	0	(5,000)
2001-02	7,000	(4,000)	(10,000)
2002-03	0	0	0
2003-04	4,000	11,000	7,000
2004-05	9,000	1,000	(8,000)
2005-06	0	0	0
2006-07	4,000	(2,000)	(6,000)
2007-08	0	(7,000)	(7,000)
2008-09	0	0	0
2009-10	0	0	0
2010-11	0	(3,000)	(3,000)
2011-12	20,000	0	(19,000)
2012-13	14,000	1,000	(13,000)
2013-14	58,000	27,000	(31,000)
2014-15	39,000	20,000	(19,000)
2015-16	54,000	83,000	30,000
2016-17	74,000	31,000	(43,000)
2017-18	162,000	47,000	(116,000)
2018-19	217,000	201,000	(16,000)
2019-20	289,000	96,000	(193,000)
2020-21	42,000	11,000	(31,000)
Total	\$1,017,000	\$516,000	(\$501,000)

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 \$1,017,000 between the two evaluation dates. However, actual development was approximately \$516,000; or about \$501,000 less than expected. Similar to the incurred loss development, most accident years have developed lower 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 – Combined

Net of 4850 SC

Accident Year	Prior Report	Current Report	Change In Ultimate
Prior	\$5,406,000	\$5,331,000	(\$75,000)
2000-01	378,000	400,000	22,000
2001-02	1,155,000	1,151,000	(4,000)
2002-03	1,067,000	1,067,000	0
2003-04	730,000	775,000	45,000
2004-05	977,000	973,000	(4,000)
2005-06	320,000	320,000	0
2006-07	657,000	652,000	(5,000)
2007-08	799,000	831,000	32,000
2008-09	599,000	599,000	0
2009-10	801,000	801,000	0
2010-11	718,000	764,000	46,000
2011-12	1,005,000	995,000	(10,000)
2012-13	916,000	901,000	(15,000)
2013-14	691,000	563,000	(128,000)
2014-15	926,000	877,000	(49,000)
2015-16	654,000	770,000	116,000
2016-17	1,097,000	1,002,000	(95,000)
2017-18	1,249,000	1,137,000	(112,000)
2018-19	1,383,000	1,381,000	(2,000)
2019-20	1,286,000	936,000	(350,000)
2020-21	1,391,000	1,295,000	(96,000)
Total	\$24,205,000	\$23,520,000	(\$686,000)

As shown, overall we have decreased our estimated ultimate losses by \$686,000 since our prior report. The changes in our estimates of ultimate losses take into account both the incurred and paid development listed on the previous two pages.

At the time of the prior report, we estimated the liability for outstanding claims as of June 30, 2020 to be \$4,549,000 at the discounted, expected level. Our current estimate as of June 30, 2021, is \$4,857,000, an increase in our assessment of SCORE's outstanding liabilities, as shown below:

Outstanding Claim Liabilities for Loss and LAE – Combined

Net of 4850 SC

	Prior Report at June 30, 2020	Current Report at June 30, 2021	Change
(A) Case Reserves:	\$2,172,000	\$2,042,000	(\$130,000)
(B) IBNR Reserves:	2,473,000	2,813,000	340,000
(C) Claims Administration (ULAE):	356,000	383,000	27,000
(D) Total Reserves:	\$5,001,000	\$5,239,000	\$238,000
(E) Offset for Investment Income:	(452,000)	(382,000)	70,000
(F) Total Outstanding Claim Liabilities:	\$4,549,000	\$4,857,000	\$308,000

As shown, our estimate of outstanding claims liabilities at the discounted, expected level has increased between June 30, 2020 and June 30, 2021 as reflected in our prior and current reports respectively.

The increase in claim reserves (case and IBNR) is driven primarily by the addition of the most recent accident year. The ultimate losses in the most recent years are greater than ultimate losses for older years, resulting in growth in IBNR. Reserves for future claims administration expenses have increased, resulting in a \$238,000 increase in total claim reserves. The offset for investment income is expected to be smaller. The net change due to the above factors is an overall increase of \$308,000 in our estimate of outstanding claim liabilities for loss and LAE.

At the time of the prior report, our funding estimate for the 2020-21 year was \$1,283,000 at the discounted, expected level. That amount included allocated loss adjustment expenses (ALAE) and a discount for anticipated investment income. Our current estimate for the 2021-22 year is \$1,264,000 at the discounted, expected level, a decrease in the program's expected loss costs, as shown in the table below:

Comparison of Funding for Loss and ALAE – Combined

Net of 4850 SC

	Prior Report 2020-21 SIR = \$250,000	Current Report 2021-22 SIR = \$250,000	Change
(A) Ultimate Loss and ALAE:	\$1,391,000	\$1,371,000	(\$20,000)
(B) Ultimate Claims Administration (ULAE):	0	0	0
(C) Total Claim Costs:	\$1,391,000	\$1,371,000	(\$20,000)
(D) Offset for Investment Income:	(108,000)	(107,000)	1,000
(E) Total Recommended Funding:	\$1,283,000	\$1,264,000	(\$19,000)
(F) Funding per \$100 of Payroll:	\$4.897	\$4.675	(\$0.222)

As you can see, our funding recommendations at the discounted, expected level have decreased between 2020-21 and 2021-22, as shown in our prior and current reports respectively.

Our estimates of ultimate loss and ALAE have decreased by \$20,000, driven by less than expected loss experience in the most recent accident years, as previously discussed, partially offset by an increase in the projected payroll. This decrease in loss estimate leads to a slightly smaller offset for investment income. The net change due to the above factors is an overall decrease of \$19,000 in our annual funding estimate for loss and ALAE.

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 \$250,000 per occurrence for 2020-21 and 2021-22 (See Appendix BL-J or SIR-J).
- We estimated the June 30, 2021 asset balance by beginning with the June 30, 2020 asset balance, and adjusting for anticipated revenue and expense for 2020-21 (see Appendix SIR-K).
- We received loss data evaluated as of December 31, 2020 (See Appendix BL-L or SIR-L). We also utilized the data from SCORE's most recent actuarial study for our assessment of loss development.
- Please note that the estimates contained in this report do not include costs for 4850 SC (salary continuation), but do include 4850 TD (temporary disability).
- We have assumed that SCORE's payroll for 2021-22 will be \$28,594,985 based upon information provided by SCORE (See Appendix BL-M or SIR-M).
- We have calculated funding rates using 2020 DE-9 payroll of \$26,243,812 increased by 3%, or \$27,031,127, since that is used as the rating base for the 2021-22 premiums.
- The estimates in this report do not include a provision for the potential impact on the cost of workers' compensation claims as a result of the coronavirus (COVID-19) pandemic.

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 SCORE. 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 entity workers' compensation 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 similar workers' compensation programs in the aggregate form a reasonable basis of comparison to the patterns from the Small Cities Organized Risk Effort's data.
- We have made use of cost relationships for claims of various sizes derived from the most recent actuarial review of similar workers' compensation programs.
- 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.

DRAFT

- We have assumed that the loss rate trend associated with claim costs remain unchanged from year to year. We have assumed that claim severity increases at 2.0% per year, and that claim frequency decreases at 2.0% 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 SCORE.
- Our funding recommendations do not include provisions for catastrophic events not in SCORE'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 SCORE's excess coverage.
- SCORE's assets available for the program are estimated to be \$8,555,000 as of June 30, 2021 for use in this report. This is shown in further detail in Appendix SIR-K.

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.)



**Small Cities Organized Risk Effort
Board of Directors Meeting
March 26, 2021**

Agenda Item G.2.

QUARTERLY FINANCIALS FOR QE DECEMBER 31, 2020

ACTION ITEM

ISSUE: The Board of Directors receives a quarterly report on the financial status of SCORE. Gilbert Associates will present SCORE's Financials for Quarter ending December 31, 2020 to the Board of Directors for their review.

RECOMMENDATION: Receive and file the Quarterly Financials as presented.

FISCAL IMPACT: Net revenues are \$437,929 for the first six months of the fiscal year, resulting in a total Net Position of \$9.5M. The Liability Program has a Net Position of \$6.2M and Workers' Compensation is at \$3.2M. Revenues are slightly higher than budgeted while total expenses are slightly under budget at (-\$38,549).

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

ATTACHMENT(S): Quarterly Financial Reports as of 12/31/20

Small Cities Organied Risk Effort
Statement of Net Position
As of December 30, 2020 and December 30, 2019

	Dec 30, '20	Dec 30, '19
ASSETS		
Current Assets		
Checking/Savings		
Mechanics Bank - General	\$ 228,050.87	\$ 488,709.42
Mechanics Bank Claims Accounts		
Mechanics Bank - Liability	39,992.82	40,000.37
Mechanics Bank - Workers' Comp	29,907.44	35,580.64
LAIF	4,248,039.20	2,704,621.61
Petty Cash		
Total Checking/Savings	4,545,990.33	3,268,912.04
Other Current Assets		
Chandler Investments		
Chandler - Investments	1,380,949.20	945,672.31
Chandler - Unrealized Gain (Loss)	14,977.31	4,577.40
US Bank	30,580.59	37,369.21
Total Chandler - Investment Account	1,426,507.10	987,618.92
Due from Members - Adj Premiums	-	-
Interest Receivable	61,370.97	69,639.03
Member Accounts Receivable	281,881.20	192,906.54
Claim Recovery Receivable	392,594.36	513,457.78
Prepaid Insurance	776,353.47	632,599.85
Prepaid Administration	136,921.00	134,486.50
Prepaid Expenses	38,489.60	37,081.46
Total Other Current Assets	3,114,117.70	2,567,790.08
Total Current Assets	7,660,108.03	5,836,702.12
Noncurrent Assets		
Chandler Investments		
Chandler - Investments	10,419,785.57	10,590,448.57
Chandler - Unrealized Gain (Loss)	392,461.33	162,100.91
Total Chandler - Investment Account	10,812,246.90	10,752,549.48
TOTAL ASSETS	\$ 18,472,354.93	\$ 16,589,251.60

Small Cities Organied Risk Effort
Statement of Net Position
As of December 30, 2020 and December 30, 2019

	Dec 30, '20	Dec 30, '19
LIABILITIES		
Current Liabilities		
Accounts Payable	1,612.74	63,081.24
LAWCX	12,959.00	12,959.00
Deferred Income	1,090,577.43	1,002,320.63
Dividend Payable to Members	5,835.00	5,835.00
 Claims Reserves - Current		
Claims Reserves - W/C	862,789.00	851,458.00
Claims Reserves - Liability	587,039.00	360,690.00
Total Claims Payable - Current	1,449,828.00	1,212,148.00
 IBNR - Current		
IBNR Reserves - W/C	-	-
IBNR Reserves - Liability	-	-
Total IBNR	-	-
Total Current Liabilities	2,560,812.17	2,296,343.87
 Long Term Liabilities		
LAWCX	90,716.00	103,675.00
Claims Reserves - Non-Current		
Claims Reserves - W/C	1,116,602.78	1,335,371.95
Claims Reserves - Liability	345,136.63	528,739.98
Total Claims Payable - Non-Current	1,461,739.41	1,864,111.93
 IBNR		
IBNR Reserves - W/C	3,272,746.64	2,517,568.38
IBNR Reserves - Liability	1,078,207.83	572,473.25
Total IBNR	4,350,954.47	3,090,041.63
 ULAE		
ULAE - W/C	362,000.00	345,000.00
ULAE - Liability	147,000.00	118,000.00
Total ULAE	509,000.00	463,000.00
Total Long Term Liabilities	6,412,409.88	5,520,828.56
Total Liabilities	8,973,222.05	7,817,172.43
NET POSITION		
Net Position - Workers' Compensation		
Board Designated - W/C	1,250,000.00	1,250,000.00
Workers' Compensation Banking Layer	1,244,991.91	1,100,879.32
Net Position - Liability		
Board Designated - Liability	2,500,000.00	2,500,000.00
Liability Banking Layer	1,203,749.33	1,421,071.01
Undesignated Net Position		
Unrestricted	2,862,462.14	2,234,292.03
Net Revenues Over (Under) Expenditures	437,929.50	265,836.81
Total Net Position	\$ 9,499,132.88	\$ 8,772,079.17

Small Cities Organied Risk Effort
Statement of Revenue, Expenses and Changes in Net Position
For the Quarter and Year to Date Ended December 30, 2020 and December 30, 2019

	<u>Oct '20 - Dec '20</u>	<u>Jul '20 - Dec '20</u>	<u>Jul '19 - Dec '19</u>
Ordinary Revenue			
Revenue			
Member Contributions	\$ 1,264,452.52	\$ 2,558,668.83	\$ 2,275,193.88
Member Assessment/Refunds	-	-	3,030.83
Bank/LAIF Interest	6,208.17	11,985.43	25,583.56
Managed Portfolio	57,188.70	117,273.13	122,018.39
Miscellaneous Income	2,175.62	3,472.66	-
Total Operating Revenue	<u>1,330,025.01</u>	<u>2,691,400.05</u>	<u>2,425,826.66</u>
Operating Expenses			
General and Administrative Expenses			
Bank Service Charges	45.00	70.00	69.52
Accreditation Fee	-	-	-
Cash Over/Short	-	-	-
Conference	-	-	-
Dues & Subscriptions	1,500.00	1,500.00	-
ID Fraud Coverage	877.37	1,754.74	1,833.36
Insurance - EE Dishonesty & Bonds	288.75	577.50	550.00
Meeting Expense	538.28	1,420.70	12,775.08
Member Conference Reimbursement	-	-	623.64
Miscellaneous Expenses	100.00	100.00	-
Office Supplies	-	-	-
Safety Services	26,250.00	52,500.00	52,500.00
Safety Training	13,571.39	26,933.15	26,312.52
Treasury Services (Fort Jones)	-	-	-
User Funding Assessment (WC)	24,205.32	24,205.32	-
Total Administration	<u>67,376.11</u>	<u>109,061.41</u>	<u>94,664.12</u>
Board Meeting/Travel			
Consulting Services			
Accounting Services	15,220.54	30,453.86	29,498.26
Actuarial Study	-	-	-
Administration Costs	68,460.50	136,921.00	134,236.50
Appraisal Services	-	-	-
Audit Services			
Claims Audit	-	-	-
Audit - Financial	4,500.00	13,000.00	19,000.00
Total Audit Services	<u>4,500.00</u>	<u>13,000.00</u>	<u>19,000.00</u>
Claims Services			
Claims Management -WC	25,888.74	51,777.48	51,264.96
Claims Management - Liability	20,288.01	40,576.02	50,719.98
Consulting Services	-	-	-
TPA - Annual Fees	-	-	-
Total Claims Services	<u>46,176.75</u>	<u>92,353.50</u>	<u>101,984.94</u>
Contract Services			
Investment Fees	3,993.70	7,890.12	7,647.63
Legal	-	480.00	1,685.34
Total Consulting Services	<u>138,351.49</u>	<u>281,098.48</u>	<u>294,052.67</u>
Total General and Administrative Expenses	<u>205,727.60</u>	<u>390,159.89</u>	<u>388,716.79</u>
Insurance Expenses			
Workers' Compensation	90,415.25	180,830.50	166,551.50
Combined GL/AL Excess	73,503.25	147,006.50	107,055.00
Property Coverage	186,036.48	372,072.96	305,424.88
Insurance Premiums	37,069.75	72,987.50	52,416.50
Total Insurance Expenses	<u>387,024.73</u>	<u>772,897.46</u>	<u>631,447.88</u>
Claims Expenses			
Claims Payments			
Claim Payments - WC	64,377.81	249,428.56	420,032.62
Claim Payments - Liability	39,165.20	65,722.93	52,043.30
Total Claim Payments	<u>103,543.01</u>	<u>315,151.49</u>	<u>472,075.92</u>
Changes in Claims Liabilities			
Change in Reserves	174,162.01	184,703.58	798,947.35

Small Cities Organied Risk Effort
Statement of Revenue, Expenses and Changes in Net Position
For the Quarter and Year to Date Ended December 30, 2020 and December 30, 2019

	<u>Oct '20 - Dec '20</u>	<u>Jul '20 - Dec '20</u>	<u>Jul '19 -Dec '19</u>
Changes in IBNR	134,018.95	465,100.79	(182,321.56)
Changes in ULAE	25,000.00	42,000.00	72,000.00
Total Change in Claims Liabilities	<u>333,180.96</u>	<u>691,804.37</u>	<u>688,625.79</u>
Total Claims Expenses	436,723.97	1,006,955.86	1,160,701.71
Grant Fund Program	14,453.22	24,443.77	17,984.26
Dividends	-	-	-
General Contingency	-	-	-
Total Expenses	<u>1,043,929.52</u>	<u>2,194,456.98</u>	<u>2,198,850.64</u>
Net Operating Revenue	286,095.49	496,943.07	226,976.02
Other Revenue (Expense)			
ERMA Dividend Exp	13,744.00	-	-
Investment Gain/Loss	(32,515.67)	(59,013.57)	38,860.79
Net Revenue Over (Under) Expenses	<u>\$ 267,323.82</u>	<u>\$ 437,929.50</u>	<u>\$ 265,836.81</u>
Net Position, Beginning		<u>\$ 9,061,203.38</u>	<u>\$ 8,506,242.36</u>
Net Position Ending		<u>\$ 9,499,132.88</u>	<u>\$ 8,772,079.17</u>

Small Cities Organized Risk Effort
Combining Statement of Net Position
As Of December 30, 2020

ASSETS	<u>Liability</u>	<u>Workers' Compensation</u>	<u>Other Programs</u>	<u>Total</u>
Current Assets				
Cash & Equivalents	2,320,300	2,247,369	8,902	4,576,571
Accrued Interest	31,053	30,197	121	61,371
Contributions Receivable	240,210	13,786	27,886	281,886
Investments	706,318	686,851	2,757	1,395,926
Other Receivable	31,192	361,402	-	392,594
Prepaid Assets	215,601	285,314	450,849	951,764
Total Current Assets	<u>3,544,675</u>	<u>3,624,918</u>	<u>490,515</u>	<u>7,660,108</u>
Noncurrent Assets				
Investments	5,470,834	5,320,055	21,357	10,812,247
Total Noncurrent Assets	<u>5,470,834</u>	<u>5,320,055</u>	<u>21,357</u>	<u>10,812,247</u>
Total Assets	<u>9,015,509</u>	<u>8,944,973</u>	<u>511,872</u>	<u>18,472,355</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	500	13,991	81	14,572
Dividend Payable	5,835	-	-	5,835
Deferred Revenue	651,438	-	439,139	1,090,577
Claims Reserves	587,039	862,789	-	1,449,828
Total Current Liabilities	<u>1,244,812</u>	<u>876,780</u>	<u>439,220</u>	<u>2,560,812</u>
Noncurrent Liabilities				
LAWCX	-	90,716	-	90,716
Unpaid Claims and Claims Adjustments	1,570,344	4,751,349	-	6,321,694
Total Noncurrent Liabilities	<u>1,570,344</u>	<u>4,842,065</u>	<u>-</u>	<u>6,412,410</u>
Total Liabilities	<u>2,815,157</u>	<u>5,718,846</u>	<u>439,220</u>	<u>8,973,222</u>
NET POSITION	<u>6,200,347</u>	<u>3,226,133</u>	<u>72,652</u>	<u>9,499,133</u>

Small Cities Organized Risk Effort
Combining Statement of Revenues, Expenses, and Changes in Net Position
For The Year To Date Ended December 30, 2020

REVENUES:	Liability	Workers' Compensation	EPLI, EAP, & Property (Other Programs)	Total
Contributions	866,617	1,252,912	439,139	2,558,669
Other Income	3,473			3,473
Member Assessments	-	-	-	-
Other Income	-	-	-	-
Investment Income	65,403	63,856	-	129,259
Miscellaneous Income	-	-	-	-
Total Revenues	<u>935,493</u>	<u>1,316,768</u>	<u>439,139</u>	<u>2,691,400</u>
 EXPENSES:				
Operating				
Claims Expense	393,803	613,153	-	1,006,956
Excess Insurance	147,007	180,831	445,060	772,897
Program Administration	54,265	82,656	-	136,921
Claims Administration	40,576	51,777	-	92,354
Retro Dividends	-	-	-	-
General and Administrative	89,096	95,656	578	185,329
Total operating expenses	<u>724,746</u>	<u>1,024,073</u>	<u>445,638</u>	<u>2,194,457</u>
Operating Income (Loss)	210,746	292,696	(6,499)	496,943
Nonoperating Income (Loss)				
ERMA Dividend Exp	-	-	-	-
Member Dividends	-	-	-	-
Investment income	(29,860)	(29,154)	-	(59,014)
Net Income (Loss)	180,886	263,542	(6,499)	437,930
Beginning Net Position	<u>6,019,461</u>	<u>2,962,591</u>	<u>79,151</u>	<u>9,061,203</u>
Ending Net Position	<u>6,200,347</u>	<u>3,226,133</u>	<u>72,652</u>	<u>9,499,133</u>

Small Cities Organized Risk Effort
Statement of Revenue, Expenses Budget to Actual
For the Year to Date Ended December 30, 2020

	<u>Jul '20 - Dec '20</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Revenue				
Revenue				
Member Contributions	\$ 2,558,668.83	\$ 2,505,455.00	\$ 53,213.83	102.1%
Bank/LAIF Interest	11,985.43	-	11,985.43	100.0%
Managed Portfolio	117,273.13	-	117,273.13	100.0%
Member Assessments / Refunds	-	-	-	0.0%
Miscellaneous Income	3,472.66	-	3,472.66	100.0%
Total Operating Revenue	<u>2,691,400.05</u>	<u>2,505,455.00</u>	<u>185,945.05</u>	<u>107.4%</u>
Operating Expenses				
Accreditation Fee	-	-	-	0.0%
Bank Service Charges	70.00	250.00	(180.00)	28.0%
Conference	-	-	-	0.0%
Contingency Reserve	-	12,500.00	(12,500.00)	0.0%
Dues & Subscriptions	1,500.00	3,625.00	(2,125.00)	41.4%
Insurance	2,332.24	2,277.50	54.74	102.4%
Member Conference Reimbursement	-	9,500.00	(9,500.00)	0.0%
Meeting Expense	1,420.70	15,425.00	(14,004.30)	9.2%
Miscellaneous Expenses	100.00	500.00	(400.00)	20.0%
Office Supplies	-	-	-	0.0%
Safety Services	52,500.00	55,000.00	(2,500.00)	95.5%
Safety Training	26,933.15	27,352.50	(419.35)	98.5%
Treasury Services (Fort Jones)	-	500.00	(500.00)	0.0%
User Funding Assessment (WC)	24,205.32	18,607.00	5,598.32	130.1%
Total Administration	<u>109,061.41</u>	<u>145,537.00</u>	<u>(36,475.59)</u>	<u>74.9%</u>
Board Meeting/Travel	-	-	-	0.0%
Consulting Services				
Accounting Services	30,453.86	30,360.00	93.86	100.3%
Actuarial Study	-	7,080.00	(7,080.00)	0.0%
Administration Costs	136,921.00	129,578.50	7,342.50	105.7%
Appraisal Services	-	-	-	0.0%
Audit Services	-	-	-	0.0%
Claims Audit	-	1,550.00	(1,550.00)	0.0%
Audit - Financial	13,000.00	11,250.00	1,750.00	115.6%
Total Audit Services	<u>13,000.00</u>	<u>12,800.00</u>	<u>200.00</u>	<u>101.6%</u>
Bookkeeping Services	-	-	-	0.0%
Claims Services	-	-	-	0.0%
Claims Management -WC	51,777.48	51,777.50	(0.02)	100.0%
Claims Management - Liability	40,576.02	40,576.00	0.02	100.0%
TPA - Annual Fees	-	-	-	0.0%
Total Claims Services	<u>92,353.50</u>	<u>92,353.50</u>	<u>-</u>	<u>100.0%</u>
Contract Services	-	-	-	0.0%
Investment Fees	7,890.12	7,250.00	640.12	108.8%
Legal	480.00	3,750.00	(3,270.00)	12.8%
Total Consulting Services	<u>281,098.48</u>	<u>283,172.00</u>	<u>(2,073.52)</u>	<u>99.3%</u>
Total General and Administrative Expenses	<u>390,159.89</u>	<u>428,709.00</u>	<u>(38,549.11)</u>	<u>91.0%</u>
Insurance Expenses				
Workers' Compensation	180,830.50	-	-	-
Combined GL/AL Excess	147,006.50	-	-	-

Small Cities Organized Risk Effort
Statement of Revenue, Expenses Budget to Actual
For the Year to Date Ended December 30, 2020

	<u>Jul '20 - Dec '20</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Property Coverage	372,072.96			
Insurance Premiums	72,987.50			
Total Insurance Expenses	<u>772,897.46</u>	<u>774,049.00</u>	<u>(1,151.54)</u>	<u>99.9%</u>
Claims Expenses				
Claims Payments				
Claim Payments - WC	249,428.56		249,428.56	100.0%
Claim Payments - Liability	65,722.93		65,722.93	100.0%
Total Claim Payments	<u>315,151.49</u>	<u>-</u>	<u>315,151.49</u>	<u>100.0%</u>
Changes in Claims Liabilities				
Change in Reserves	184,703.58	-	184,703.58	100.0%
Changes in IBNR	465,100.79	-	-	100.0%
Changes in ULAE	42,000.00	-	-	100.0%
Total Change in Claims Liabilities	<u>691,804.37</u>	<u>-</u>	<u>184,703.58</u>	<u>100.0%</u>
Change in IBNR	-	-	-	0.0%
Change in ULAE	-	-	-	0.0%
Total Claims Expenses	<u>1,006,955.86</u>	<u>-</u>	<u>499,855.07</u>	<u>100.0%</u>
Grant Fund Program	24,443.77	-	24,443.77	100.0%
Dividends	-	-	-	0.0%
General Contingency				
Total Expenses	<u>2,194,456.98</u>	<u>1,202,758.00</u>	<u>484,598.19</u>	<u>182.5%</u>
Net Operating Revenue	496,943.07	1,302,697.00	(298,653.14)	
Other Revenue (Expense)				
ERMA Dividend Exp	-	-	-	0.0%
Investment Gain/Loss	(59,013.57)	-	(59,013.57)	100.0%
Net Revenue Over (Under) Expenses	<u>\$ 437,929.50</u>	<u>\$ 1,302,697.00</u>	<u>\$ (357,666.71)</u>	

Small Cities Organized Risk Effort
Supplemental Schedule
Workers' Compensation
Banking Layer Equity by Member
July 1, 2020 through December 30, 2020

	<u>*Biggs*</u>	<u>Colfax</u>	<u>Crescent City</u>	<u>Dorris</u>	<u>Dunsmuir</u>	<u>*Etna*</u>	<u>*Fort Jones*</u>
Member Contributions							
Banking Layer Work Comp Contributions	3,746.00	\$ 6,495.50	\$ -	\$ -	\$ 8,607.00	\$ 4,454.50	\$ -
Shared Layer Distributions to Banking							
Total Member Contributions	<u>3,746.00</u>	<u>6,495.50</u>	<u>-</u>	<u>-</u>	<u>8,607.00</u>	<u>4,454.50</u>	<u>-</u>
Total Contributions	<u>3,746.00</u>	<u>6,495.50</u>	<u>-</u>	<u>-</u>	<u>8,607.00</u>	<u>4,454.50</u>	<u>-</u>
Claims Cost							
Banking Layer Incurred Expense	-	641.49	-	-	-	-	(1,708.10)
Total Expenses	<u>-</u>	<u>641.49</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,708.10)</u>
Net Contributions over Expenses	<u><u>3,746.00</u></u>	<u><u>5,854.01</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>8,607.00</u></u>	<u><u>4,454.50</u></u>	<u><u>1,708.10</u></u>
Beginning Banking Layer Equity: July 1, 2020	55,959.76	63,815.54	28,362.54	4,173.21	26,170.43	32,334.18	1,328.33
Prior Year Assessments							
Current Year Assessments							
Distribution (from)/to Banking							
Shared Layer Offset							
Transfers from (to) Liability Banking Layer							
Ending Banking Layer Equity: December 30, 2020	<u><u>\$ 59,705.76</u></u>	<u><u>\$ 69,669.55</u></u>	<u><u>\$ 28,362.54</u></u>	<u><u>\$ 4,173.21</u></u>	<u><u>\$ 34,777.43</u></u>	<u><u>\$ 36,788.68</u></u>	<u><u>\$ 3,036.43</u></u>

Mini Cities

Small Cities Organized Risk Effort
Supplemental Schedule
Workers' Compensation
Banking Layer Equity by Member
July 1, 2020 through December 30, 2020

	<u>Ione</u>	<u>Live Oak</u>	<u>Loomis</u>	<u>*Loyalton*</u>	<u>*Montague*</u>	<u>Mt. Shasta</u>	<u>Portola</u>
Member Contributions							
Banking Layer Work Comp Contributions	\$ -	\$ 9,839.50	\$ 8,638.00	\$ 1,438.00	\$ 3,630.00	\$ 20,427.00	\$ 11,077.00
Shared Layer Distributions to Banking							
Total Member Contributions	<u>-</u>	<u>9,839.50</u>	<u>8,638.00</u>	<u>1,438.00</u>	<u>3,630.00</u>	<u>20,427.00</u>	<u>11,077.00</u>
Total Contributions	<u>-</u>	<u>9,839.50</u>	<u>8,638.00</u>	<u>1,438.00</u>	<u>3,630.00</u>	<u>20,427.00</u>	<u>11,077.00</u>
Claims Cost							
Banking Layer Incurred Expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000.00</u>	<u>(1,907.63)</u>	<u>297.58</u>
Total Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000.00</u>	<u>(1,907.63)</u>	<u>297.58</u>
Net Contributions over Expenses	<u>-</u>	<u>9,839.50</u>	<u>8,638.00</u>	<u>1,438.00</u>	<u>(21,370.00)</u>	<u>22,334.63</u>	<u>10,779.42</u>
Beginning Banking Layer Equity: July 1, 2020	24,999.67	132,210.83	77,847.00	15,681.84	(62,431.72)	79,786.84	(37,005.78)
Prior Year Assessments							
Current Year Assessments							
Distribution (from)/to Banking							
Shared Layer Offset							
Transfers from (to) Liability Banking Layer							
Ending Banking Layer Equity: December 30, 2020	<u>\$ 24,999.67</u>	<u>\$ 142,050.33</u>	<u>\$ 86,485.00</u>	<u>\$ 17,119.84</u>	<u>\$ (83,801.72)</u>	<u>\$ 102,121.47</u>	<u>\$ (26,226.36)</u>

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Small Cities Organized Risk Effort
Supplemental Schedule
Workers' Compensation
Banking Layer Equity by Member
July 1, 2020 through December 30, 2020

	<u>Rio Dell</u>	<u>Shasta Lake</u>	<u>Susanville</u>	<u>*Tulelake*</u>	<u>Weed</u>	<u>Williams</u>
Member Contributions						
Banking Layer Work Comp Contributions	\$ 11,194.00	\$ 25,240.00	\$ 46,311.50	\$ 3,765.00	\$ 23,752.50	\$ -
Shared Layer Distributions to Banking						
Total Member Contributions	<u>11,194.00</u>	<u>25,240.00</u>	<u>46,311.50</u>	<u>3,765.00</u>	<u>23,752.50</u>	<u>-</u>
Total Contributions	<u>11,194.00</u>	<u>25,240.00</u>	<u>46,311.50</u>	<u>3,765.00</u>	<u>23,752.50</u>	<u>-</u>
Claims Cost						
Banking Layer Incurred Expense	-	738.35	22,343.37	-	6,018.18	-
Total Expenses	<u>-</u>	<u>738.35</u>	<u>22,343.37</u>	<u>-</u>	<u>6,018.18</u>	<u>-</u>
Net Contributions over Expenses	<u>11,194.00</u>	<u>24,501.65</u>	<u>23,968.13</u>	<u>3,765.00</u>	<u>17,734.32</u>	<u>-</u>
Beginning Banking Layer Equity: July 1, 2020	33,069.91	233,192.76	177,128.36	(9,063.33)	99,310.54	25,000.00
Prior Year Assessments						
Current Year Assessments						
Distribution (from)/to Banking						
Shared Layer Offset						
Transfers from (to) Liability Banking Layer						
Ending Banking Layer Equity: December 30, 2020	<u>\$ 44,263.91</u>	<u>\$ 257,694.41</u>	<u>\$ 201,096.49</u>	<u>\$ (5,298.33)</u>	<u>\$ 117,044.86</u>	<u>\$ 25,000.00</u>

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Small Cities Organized Risk Effort
Supplemental Schedule
Workers' Compensation
Banking Layer Equity by Member
July 1, 2020 through December 30, 2020

	<u>Yreka</u>	<u>Total W/C Banking Layer</u>
Member Contributions		
Banking Layer Work Comp Contributions	\$ 57,023.50	\$ 245,639.00
Shared Layer Distributions to Banking		\$ -
Total Member Contributions	<u>57,023.50</u>	<u>245,639.00</u>
Total Contributions	<u>57,023.50</u>	<u>245,639.00</u>
Claims Cost		
Banking Layer Incurred Expense	<u>77,544.01</u>	<u>128,967.25</u>
Total Expenses	<u>77,544.01</u>	<u>128,967.25</u>
Net Contributions over Expenses	<u>(20,520.51)</u>	<u>116,671.75</u>
Beginning Banking Layer Equity: July 1, 2020	126,449.25	1,128,320.16
Prior Year Assessments		-
Current Year Assessments		-
Distribution (from)/to Banking		-
Shared Layer Offset		-
Transfers from (to) Liability Banking Layer		-
Ending Banking Layer Equity: December 30, 2020	<u>\$ 105,928.74</u>	<u>\$ 1,244,991.91</u>

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Small Cities Organized Risk Effort
Supplemental Schedule
Liability
Banking Layer Equity by Member
July 1, 2020 through December 30, 2020

	<u>Biggs</u>	<u>Colfax</u>	<u>Crescent City</u>	<u>Dorris</u>	<u>Dunsmuir</u>	<u>Etna</u>
Member Contributions						
Banking Layer Liability Contributions	3,052.50	4,656.00	-	-	8,977.50	2,987.00
Shared Layer Distributions to Banking						
Total Member Contributions	<u>3,052.50</u>	<u>4,656.00</u>	<u>-</u>	<u>-</u>	<u>8,977.50</u>	<u>2,987.00</u>
Total Contributions	<u>3,052.50</u>	<u>4,656.00</u>	<u>-</u>	<u>-</u>	<u>8,977.50</u>	<u>2,987.00</u>
Claims Cost						
Banking Layer Incurred Expense	840.25	(2.00)	-	-	30,008.00	6,008.00
Total Claims Cost	<u>840.25</u>	<u>(2.00)</u>	<u>-</u>	<u>-</u>	<u>30,008.00</u>	<u>6,008.00</u>
Net Contributions over Expenses	<u>2,212.25</u>	<u>4,658.00</u>	<u>-</u>	<u>-</u>	<u>(21,030.50)</u>	<u>(3,021.00)</u>
Beginning Banking Layer Equity: July 1, 2020	23,096.40	26,542.66	-	12,500.00	42,731.71	28,559.25
Prior Year Assessments						
Current Year Assessments						
Distributions (from)/to Banking Layer						
Shared Layer Offset - Liability						
Shared Layer Offset - Workers' Comp						
Transfers from/(to) WC Banking Layer						
Ending Banking Layer Equity: December 30, 2020	<u>\$ 25,308.65</u>	<u>\$ 31,200.66</u>	<u>\$ -</u>	<u>\$ 12,500.00</u>	<u>\$ 21,701.21</u>	<u>\$ 25,538.25</u>

Small Cities Organized Risk Effort
Supplemental Schedule
Liability
Banking Layer Equity by Member
July 1, 2020 through December 30, 2020

	<u>Fort Jones</u>	<u>Ione</u>	<u>Isleton</u>	<u>Live Oak</u>	<u>Loomis</u>	<u>Loyalton</u>
Member Contributions						
Banking Layer Liability Contributions	-	-	2,456.00	7,087.50	8,543.50	975.00
Shared Layer Distributions to Banking						
Total Member Contributions	<u>-</u>	<u>-</u>	<u>2,456.00</u>	<u>7,087.50</u>	<u>8,543.50</u>	<u>975.00</u>
Total Contributions	<u>-</u>	<u>-</u>	<u>2,456.00</u>	<u>7,087.50</u>	<u>8,543.50</u>	<u>975.00</u>
Claims Cost						
Banking Layer Incurred Expense	35,002.00	-	-	10,000.00	1.00	-
Total Claims Cost	<u>35,002.00</u>	<u>-</u>	<u>-</u>	<u>10,000.00</u>	<u>1.00</u>	<u>-</u>
Net Contributions over Expenses	<u>(35,002.00)</u>	<u>-</u>	<u>2,456.00</u>	<u>(2,912.50)</u>	<u>8,542.50</u>	<u>975.00</u>
Beginning Banking Layer Equity: July 1, 2020	(4,745.00)	2,902.00	41,190.35	92,346.65	61,630.49	22,469.50
Prior Year Assessments						
Current Year Assessments						
Distributions (from)/to Banking Layer						
Shared Layer Offset - Liability						
Shared Layer Offset - Workers' Comp						
Transfers from/(to) WC Banking Layer						
Ending Banking Layer Equity: December 30, 2020	<u>\$ (39,747.00)</u>	<u>\$ 2,902.00</u>	<u>\$ 43,646.35</u>	<u>\$ 89,434.15</u>	<u>\$ 70,172.99</u>	<u>\$ 23,444.50</u>

Small Cities Organized Risk Effort
Supplemental Schedule
Liability
Banking Layer Equity by Member
July 1, 2020 through December 30, 2020

	<u>Montague</u>	<u>Mt. Shasta</u>	<u>Portola</u>	<u>Rio Dell</u>	<u>Shasta Lake</u>	<u>Susanville</u>
Member Contributions						
Banking Layer Liability Contributions	2,407.50	23,297.50	5,014.50	6,158.00	19,828.00	20,720.50
Shared Layer Distributions to Banking						
Total Member Contributions	<u>2,407.50</u>	<u>23,297.50</u>	<u>5,014.50</u>	<u>6,158.00</u>	<u>19,828.00</u>	<u>20,720.50</u>
Total Contributions	<u>2,407.50</u>	<u>23,297.50</u>	<u>5,014.50</u>	<u>6,158.00</u>	<u>19,828.00</u>	<u>20,720.50</u>
Claims Cost						
Banking Layer Incurred Expense	-	(20,998.00)	(496.50)	-	49,986.00	25,003.00
Total Claims Cost	<u>-</u>	<u>(20,998.00)</u>	<u>(496.50)</u>	<u>-</u>	<u>49,986.00</u>	<u>25,003.00</u>
Net Contributions over Expenses	<u>2,407.50</u>	<u>44,295.50</u>	<u>5,511.00</u>	<u>6,158.00</u>	<u>(30,158.00)</u>	<u>(4,282.50)</u>
Beginning Banking Layer Equity: July 1, 2020	25,827.04	27,865.89	35,767.59	75,796.03	222,819.43	214,368.01
Prior Year Assessments						
Current Year Assessments						
Distributions (from)/to Banking Layer						
Shared Layer Offset - Liability						
Shared Layer Offset - Workers' Comp						
Transfers from/(to) WC Banking Layer						
Ending Banking Layer Equity: December 30, 2020	<u>\$ 28,234.54</u>	<u>\$ 72,161.39</u>	<u>\$ 41,278.59</u>	<u>\$ 81,954.03</u>	<u>\$ 192,661.43</u>	<u>\$ 210,085.51</u>

Small Cities Organized Risk Effort
Supplemental Schedule
Liability
Banking Layer Equity by Member
July 1, 2020 through December 30, 2020

	<u>Tulelake</u>	<u>Weed</u>	<u>Williams</u>	<u>Yreka</u>	<u>Total Liability Banking Layer</u>
Member Contributions					
Banking Layer Liability Contributions	2,450.50	18,209.50	-	22,811.50	159,632.50
Shared Layer Distributions to Banking					-
Total Member Contributions	<u>2,450.50</u>	<u>18,209.50</u>	<u>-</u>	<u>22,811.50</u>	<u>159,632.50</u>
Total Contributions	<u>2,450.50</u>	<u>18,209.50</u>	<u>-</u>	<u>22,811.50</u>	<u>159,632.50</u>
Claims Cost					
Banking Layer Incurred Expense	-	24,998.00	-	25,002.00	185,351.75
Total Claims Cost	<u>-</u>	<u>24,998.00</u>	<u>-</u>	<u>25,002.00</u>	<u>185,351.75</u>
Net Contributions over Expenses	<u>2,450.50</u>	<u>(6,788.50)</u>	<u>-</u>	<u>(2,190.50)</u>	<u>(25,719.25)</u>
Beginning Banking Layer Equity: July 1, 2020	29,339.96	57,852.10	-	190,608.52	1,229,468.58
Prior Year Assessments					-
Current Year Assessments					-
Distributions (from)/to Banking Layer					-
Shared Layer Offset - Liability					-
Shared Layer Offset - Workers' Comp					-
Transfers from/(to) WC Banking Layer					-
Ending Banking Layer Equity: December 30, 2020	<u>\$ 31,790.46</u>	<u>\$ 51,063.60</u>	<u>\$ -</u>	<u>\$ 188,418.02</u>	<u>\$ 1,203,749.33</u>



SCORE PROGRAM COVERAGE REVIEW

ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

INFORMATION ITEM

ISSUE: The Program Administrators plan *Coverage Reviews* at each Board meeting that update members on the various coverage programs offered by SCORE. As the renewal for the property program is underway members are provided an overview of the key terms and conditions found in the APIP coverage.

RECOMMENDATION: No recommendation is provided, this is an information item.

FINANCIAL IMPACT: No fiscal impact for SCORE. The APIP program is a group purchase program with no loss sharing.

BACKGROUND: SCORE members have participated in the APIP program since 2000. Over time it has evolved to include coverage enhancements including Pollution and Cyber coverages. **Not all SCORE Members participate in this program**, and those that do not should make sure that they are purchasing similar quality coverage from their local agents or consider joining this program to obtain it.

ATTACHMENT: APIP Fun Facts

Alliant Property Insurance Program

Fun Facts: 2020-21 Renewal



Up to \$1,000,000,000
Loss Limit (per occurrence)



822 Primary Members **9,949** Members (incl. pool sub-members)



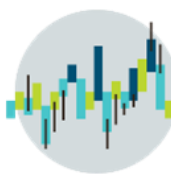
591,559,919,963
Total Insured Value (TIV)



Lexington Ins. Co. & Lloyd's
Lead Carriers



44
Active States



97.18%
2020 Member Retention Rate



37
Declarations/Towers



Schools Insurance Property Program (SIPP), SPIP, Public Utilities, Ports & Airports, APIP, Public Entity Property Insurance Program, Hospital All Risk Property Program, Tribal First



**Small Cities Organized Risk Effort
Board of Directors Meeting
March 26, 2021**

Agenda Item H.1.

LIABILITY CLAIMS AUDIT

ACTION ITEM

ISSUE: Risk Management Services (RMS) performed an audit of SCORE liability claims in February 2012. A total of 25 open and 17 closed files were reviewed and a summary report, attached, issued this month.

Sedgwick performed very well in the audit, with overall performance meeting or exceeding industry standards and CAJPA criteria. Files are well documented with investigation results and rationale for reserves. The majority of the audited claims were not litigated but those that were indicated a high level of management and close interaction with defense counsel.

The Claims Management Report was noted as providing an excellent summary of the liability and damages related to the claim and as rationale for the reserves. Overall file management is well documented, with good recognition and response to coverage issues, reporting and communication. Informal negotiation practices are noted with favorable settlements obtained in a manner that maintains good citizen interaction.

The report concludes that at this time the auditor has no recommendations. Sedgwick has also reviewed the report and has provided the attached response, noting there were no areas suggested for improvement and no files needing attention or follow up.

RECOMMENDATION: Accept and file the audit report.

FISCAL IMPACT: The budgeted amount for the study was \$3,100 and the total cost was \$3,250.

BACKGROUND: A claims audit is done every two years per SCORE's Liability Master Plan Document to assure the reserving practices are financially sound and are compliant with the industry best practices. Obtaining a claims audit can identify improvements the JPA should make and can also lower risk of high cost claims. In addition, CAJPA accreditation standards recommend a claims audit every two years on self-funded programs.

ATTACHMENTS:

1. Risk Management Services SCORE Liability Claims Audit, 2021, Summary
2. Sedgwick Response to Audit, March 15, 2021



SMALL CITIES ORGANIZED RISK EFFORT – SCORE

LIABILITY CLAIMS AUDIT REPORT – 2021

An audit of SCORE's claims handling was conducted remotely on February 17th and 18th, 2021, utilizing the Sedgwick claim system. The audit consisted of a review of 25 open claims; an RMS Audit Review form was completed on each open claim reviewed and is included as a confidential document. In addition, we reviewed 17 closed claim files and a Closed Claims Review is also attached to this report.

The results of the audit are as follows:

INVESTIGATION: The files are well documented with investigation results. The Adjuster works well with the Member to obtain information regarding location history and jurisdiction, employment history, police reports, public works evaluations and other information. The solid investigation practices set the stage for the future claims handling. The Adjusters also conduct site visits, gather witness statements and take photos as part of the overall investigation process.

RESERVING: The files indicate that the reserves are well thought out and a rationale developed for setting reserves at a reasonable ultimate value of the exposure. We found the reserves to be set at a level that was consistent with the facts, liability and damages. The Adjusters also complete a Claims Management Review document that further documents the rationale behind the set reserves.

LITIGATION MANAGEMENT: While the majority of the matters reviewed in the audit were in the claims stage, the litigated files indicated a high level of management intervention by the Adjusters. They work closely with Defense Counsel, help direct litigation and keep on top of the litigation status. Defense Counsel is proactive in filing dispositive motions and appropriately defends the Members. SCORE is a Member of ERMA for EPL matters. ERMA takes the lead in litigation of all EPL lawsuits, the Adjuster tracks and monitors the Members' interests well in these EPL matters. We found the litigation management to be beneficial to the Members and the Pool.

LIABILITY/DAMAGE EVALUATION: The Claims Management Review Report, as previously mentioned, provides an excellent summary of the liability and damages related to the claim. This is a document that is updated regularly and provided to the various stakeholders in the

claim. This report requires the Adjuster to evaluate all aspects of exposure and provide findings and recommendations.

The files were well documented with damage information and appropriate records.

FILE MANAGEMENT: The files are well managed and indicate that:

- Statutory notices are set timely and appropriately, in coordination with the Member.
- All risk transfer opportunities are explored.
- Coverage issues are addressed timely and appropriately.
- Reporting to Excess and ERMA is done appropriately.
- Good communication with the Member.
- Financials are well documented and tracked.
- E-mail communication is effectively handled.
- Files are well documented and up to date.

NEGOTIATION PRACTICES: The Adjuster is very proactive in conducting informal negotiation in the claim stage on matters that have merit. This results in favorable settlements and citizens that have a good feeling about the process, which is important in a small city environment.

CLOSED CLAIMS: The review of the 17 closed claims would indicate the handling is appropriate, which includes:

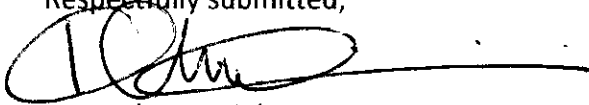
- All closing documents are contained in the file.
- Files are closed in a timely manner.
- Financials are reconciled.
- Member is in the loop on closure and results.
- Results are favorable for the loss and exposure.
- Risk transfer is explored.
- Coverage issues are addressed appropriately.
- Defense costs are in line for the exposures.

Our Closed Claims Review is attached to this report.

OVERALL: We found the claims handling for SCORE to be done in a professional and competent manner. It meets or exceeds industry standards and CAJPA criteria.

At this time, we have no recommendations.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'K. Maiolini', with a long horizontal flourish extending to the right.

Kenneth R. Maiolini, ARM-P

Attachments: RMS Audit Review Forms (Confidential Document)
Closed Claims Review



March 15, 2021

To: Mr. Marcus Beverly, Alliant Insurance (via email)

Re: Response to Audit Results for SCORE

Dear Mr. Beverly,

This letter is in response to the Small Cities Organized Risk Effort Self Insurance Fund audit report for the SCORE General Liability Claims and Property Claims.

The audit consisted of a review of 25 open claims and 17 closed files. We were pleased with the overall findings that our claims were well investigated and documented. Additional findings were that the adjuster works well with the Member to obtain the necessary information to complete a thorough investigation. The auditor also commented on the adjusters site visits, witness statements, and the obtaining of scene photographs as part of the overall investigative process.

We were also pleased with the findings that reserves were well thought out and the file included a rationale noted as to the value of the exposure. The auditor commented on the use of the Claim Committee Report to further document the rationale behind the reserving.

The auditor also recognized the Claim Committee Report provided an excellent summary of the liability and damages related to the claim.

The auditor found the adjuster very proactive in conducting information negotiations in the claim stage when warranted. Once in litigation, the auditor found the files indicated a high level of management by the adjusters, including EPL matters handled by ERMA. The auditor commented that he found the litigation management to be beneficial to the Members and the Pool.

The auditor found all files well managed. The auditor noted the following on the open files reviewed:

- Statutory notices set timely and appropriately.
- All risk transfer opportunities were explored.
- Coverage issues addressed timely and appropriately.
- Reporting to Excess and ERMA were done appropriately.
- Good communication with Member.
- Financials were well documented and tracked.
- E-mail communication was effectively handled.

Files were well documented and up to date.

The auditor noted the following on the closed files reviewed:

All closing documents were contained in the file.

Files were closed in a timely manner.

Financials were reconciled.

Member was in the loop on closure and results of claim.

Results were favorable for the loss and exposure.

Risk transfer was explored.

Coverage issues were addressed appropriately.

Defense costs were in line for the exposures.

We are very pleased to advise there were no areas noted for improvement and no files needing attention or follow up. Overall or claims handling was found to meet or exceed the industry standards and the CAJPA criteria.

We appreciate our partnership with SCORE very much and are dedicated in our commitment to provide excellent claims handling to all SCORE members. Please let us know if you have any questions or need additional information.

Sincerely,

Jill Petrarca, Claims Team Lead Property & Casualty

cc: Harold Godfrey, Director Claims Property & Casualty
Dori Zumwalt, Client Services Director



**SCORE RESOLUTION 21-02 –
DELEGATION OF TREASURER RESPONSIBILITIES**

ACTION ITEM

ISSUE: The Board is asked to review and approve an annual resolution delegating authority to the SCORE Treasurer to invest or reinvest funds of the group. The Resolution also designates the SCORE Treasurer and President by name as authorized to sign checks and make deposits or withdrawals of SCORE funds.

RECOMMENDATION: Review and approve the attached Resolution as presented or amended.

FISCAL IMPACT: None.

BACKGROUND: SCORE's relatively new bank requires a formal document which annually establishes who is authorized to sign checks for SCORE. In the past this Resolution was passed only when the officers changed but now will become an annual routine.

ATTACHMENT(S): Resolution 21-02 Delegation of Treasurer Responsibilities



RESOLUTION 21-02

RESOLUTION DELEGATION OF TREASURER RESPONSIBILITIES

WHEREAS, The Small Cities Organized Risk Effort (SCORE) Board of Directors does hereby find that the elected position of Treasurer shall act in accordance with the provisions of Sections 6505.5 or 6505.6 of the California Government Code for the purposes of investment stated therein is in the best interest of Small Cities Organized Risk Effort.

WHEREAS, Pursuant to 53607. The authority of the legislative body to invest or to reinvest funds of a local agency, or to sell or exchange securities so purchased, may be delegated for a one-year period by the legislative body to the treasurer of the local agency, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires, and shall make a monthly report of those transactions to the legislative body. Subject to review, the legislative body may renew the delegation of authority pursuant to this section each year.

NOW THEREFORE, BE IT RESOLVED, that the SCORE Board of Directors does hereby authorize the President and Treasurer authority to deposit and withdraw Small Cities Organized Risk Effort monies.

BE IT FURTHER RESOLVED, that the following Small Cities Organized Risk Effort officers or their successors in office shall be authorized to sign checks, and order the deposit or withdrawal of Small Cities Organized Risk Effort monies effective immediately:

- SCORE President – Steven Baker
- SCORE Treasurer – Roger Carroll

I hereby certify that the foregoing is a full, true and correct copy of Resolution No. 21-02 duly and regularly adopted and passed at a regular meeting of the Board of Directors of the Small Cities Organized Risk Effort held on the 26th day of March 2021, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SCORE President, Steve Baker

SCORE Secretary, John Duckett



FY 21/22 LIABILITY PROGRAM FUNDING RATES

ACTION ITEM

ISSUE: The Board annually reviews the actuary's funding projections for the upcoming fiscal year and approves the rates to be used for member premiums. The rates per \$100 of payroll at the 75% Confidence Level (CL) for a \$500,000 SIR are \$1.09 for the Banking Layer and \$2.10 for the Shared Layer, for a combined rate of \$3.19, a **decrease of 8.3% from the current rate of \$3.48.**

The Program Administrators have also calculated the funding with a \$750,000 and \$1,000,000 SIR since SCORE has those options available and likely will have to move to a higher SIR for FY 22/23. However, moving to a higher retention for FY 21/22 does not make sense as it is estimated to cost SCORE \$72,474 more to fund a \$750,000 SIR and \$76,127 for a \$1,000,000 SIR.

RECOMMENDATION: Staff recommends the Board maintain funding at the 75% Confidence Level and remain at \$500,000 SIR. Action or direction may be taken.

FISCAL IMPACT: T.B.D. – premiums are estimated to increase 11% overall with underlying rate decrease blunting the impact of an estimated 63% increase in the excess layers of coverage and 5% increase in payroll.

BACKGROUND: The Board annually reviews the actuary's rates for projected losses and determines an appropriate funding level. The Board has increased the liability funding to the 75% Confidence Level over the last few years. Members have considered capping rate increases in the past by using Net Position within SCORE's target funding benchmarks to smooth out the typical increases and decreases in rates. The Program Administrators will continue to annually evaluate the need and ability to cap annual increases in funding.

ATTACHMENTS:

1. DRAFT Proposed Liability Program Funding FY 21/22, 75% CL and \$500,000 SIR
2. SCORE Liability Experience Modification Calculation
3. SCORE FY 21/22 GL Budget Comparison with \$500k SIR

**SMALL CITIES ORGANIZED RISK EFFORT
LIABILITY PROGRAM
Fiscal Year PROPOSED 2021-2022
Funding (75% CL) - \$500k SIR**

Total Admin Expenses:	\$876,539	CJPRMA Premium:	\$ 470,996
Total Liability Admin Expenses:	\$471,051	CJPRMA Refund:	\$0
Total WC Admin Expenses:	\$405,488	Rate Per \$100 Payroll:	\$ 1.73
Liability Participants	17		

A	B	C	D	E	F	G	H	I	J
Formula/Allocation	CY 2020 Payroll x 3% Inflation Factor	Relative Loss Rate x Credibility Factor	Projected Payroll x Ex Mod	(ExP/\$100) x Rate	(ExP/\$100) x Rate	(ExP/\$100) x Rate	Banking + Shared + Excess Layers	(PP/\$100) x Banking, Shared and Excess Rates	(H) - (I)
MEMBER ENTITY	Projected Payroll (PP)	Ex Mod	Ex-Mod Adjusted Payroll (ExP)	BANKING LAYER at 75% CL \$0 to \$25,000	SHARED LAYER at 75% CL \$25,000 to \$500,000	EXCESS LAYER \$500k TO \$40M CJPRMA PREMIUM	LOSS FUNDING (LF)	UNADJUSTED LOSS FUNDING (ULF)	Ex Mod Impact on Loss Funding Increase or (Decrease)
Rate Per \$100 or Amount	1.03	Calc		\$ 1.09	\$ 2.10	\$ 1.73	Calc		Calc
Biggs	\$450,915	1.23	\$552,601	\$ 6,011	\$ 11,597	\$ 9,533	\$ 27,142	\$ 22,147	\$ 4,994
Colfax	\$810,291	1.04	\$842,867	\$ 9,169	\$ 17,689	\$ 14,540	\$ 41,398	\$ 39,798	\$ 1,600
Dunsmuir	\$843,834	1.42	\$1,197,629	\$ 13,028	\$ 25,135	\$ 20,660	\$ 58,823	\$ 41,446	\$ 17,377
Etna	\$836,969	0.95	\$796,253	\$ 8,662	\$ 16,711	\$ 13,736	\$ 39,109	\$ 41,109	\$ (2,000)
Isleton	\$425,423	1.04	\$442,981	\$ 4,819	\$ 9,297	\$ 7,642	\$ 21,758	\$ 20,895	\$ 862
Live Oak	\$1,672,079	0.83	\$1,389,715	\$ 15,117	\$ 29,166	\$ 23,974	\$ 68,257	\$ 82,126	\$ (13,869)
Loomis	\$1,238,021	0.88	\$1,088,323	\$ 11,839	\$ 22,841	\$ 18,775	\$ 53,454	\$ 60,807	\$ (7,353)
Loyalton	\$157,657	1.01	\$158,580	\$ 1,725	\$ 3,328	\$ 2,736	\$ 7,789	\$ 7,744	\$ 45
Montague	\$479,468	0.97	\$465,146	\$ 5,060	\$ 9,762	\$ 8,024	\$ 22,846	\$ 23,550	\$ (703)
Mt. Shasta	\$2,547,103	1.38	\$3,518,518	\$ 38,275	\$ 73,843	\$ 60,698	\$ 172,816	\$ 125,104	\$ 47,712
Portola	\$863,029	1.06	\$910,632	\$ 9,906	\$ 19,112	\$ 15,709	\$ 44,727	\$ 42,389	\$ 2,338
Rio Dell	\$1,226,542	0.86	\$1,055,793	\$ 11,485	\$ 22,158	\$ 18,213	\$ 51,857	\$ 60,243	\$ (8,387)
Shasta Lake	\$4,796,767	0.71	\$3,387,859	\$ 36,854	\$ 71,101	\$ 58,444	\$ 166,399	\$ 235,599	\$ (69,200)
Susanville	\$4,562,934	0.87	\$3,981,894	\$ 43,315	\$ 83,568	\$ 68,692	\$ 195,575	\$ 224,114	\$ (28,538)
Tulelake	\$427,806	0.97	\$413,762	\$ 4,501	\$ 8,684	\$ 7,138	\$ 20,322	\$ 21,012	\$ (690)
Weed	\$1,926,183	1.44	\$2,770,770	\$ 30,141	\$ 58,150	\$ 47,799	\$ 136,090	\$ 94,607	\$ 41,483
Yreka	\$4,037,510	1.07	\$4,329,207	\$ 47,094	\$ 90,857	\$ 74,683	\$ 212,634	\$ 198,307	\$ 14,327
Grand Total	\$27,302,531		\$27,302,531	\$ 297,000	\$ 573,000	\$ 470,996	\$ 1,340,996	\$ 1,340,996	\$ (0)

**SMALL CITIES ORGANIZED RISK EFFORT
LIABILITY PROGRAM
Fiscal Year FINAL 2021-2022
Funding (75% CL) - \$500k SIR**

PRISM Pollution Premium: \$8,400
PRISM Pollution Payroll: \$26,063,297
Rate per \$100: 0.032229231

A	K	L	M	N	O	P	Q	R	S	T
Formula/Allocation	(PP/100) x Rate	(Total Admin/2)/ Number of Members	(Total Admin/2)/ %PP	(L) + (M)	Loss Funding + Pollution + Admin					Member PP/ Total PP
MEMBER ENTITY	PRISM Pollution Coverage	50% ADMIN FIXED EXPENSE	50% ADMIN % PAYROLL	Proposed FY 21-22 Admin Total	Proposed FY 21-22 TOTAL FINAL DEPOSIT 75% CL	FY 20-21 TOTAL DEPOSIT 75% CL	\$ Change Overall	% Change Overall	% Change in Payroll	% Payroll (%PP)
Rate Per \$100 or Amount	\$ 0.0322	\$235,525	\$235,525	\$471,051	75% CL	75% CL				
Biggs	\$145	\$13,854	\$3,890	\$17,744	\$45,031	\$39,940	\$5,091	13%	7%	1.65%
Colfax	\$261	\$13,854	\$6,990	\$20,844	\$62,504	\$55,354	\$7,150	13%	-1%	2.97%
Dunsmuir	\$272	\$13,854	\$7,279	\$21,134	\$80,229	\$87,695	-\$7,466	-9%	-3%	3.09%
Etna		\$13,854	\$7,220	\$21,075	\$60,183	\$40,374	\$19,809	49%	56%	3.07%
Isleton		\$13,854	\$3,670	\$17,524	\$39,282	\$35,175	\$4,107	12%	9%	1.56%
Live Oak	\$539	\$13,854	\$14,424	\$28,279	\$97,075	\$78,543	\$18,532	24%	20%	6.12%
Loomis	\$399	\$13,854	\$10,680	\$24,534	\$78,388	\$87,361	-\$8,973	-10%	5%	4.53%
Loyalton	\$51	\$13,854	\$1,360	\$15,214	\$23,054	\$22,259	\$796	4%	-3%	0.58%
Montague	\$155	\$13,854	\$4,136	\$17,991	\$40,991	\$35,064	\$5,927	17%	17%	1.76%
Mt. Shasta	\$821	\$13,854	\$21,973	\$35,827	\$209,464	\$208,216	\$1,248	1%	2%	9.33%
Portola	\$278	\$13,854	\$7,445	\$21,299	\$66,304	\$58,812	\$7,492	13%	-5%	3.16%
Rio Dell	\$395	\$13,854	\$10,581	\$24,435	\$76,687	\$70,081	\$6,606	9%	1%	4.49%
Shasta Lake	\$1,546	\$13,854	\$41,379	\$55,234	\$223,178	\$198,951	\$24,227	12%	12%	17.57%
Susanville	\$1,471	\$13,854	\$39,362	\$53,217	\$250,263	\$206,633	\$43,629	21%	3%	16.71%
Tulelake	\$138	\$13,854	\$3,690	\$17,545	\$38,005	\$35,518	\$2,487	7%	1%	1.57%
Weed	\$621	\$13,854	\$16,616	\$30,471	\$167,181	\$168,535	-\$1,354	-1%	-15%	7.05%
Yreka	\$1,301	\$13,854	\$34,830	\$48,684	\$262,619	\$216,600	\$46,019	21%	6%	14.79%
Grand Total	\$8,393	\$235,525	\$235,525	\$471,051	\$1,820,439	\$1,645,113	\$175,326	11%	5%	100.00%

SCORE
Liability Experience Modification Calculation
Fiscal Year PROPOSED 2021-2022

FORMULA	Losses as of 12/31/20 Capped at \$50,000						% of Total Losses
	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	Total	
Member							
City of Biggs		\$57,737		\$840	\$8	\$58,585	5%
City of Colfax		\$14,174		\$20,001	\$0	\$34,175	3%
City of Dunsmuir	\$5,365	\$50,000	\$1,450	\$27,669	\$30,879	\$115,364	11%
City of Etna				\$5,016	\$6,002	\$11,018	1%
City of Isleton	\$14,499	\$0		\$8	\$0	\$14,507	1%
City of Live Oak	\$1,371	\$11,720	\$0	\$1,832	\$0	\$14,922	1%
Town of Loomis	\$1,587	\$7,716	\$16	\$1,768	\$3	\$11,090	1%
City of Loyalton			\$0			\$0	0%
City of Montague	\$3,042	\$360	\$8	\$285	\$751	\$4,446	0%
City of Mt. Shasta	\$47,315	\$51,100	\$82,232	\$4	\$17,923	\$198,574	18%
City of Portola	\$2,704	\$1,750	\$5,673	\$12,957	\$18,209	\$41,293	4%
City of Rio Dell	\$5,455	\$881			\$1,602	\$7,938	1%
City of Shasta Lake	\$0	\$1,845	\$3,185	\$31,972	\$30,001	\$67,004	6%
City of Susanville	\$46,683	\$2,041	\$0	\$50,016	\$30,000	\$128,740	12%
City of Tule Lake	\$2,877			\$0		\$2,877	0%
City of Weed	\$2,987	\$6,360	\$94,839	\$4,597	\$105,209	\$213,991	20%
City of Yreka	\$32,787	\$26,656	\$78,843	\$31,497	\$0	\$169,783	16%
Grand Total	\$166,672	\$232,340	\$266,245	\$188,462	\$240,588	\$1,094,307	100%

SCORE
Liability Experience Modification Calculation
Fiscal Year PROPOSED 2021-2022

FORMULA	DE-9 Payroll Fiscal Years Ending						% Total Payroll
	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	Total	
Member							
City of Biggs	\$379,667	\$392,776	\$400,995	\$403,292	\$416,544	\$1,993,274	1.7%
City of Colfax	\$553,415	\$685,372	\$763,883	\$729,025	\$830,945	\$3,562,640	3.1%
City of Dunsmuir	\$529,248	\$670,417	\$731,158	\$814,074	\$773,719	\$3,518,616	3.1%
City of Etna	\$383,669	\$384,224	\$642,786	\$582,991	\$683,538	\$2,677,208	2.3%
City of Isleton	\$200,387	\$203,541	\$314,029	\$361,240	\$404,728	\$1,483,925	1.3%
City of Live Oak	\$1,340,354	\$1,359,315	\$1,542,765	\$1,145,631	\$1,546,372	\$6,934,437	6.0%
Town of Loomis	\$716,410	\$786,892	\$921,205	\$1,038,226	\$1,199,587	\$4,662,320	4.1%
City of Loyalton	\$110,920	\$121,101	\$101,470	\$133,847	\$158,777	\$626,115	0.5%
City of Montague	\$321,124	\$342,082	\$316,852	\$357,636	\$384,199	\$1,721,893	1.5%
City of Mt. Shasta	\$1,786,692	\$2,061,747	\$2,120,912	\$2,296,794	\$2,438,476	\$10,704,621	9.3%
City of Portola	\$775,449	\$867,805	\$669,139	\$811,353	\$814,039	\$3,937,785	3.4%
City of Rio Dell	\$975,147	\$1,015,930	\$1,021,200	\$1,106,459	\$1,162,520	\$5,281,257	4.6%
City of Shasta Lake	\$3,444,570	\$3,719,515	\$3,981,446	\$4,163,629	\$4,279,146	\$19,588,306	17.0%
City of Susanville	\$3,919,587	\$3,848,191	\$4,037,384	\$4,141,779	\$4,203,368	\$20,150,309	17.5%
City of Tule Lake	\$365,242	\$355,728	\$394,327	\$398,719	\$415,931	\$1,929,948	1.7%
City of Weed	\$1,568,849	\$1,757,498	\$1,925,727	\$2,199,308	\$2,154,103	\$9,605,485	8.3%
City of Yreka	\$2,878,897	\$3,115,630	\$3,322,155	\$3,617,069	\$3,746,586	\$16,680,336	14.5%
Grand Total	\$20,249,630	\$21,687,762	\$23,207,433	\$24,301,072	\$25,612,577	\$115,058,475	100.0%

SCORE
Liability Experience Modification Calculation
Fiscal Year PROPOSED 2021-2022

FORMULA	(Total Member Losses/Total Member Payroll) x 100	Member LR/Total Pool LR	CY 2020 Payroll + 3% Inflation Factor	PP/(PP + Largest Member PP)	Member RLR x Member Cred + (1- Member Cred)	Projected Payroll x Ex Mod	Unadjusted Ex Mod / Weighted Ex Mod Factor*	Projected Payroll x Ex Mod
	Loss Rate Per \$100 (LR)	Relative Loss Rate (RLR)	Projected Payroll (PP)	Credibility Factor (Cred)	Unadjusted Ex Mod	Unadjusted Ex Mod Payroll (UEP)	Ex Mod	Ex Mod Adjusted Payroll (Exp)
Member			1.03				0.96	
City of Biggs	\$2.94	3.09	\$450,915	9%	1.18	\$531,904	1.23	\$552,601
City of Colfax	\$0.96	1.01	\$810,291	14%	1.00	\$811,299	1.04	\$842,867
City of Dunsmuir	\$3.28	3.45	\$843,834	15%	1.37	\$1,152,774	1.42	\$1,197,629
City of Etna	\$0.41	0.43	\$836,969	15%	0.92	\$766,431	0.95	\$796,253
City of Isleton	\$0.98	1.03	\$425,423	8%	1.00	\$426,389	1.04	\$442,981
City of Live Oak	\$0.22	0.23	\$1,672,079	26%	0.80	\$1,337,665	0.83	\$1,389,715
Town of Loomis	\$0.24	0.25	\$1,238,021	21%	0.85	\$1,047,562	0.88	\$1,088,323
City of Loyalton	\$0.00	0.00	\$157,657	3%	0.97	\$152,640	1.01	\$158,580
City of Montague	\$0.26	0.27	\$479,468	9%	0.93	\$447,725	0.97	\$465,146
City of Mt. Shasta	\$1.86	1.95	\$2,547,103	35%	1.33	\$3,386,738	1.38	\$3,518,518
City of Portola	\$1.05	1.10	\$863,029	15%	1.02	\$876,526	1.06	\$910,632
City of Rio Dell	\$0.15	0.16	\$1,226,542	20%	0.83	\$1,016,250	0.86	\$1,055,793
City of Shasta Lake	\$0.34	0.36	\$4,796,767	50%	0.68	\$3,260,972	0.71	\$3,387,859
City of Susanville	\$0.64	0.67	\$4,562,934	49%	0.84	\$3,832,758	0.87	\$3,981,894
City of Tule Lake	\$0.15	0.16	\$427,806	8%	0.93	\$398,266	0.97	\$413,762
City of Weed	\$2.23	2.34	\$1,926,183	29%	1.38	\$2,666,995	1.44	\$2,770,770
City of Yreka	\$1.02	1.07	\$4,037,510	46%	1.03	\$4,167,064	1.07	\$4,329,207
Grand Total	\$0.95	1.00	\$27,302,531		1.00	\$26,279,959	1.04	\$27,302,531

SCORE General Liability Program Funding Changes 2020/21 to 2021/22 With \$500K SIR

	2021/22	2020/21	Difference
Base Rate*	\$ 2.37	\$ 2.61	-9%
* \$500K SIR Combined rate at Expected CL			

CJPRMA	2021/20	2020/21	Difference	20/21	21/22	
XS Rate	\$ 1.73	\$ 1.11	55.4%	\$ 288,212	\$ 470,996	63%

Member Entity	Deposit Premium Change			Payroll			Losses \$0-\$50K			Experience Mod			Admin Allocation		
	Current Year 2021/22	Prior Year 2020/21	% Change	CY 2020 Payroll with 3% inflation factor	CY 2019 Payroll with 3% inflation factor	% Change	5-Year Total FYE 2015-20	5-Year Total FYE 2014-19	% Change	2021/22	2020/21	% Change	2021/22	2020/21	% Change
	\$500K SIR	\$500K SIR		1.03	1.03										
Biggs	\$45,031	\$39,940	13%	\$450,915	\$421,306	7%	\$58,585	\$57,737	1%	1.23	1.18	4%	\$17,744	\$17,335	2%
Colfax	\$62,504	\$55,354	13%	\$810,291	\$815,608	-1%	\$34,175	\$14,781	131%	1.04	0.93	12%	\$20,844	\$20,834	0%
Dunsmuir	\$80,229	\$87,695	-9%	\$843,834	\$867,785	-3%	\$115,364	\$168,484	-32%	1.42	1.69	-16%	\$21,134	\$21,298	-1%
Etna	\$60,183	\$40,374	49%	\$836,969	\$535,744	56%	\$11,018	\$17	65679%	0.95	0.91	5%	\$21,075	\$18,351	15%
Isleton	\$39,282	\$35,175	12%	\$425,423	\$390,983	9%	\$14,507	\$14,507	0%	1.04	1.02	2%	\$17,524	\$17,066	3%
Live Oak	\$97,075	\$78,543	24%	\$1,672,079	\$1,393,398	20%	\$14,922	\$15,105	-1%	0.83	0.83	0%	\$28,279	\$25,963	9%
Loomis	\$78,388	\$87,361	-10%	\$1,238,021	\$1,182,518	5%	\$11,090	\$75,018	-85%	0.88	1.18	-25%	\$24,534	\$24,091	2%
Loyalton	\$23,054	\$22,259	4%	\$157,657	\$161,721	-3%	\$0	\$0	n/a	1.01	0.98	2%	\$15,214	\$15,031	1%
Montague	\$40,991	\$35,064	17%	\$479,468	\$408,234	17%	\$4,446	\$5,828	-24%	0.97	0.96	1%	\$17,991	\$17,219	4%
Mt. Shasta	\$209,464	\$208,216	1%	\$2,547,103	\$2,507,482	2%	\$198,574	\$243,485	-18%	1.38	1.52	-9%	\$35,827	\$35,850	0%
Portola	\$66,304	\$58,812	13%	\$863,029	\$904,933	-5%	\$41,293	\$13,104	215%	1.06	0.90	17%	\$21,299	\$21,627	-2%
Rio Dell	\$76,687	\$70,081	9%	\$1,226,542	\$1,216,547	1%	\$7,938	\$6,344	25%	0.86	0.83	4%	\$24,435	\$24,393	0%
Shasta Lake	\$223,178	\$198,951	12%	\$4,796,767	\$4,299,509	12%	\$67,004	\$90,577	-26%	0.71	0.75	-6%	\$55,234	\$51,755	7%
Susanville	\$250,263	\$206,633	21%	\$4,562,934	\$4,420,501	3%	\$128,740	\$101,602	27%	0.87	0.76	14%	\$53,217	\$52,829	1%
Tulelake	\$38,005	\$35,518	7%	\$427,806	\$423,418	1%	\$2,877	\$2,877	0%	0.97	0.94	2%	\$17,545	\$17,354	1%
Weed	\$167,181	\$168,535	-1%	\$1,926,183	\$2,269,813	-15%	\$213,991	\$173,217	24%	1.44	1.31	10%	\$30,471	\$33,741	-10%
Yreka	\$262,619	\$216,600	21%	\$4,037,510	\$3,821,757	6%	\$169,783	\$148,375	14%	1.07	0.97	10%	\$48,684	\$47,515	2%
Grand Total	\$1,820,439	\$1,645,113	10.7%	\$27,302,531	\$26,041,259	4.8%	\$1,094,307	\$1,201,465	-8.9%	1.04	1.02	1.9%	\$471,051	\$503,231	-6.4%



FY 21/22 WORKERS' COMPENSATION PROGRAM FUNDING RATES

ACTION ITEM

ISSUE: The Board annually reviews the actuary's funding projections for the upcoming fiscal year and approves the rates to be used for member premiums. The selected rates per \$100 of payroll at the current 80% Confidence Level (CL) are \$1.80 for the Banking Layer and \$4.62 for the Shared Layer, for a combined rate of \$6.42, a **6.1% decrease** from the \$6.84 rate used for the current year.

RECOMMENDATION: Staff recommends the Board approve the rates at the 80% Confidence Level as set by the actuary.

FISCAL IMPACT: An overall decrease of \$41,000 (-2%) in the combined layer funding, from \$1,767,000 to \$1,726,000.

BACKGROUND: The Board annually reviews the actuary's rates for projected losses and determines an appropriate funding level. The Confidence Level has been set as high as 85% in the past but was decreased to 70% in FY 2011/12. The Board maintained that level until increasing it to 75% for FY 2016/17 and 80% for FY 2019/20.

The Board previously established a goal of capping the Workers' Compensation Program loss funding rates at no more than 3% per year for the FY 2013/14, FY 2014/15, and FY 2015/16 program years. In the first year the rate was capped at 3%, but in the second year the program's financial position would not support a cap and it was not used. For FY 2015/16 the rates fell slightly so the cap was not needed. For FY 2016/17 the rates decreased again, by 6%, so the Board took the opportunity to increase the funding confidence level to 75%.

The Program Administrators will continue to annually evaluate the need and ability to cap annual increases in funding or strengthen the funding confidence level.

ATTACHMENTS:

1. DRAFT Proposed Workers' Compensation Program Funding FY 21/22
2. SCORE Workers' Compensation Experience Modification Calculation
3. SCORE FY 21/22 Workers' Compensation Budget Comparison

**SMALL CITIES ORGANIZED RISK EFFORT
WORKERS' COMPENSATION PROGRAM
PROPOSED Fiscal Year 2021-22
Funding 80% CL**

Total Admin Expenses:	\$876,539	Liability Participants	17
Total Liab Admin Expenses:	\$471,051	WC Participants	16
Total WC Admin Expenses:	\$405,488	WC members (Mini-Cities as one)	13
		Mini-Cities Members	4

A	B	C	D	E	F	G	H	I	J
Formula/Allocation	CY 2020 Payroll + 3% Inflation Factor	Relative Loss Rate x Credibility Factor	(Projected Payroll x Ex Mod)/ExP Adjustment Factor	(ExP/\$100) x Rate	(ExP/\$100) x Rate	(ExP/\$100) x Rate	Banking + Shared + Excess Layers	(PP/\$100) x Banking, Shared and Excess Rates	(H) - (I)
MEMBER ENTITY	Projected Payroll (PP)	EX MOD	Ex-Mod Adjusted Payroll (ExP)	BANKING LAYER 80% CL \$0 to \$25K	SHARED LAYER 80% CL \$25K to \$250K	EXCESS LAYER \$250K TO STATUTORY LAW CX PREMIUM	Loss Funding	Unadjusted Loss Funding	Ex Mod Impact on Loss Funding Increase or (Decrease)
Rate/Amount	1.03	Calc		\$ 1.80	\$ 4.62	\$ 1.53	Calc	Calc	Calc
Colfax	\$810,291	0.86	\$ 705,884	\$ 12,738	\$ 32,593	\$ 10,823	\$ 56,154	\$ 64,459	\$ (8,306)
Dunsmuir	\$843,834	1.06	\$ 906,620	\$ 16,360	\$ 41,861	\$ 13,901	\$ 72,122	\$ 67,128	\$ 4,995
Etna	\$836,969	0.84	\$ 711,733	\$ 12,843	\$ 32,863	\$ 10,913	\$ 56,619	\$ 66,581	\$ (9,963)
Live Oak	\$1,672,079	0.72	\$ 1,226,923	\$ 22,140	\$ 56,651	\$ 18,812	\$ 97,603	\$ 133,015	\$ (35,412)
Loomis	\$1,238,021	0.78	\$ 972,685	\$ 17,552	\$ 44,912	\$ 14,914	\$ 77,378	\$ 98,485	\$ (21,108)
Mt. Shasta	\$2,547,103	0.74	\$ 1,906,976	\$ 34,412	\$ 88,051	\$ 29,239	\$ 151,701	\$ 202,624	\$ (50,923)
Portola	\$863,029	1.24	\$ 1,086,472	\$ 19,605	\$ 50,166	\$ 16,658	\$ 86,430	\$ 68,655	\$ 17,775
Rio Dell	\$1,226,542	0.86	\$ 1,062,056	\$ 19,165	\$ 49,038	\$ 16,284	\$ 84,487	\$ 97,572	\$ (13,085)
Shasta Lake	\$4,796,767	0.60	\$ 2,902,601	\$ 52,378	\$ 134,022	\$ 44,504	\$ 230,904	\$ 381,586	\$ (150,682)
Susanville	\$4,562,934	1.24	\$ 5,745,401	\$ 103,676	\$ 265,283	\$ 88,091	\$ 457,051	\$ 362,984	\$ 94,066
Weed	\$1,926,183	1.03	\$ 2,004,661	\$ 36,174	\$ 92,561	\$ 30,736	\$ 159,472	\$ 153,229	\$ 6,243
Yreka	\$4,037,510	1.46	\$ 5,956,444	\$ 107,485	\$ 275,028	\$ 91,327	\$ 473,839	\$ 321,187	\$ 152,652
Subtotal Members	\$25,361,262	0.95	\$ 25,188,458	\$ 454,528	\$ 1,163,030	\$ 386,201	\$ 2,003,759	\$ 2,017,505	\$ (13,747)
Isleton (do not participate)									
Biggs	\$450,915	1.10	\$ 502,319	\$ 9,064	\$ 23,194	\$ 7,702	\$ 39,960	\$ 35,871	\$ 4,089
Loyalton	\$157,657	1.10	\$ 175,630	\$ 3,169	\$ 8,109	\$ 2,693	\$ 13,971	\$ 12,542	\$ 1,430
Montague	\$479,468	1.10	\$ 534,126	\$ 9,638	\$ 24,662	\$ 8,189	\$ 42,490	\$ 38,142	\$ 4,348
Tulelake	\$427,806	1.10	\$ 476,575	\$ 8,600	\$ 22,005	\$ 7,307	\$ 37,912	\$ 34,032	\$ 3,880
Subtotal Mini Cities	\$1,515,845	1.10	\$ 1,688,650	\$ 30,472	\$ 77,970	\$ 25,891	\$ 134,333	\$ 120,587	\$ 13,747
Grand Total	\$26,877,108	0.98	\$ 26,877,108	\$ 485,000	\$ 1,241,000	\$ 412,092	\$ 2,138,092	\$ 2,138,092	\$ 0

**SMALL CITIES ORGANIZED RISK EFFORT
WORKERS' COMPENSATION PROGRAM
PROPOSED Fiscal Year 2021-22
Funding 80% CL**

Total Admin Expenses:	\$876,539	Liability Participants	17
Total Liab Admin Expenses:	\$471,051	WC Participants	16
Total WC Admin Expenses:	\$405,488	WC members (Mini-Cities)	13
		Mini-Cities Members	4

A	K	L	M	N	O	P	Q	R	S	T	U	V
Formula/Allocation	10-year Assessment Allocation	(Total Admin x .5)/ Number of Members	(Total Admin x .5)/ %PP	(L) + (M)			(H) + (K) + (N)					Member PP/Total PP
MEMBER ENTITY	LAWCX ASSESSMENT	50% ADMIN FIXED EXPENSE	50% ADMIN % PAYROLL	Proposed Admin Total FY 21-22	Admin Total FY 20-21	% Change ADMIN	Proposed FY 21-22 TOTAL DEPOSIT	Prior Year FY 20-21 DEPOSIT	\$ Change Overall	% Change Overall	% Change in Payroll	% Projected Payroll (%PP)
Rate/Amount	Calc	\$202,744	\$202,744	\$405,488	\$394,847	2.7%	80% CL	80% CL				
Colfax	\$ 158	\$12,672	\$ 6,112	\$18,784	\$18,621	0.9%	\$75,095	\$75,086	\$9	0%	-1%	3.0%
Dunsmuir	\$ 374	\$12,672	\$ 6,365	\$19,037	\$19,023	0.1%	\$91,533	\$94,007	-\$2,473	-3%	-3%	3.1%
Etna	\$ -	\$12,672	\$ 6,314	\$18,985	\$16,469	15.3%	\$75,604	\$54,737	\$20,867	38%	56%	3.1%
Live Oak	\$ -	\$12,672	\$ 12,613	\$25,285	\$23,065	9.6%	\$122,887	\$107,600	\$15,287	14%	20%	6.2%
Loomis	\$ 223	\$12,672	\$ 9,339	\$22,010	\$21,443	2.6%	\$99,611	\$96,541	\$3,069	3%	5%	4.6%
Mt. Shasta	\$ 1,192	\$12,672	\$ 19,214	\$31,885	\$31,633	0.8%	\$184,778	\$209,890	-\$25,111	-12%	2%	9.5%
Portola	\$ 168	\$12,672	\$ 6,510	\$19,182	\$19,308	-0.7%	\$105,779	\$115,496	-\$9,717	-8%	-5%	3.2%
Rio Dell	\$ 112	\$12,672	\$ 9,252	\$21,924	\$21,705	1.0%	\$106,523	\$118,850	-\$12,328	-10%	1%	4.6%
Shasta Lake	\$ 1,336	\$12,672	\$ 36,184	\$48,855	\$45,414	7.6%	\$281,095	\$265,537	\$15,559	6%	12%	17.8%
Susanville	\$ 2,859	\$12,672	\$ 34,420	\$47,091	\$46,345	1.6%	\$507,001	\$450,644	\$56,356	13%	3%	17.0%
Weed	\$ 803	\$12,672	\$ 14,530	\$27,201	\$29,805	-8.7%	\$187,476	\$236,503	-\$49,026	-21%	-15%	7.2%
Yreka	\$ 893	\$12,672	\$ 30,456	\$43,128	\$41,740	3.3%	\$517,860	\$536,926	-\$19,066	-4%	6%	15.0%
Subtotal Members		\$152,058	\$ 191,310	\$343,368	\$334,571	2.6%	\$2,355,244	\$2,361,817	-\$6,574	0%	5%	94.4%
Isleton (do not participat												
Biggs	\$ 72	\$12,672	\$ 3,401	\$16,073	\$15,589	3.1%	\$56,105	\$48,133	\$7,971	17%	7%	1.7%
Loyalton	\$ -	\$12,672	\$ 1,189	\$13,861	\$13,593	2.0%	\$27,832	\$25,996	\$1,836	7%	-3%	0.6%
Montague	\$ -	\$12,672	\$ 3,617	\$16,288	\$15,488	5.2%	\$58,778	\$46,779	\$11,999	26%	17%	1.8%
Tulelake	\$ -	\$12,672	\$ 3,227	\$15,899	\$15,605	1.9%	\$53,810	\$48,240	\$5,570	12%	1%	1.6%
Subtotal Mini Cities		\$50,686	\$ 11,435	\$62,121	\$60,275	3.1%	\$196,526	\$169,150	\$27,376	16%	7%	5.6%
Grand Total	\$ 8,189	\$202,744	\$ 202,744	\$405,488	\$394,847	2.7%	\$2,551,770	\$2,530,967	\$20,802	1%	5%	100.0%

SCORE
Liability Experience Modification Calculation
Fiscal Year PROPOSED 2021-2022

FORMULA	Losses as of 12/31/20 Capped at \$50,000						% of Total Losses
	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	Total	
Member							
City of Biggs		\$57,737		\$840	\$8	\$58,585	5%
City of Colfax		\$14,174		\$20,001	\$0	\$34,175	3%
City of Dunsmuir	\$5,365	\$50,000	\$1,450	\$27,669	\$30,879	\$115,364	11%
City of Etna				\$5,016	\$6,002	\$11,018	1%
City of Isleton	\$14,499	\$0		\$8	\$0	\$14,507	1%
City of Live Oak	\$1,371	\$11,720	\$0	\$1,832	\$0	\$14,922	1%
Town of Loomis	\$1,587	\$7,716	\$16	\$1,768	\$3	\$11,090	1%
City of Loyalton			\$0			\$0	0%
City of Montague	\$3,042	\$360	\$8	\$285	\$751	\$4,446	0%
City of Mt. Shasta	\$47,315	\$51,100	\$82,232	\$4	\$17,923	\$198,574	18%
City of Portola	\$2,704	\$1,750	\$5,673	\$12,957	\$18,209	\$41,293	4%
City of Rio Dell	\$5,455	\$881			\$1,602	\$7,938	1%
City of Shasta Lake	\$0	\$1,845	\$3,185	\$31,972	\$30,001	\$67,004	6%
City of Susanville	\$46,683	\$2,041	\$0	\$50,016	\$30,000	\$128,740	12%
City of Tule Lake	\$2,877			\$0		\$2,877	0%
City of Weed	\$2,987	\$6,360	\$94,839	\$4,597	\$105,209	\$213,991	20%
City of Yreka	\$32,787	\$26,656	\$78,843	\$31,497	\$0	\$169,783	16%
Grand Total	\$166,672	\$232,340	\$266,245	\$188,462	\$240,588	\$1,094,307	100%

SCORE
Liability Experience Modification Calculation
Fiscal Year PROPOSED 2021-2022

FORMULA	DE-9 Payroll Fiscal Years Ending						% Total Payroll
	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	Total	
Member							
City of Biggs	\$379,667	\$392,776	\$400,995	\$403,292	\$416,544	\$1,993,274	1.7%
City of Colfax	\$553,415	\$685,372	\$763,883	\$729,025	\$830,945	\$3,562,640	3.1%
City of Dunsmuir	\$529,248	\$670,417	\$731,158	\$814,074	\$773,719	\$3,518,616	3.1%
City of Etna	\$383,669	\$384,224	\$642,786	\$582,991	\$683,538	\$2,677,208	2.3%
City of Isleton	\$200,387	\$203,541	\$314,029	\$361,240	\$404,728	\$1,483,925	1.3%
City of Live Oak	\$1,340,354	\$1,359,315	\$1,542,765	\$1,145,631	\$1,546,372	\$6,934,437	6.0%
Town of Loomis	\$716,410	\$786,892	\$921,205	\$1,038,226	\$1,199,587	\$4,662,320	4.1%
City of Loyalton	\$110,920	\$121,101	\$101,470	\$133,847	\$158,777	\$626,115	0.5%
City of Montague	\$321,124	\$342,082	\$316,852	\$357,636	\$384,199	\$1,721,893	1.5%
City of Mt. Shasta	\$1,786,692	\$2,061,747	\$2,120,912	\$2,296,794	\$2,438,476	\$10,704,621	9.3%
City of Portola	\$775,449	\$867,805	\$669,139	\$811,353	\$814,039	\$3,937,785	3.4%
City of Rio Dell	\$975,147	\$1,015,930	\$1,021,200	\$1,106,459	\$1,162,520	\$5,281,257	4.6%
City of Shasta Lake	\$3,444,570	\$3,719,515	\$3,981,446	\$4,163,629	\$4,279,146	\$19,588,306	17.0%
City of Susanville	\$3,919,587	\$3,848,191	\$4,037,384	\$4,141,779	\$4,203,368	\$20,150,309	17.5%
City of Tule Lake	\$365,242	\$355,728	\$394,327	\$398,719	\$415,931	\$1,929,948	1.7%
City of Weed	\$1,568,849	\$1,757,498	\$1,925,727	\$2,199,308	\$2,154,103	\$9,605,485	8.3%
City of Yreka	\$2,878,897	\$3,115,630	\$3,322,155	\$3,617,069	\$3,746,586	\$16,680,336	14.5%
Grand Total	\$20,249,630	\$21,687,762	\$23,207,433	\$24,301,072	\$25,612,577	\$115,058,475	100.0%

SCORE
Liability Experience Modification Calculation
Fiscal Year PROPOSED 2021-2022

FORMULA	(Total Member Losses/Total Member Payroll) x 100	Member LR/Total Pool LR	CY 2020 Payroll + 3% Inflation Factor	PP/(PP + Largest Member PP)	Member RLR x Member Cred + (1- Member Cred)	Projected Payroll x Ex Mod	Unadjusted Ex Mod / Weighted Ex Mod Factor*	Projected Payroll x Ex Mod
	Loss Rate Per \$100 (LR)	Relative Loss Rate (RLR)	Projected Payroll (PP)	Credibility Factor (Cred)	Unadjusted Ex Mod	Unadjusted Ex Mod Payroll (UEP)	Ex Mod	Ex Mod Adjusted Payroll (Exp)
Member			1.03				0.96	
City of Biggs	\$2.94	3.09	\$450,915	9%	1.18	\$531,904	1.23	\$552,601
City of Colfax	\$0.96	1.01	\$810,291	14%	1.00	\$811,299	1.04	\$842,867
City of Dunsmuir	\$3.28	3.45	\$843,834	15%	1.37	\$1,152,774	1.42	\$1,197,629
City of Etna	\$0.41	0.43	\$836,969	15%	0.92	\$766,431	0.95	\$796,253
City of Isleton	\$0.98	1.03	\$425,423	8%	1.00	\$426,389	1.04	\$442,981
City of Live Oak	\$0.22	0.23	\$1,672,079	26%	0.80	\$1,337,665	0.83	\$1,389,715
Town of Loomis	\$0.24	0.25	\$1,238,021	21%	0.85	\$1,047,562	0.88	\$1,088,323
City of Loyalton	\$0.00	0.00	\$157,657	3%	0.97	\$152,640	1.01	\$158,580
City of Montague	\$0.26	0.27	\$479,468	9%	0.93	\$447,725	0.97	\$465,146
City of Mt. Shasta	\$1.86	1.95	\$2,547,103	35%	1.33	\$3,386,738	1.38	\$3,518,518
City of Portola	\$1.05	1.10	\$863,029	15%	1.02	\$876,526	1.06	\$910,632
City of Rio Dell	\$0.15	0.16	\$1,226,542	20%	0.83	\$1,016,250	0.86	\$1,055,793
City of Shasta Lake	\$0.34	0.36	\$4,796,767	50%	0.68	\$3,260,972	0.71	\$3,387,859
City of Susanville	\$0.64	0.67	\$4,562,934	49%	0.84	\$3,832,758	0.87	\$3,981,894
City of Tule Lake	\$0.15	0.16	\$427,806	8%	0.93	\$398,266	0.97	\$413,762
City of Weed	\$2.23	2.34	\$1,926,183	29%	1.38	\$2,666,995	1.44	\$2,770,770
City of Yreka	\$1.02	1.07	\$4,037,510	46%	1.03	\$4,167,064	1.07	\$4,329,207
Grand Total	\$0.95	1.00	\$27,302,531		1.00	\$26,279,959	1.04	\$27,302,531

SCORE Workers' Compensation Program Funding Changes 2019/20 to 2020/21

	2021/22	2020/21	Difference
Base Rate*	\$ 6.42	\$ 6.84	-6.1%

*Combined Rate at 80% CL

Excess Coverage	2021/22	2020/21	Difference
Base Rate	\$ 1.53	\$ 1.44	6.5%

Member Entity	WC Deposit Premium Change			Payroll			WC Losses \$0-\$50K			WC Experience Mod			WC Admin Allocation		
	Current Year 2021/22 80% CL	Prior Year 2020/21 80% CL	% Change	CY 2020 Payroll with 3% inflation factor	CY 2019 Payroll with 3% inflation factor	% Change	4-Year Total FYE 2016-20	4-Year Total FYE 2015-19	% Change	2021/22	2020/21	% Change	2021/22	2020/21	% Change
				1.03	1.03										
Colfax	\$ 75,095	\$ 75,086	0%	\$810,291	\$815,608	-1%	\$9,677	\$6,199	56%	0.86	0.83	3%	\$ 18,784	\$18,621	1%
Dunsmuir	\$ 91,533	\$ 94,007	-3%	\$843,834	\$867,785	-3%	\$85,027	\$85,027	0%	1.06	1.04	2%	\$ 19,037	\$19,023	0%
Isleton (do not participate)															
Live Oak	\$ 122,887	\$ 107,600	14%	\$1,672,079	\$1,393,398	20%	\$320	\$1,133	-72%	0.72	0.74	-2%	\$ 25,285	\$23,065	10%
Loomis	\$ 99,611	\$ 96,541	3%	\$1,238,021	\$1,182,518	5%	\$0	\$0		0.78	0.76	2%	\$ 22,010	\$21,443	3%
Mt. Shasta	\$ 184,778	\$ 209,890	-12%	\$2,547,103	\$2,507,482	2%	\$48,222	\$120,369	-60%	0.74	0.85	-13%	\$ 31,885	\$31,633	1%
Portola	\$ 105,779	\$ 115,496	-8%	\$863,029	\$904,933	-5%	\$158,953	\$200,452	-21%	1.24	1.28	-3%	\$ 19,182	\$19,308	-1%
Rio Dell	\$ 106,523	\$ 118,850	-10%	\$1,226,542	\$1,216,547	1%	\$30,293	\$87,630	-65%	0.86	0.96	-11%	\$ 21,924	\$21,705	1%
Shasta Lake	\$ 281,095	\$ 265,537	6%	\$4,796,767	\$4,299,509	12%	\$65,154	\$86,093	-24%	0.60	0.61	-3%	\$ 48,855	\$45,414	8%
Susanville	\$ 507,001	\$ 450,644	13%	\$4,562,934	\$4,420,501	3%	\$455,961	\$440,667	3%	1.24	1.10	13%	\$ 47,091	\$46,345	2%
Weed	\$ 187,476	\$ 236,503	-21%	\$1,926,183	\$2,269,813	-15%	\$171,253	\$173,860	-1%	1.03	1.09	-6%	\$ 27,201	\$29,805	-9%
Yreka	\$ 517,860	\$ 536,926	-4%	\$4,037,510	\$3,821,757	6%	\$515,791	\$513,000	1%	1.46	1.56	-7%	\$ 43,128	\$41,740	3%
Biggs	\$ 56,105	\$ 48,133	17%	\$450,915	\$421,306	7%	\$1,094	\$1,094	0%	1.10	0.91	21%	\$ 16,073	\$15,589	3%
Etna	\$ 75,604	\$ 54,737	38%	\$836,969	\$535,744	56%	\$2,461	\$2,461	0%	1.10	0.91	21%	\$ 18,985	\$16,469	15%
Loyalton	\$ 27,832	\$ 25,996	7%	\$157,657	\$161,721	-3%	\$1,304	\$1,394	-6%	1.10	0.91	21%	\$ 13,861	\$13,593	2%
Montague	\$ 58,778	\$ 46,779	26%	\$479,468	\$408,234	17%	\$36,822	\$36,350	1%	1.10	0.91	21%	\$ 16,288	\$15,488	5%
Tulelake	\$ 53,810	\$ 48,240	12%	\$427,806	\$423,418	1%	\$100,000	\$99,623		1.10	0.91	21%	\$ 15,899	\$15,605	2%
Grand Total	\$ 2,551,770	\$ 2,530,967	1%	\$26,877,108	\$25,650,275	5%	\$1,682,332	\$1,855,353	-9%				\$ 405,488	\$394,847	3%



FY 21/22 SCORE PRELIMINARY ADMINISTRATION BUDGET

ACTION ITEM

ISSUE: The Program Administrators will present the FY 21/22 Preliminary Budget Calculations which will allow members to obtain an estimated deposit Premium due for the FY 21/22 Fiscal Year.

Total Administrative Expenses are projected to increase by \$19,121 (2%), with the changes attributed to the difference in cost for the Workers' Compensation claims audit (\$4,900) versus liability and scheduled contractual increases for services.

RECOMMENDATION: Staff recommends the board review and provide direction and/or approval for completion of final budget.

FISCAL IMPACT: An overall increase of 2% in administrative expenses for FY 21/22.

BACKGROUND: The budget uses estimates of payroll, property values and auto values, where appropriate, to calculate premium and expenses for SCORE Board members. The budget also recognizes the calculation of experience modification factors as adopted by the program's *Master Plan Documents*.

Although the costs are not finalized, it has become the practice in the past for SCORE to review a Preliminary Program Budget at the March Board meeting. This practice was adopted to allow the members to have an indication of costs for their individual budgets. It has also allowed the SCORE members to give direction as to where they would like to expend the funds in the following year.

ATTACHMENTS:

1. Preliminary FY 21/22 SCORE Program Budget – Administrative Funding
2. Preliminary FY 21/22 SCORE Summary of Deposits

FY 2021/22 SCORE - PROPOSED General Administration Budget

	Category	Work Comp	Liability	Total FY 21-22	Prior Year FY 20-21	% Change
Revenues						
400	Program Administration	\$75,440	\$189,691	\$265,130	\$259,157	2%
400	Claims Administration	\$104,590	\$83,587	\$188,177	\$184,707	2%
400	Other Expenses	\$225,459	\$197,773	\$423,232	\$413,554	2%
400	Banking Layer Deposit	\$485,000	\$297,000	\$782,000	\$801,636	-2%
400	Shared Risk Layer Deposit	\$1,241,000	\$573,000	\$1,814,000	\$1,812,632	0%
400	Excess Coverage Deposit (LAWCX and CJPRMA)	\$412,092	\$470,996	\$883,088	\$653,456	35%
400	Group Purchase Coverage - Property			\$744,146	\$744,146	0%
400	Group Purchase Coverage - ERMA			\$120,849	\$120,849	0%
400	Group Purchase Coverage - PRISM Pollution			\$8,400	\$5,792	45%
400	Group Purchase Coverage - ACI EAP			\$13,824	\$13,824	0%
400	Group Purchase Covearge - ACIP (Crime for BOD incl. Treasurer)			\$1,156	\$1,156	0%
499	Reimbursement from CJPRMA for Liability Safety Training					
	Total Revenues	\$ 2,543,580	\$ 1,812,047	\$5,244,002	\$5,010,910	5%

	Category	Work Comp	Liability	Total FY 21-22	Prior Year FY 20-21	% Change	\$ Change
Expenses							
710	Program Administration	\$ 75,440	\$ 189,691	\$265,130	\$259,157	2%	\$5,973
720	Claims Administration (ULAE) Per Member Annual Fee	\$ -	\$ -	\$0	\$0		\$0
721	Claims Administration WC (Unallocated Claims Expense)	\$ 104,590		\$104,590	\$103,555	1%	\$1,035
722	Claims Administration GL (Unallocated Claims Expense)		\$ 83,587	\$83,587	\$81,152	3%	\$2,435
Other Expenses							
505	Accounting Services	\$ 31,000	\$ 31,000	\$62,000	\$60,000	3%	\$2,000
506	Financial Audit	\$ 11,250	\$ 11,250	\$22,500	\$22,500	0%	\$0
507	Actuarial Review and Studies	\$ 7,250	\$ 7,250	\$14,500	\$14,160	2%	\$340
508	Bill.com	\$ 360	\$ 360	\$720	\$720	0%	\$0
509	Legal Expenses	\$ 2,250	\$ 5,250	\$7,500	\$7,500	0%	\$0
510	Investment Management Fees	\$ 7,250	\$ 7,250	\$14,500	\$14,500	0%	\$0
511	Claims Audit (WC in Fall 2021 \$8,000, GL in Fall 2020 \$3,100)	\$ 8,000		\$8,000	\$3,100	158%	\$4,900
512	Custodial Account Bank Fees	\$ 125	\$ 125	\$250	\$250	0%	\$0
601	Checking Account Bank Fees	\$ 125	\$ 125	\$250	\$250	0%	\$0
605	Board Meeting Expenses	\$ 5,425	\$ 5,425	\$10,850	\$10,850	0%	\$0
606	LRP and Training Day Meeting Expenses	\$ 10,000	\$ 10,000	\$20,000	\$20,000	0%	\$0
607	Company Nurse	\$ -	\$ -	\$0	\$0		\$0
608	Treasury Services (provided by Loomis)	\$ 500	\$ 500	\$1,000	\$1,000	0%	\$0
609	Website	\$ -	\$ -	\$0	\$0		\$0
610	Member Conference Reimbursements	\$ 9,500	\$ 9,500	\$19,000	\$19,000	0%	\$0
612	Contingent Reserve	\$ 12,500	\$ 12,500	\$25,000	\$25,000	0%	\$0
615	Dues & Subscriptions - CAJPA and PARMA (usually \$2,250)*	\$ 3,625	\$ 3,625	\$7,250	\$7,250	0%	\$0
625	Crime Insurance - ACIP for SCORE Treasurer	\$ 578	\$ 578	\$1,156	\$1,156	0%	\$0
626	ID Fraud Coverage	\$ -	\$ 3,667	\$3,667	\$3,399	8%	\$268
670	CAJPA Accreditation (completed in 2020 - next up 2024)	\$ -	\$ -	\$0	\$0		\$0
675	Loss Control Services DKF	\$ 55,000	\$ 55,000	\$110,000	\$110,000	0%	\$0
676	Lexipol Law Enforcement Policy Manual	\$ 9,139	\$ 20,000	\$29,139	\$28,290	3%	\$849
677	Target Solutions	\$ 13,868	\$ 13,868	\$27,736	\$26,415	5%	\$1,321
699	CA DIR OSIP Self Insurance Assesment	\$ 37,214	\$ -	\$37,214	\$37,214	0%	\$0
999	Miscellaneous Expenses	\$ 500	\$ 500	\$1,000	\$1,000	0%	\$0
	Total Administration Expenses	\$ 405,488	\$ 471,051	\$ 876,539	\$ 857,418	2%	\$19,121

* Proposed - Includes \$5k for Data Collection Donatior

Estimated 15% increase from actually billed amount in FY 19/20 of \$32,360



LOSS CONTROL GRANT FUND PROGRAM

ACTION ITEM

ISSUE: SCORE's *Loss Control Grant Fund Program* provides member funding on an annual basis for risk management related products and services. The Board is presented with information about current usage of the Loss Control Grant Funds for FY 20/21.

RECOMMENDATION: The Board is asked to consider shared services (Sidewalk Concrete Cutting) or training sessions for which members can use their allocated Loss Control Grant Funds.

FISCAL IMPACT: The fiscal impact will depend on board action and allocation of funds for these programs.

BACKGROUND: At the January 29, 2021 Board of Directors Meeting, SCORE indicated they would like to continue funding the Loss Control Grant Fund Program for the FY 21/22 it with \$100,000 from the Liability program. The funding has been provided from the Pool's net position, before the distribution of any dividends.

Members of each Program were allocated an amount directly related to their percentage contribution into that Program, subject to a minimum of \$1,000 per Program for each participating Member. The funds are available for use on a combined basis. Projects can also span over multiple years although the disbursement of monies will be limited to the member's annual allocation in any given year, and the continuation of the Loss Control Grant Program by the Board of Directors. The deadline for submitting reimbursement requests is June 15th of every Fiscal Year. We have seen an increase in use of the Loss Control Grant Funds with 6 members making requests for funds during FY 20/21. Currently there is \$61,329 available in un-used Loss Control Grant Funds.

ATTACHMENTS: Loss Control Fund Program Usage by member as of March 18, 2021

SCORE Loss Control Grant Fund Member Utilization FY 2020/21 as of 3/18/2021

Member Entity	TOTAL Grant Fund Allocation	Amount requested during FY 20-21	Remaining amount available in FY 20-21	Notes
Biggs *	\$2,427.80			
Colfax	\$3,364.75	\$3,364.75	\$0.00	*Request made 11/16/20 by Shanna Stahl for ergonomic furniture (\$1,286.93) **Request made 2/4/21 by Shanna Stahl for sidewalk repair (\$2,077.82)
Dunsmuir	\$5,330.64	\$4,990.55	\$340.09	*Request made 9/3/20 by Manya Kisling for Barricades, Tree removal & concrete cutting (\$4,990.55).
Etna *	\$2,454.20			
Isleton	\$2,138.17			
Live Oak	\$4,774.33			
Loomis	\$5,310.32	\$5,000.00	\$310.32	*Request made 7/17/20 by Roger Carroll for sidewalk repairs (\$5,000)
Loyalton *	\$1,353.01			
Montague *	\$2,301.92			*Request made 4/2/20 by David Dunn for purchase of First Aid kit, repair of playground equipment (\$1,838.22) and in same request to roll over any un-used amount into FY 20/21 if approved by BOD (total to roll over is \$170.49)
Mt. Shasta	\$36,402.83	\$30,000.00	\$6,402.83	*Request made 1/13/21 by Muriel Terrell to roll over all unused FY 19/20 funds (\$23,746.17) into FY 20/21 Loss Control Grant Funds for Sidewalk repairs. Total of invoice \$30k
Portola	\$3,574.97	\$2,096.37	\$1,478.60	*Request made 2/23/21 by Lauren Knox for purchase of Council Chamber chairs (\$2,096.37)
Rio Dell	\$4,259.93			
Shasta Lake	\$12,093.45			
Susanville	\$25,875.90			**Request made 5/21/20 by Deborah Savage to roll over all unused funds from FY 19/20 into FY 20/21 if approved by BOD (total to roll over is \$13,315.46)
Tulelake*	\$2,159.03			
Weed	\$10,244.58			
Yreka	\$13,166.29	\$24,048.54	-\$10,882.25	*Request made by Renee Hisington for purchase of Fork Lift (\$29,420.27) *NOTE: Amount requested exceeded amount available - \$5,371.73 to be payout of FY 19-20 funds and \$24,048.54 will be paid from FY 20-21 if approved by BOD)
Total:	\$137,232.12			

* Mini-Cities



**Small Cities Organized Risk Effort
Board of Directors Meeting
March 26, 2021**

Agenda Item H.6.

SCORE DRIVING STANDARDS

ACTION ITEM

ISSUE: The recommended *minimum* limits for member employees who drive their vehicles on city business was proposed to be increased at a prior Board meeting and was met with acceptance and addressed in a letter to members (attached) but not formally approved.

The attached Liability Policy and Procedure #L-1 is provided for review and approval by the Board as presented or amended. Also attached are the related SCORE Operational Best Practices.

The Program Administrators will send another reminder letter to members regarding the Driving Standards following the Board meeting.

RECOMMENDATION: Review and approve revised policy as presented or amended.

FISCAL IMPACT: None expected from this action.

BACKGROUND: SCORE has maintained Driving Standards for its members as the very first Liability P&P to be adopted. The criteria has remained largely unchanged over the years, with the recommended change in policy limits brought to the Board in October of 2019.

ATTACHMENTS:

1. SCORE P&P L-1 Driving Standards, Draft
2. SCORE Operational Best Practices – Vehicle Use and Operations
3. Driving Standards – Notice to Members



LIABILITY POLICY AND PROCEDURE #L-1

SUBJECT: DRIVING STANDARDS

Issue:

This policy and procedure addresses necessary measures aimed at reducing losses related to vehicle operation.

Discussion:

Employees and volunteers whose duties necessitate driving vehicles in the course of their assignments and duties need to maintain certain acceptable standards in order to reduce the City's exposure to loss. The privilege of driving is granted through the issuance of a license by the Department of Motor Vehicles. Certain proficiency and physical requirements must also be proven prior to the granting of such license. Failure to meet these requirements results in revocation or non-issuance of such a state license.

Because of bad driving experience, a financial burden may be placed on the City due to increased insurance costs and exposure to liability. Therefore, in order to control the risk of losses and the accompanying expense of paying for losses, it is necessary to ensure that employees maintain an acceptable driving record.

Policy:

It is the policy of SCORE to require each Member City to institute and enforce the driving standards as set forth in this policy and procedure. Member Cities failing to institute and enforce the standards may be subject to disciplinary actions up to and including the provisions of Article XIII, Expulsion, of the Joint Powers Authority Agreement.

Member Requirements and Standards:

1. All SCORE members shall enroll in the Department of Motor Vehicles' Employee Pull Notice Program, as described on the DMV website.
2. All employees who are required to drive in the course of their employment shall be placed in DMV's pull notice program upon hire. All existing and prospective employees who drive on the Member's behalf must sign a written waiver allowing them to be enrolled in the pull-notice program.
3. On an annual basis employees shall be informed of the policy guidelines and standards, as described in the attached sample letter.

4. Job descriptions, or other formally adopted policies of the City, should state that employees must continue to meet established driving standards as a condition of employment for that position. Decisions regarding employment or assignment of non-qualifying employees are the purview of the Member City.
5. Driving standards shall be enforced consistently and fairly among all employees working in classifications where driving is required.
6. The City will require applicants for positions requiring driving on the City's behalf to provide a current DMV driving report prior to employment.

Employee Requirements and Standards:

1. Employees who are required to drive vehicles in the course their employment must possess a valid driver's license to legally operate the class of vehicle(s) they operate in their employment.
2. Employees accumulating two violation points, as valued and enumerated in the Department of Motor Vehicles' Negligent Operator Count Sheet DL551 in one year, three points in two years, and four points in three years, shall be considered marginally acceptable and may be required to attend a defensive driving class, the duration and nature of such class to be determined by the City. Employees or volunteers will be counseled and/or disciplined, and advised of the consequences of accumulation of more than five points.
3. Employees accumulating five violation points within the last three years, **shall be excluded from the City's coverage under the Risk Sharing Layer** of the SCORE liability insurance coverage.
4. The conviction date as determined by the DMV shall be considered as the starting date for the periods discussed in #2 and #3 above.
5. The provisions of #2 and #3 above shall apply regardless of whether the driving which resulted in acquiring the violation points was or was not in the course of employment.

Volunteer and Non-Employee Requirements and Standards:

1. All volunteers and non-employees who may drive a City vehicle or their own vehicle on City business shall be required to read the policy standards.
2. Volunteers and non-employees who may drive City vehicles or their own vehicle on City business must meet the established minimum driving standards applicable to employees, as noted above.
3. Driving standards shall be enforced consistently and fairly among all volunteers and non-employees who may drive a City vehicle.
4. Department of Motor Vehicle license checks shall be made at the time of enlistment and at least annually thereafter.
5. Elected Officials are subject to these requirements.

Use of Private Vehicles on City Business:

There may be times when it may be necessary and expeditious for employees and volunteers to use their own vehicles in the course of City business. In this situation reimbursement is often provided in the form of a mileage allowance. The allowance is intended to compensate the employee or volunteer for the cost of gasoline and oil, wear and tear on the auto and **for insurance costs**. Insurance coverage for autos “follows the car”, meaning the insurance covering the auto is primary and any coverage from SCORE is excess. If there is no liability insurance on the auto, in the case of an occurrence the Member City may be subject to a penalty from the JPA.

It is therefore important that the employee or volunteer be expected to have appropriate automobile insurance coverage. In addition, State law requires drivers to have automobile insurance. It is, therefore, prudent for the City to require proof of automobile insurance coverage prior to allowing an employee or volunteer to use a private vehicle on City business.

Requirements and Standards for Use of Private Vehicles on City Business:

1. Driving standards required of Employees shall also apply to persons using private vehicles on City business.
2. Employees shall show proof of automobile liability insurance annually in accordance with the State of California minimum requirements, and SCORE recommends that employees who drive for the City on a regular basis obtain higher limits:

Coverage Type	Minimum	Recommended
Bodily Injury Each Person	\$15,000	\$100,000
Bodily Injury Each Accident	\$30,000	\$300,000
Property Damage Each Accident	\$5,000	\$50,000

Effective Date: tbd

[SAMPLE LETTER TO MEMBERS]

Member Name
Address

SCORE RISK MANAGEMENT REVISED POLICY AND PROCEDURE RM-2 - DRIVING STANDARDS EFFECTIVE December 8, 2016

Dear _____ :

At the most recent SCORE Board of Directors meeting, the mandatory Risk Management Policy and Procedure RM-2, *Driving Standards* was revised.

The policy addresses measures aimed at reducing losses related to vehicle operation. It covers two aspects of vehicle usage:

The first section is unchanged and deals with employees and volunteers whose duties necessitate driving vehicles in the course of their assignments. Members are required to institute the driving standards summarized below (please refer to the complete policy):

- Members must enroll in the DMV pull notice program and utilize this programs for all employees or volunteers who are required to drive frequently (once a month or more) in the course of their employment;
- Employees or volunteers are to be informed of the guidelines annually, usually this has been accomplished in pay envelopes;
- Employees or volunteers required to drive must possess a valid license to legally operate the class of vehicle they operate in their employment;
- Employees or volunteers accumulating two to four violation points will be considered marginally acceptable and may be required by the city to attend defensive driving class;
- Employees or volunteers accumulating five violation points within the past three years shall be excluded from the City's coverage under the Risk Sharing Layer of the SCORE liability insurance coverage.

The second section deals with employee and volunteer use of private vehicles on City business and is summarized here:

- Private insurance coverage for automobiles follows the vehicle.
Employees who drive their vehicles for City business are covered first by **their private insurance** and excess of that amount by the City.
- Employees and volunteers who use their own vehicles must have insurance and must provide proof of insurance prior to allowing use of their vehicle on City business;

The State of California minimum amounts of coverage apply to all employees. SCORE recommends that employees who drive for the City on a regular basis obtain higher limits, as indicated below:

Coverage Type	Minimum	Recommended
Bodily Injury Each Person	\$15,000	\$100,000
Bodily Injury Each Accident	\$30,000	\$300,000
Property Damage Each Accident	\$5,000	\$50,000

**SCORE Risk Management Best Practices Related to Vehicle Use and Operations
Used in Scorecard Assessment**

	Operational Best Practices
	Vehicle Use and Operations Each member must adopt a comprehensive fleet management program to include driver training (defensive driver training), driver screening and selection, vehicle use, non-owned vehicle use, and vehicle maintenance.
	Driver Selection and Training Measures
D1.	There is a written program in place that is actively utilized as the basis for driver selection and screening of employees and prospective employees for driving related duties.
D2.	There is evidence that employees with negative Motor Vehicle Records (MVR) activity as defined by the SCORE standards are provided personnel counseling, training, rehabilitation, and/or remove from driving responsibilities depending on the nature and seriousness of the activity on their MVR or observed driving behavior.
D3.	All employees who drive any vehicle on City business are enrolled in the DMV Employer Pull Notice (EPN) program and MVRs are reviewed to prevent negligent retention. Note: Release required for drivers whose license does not require participation in the EPN program.
	Vehicle Maintenance Measures
D4.	Vehicles and records are maintained to meet standards and warranties relevant to the vehicles or equipment and to help defend negligence claims.
	Vehicle Operations Measures
D5.	The City has adopted a vehicle use policy detailing when and how City and personal vehicles may be used for City business.
D6.	The City has adopted a cell phone or distracted driver policy and all vehicle accident investigations reflect any "distracted driver" implication as part of the root cause analysis.



Dear SCORE Members:

At the most recent SCORE Board of Directors meeting the Liability Policies and Procedures for *Driving Standards* were reviewed and discussed. That review included the attached draft of the combined standards, to incorporate all of the *current requirements* into one document. The policy addresses measures aimed at reducing vehicle accidents and covers two aspects of vehicle usage.

The first section is unchanged and deals with **employees and volunteers whose duties necessitate driving** vehicles in the course of their assignments. *Members are required to institute the driving standards summarized below* (please refer to the complete policy):

- **Members must enroll in the DMV pull notice program** and utilize this programs *for all employees or volunteers who are required to drive frequently (once a month or more)* in the course of their employment;
- Employees or volunteers are to be informed of the guidelines annually, usually this has been accomplished in pay envelopes;
- Employees or volunteers required to drive must possess a valid license to legally operate the class of vehicle they operate in their employment;
- Employees or volunteers accumulating two to four violation points will be considered marginally acceptable and may be required by the city to attend defensive driving class;
- **Employees or volunteers accumulating five violation points within the past three years shall be excluded from the City’s coverage** under the Risk Sharing Layer of the SCORE liability insurance coverage.

The second section deals **use of private vehicles on City business** and is summarized here:

- Private **insurance coverage for automobiles follows the vehicle**. Employees who drive their vehicles for City business are *covered first by their private insurance* and excess of that amount by the City;
- *Employees and volunteers who use their own vehicles must provide proof of insurance* prior to allowing use of their vehicle on City business.

The State of California minimum coverage limits apply to all vehicle owners. SCORE recommends that employees who drive for the City on a regular basis obtain higher limits, as indicated below:

Coverage Type	CA Minimum	Recommended Minimum
Bodily Injury Each Person	\$15,000	\$100,000
Bodily Injury Each Accident	\$30,000	\$300,000
Property Damage Each Accident	\$5,000	\$50,000



**Small Cities Organized Risk Effort
Board of Directors Meeting
March 26, 2021**

Agenda Item H.7.

SCORE TRAINING/PLANNING DAY

INFORMATION ITEM

ISSUE: The Board is asked to provide feedback on the agenda for the Board's annual two-day meeting on October 28-29, 2021.

Assuming the Board will be able to meet in person, an emphasis on long-range planning is recommended, given the time since the last in-person meeting and the significant changes that have taken place since the last half-day planning session in 2019.

Planning Topics Include:

- Property Program Options, including a self-insured layer.
- Funding formula reviews
- Risk Management Program and Services Review

Training Topics Include:

- EPL Legal Update and Risk Management Best Practices
- Wildfire Risk Mitigation for Public Works

RECOMMENDATION: Review and discuss training and planning topics.

FISCAL IMPACT: No financial impact is expected from this information item, but if direction is given to expand training or loss control services there could be small budget impacts.

BACKGROUND: The October Board meeting usually has an emphasis on training, with a long-range planning session at least every three years to meet CAJPA standards.

ATTACHMENTS: None



**GENERAL RISK MANAGEMENT ISSUES
INFORMATION ITEM**

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

RECOMMENDATION: None

FISCAL IMPACT: None

BACKGROUND: This item is added to each agenda for any topics or ideas members would like to discuss.

ATTACHMENTS:

1. Shake and Pay Product Guide

SHAKE = AND PAY[®]

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FIRST DOLLAR EARTHQUAKE INSURANCE THAT MAKES SENSE

NO PROPERTY DAMAGE REQUIRED

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FIRST DOLLAR EARTHQUAKE INSURANCE THAT MAKES SENSE

WHY IT'S A GAME CHANGER:

Zero Deductible: **NONE, NIL, NADA**

Rapid Claims Process: Measured in days

An extremely broad coverage policy that can be used for almost **ANY ECONOMIC LOSS** including but not limited to:

- Loss of tax base or revenues
 - Business Interruption (BI) / Contingent BI
 - Property damage
 - Any deductibles for traditionally insured exposures
 - Extra and Extraordinary expenses
 - Earthquake sprinkler leakage
 - Fire following
 - Hardscapes and landscapes
 - Engineering and safety certification costs
-
- Annual Aggregate Limit
 - Term: Annual (multi-year available in limited circumstances)
 - Underwritten by various insurance companies securely rated by A.M. Best

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FIRST DOLLAR EARTHQUAKE INSURANCE THAT MAKES SENSE

TRADITIONAL INSURANCE VS. SHAKE AND PAY®














	TRADITIONAL INSURANCE	SHAKE AND PAY®
Deductibles	5-25% of Total Insured Value	NONE, NIL, NADA
Claims Process	... Up to Years to Settle	Rapid and Transparent; Measured in Days

COVERAGES

AS DEFINED IN POLICY TERMS

 = VARIOUS LIMITATIONS APPLY

 = FULL COVERAGE
Up to the Purchased Policy Limit
(Annual Aggregate)

Loss of Tax Base or Revenues		
Business Interruption (BI) / Contingent BI		
Direct/Indirect Financial Losses		
Full Property Damage		
Extra and Extraordinary Expenses		
Engineering and Safety Certification Costs		
Earthquake Sprinkler Leakage		
Hardscapes and Landscapes		

**SHAKE AND PAY®
COVERS ALL THIS
AND MORE!**

SHAKE = PAY[®]

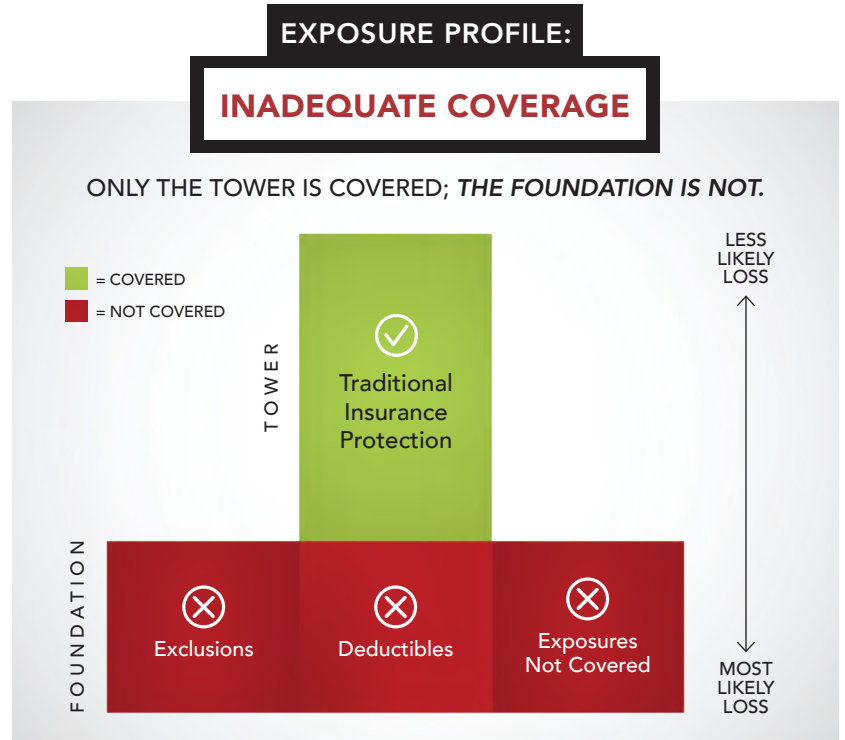
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FIRST DOLLAR EARTHQUAKE INSURANCE THAT MAKES SENSE

WHY THE TRADITIONAL INSURANCE MODEL IS FULL OF CRACKS

TRADITIONAL INSURANCE DRAWBACKS:

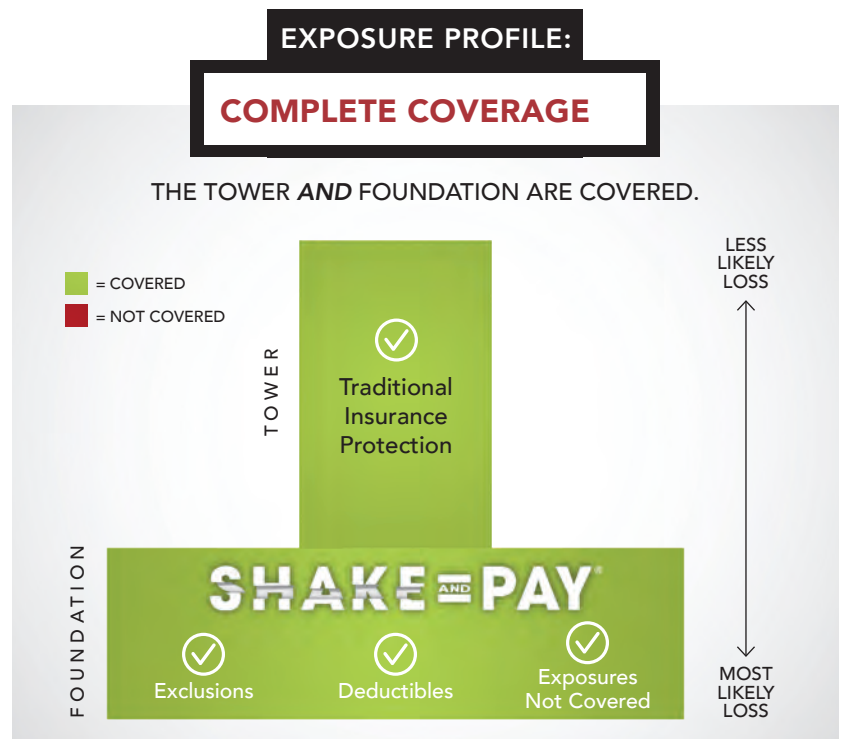
- Coverage attaches “outside of the money”
- Deductibles
- Exclusions
- Potential for a contentious claims process including accountants and attorneys



SHAKE AND PAY[®] PROVIDES THE MOST COMPLETE COVERAGE

SHAKE AND PAY[®] KEY BENEFITS:

- Coverage attaches “in the money”
- No deductible
- Limited Exclusions
- Coverage for **ANY** economic loss
- Rapid and streamlined claims process providing for near immediate liquidity



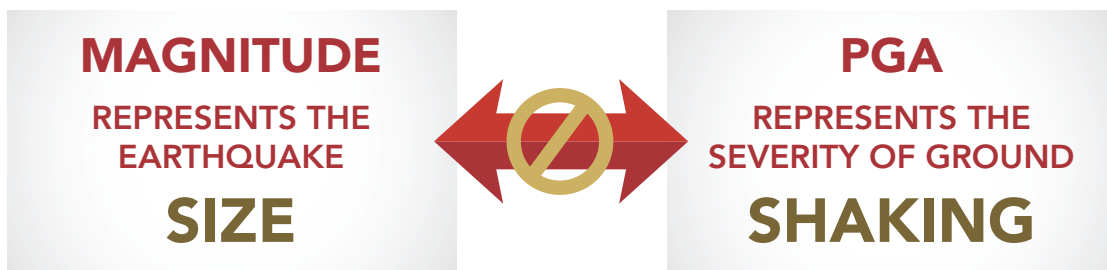
SHAKE = AND PAY[®]

You Shake, We Pay.SM

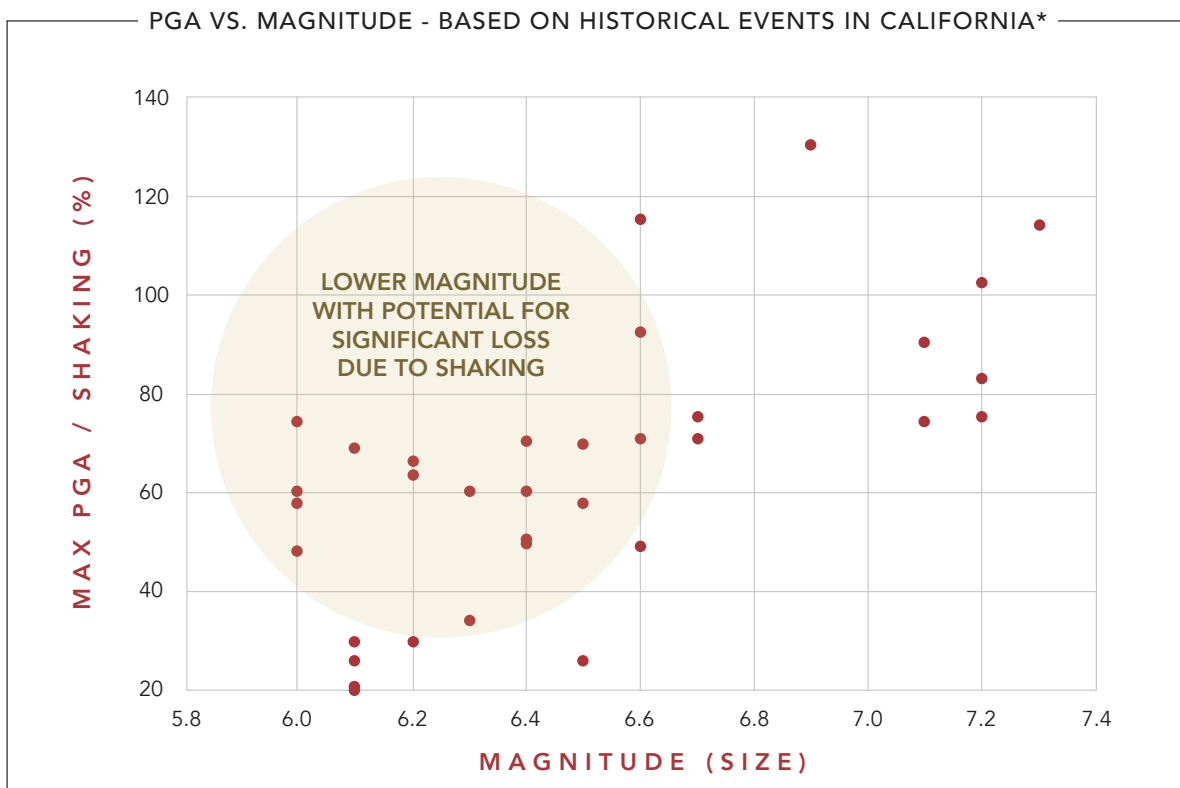
FIRST DOLLAR EARTHQUAKE INSURANCE THAT MAKES SENSE

WHAT IS PEAK GROUND ACCELERATION (PGA) AND WHY IS IT PREFERRED?

Peak Ground Acceleration (PGA) is an intensity measurement used to represent the shaking felt on the ground during an earthquake (refer to FAQ #2 for official definition).



It is important to understand that events with a lower magnitude (size) or events several hundred miles away can still cause significant loss (shaking) to an area.



*PGA and Magnitude data as provided through the USGS ShakeMap MetaData. <https://earthquake.usgs.gov/data/shakemap/>

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HOW IT WORKS

SHAKE

STEP 1

Magnitude 6.0 Earthquake occurs anywhere in the region and affects covered territory (Covered Event) – event start date and event end date (12:00 am PST on the 31st day after event start date) are established.

STEP 2

USGS publishes a ShakeMap:
<https://earthquake.usgs.gov/data/shakemap/>

Created by an act of Congress in 1879, the U.S. Geological Survey (USGS) monitors, assesses, and conducts targeted research to provide independent scientific reporting about natural hazards. USGS is relied upon for its natural science expertise and its vast earth and biological data holdings. The USGS is the sole science agency for the Department of the Interior.



STEP 3

RMS (calculation agent) creates an event report that certifies the maximum Peak Ground Acceleration (PGA) by covered territory as released by the USGS ShakeMap.

STEP 4

Based on the RMS event report, the loss payment amount available for claims payments is the % of Limit related to the Maximum PGA.

STEP 5

The insured will prepare a proof of loss attesting to economic loss from the covered event and submit via the claims reporting process using the designated claims phone number or email provided in the policy.

STEP 6

The claims processor will verify the loss payment amount available based on the event report and the proof of loss attestation and will submit for claims payment to insured up to the maximum loss payment amount.

PAY

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VISUAL EXAMPLE OF HOW PAYOUTS WORK BY COUNTY

HISTORICAL EVENT EXAMPLE:

M 7.1 - 2019
RIDGECREST EARTHQUAKE SEQUENCE
 2019-07-06

PGA (% g)	Payout %
20.00%	5.00%
21.00%	5.00%
22.00%	7.50%
23.00%	7.50%
24.00%	10.00%
25.00%	10.00%
26.00%	15.00%
27.00%	15.00%
28.00%	20.00%
29.00%	20.00%
30.00%	25.00%
31.00%	25.00%
32.00%	30.00%
33.00%	30.00%
34.00%	35.00%
35.00%	35.00%
36.00%	40.00%
37.00%	40.00%
38.00%	45.00%
39.00%	45.00%
40.00%	50.00%
41.00%	50.00%
42.00%	60.00%
43.00%	60.00%
44.00%	70.00%
45.00%	70.00%
46.00%	80.00%
47.00%	80.00%
48.00%	90.00%
49.00%	90.00%
50.00%+	100.00%

100% PAYOUT INYO COUNTY
 Max PGA*-90%g

10% PAYOUT TULARE COUNTY
 Max PGA*-24%g

100% PAYOUT KERN COUNTY
 Max PGA*-64%g

100% PAYOUT SAN BERNARDINO COUNTY
 Max PGA*-80%g

PAYOUTS

TULARE: 10%
 INYO: 100%
 KERN: 100%
 SAN BERNARDINO: 100%

Epicenter

*Max PGA as provided through USGS MetaData

Note: Payout scales may vary depending on your individual covered territory.

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FIRST DOLLAR EARTHQUAKE INSURANCE THAT MAKES SENSE

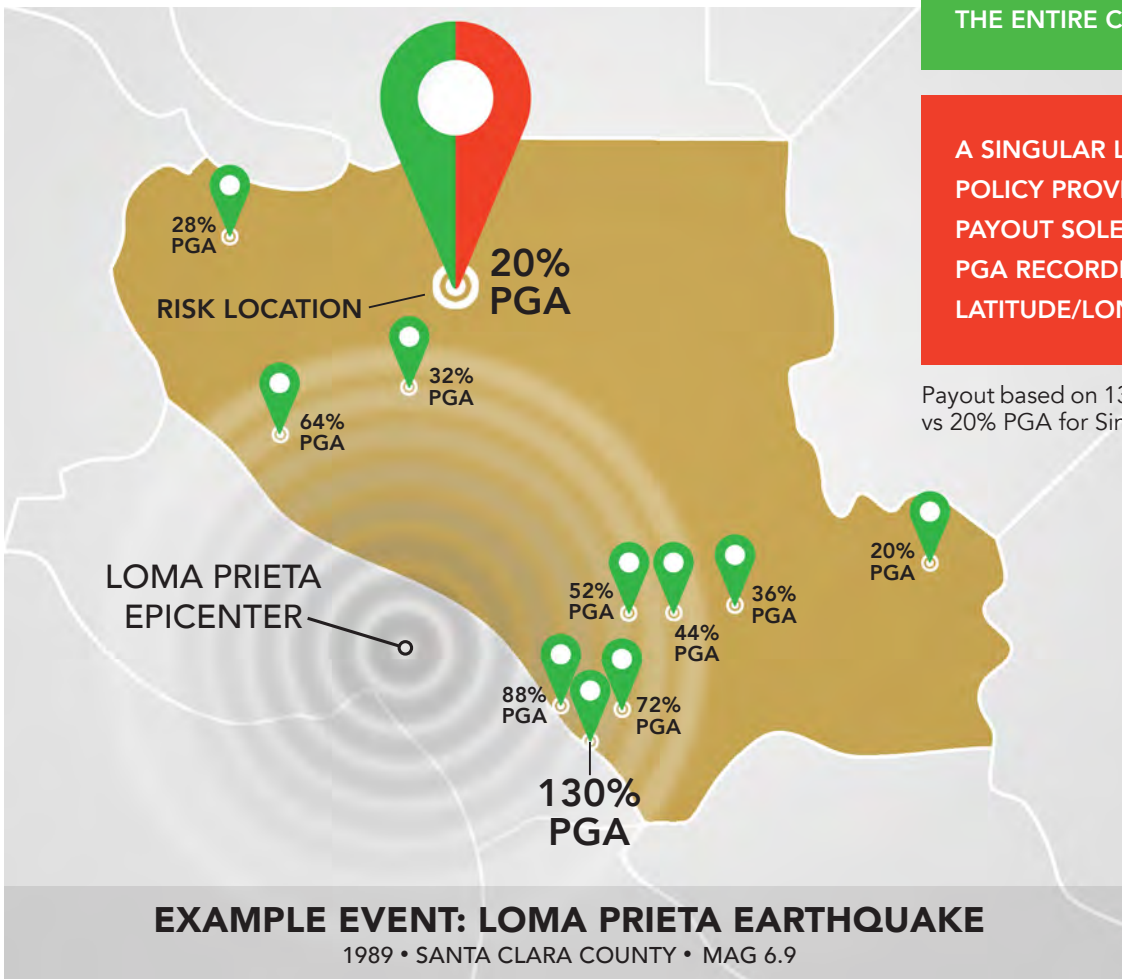
THE BELOW DEMONSTRATES HOW HAVING A SINGULAR LOCATION STRUCTURE (RED) REDUCES THE LIKELIHOOD OF TRIGGERING A PAYOUT AS COMPARED TO MULTIPLE MEASUREMENTS IN A COUNTY/REGION-BASED STRUCTURE (GREEN).

SHAKE AND PAY[®] PGA MEASUREMENTS THROUGHOUT THE COUNTY

COORDINATE-BASED PGA MEASUREMENT AT SINGULAR LOCATION

SHAKE AND PAY[®] POLICY PROVIDES A COVERAGE PAYOUT BASED ON THE HIGHEST PGA RECORDED IN THE ENTIRE COUNTY/REGION

A SINGULAR LOCATION LEVEL POLICY PROVIDES COVERAGE PAYOUT SOLELY BASED ON THE PGA RECORDED AT THAT LATITUDE/LONGITUDE



Payout based on 130% PGA Shake and Pay policy vs 20% PGA for Singular location policy.

Above is a sampling of PGAs and does not reflect all captured measurements.

SHAKEMAP IS NOT AN ACTUAL MEASUREMENT AT YOUR LOCATION

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FAQ'S

DOES THE EPICENTER OF THE EARTHQUAKE NEED TO OCCUR IN MY COUNTY TO TRIGGER MY POLICY?

NO!!! A Magnitude 6.0 or greater earthquake can happen anywhere in your state or extended region. After the earthquake occurs, the policy loss payout amount is determined based on the Maximum Peak Ground Acceleration (PGA) as measured by the USGS ShakeMap in your county.

WHAT IS PEAK GROUND ACCELERATION (PGA)?

Peak ground acceleration (PGA) is an intensity measurement of actual ground shaking that occurs during an earthquake. PGA can be measured many miles from the epicenter of the earthquake and can be a better predictor of economic loss as experienced by the insured since it is being measured locally in your county.

WHY IS PGA THE DETERMINANT OF THE MAXIMUM PAYOUT INSTEAD OF THE MAGNITUDE OF THE EARTHQUAKE AT THE EPICENTER?

The epicenter of the earthquake can be several hundred miles from your location; even in a neighboring state. As a policyholder, the PGA intensity as measured in your county and the level of damages you experience are what is most important. As an example, if you live near a fault line and a high magnitude earthquake occurs 300 miles from your location, the ground shaking that you experience could still be severe in your county.

AVAILABLE LIMITS AND TERRITORIES

- Automated quoting and binding for limits between \$50,000 and \$5,000,000 within a single coverage region.
- Higher limits or for risks that include more than a single coverage region, underwriting referrals are available.

IS THE LIMIT OF INSURANCE CONNECTED TO THE TOTAL VALUE OF MY EXPOSURE?

NO!!! Unlike traditional insurance that attaches in excess of likely losses and is underwritten based upon the total exposure, Shake and Pay limits are determined based upon projected needs and budget.

WHO IS PROVIDING THE INSURANCE?

Various insurance companies securely rated by A.M. Best.

DO I HAVE TO HAVE TRADITIONAL INSURANCE TO PURCHASE SHAKE AND PAY?

This is not a requirement for purchase of the product.

WHAT IS SHAKEMAP?

ShakeMap is a product of the USGS Earthquake Hazards Program that provides near-real-time maps of ground motion and shaking intensity following significant earthquakes, which can be found here: <https://earthquake.usgs.gov/data/shakemap>.

WHO IS RMS?

Risk Management Solutions (RMS) is a leading catastrophe risk modeling company founded in 1989 to *"create a more resilient and sustainable global society through a better understanding of catastrophic events."*

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FIRST DOLLAR EARTHQUAKE INSURANCE THAT MAKES SENSE

DISCLAIMER

IMPORTANT NOTICE

New Paradigm Underwriters, LLC is a Florida based Managing General Agency (license #W149833) and acts as a program manager for insurance companies that may not be licensed in all states. In certain states, Parametric Insurance is offered on a non-admitted basis through licensed surplus line brokers.

The delivery of the information contained herein is not intended as a solicitation for the purchase of insurance in any jurisdiction where such solicitation would be unlawful.

The description of coverage contained herein is for preliminary informational purposes only. The exact coverage provided is subject to and governed by the terms and conditions of each policy issued.

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DBA: Insurance Solutions by New Paradigm



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UNDERWRITERS

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**Small Cities Organized Risk Effort
Board of Directors Meeting
March 26, 2021**

Agenda Item J.

INFORMATION ITEMS

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

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

BACKGROUND: None.

FISCAL IMPACT: None.

ATTACHMENT(S):

FY 20/21 Resource Contact Guide: The Board of Directors is provided a copy of the updated Resource Contact Guide for easy reference in accessing member services and resources.

Glossary of Terms: A Glossary of terms has been created and added to the agenda packet per Member request. This will continue to be included in future Board agenda packets.

PROGRAM ADMINISTRATION

Alliant Insurance Services, Inc.
 2180 Harvard Street Ste 460
 Sacramento, CA 95815
 Main: (916) 643-2700 Fax: (916) 643-2750
www.Alliant.com

SUBJECT	MAIN CONTACT	PHONE	EMAIL
<p>JPA MANAGEMENT ISSUES –coverage questions, quotations, new members, development of shared risk program coverage agreements, RFPs for actuarial services, actuary liaison, excess insurance/additional coverage marketing (Crime coverage, etc.), program development; program budget/funding, financial analysis, coordination w/financial auditor/JPA accountant</p>	<p>Marcus Beverly</p> <p>Conor Boughey</p> <p>Michael Simmons</p> <p>Michelle Minnick</p>	<p>(916) 643-2704 (916) 660-2725 (cell)</p> <p>(415) 403-1411</p> <p>(415) 403-1425 (925) 708-3374 (cell)</p> <p>(916) 643-2715</p>	<p>Marcus.Beverly@alliant.com</p> <p>cboughey@alliant.com</p> <p>msimmons@alliant.com</p> <p>Michelle.Minnick@alliant.com</p>
<p>JPA ADMINISTRATIVE ISSUES – meeting agendas; minutes; development/maintenance of governing documents, development/interpretation of policies & procedures, JPA state compliance, Form 700, changes in Board members, website maintenance.</p>	<p>Michelle Minnick</p> <p>Marcus Beverly</p>		
<p>COVERAGE / RISK MANAGEMENT ISSUES –</p> <ul style="list-style-type: none"> ➤ Certificates of coverage, additions/deletions of coverage’s, special events liability coverage, automobile identification cards, auto/mobile equipment physical damage programs ➤ Coverage questions, quotations, new members, development of shared risk program coverage agreements, RFPs for actuarial services, actuary liaison, excess insurance/additional coverage marketing (Crime coverage, etc.), program development ➤ Insurance Requirements in Contracts (IRIC), hold harmless agreements, indemnification clauses, safety program planning, RFPs for JPA services & audits, third party contract review 	<p>Michelle Minnick</p> <p>Marcus Beverly</p>		

CLAIMS ADMINISTRATION
 York Risk Services Group, Inc.
 P.O. Box 619079
 Roseville, CA 95678
 Main: (800) 922-5020 Fax: (866) 548-2637
www.yorkrisk.com

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>CLAIMS ADMINISTRATION – questions regarding liability and Workers’ Compensation claims handling can be forwarded to York Risk Services Group</p> <p>Property Recovery Program This program is designed to recover damages from a third party when a member has incurred a loss caused by a third party who was determined to be liable.</p> <p style="text-align: center;"><u>Liability Claims</u></p> <p style="text-align: center;"><u>Workers’ Compensation Claims</u></p> <p style="text-align: center;"><u>Subrogation</u></p>	<p>Jill Petrarca, Senior Manager Property & Casualty Adjuster</p> <p>Shawn Millar, Property & Casualty Adjuster</p> <p>Caroline Sbabo, Property & Casualty Adjuster</p> <p>Alex Davis, Property & Casualty Adjuster</p> <p>Ariel Leonhard, Claims Examiner</p> <p>John Peshkoff, Senior Claims Manager</p> <p>Alicia Veloz, Senior Claims Examiner</p> <p>Jill Petrarca, Senior Manager Property & Casualty Adjuster</p>	<p>(916) 746-8849</p> <p>(916) 746-8820 C:530-210-4910</p> <p>(916) 746-6340</p> <p>(925) 349-3890</p> <p>(916) 960-0974</p> <p>(916) 960-0956</p> <p>(916) 960-0982</p> <p>(916) 746-8849</p>	<p>jill.petrarca@sedgwick.com</p> <p>shawn.millar@sedgwick.com</p> <p>caroline.sbabo@sedgwick.com</p> <p>alex.davis@sedgwick.com</p> <p>ariel.leonhard@sedgwick.com</p> <p>john.peshkoff@sedgwick.com</p> <p>alicia.veloz@sedgwick.com</p> <p>jill.petrarca@sedgwick.com</p>
<p>ADMINISTRATIVE ISSUES - annual contracts for services, IT issues, reports, service issues</p> <p>COMPUTER SERVICES, TRUST ACCOUNT SERVICES – loss runs, special reports, check registers, bank reconciliations</p>	<p>Dori Zumwalt, Account Executive, Client Services</p> <p>Kelly Stewart, Vice President Property and Casualty Claims</p>	<p>(916) 960-1017</p> <p>(714) 620-1302</p>	<p>dorienne.zumwalt@sedgwick.com</p> <p>kelly.stewart@sedgwick.com</p>

CLAIM REPORTING AND TRIAGE SERVICES

Company Nurse Injury Hotline

Main: (888) 817-9282

<https://companynurse.com/>

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>CLAIM REPORTING AND TRIAGE SERVICES –Company Nurse strives to streamline injury reporting and reduce injury reporting lag time and overall cost</p> <ul style="list-style-type: none"> • Quick, easy, cost efficient way to immediately report workplace injuries • 24/7 Nurse Triage Hotline 1-888-545-9154 (Please ensure to use the city code specific to your member) 	<p>Chris Park, Account Executive</p>	<p>(480) 717-6842</p>	<p>service@companynurse.com</p>

ACCOUNTING SERVICES

Gilbert Associates, Inc.

Main: (916) 646-6464 Fax: (916) 929-6836

www.gilbertcpa.com

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>ACCOUNTING SERVICES – any questions regarding accounting, accounts payable, invoicing, and checks can be forwarded to Gilbert Associates</p>	<p align="center">Kevin Wong Jennifer Zraick</p>	<p>(916) 646-6464</p>	<p>kswong@gilbertcpa.com JZraick@gilbertcpa.com</p>

POLICE AND FIRE RISK MANAGEMENT SERVICES

Lexipol

Main: (949) 484-4444 Fax: (949) 484-4443

<http://www.lexipol.com/>

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>POLICE RISK MANAGEMENT SERVICES – Lexipol helps to review members’ Police and Fire Risk Management policies and offers state-specific policy manuals that are integrated with scenario-based daily training on high-risk, low frequency events</p>	<p>Dale Cephers, West Region Market Development Executive Sarah Graham, Marketing Campaign Manager</p>	<p>(469) 731-4685 (949) 325-1237</p>	<p>dcephers@lexipol.com sgraham@lexipol.com</p>

ERMA POOL ADMINISTRATION/EXCESS PARTNER

Main: (800) 541-4591 Fax: (916) 244-1199

<http://www.ermajpa.org/>

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>ERMA – provides loss prevention services designed to minimize employment practices liability (EPL) exposure of members</p> <p align="right">Board Member - John Duckett</p> <p align="right">Alternate - Roger Carroll</p> <p>Services Offered</p> <ul style="list-style-type: none"> • Employee Reporting line • Attorney Hotline • Employment Practices Training 	<p>Jennifer Jobe, Executive Director</p> <p>Mona Hedin, Analyst & Training Coordinator</p>	<p>(530) 275-7427</p> <p>(916) 652-1840</p> <p>(916) 244-1141</p> <p>(916) 290-4645</p>	<p>info@ermajpa.org</p> <p>jduckett@cityofshastalake.org</p> <p>rcarroll@loomis.ca.gov</p> <p>jennifer.jobe@sedgwick.com</p> <p>mona.hedin@sedgwick.com</p>

LAWCX POOL ADMINISTRATION/EXCESS PARTNER

Main: (800) 541-4591 Fax: (916) 244-1199

<http://www.lawcx.org/>

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>LAWCX – Provides Excess Workers’ Compensation coverage and additional training resources</p> <p align="right">Board Member - Steve Baker</p> <p align="right">Alternate – Marcus Beverly</p> <p>Online Risk Control Services</p> <ul style="list-style-type: none"> • Employees can access online training courses by registering online at www.lawcx.org. • Video/Webinars – There are over 300 Training videos and over 30 recorded webinars available. Live Webinars are also available • Training Tools – Sample Training Matrices, Safety Communications, Safe Practices Guidelines • Programs/Forms Comprehensive Sample Programs with implementation guides and Sample Forms • Blog – Timely and informational reports from Risk Control Experts • Can you Risk It? Liability Exposures- real questions from actual members are answered 	<p>Jim Elledge, Executive Director</p> <p>Tammy Vitali, Workers’ Compensation Program Manager</p> <p>Terrie Norris, Risk Control Services Manager</p> <p>Kim Sackett, Board Secretary & Analyst</p>	<p>(530) 841-2321</p> <p>(916) 643-2704</p> <p>(916) 244-1124</p> <p>(916) 244-1114</p> <p>(916) 290-4655</p> <p>(916) 290-4601</p>	<p>sbaker@ci.yreka.ca.us</p> <p>Marcus.Beverly@alliant.com</p> <p>jim.elledge@sedgwick.com</p> <p>tammy.vitali@sedgwick.com</p> <p>terrie.norris@sedgwick.com</p> <p>kim.sackett@sedgwick.com</p>

CJPRMA POOL ADMINISTRATION/EXCESS PARTNER

Main: (925) 837-0667 Fax: (925) 290-1543

<http://www.cjprma.org/>

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>CJPRMA – Provides Excess Liability coverage and additional training resources</p> <p align="right">Board Member - Roger Carroll</p> <p align="right">Alternate - John Duckett</p> <p>Services Offered</p> <ul style="list-style-type: none"> • Five annual regional training workshops throughout California-previous years topics include Contractual Risk Transfer, Police Liability, Parks and Recreation Liability, and Sidewalk Liability Controls. • Two to four training sessions per year available at no charge. Topics include: police liability, tort issues, streets and sidewalks, contractual liability, employment practices • Personal assistance available to review contracts and to help look at any risk related issues (Contact Tony Giles General Manager or Marinda Griese) <p>**Services offered at an additional cost**</p> <ul style="list-style-type: none"> • Certificates of Insurance tracking through Risk Console (cost for each user is \$100/year) • Pins Advantage (alternative to Risk Console) is available to all members at a reduced rate is provided on a month to month basis and can be canceled at any time. 	<p align="center">Marinda Griese, Claim Administrator</p> <p align="center">Tony Giles, General Manager</p>	<p align="center">(916) 652-1840</p> <p align="center">(530) 275-7427</p> <p align="center">(925) 290-1315</p> <p align="center">(925) 290-1316</p>	<p align="center">rcarroll@loomis.ca.gov</p> <p align="center">jduckett@cityofshastalake.org</p> <p align="center">marinda@cjprma.org</p> <p align="center">tony@cjprma.org</p>

LOSS CONTROL SERVICES

DKF Solutions

Fax: (707) 647-7200

www.dkfsolutions.com

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>LOSS CONTROL SERVICES – DKF Solutions is the Loss Control Service Provider responsible for coordination for all Risk Management Training for SCORE. DKF has completed Risk Assessments for all members and is currently working on the approved Risk Control Plans for SCORE.</p> <p>Services available to all SCORE members Maintenance Training & Sewer Management Plans Phone and email hotline (contact David Patzer) On-Site Visit with Biomechanics Training & Review of Operations/Current Practices Online Training: Employees can access online training courses by going to: www.mysafetyofficer.com/employeetraining and entering the username “employee” and password “safety” which will grant access to the following training:</p> <ul style="list-style-type: none">• Interactive Training: Free self-paced web training modules which include quiz questions are available to help facilitate knowledge about different topics ranging from Bloodborne Pathogens to Respiratory Protection. * requires Adobe Flash software• Tailgate Training: Free downloadable tailgate training materials covering topics from Aerial Lift Safety to Zoonotics• Webinar archive: access to one-hour webinars in your web browser covering topics ranging from Bloodborne Pathogens Regulations to SSO Volume Estimation * requires Adobe Flash software• ***NOTE: Monthly news update with a different article each month at http://www.dkfsolutions.com/blog/	<p>David Patzer</p> <p>John Balestrini</p> <p>Katie Frassinelli</p>	<p>(707) 373-9709</p> <p>(916) 532-5802</p>	<p>dpatzer@dkfsolutions.com</p> <p>john@dkfsolutions.com</p> <p>Kfrassinelli@dkfsolutions.com</p>

EMPLOYEE ASSISTANCE PROGRAM
 ACI Specialty Benefits Corporation
 Main: (800) 932-0034 Fax: (858) 452-7819
www.acieap.com

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<p>EMPLOYEE ASSISTANCE PROGRAM - EAP provides 24 hour/365 day assistance to employees and their family members who can receive up to three counseling visits per year by contacting 1-800-932-0034 or by visiting the following website http://score.acieap.com</p> <ul style="list-style-type: none"> • Each city has 4 hours per year for On-Site Employee Orientations, Manager & Supervisor Trainings, and Lunch ‘n Learn Seminars Per City per year • <i>Unlimited</i> Critical Incident Stress Management (CISM) Telephonic Consultation for Crisis response • Each city has 1 On-Site Critical Incident Stress Debriefing (CISD) per year for Crisis response • Legal and Financial Hardship Services- Employees and their family members have limited access to telephonic legal and financial hardship services (first 60 minutes are free and if they retain the attorney then additional time is offered at a discounted rate) <p>**Services offered at an additional cost**</p> <ul style="list-style-type: none"> • Wellness Resources The Core Platform wellness program is available to employees which includes workshops, personalized meal and exercise plans, articles about health, health logs, recipes, exercise tracker and log and blogs about wellness 	<p>Sasha Abrams</p>	<p>(858) 736-3976</p>	<p>sabrahms@acieap.com</p>

AQUATICS RISK MANAGEMENT
 Total Aquatic Management
 Main: (510) 523-3155
www.totalaquaticmanagement.webs.com

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<ul style="list-style-type: none"> • Aquatic Safety services • Certified Pool Operator (CPO) Trainings 	<p>Jim Wheeler</p>	<p>(510) 523-3155</p>	<p>jim@totalaquaticmanagement.com</p> <p>swimnjim@hotmail.com</p>

TRAINING SERVICES

Target Solutions

Main: (800) 840-8048 Fax: (858) 487-8762

www.targetsolutions.com

app.targetsolutions.com/score

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
TRAINING SERVICES – a Web-based Safety Training Platform Services Offered <ul style="list-style-type: none">• OSHA Training Documentation• Online Video Library http://app.targetsolutions.com/auth/index.cfm?action=login.showlogin&ustomerid=19258&customerpath=score• Policy Templates (IIPP examples, Bloodborne Pathogens, HAZWOPER, Emergency Response Plans)• Training Records management (i.e. Diplomas, Certificates of Completion)• Continuing Education Courses for Fire and Safety Personnel	Debbie Pringle , Senior Client Success Manager	(858) 376-1636	debbie.pringle@vectorsolutions.com

CONCRETE CUTTING

Precision Concrete Cutting

Main: (866) 792-8006 Fax: (650) 240-3866

www.dontgrind.com

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
SIDEWALK TRIP HAZARD SERVICES Services Offered <ul style="list-style-type: none">• Sidewalk Asset Management• Surveying Sidewalk Infrastructure• Repairing Uneven Sidewalk Panels	Joseph Ortega Katrina Lynch	(650) 576-4303 (916) 847-7346	jortega@DontGrind.com Klynch@dontgrind.com

JURASSIC PARLIAMENT

Main: (206) 542-8422

<https://jurassicparliament.com>

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
Jurassic Parliament is a service that allows members to understand Roberts Rules of Order. The website offers free webinar trainings as well as free resources available for download.	Ann Macfarlane	(206) 542-8422	info@jurassicparliament.com

LEAGUE OF CALIFORNIA CITIES

Main: (916) 658-8200 Fax: (866) 593-2927

www.cacities.org

SERVICES OFFERED	MAIN CONTACT	PHONE	EMAIL
<ul style="list-style-type: none">The League of California Cities is an association of California city officials who work together to enhance their knowledge and skills, exchange information, and combine resources so that they may influence policy decisions that affect cities.	Charles W. Anderson, Regional Public Affairs Manager	(916) 798-2231	canderson@cacities.org

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

AGRIP (Association of Governmental Risk Pools)	A national organization of JPA's and public agency insurance pools. Formed for educational, information gathering and political lobbying purposes. Affiliated with PRIMA
ALCM (Associate in Loss Control Management)	A professional designation earned after the successful completion of five national examinations given by the Insurance Institute of America (IIA).
ARM (Associate in Risk Management)	A nationally recognized educational program for dedicated risk management professionals, developed by the Insurance Institute of America.
Attachment Point	The dollar amount of a loss where the next layer of insurance begins to pay for the loss
Automobile Liability	Designed to afford bodily injury and property damage liability coverage associated with owned, non-owned and hired vehicles. May include medical payments, uninsured/underinsured motorists' liability coverages
Automobile Physical Damage	Usually a first party coverage; however, some entities have "Bailment" or "care, custody and control" liability exposures such as garages, maintenance facilities that service vehicles of others, and parking lots
Best's Rating	A rating system that indicates the operating and financial condition of insurance companies. Information is developed and published annually by the A. M. Best company. Generally one looks for a company with a rating of A VII or better
Binder	A legal agreement issued by either an agent or an insurer to provide temporary evidence of insurance until a policy can be issued. Binders should contain definite time limits, should be in writing, and should clearly designate the insurer with which the risk is bound.
BOD/BD (Board of Directors)	body of elected or appointed members who jointly oversee the activities of a company or organization
BI (Business Interruption)	A form of insurance coverage that replaces business income lost as a result of an event that interrupts the operations of the business, such as fire or a natural disaster.
CAJPA (California Association of Joint Powers Authorities)	Performs regulatory and legislative lobbying as well as accreditation of Joint Powers Authorities to promote the financial stability of JPAs
CIPRA (California Institute for Public Risk Analysis)	Organized to develop, analyze and disseminate information on risk management in California's public sector, especially self-insured entities and Joint Powers Authorities
CJPRMA (California Joint Powers Risk Management Authority)	CJPRMA provides the excess coverage to SCORE's Liability Program
California State Association of Governments (CSAC)	CSAC is a lobbying, advocacy and service organization representing the state's 58 counties at the state and federal level. Areas of focus include the state budget, health-care reform, corrections reform, transportation funding, water and climate change
California State Association of Governments - Excess Insurance Authority (CSAC-EIA)	CSAC-EIA is a member directed insurance risk sharing pool. The EIA has developed effective risk management solutions to help California public entities proactively control losses and prepare for different exposures
CalTIP (California Transit Insurance Pool)	In 1986 the California Transit Association formed an insurance committee and authorized the preparation of a study of alternative methods of providing liability insurance coverage and began providing liability coverage in 1987

Catastrophic Loss Reserve	A separate JPIA reserve account designated to pay losses without additional premium assessments to members
CIC (Certified Insurance Counselor)	an insurance agent professional certification designation
Certificate Of Insurance	A certificate of insurance is a document issued by an insurance company/broker that is used to verify the existence of insurance coverage under specific conditions granted to listed individuals.
Certified Industrial Hygienist (CIH)	CIH is a professional whose job it is to protect the health of workers and the general public. A CIH is educated, trained and certified to recognize health hazards, test the environment for those hazards and determine when they pose a risk to those who might be exposed to them
Chartered Property Casualty Underwriter (CPCU)	CPCU is a professional designation in property-casualty insurance and risk management
Claim	A demand of a right. In general a demand for compensatory damages, resulting from the actions of another
Claims Made	A provision of an insurance policy that requires it to pay only for claims presented during the policy period with no regard for when the action causing the claim took place. Typically, a claims-made form also includes a retroactive date setting the earliest date for which a covered occurrence can happen. (Also see "Occurrence")
Compromise and Release (C&R)	A type of settlement in which you receive a lump sum payment and become responsible for paying for your future medical care. A settlement like this must be approved by a workers' compensation judge.
Conditional	an insurance policy includes a number of conditions that both the insured and the insurer must comply with. (i.e. a covered loss occurs, the insured must notify the insurer about the loss and the insurer must use the valuation methods specified in the policy to settle the loss- thus the contract is conditional)
Conditions	describe the responsibilities and the obligations of both the insured and the insurance company
Confidence Level (CL)	an estimated probability that a given level of funding will be sufficient to pay actual claim costs. The higher a CL the greater the certainty the actuary has that losses will not exceed the dollar value used to attain the CL
Contract	a legal agreement between two competent parties that promises a certain performance in exchange for a certain consideration
Contract of Utmost Good Faith	as the insurance company relies on the truthfulness and integrity of the applicant when an issuing a policy. In return, the insured relies on the company's promise and ability to provide coverage and pay claims
Certified Safety Professional (CSP)	CSP's are qualified persons that are competent and trained to detect and appraise hazardous materials, procedures and activities of workers, materials and work environments. They are highly educated, trained and experienced in the field of safety.
California State Association of Counties Excess Insurance Authority (CSAC-EIA)	SCORE participates in a group purchase of pollution liability coverage with CSAC-EIA
Cumis Counsel	Cumis refers to a lawsuit against the Cumis Insurance Society in which they were found to have controlled the defense attorney to the detriment of their insured. The court determined that the Society should have assigned separate counsel to represent the exclusive interests of the insured. The need for <i>cumis</i>

	<i>counsel</i> arises in situations where there are significant coverage issues and defense counsel is conflicted between his duty to his client and the obligations to the insurance carrier.
DE9	Quarterly Contribution Return and Report of Wages
Declarations	contain information such as the name of the insured, the address, the amount of coverage provided, a description of property, and the cost of the policy
Deductible	It is that portion of each claim that is paid by the member at the time of loss. It is in addition to any premium already paid
Defense	A defendant's denial to a complaint or cause of action
Definitions	clarify the meaning of certain terms used in the policy
Deposit Premium	Premium required at the beginning of a policy period based on estimated costs
Difference In Conditions (DIC)	A specialized property insurance policy written to provide coverage for perils not covered in a standard property policy or in the JPIA's Memorandum of Property Coverage. In particular, it is most often used to provide coverage for earthquake and/or flood losses
Directors and Officers (D&O)	Liability insurance payable to the directors and officers of a company, or to the organization(s) itself, as indemnification (reimbursement) for losses or advancement of defense costs in the event an insured suffers such a loss as a result of a legal action brought for alleged wrongful acts in their capacity as directors and officers.
Directors, Officers and Trustees Liability	Intended to protect nonprofit board members, officers, and directors for faulty decisions, which imperil the entity. Usually written to include entity reimbursement for legal actions and personal liability of specific wrongdoers
Date of Loss (DOL)	Regarding property claims this is usually the date of occurrence of physical damage to property. In WC claims this is usually the date a physical injury occurred to an employee.
Doctrine of reasonable expectations	a policy includes coverages that an average person would reasonably expect it to include regardless of what the policy actually provides
Earthquake (EQ)	a sudden and violent shaking of the ground, sometimes causing great destruction, as a result of movements within the earth's crust or volcanic action
Employers' Liability	Included as part of a worker's compensation insurance policy. Covers liability for losses arising out of injuries to employees that are not covered by statutory workers' compensation benefits
Employment Practices Liability (EPL)	Written to protect an entity from liabilities arising from allegations of discrimination, failure to promote or hire, harassment, ADA responsibilities, wrongful termination, etc
Endorsement	any change to the original policy (attached to the policy itself)
Environmental Impairment Liability	Also referred to as "Pollution" and "Pollution Legal" Liability; can be written to protect an entity from actions resulting from contamination of air, water, property. First party (damage to owned property) and third party (liability for damage to others) protections are often provided on the same policy
Employment Risk Management Authority (ERMA)	ERMA provides employment practices Liability coverage to SCORE members desiring such coverage

Errors and Omissions Insurance (E&O)	Professional liability insurance that protects companies and individuals against claims made by clients for inadequate work or negligent actions, usually includes both court costs and any settlements up to the amount specified on the insurance contract.
Errors and Omissions Liability	Excludes bodily injury and property damage; intended to afford protection for the “misfeasance, malfeasance or non-feasance” of public officials, employees and volunteers. May also include incidental medical personnel (paramedics), police and fire personnel, architects and plan checkers, engineers, and on-staff attorneys
Excess Insurance	Insurance that is purchased to provide higher limits than the primary policy or coverage provides
Excess Loss	The portion of a loss that is allocated to, or paid by, excess coverage
Exclusions	describe the losses for which the insured is not covered
Executive Committee (EC)	committee within that organization which has the authority to make decisions and ensures that these decisions are carried out
Expected liabilities	Outstanding reserves plus Incurred But Not Reported (IBNR) and Loss Adjustment Expense, discounted at the “Expected” Confidence Level (CL)
Exposure	a condition or situation that presents a possibility of loss (i.e. home built on flood plain is exposed to the possibility of flood damage)
Financial Accounting Standards Board (FASB)	FASB standards, known as generally accepted accounting principles (GAAP), govern the preparation of corporate financial reports and are recognized as authoritative by the Securities and Exchange Commission
Fidelity Bonds	Written as financial guarantees of employees’ honesty. Personnel with money-handling responsibilities are considered exposures to loss
Fiduciary Liability	Covers board members, executives and other decision-making personnel with responsibilities for pension funds, retirement plans and employee benefit monies for negligent decisions that result in losses to such funds
Generally Accepted Accounting Principles (GAAP)	GAAP refers to the standard framework of guidelines for financial accounting used in any given jurisdiction; generally known as accounting standards or standard accounting practice
Governmental Accounting Standards Board (GASB)	GASB) is the source of generally accepted accounting principles (GAAP) used by State and Local governments in the United States. As with most of the entities involved in creating GAAP in the United States, it is a private, non-governmental organization
General Liability	Written to protect the member’s assets against liability for property damage of or bodily injury to third parties (see definition of parties)
Hazard	anything that increases the chance of loss (also see Physical Hazard, Morale Hazard and Moral Hazard)
Health Insurance Portability and Accountability Act (HIPAA)	A federal law enacted in 1996 that protects continuity of health coverage when a person changes or loses a job, that limits health-plan exclusions for preexisting medical conditions, that requires that patient medical information be kept private and secure
Incurred But Not Reported (IBNR)	It is that part of the total claims that is unknown at any point in time. At any time, SCORE has claims that have not been reported or recognized by SCORE or has claims recognized by SCORE but without knowledge of the cost when such claim is finally closed. SCORE uses an actuary to project the costs of these unknown liabilities to SCORE <ul style="list-style-type: none"> - the estimate of funds needed to pay for covered losses that have occurred but have not been reported to the member and/or SCORE and expected future development on claims already reported

Incurred Loss	This is the ultimate expected total value of any claim. It includes the amount already paid, plus the estimated amount yet to be paid (reserves)
Injury Illness Prevention Program (IIPP)	Proactive process of assessing workplace hazards prior to an injury being reported
Insurable Interest	before you can benefit from insurance; you must have a chance of financial loss or a financial interest in the property
Insurance	a contract or device for transferring risk from a person, business, or organization to an insurance company that agrees, in exchange for a premium, to pay for losses through an accumulation of premiums
Insurance Requirements in Contracts (IRIC)	In insurance, the insurance policy is a contract (generally a standard form contract) between the insurer and the insured, known as the policyholder, which determines the claims which the insurer is legally required to pay.
Insurance Services Office, Inc. (ISO)	An insurance industry association that collects statistical data for rate making and develops standard insurance policy forms. ISO is the organization that drafted the standard commercial general liability (CGL) commonly used by insurers
Insuring agreements	state in general what is to be covered, also includes a description of what type of property is covered and the perils against which it is insured (i.e. the losses for which the insured will be indemnified)
Inverse Condemnation	Both the United States Constitution and the California Constitution require that a private citizen be compensated if property is "taken" by a public entity. When the property is taken proactively it is called eminent domain. When the property is taken "accidentally," without due course, it is called inverse condemnation. Negligence need not be proven. The claimant's legal expenses are payable in addition to actual damages
Limit	The most that will be paid in a loss
Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX)	LAWCX provides excess coverage to SCORE's workers' compensation pool
Long Range Planning (LRP)	Exercise aimed at formulating a long-term plan, to meet future needs estimated usually by extrapolation of present or known needs. It begins with the current status and charts out a path to the projected status, and generally includes short-term (operational or tactical plans) for achieving interim goals.
Loss Adjustment Expense (LAE)	administrative expense to manage a claim to conclusion- Allocated LAE (ALEA) are expenses attributable to a specific claim such as attorney fees- Unallocated LAE (ULAE) are overhead expenses not attributable to a specific claim such as salaries or office rental
Loss Payee	The party to whom the claim from a loss is to be paid. Loss payee can mean several different things; in the insurance industry, the insured or the party entitled to payment is the loss payee. The insured can expect reimbursement from the insurance carrier in the event of a loss.
Loss Ratio	The amount of loss divided by the amount of premium, contributions, payroll or property values
Master Plan Documents	A document issued by a JPA defining the structure, rights and obligations of the participants and procedures of an insurance or self- funded program
Maximum Medical Improvement (MMI)	When an injured employee's condition is well stabilized and unlikely to change substantially in the next year, with or without medical treatment. Once

	an employee reaches MMI, a doctor can assess how much, if any, permanent disability resulted from the work injury. See also P&S
Memorandum of Coverage (MOC)	A document issued by a JPA defining the coverage provided to the members
Moral Hazard	a person might create a loss situation on purpose just to collect from the insurance company (i.e. a pre-arranged faked theft of an older vehicle so the owner could collect insurance money and buy something new)
Morale Hazard	an individual, through carelessness or by irresponsible actions, can increase the possibility for a loss (i.e. a person who drives a car carelessly because he knows a loss will be insured if an accident occurs)
Mutual interest company	the insureds are also owners of the company and so they can vote to elect the management of the company (profits are returned to the insureds in the form of dividends or reductions in future premiums)
Named Insured	Any person, firm, or corporation, or any of its members specifically designated by name as insured(s) in the policy as distinguished from others who, although unnamed, are protected by the policy definition. A named insured under the policy has rights and responsibilities not attributed to additional insureds, such as premium payment, premium return, notice of cancellation, and dividend participation
Net Assets	(Equity, surplus or Net Position) Total assets less Expected liabilities- the amount of funds remaining after subtracting liabilities at the actuarially determined "Expected" Confidence Level (approx. 50% CL)
Net Contribution	a total contribution for losses less excess insurance costs
Non Vacant land	refers to land that is occupied and used, and/or has structures on it (i.e. shack, building, park with benches)
Obligee	Is an individual, partnership, corporation, or a government entity which requires the guarantee that an action or service will be performed. If not properly performed, the surety pays the obligee for any damages or fulfills the obligation
Occurrence	A) In order for SCORE to pay a liability claim, it must arise out of an occurrence. This is an accident, event, act or omission to act which results in "damages," "bodily injury," or "property damage" neither expected nor intended from the covered parties' conduct. B) A provision of an insurance policy that requires it to pay for a claim caused during the policy period regardless of when it is presented.
Passive Negligence	The party that was negligent did not take part in the action that caused the damage, but was responsible for somehow allowing it to take place. For example, a city allowed a contractor to dig a hole on city property and someone fell in
Peril	Cause of a loss
Permanent and Stationary (P&S)	When an employee's medical condition has reached maximum medical improvement. Once an employee is declared P&S, a doctor can assess how much, if any, permanent disability resulted from the work injury. If the disability is rated under the 2005 schedule you will see the term maximal medical improvement (MMI) used in place of P&S. See also MMI
Permanent Disability (PD)	Any lasting disability that results in a reduced earning capacity after maximum medical improvement is reached

Personal Protective Equipment (PPE)	PPE refers to protective clothing, helmets, goggles, or other garments or equipment designed to protect the wearer's body from injury
Physical Hazard	a hazard that arises from the condition, occupancy, or use of the property itself (i.e. skateboard left on the porch steps)
Plaintiff	The party who complains or sues in a personal action. A claimant becomes a plaintiff by filing suit
Pooled Loss	The portion of a loss that is allocated to, or paid by, the self-insured pool. SCORE's Liability Program pools, or self-insures, the first \$500,000 of each occurrence. Loss costs exceeding this amount are paid by excess insurance
Principal	Is an individual, partnership, or corporation who offers an action or service and is required to post a bond. Once bonded, the surety guarantees that he will perform as promised
Principle of Indemnity	when a loss occurs an individual should be restored to the approximate financial condition he was in before the loss no more and no less
Property Insurance	This covers the member for damage to its own property, sometimes called first-party coverage
Public Agency Risk Managers Association (PARMA)	A statewide association for risk managers in the public sector. Educational and lobbying activities
Public Entity Property Insurance Program (PEPIP)	A group purchase program from which many SCORE members purchase their insurance
Public Risk Management Association (PRIMA)	A national association for risk managers in the public sector. Formed for educational, information gathering and political lobbying purposes
Pure Risk	involves only the possibility of loss
QME (Qualified Medical Examiner)	A medical provider who has been certified by the Division of Workers' Compensation by passing an administrative exam.
Reciprocal company	(to give/take), a member of a reciprocal agrees to share the insurance responsibilities with all other members of the unincorporated group (all members insure each other and share the losses with each other) NOTE: managed by an attorney-in-fact who is empowered to handle all of the business of the reciprocal
Replacement Cost (RC)	The cost to replace damaged property with like kind and quality, with no deduction for depreciation, but still subject to a "limit"
Reserve	In order to budget for its expected costs and to know when a claim must be reported to the excess coverage, SCORE estimates the ultimate expected total value of each claim and "reserves" part of the not paid. As moneys are paid out for a claim, the reserve amount is decreased
Retrospective Premium Adjustment	At the beginning of each policy period, SCORE collects a deposit premium representing the estimated costs for that year. Each year a calculation of expenses associated with the policy period are subtracted from the deposit premium. At some point the excess funds will be returned, or shortage of funds will be charged. This process is repeated annually for each coverage year until all claims for that year are closed out and there is no IBNR allocated to that policy year.
Risk	the chance or uncertainty of loss (also see Speculative Risks and Pure Risks)

Risk and Insurance Management Society (RIMS)	National professional organization to promote principles of risk management and assist risk managers in their daily activities
Risk Control	Those risk management techniques designed to minimize the frequency and/or severity of claims. Risk control techniques include exposure avoidance, loss prevention, loss reduction, segregation of loss exposures, and contractual transfer to shift losses to others
Risk Financing	Techniques for generating funds to pay for losses that risk control methods do not entirely eliminate. There are two types of risk financing techniques -- retention and transfer. Retention involves paying for losses using an organization's own assets; transfer involves covering losses by an unrelated entity for a consideration (such as a payment of a premium)
Risk Management	One of the specialties within the general field of management, the process of managing an organization's activities to minimize the adverse effects of accidental losses on a cost-effective basis. Risk management has two components -- risk control and risk financing.
Self-Insured	Coverage of losses from the insured's own funds, rather than an insurance policy. Generally refers to a planned program for financing or otherwise recognizing losses
Self-Insured Retention (SIR)	the maximum amount of exposure to a single loss retained by SCORE
Severability of Interests Clause	An insurance policy provision clarifying that the word "insured," as it appears within various parts of a policy, applies severally and not collectively. When there is more than one insured, the effect is as though a separate policy is issued to each insured. Thus, a policy containing such a clause will cover a cross liability claim – a claim made by one insured against another insured. The one exception to the separate application to each insured of a policy containing a severability of interest clause is that the limits are not cumulative; that is, one set of limits applies to all insureds collectively
Special Events	Designed to cover your sponsorship of events, such as fireworks shows, festivals, community/entity celebrations; often written to protect other policies' loss integrity. Another type of special event coverage, known as a "tenants and permittees" policy, can be issued for third parties who rent or use your owned facilities.
Speculative Risk	risks in which there exists both the possibility of gain and the possibility of loss (i.e. poker game)
Spread of Risk	the greater the spread of risk the less likely that there will be a catastrophic loss for the insurance company (i.e. NOT insuring every person in a single town that could be hit by a fire which destroys the town= catastrophic loss for the insurance company vs. insuring several people in MANY towns to spread out the risk of a catastrophic loss)
Stock company	sells stock to stockholders to raise the money necessary to operate the business (profits attributed to the operation of the company are returned as dividends to the stockholders, not the insureds)
Subrogation	The insurer's right to proceed against a third person if that third person was responsible for a claim paid by the insurer. Employee dishonesty can be subrogated by the insurance company against a dishonest employee
Surety	Is usually a corporation which determines if an applicant (principal) is qualified to be bonded for the performance of some act or service. If so, the

	surety issues the bond. If the bonded individual does not perform as promised, the surety performs the obligation or pays for any damages
Temporary Disability Benefits (TD)	Payments an employee receives if they lose wages because of a work related injury which prevents them from doing their usual job while recovering
Third Party Administrator (TPA)	TPA is a person or organization that processes claims and performs other administrative services in accordance with a service contract, usually in the field of employee benefits
Total Insured Values (TIV)	The values shown on a member city's schedule or appraisal for property coverage. Only those items shown on the schedule are covered for loss
Terrorism Risk Insurance Act (TRIA)	TRIA is a United States federal law signed into law by President George W. Bush on November 26, 2002. The Act created a federal "backstop" for insurance claims related to acts of terrorism.
Vacant land	refers to land that is unoccupied and unused, and/or has no structures on it
Vehicle Identification Number (VIN)	unique code including a serial number, used by the automotive industry to identify individual motor vehicles, towed vehicles, motorcycles, scooters and mopeds as defined in ISO 3833



**Small Cities Organized Risk Effort
Board of Directors Meeting
March 26, 2021**

Agenda Item K.

**CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95
ACTION ITEM**

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

**Request for Authority

1. Liability

a. SCGA02085A2 v. City of Dunsmuir**

2. Workers Compensation

a. SCWA-556085 v. City of Portola**

b. SCWA-556110 v. City of Yreka**

c. SCWA-386445 v. City of Williams**

FISCAL IMPACT: T.BD

RECOMMENDATION: None

BACKGROUND: None

ATTACHMENTS: None



**REPORT FROM CLOSED SESSION
INFORMATION ITEM**

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

RECOMMENDATION: None

FISCAL IMPACT: None

BACKGROUND: This item is added to each agenda for any topics or ideas members would like to discuss.

ATTACHMENTS: None.