



President
Mr. Roger Carroll
Town of Loomis

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

Vice President
Mr. Kelly McKinnis
City of Weed

Secretary
Ms. Debra Magginetti
City of Susanville

Treasurer
Ms. Linda Romaine
Town of Fort Jones

Location: GAIA Anderson Hotel
4125 Riverside Place
Anderson, CA 96007

Date/Time: January 27, 2012, 10:00 a.m.

In accordance with the requirements of the Brown Act, notice of this meeting must be posted in publically accessible places, 72 hours in advance of the meeting, in each of the member agencies involved. 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 1792 Tribute Road, Suite 450, Sacramento, CA 95815.

Per Government Code 54954.2, persons requesting disability related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact Johnny Yang at Alliant Insurance at (916) 643-2712 24 hours in advance of the meeting.

- A Action**
- I Information**
- 1 Attached**
- 2 Hand Out**
- 3 Separate Cover**
- 4 Verbal**
- 5 Previously Mailed**

- PAGE* **A. CALL TO ORDER**
- B. ROLL CALL**
- C. APPROVAL OF AGENDA AS POSTED** A 1
- D. PUBLIC COMMENTS**
- pg. 01 **E. CONSENT CALENDAR** A 1
All matters listed under the consent calendar are considered routine with no separate discussion necessary. Any member of the public or Board of Directors may request any item to be considered separately.
- pg. 02 1. Draft Board of Directors Meeting Minutes – October 28, 2011
- pg. 09 2. Local Agency Investment Fund (LAIF) Monthly Statements of Investments – December 2011
- pg. 11 3. Union Bank Account Statement – December 2011
- pg. 24 4. Investment Statements from Chandler Asset Management – December 2011
 - a. Account 590
 - i. Portfolio Summaries
 - ii. Compliance Report
- pg. 27 5. SCORE’s Quarterly Financials – September 30, 2011
- pg. 29 6. LAWCX December 8, 2011 eBrief
- pg. 31 7. TargetSolutions Utilization Report as of December 31, 2011
- pg. 34 8. ACI Specialty Utilization Report as of December 31, 2011



F. PRESENTATIONS

- pg. 35 **1. CAJPA Accreditation with Excellence** I 1
SCORE will be presented with a plaque certifying the accreditation with excellence designation.

- Lunchtime Presentation
pg. 70 **2. Ancillary Insurance Programs** I 1
Staff will provide a presentation of the Ancillary Insurance Programs offered that members may be interested in purchasing.

G. FINANCIAL REPORTS

- pg. 71 **1. Quarterly Financials for Period Ending December 31, 2011** A 1
Members will review the quarterly financials and take action to Accept and File or give direction.

- pg. 72 **2. Annual Audited Financial Report Year Ending June 30, 2011** A 1
Ms. Amy Meyer of MAZE and Associates will present SCORE’s Audited Financial Report for Year Ending June 30, 2011.

H. ADMINISTRATIVE REPORTS

- 1. President’s Report** I 4
Mr. Roger Carroll will address the Board on items pertaining to SCORE - VERBAL

- 2. Alliant Update** I 4
Staff will update the Board on Alliant matters pertinent to SCORE - VERBAL

- 3. California Joint Powers Risk Management Authority (CJPRMA) Update** I 4
Mr. Roger Carroll will update the Board regarding CJPRMA. - VERBAL

I. JPA BUSINESS

- pg. 73 **1. SCORE Logo** A 1
Members will be asked to review and approve the SCORE Logo.

- pg. 74 **2. City of Isleton Premium Payment Deferral Request** A 1
The Board will be asked to review, discuss and take action regarding the City of Isleton’s Premium Payment Deferral Request.



cont'd pg. 78	I. 3. 2011 Retrospective Adjustment Ratification <i>Members will be asked to review and ratify the 2011 Retrospective Adjustments that were approved October 28, 2011.</i>	A 1
pg. 80	4. City of Crescent City Distribution Request <i>Members will receive an update regarding the calculations of Crescent City's Distribution options and will be asked to take action.</i>	A 1
pg. 81	5. Target Equity Analysis as of June 30, 2011 <i>Members will receive a presentation regarding SCORE's Target Equity Analysis as of June 30, 2011.</i>	I 1
	6. Vendor Contract Renewals <i>Members will be asked to review and give direction to staff regarding the contracts due to expire on June 30, 2012 for the vendors below.</i>	A 1
pg. 90	a. Maze and Associates (Financial Auditor)	
pg. 97	b. York Risk Services (Liability/Workers' Compensation Claims Administration and Risk Control Services)	
	J. SAFETY AND RISK MANAGEMENT	
	1. Lexipol Fire Policy Manual <i>Mr. Jack Kastorff, York Risk Services, Inc., will provide members with an overview of this new manual for Firefighters for future consideration - VERBAL</i>	A 4
pg. 105	2. Company Nurse <i>Members will be provided with an update regarding implementation of the CompanyNurse program</i>	I 1
	K. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.95 **REQUESTING AUTHORITY	
	1. Liability	
	a. Cooper vs. Mt. Shasta**	
	b. Arth vs. Dunsmuir**	
	2. Workers' Compensation:	
	a. Murphy vs. Portola 2011115737**	
	b. Downing vs. Susanville 2010109476	



- c. Goulart vs. Mt. Shasta 2011115161
- d. Hoover vs. Weed 2011120967
- e. Melo vs. Mt. Shasta 2011120592
- f. Reno vs. Crescent City 2009091056
- g. Spruill vs. Weed 2007058233
- h. Stone vs. Portola 2011120685
- i. Whittaker Jr. vs. Etna 2009097949

L. REPORT FROM CLOSED SESSION

M. INFORMATION ITEMS

- pg. 117 1. SCORE Resource Contact Guide
- pg. 119 2. PARMA Conference – February 14-17, 2012 – Monterey, CA

N. CLOSING COMMENTS

ADJOURNMENT

UPCOMING MEETING

Board of Directors Meeting – March 23, 2012



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 pulled.

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

FISCAL IMPACT: None

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

ATTACHMENT:

1. Draft Board of Directors Meeting Minutes – October 28, 2011
2. Local Agency Investment Fund (LAIF) Monthly Statement of Investments – December 2011
3. Union Bank Account Statement – December 2011
4. Investment Statements from Chandler Asset Management – December 2011
 - a. Account 590
 - i. Portfolio Summaries
 - ii. Compliance Report
5. SCORE's Quarterly Financials – September 30, 2011
6. LAWCX December 8, 2011 eBrief
7. TargetSolutions Utilization Report as of December 31, 2011
8. ACI Specialty Utilization Report as of December 31, 2011

**Small Cities Organized Risk Effort (SCORE)
Board of Directors Meeting Minutes
October 28, 2011**

Member Cities Present

Michael Botorff, City of Biggs
Bruce Kranz, City of Colfax
Liz Clontz, City of Dorris
Brenda Bains, City of Dunsmuir
Pamela Russell, City of Etna
Linda Romaine, Town of Fort Jones
Satwant Takhar, City of Live Oak
Roger Carroll, Town of Loomis
Kathy LeBlanc, City of Loyalton

Frank Hoag, City of Montague
Ted Marconi, City of Mount Shasta
Susan Scarlett, City of Portola
Stephanie Beauchaine, City of Rio Dell
John Duckett, City of Shasta Lake
Debra Magginetti, City of Susanville
Earl Wilson, City of Weed
Steve Baker, City of Yreka

Member Cities Absent

Mayor Gene Resler, City of Isleton

Randolph Darrow, City of Tulelake

Consultants & Guests

Susan Adams, Alliant Insurance Services
Michael Simmons, Alliant Insurance Services
Jacqueline Parker, Alliant Insurance Services
Joan Crossley, Alliant Insurance Services
Johnny Yang, Alliant Insurance Services
Tom Baber, York Insurance
Jack Kastorff, York Insurance
Craig Wheaton, York Insurance
Bonnie Markuson, York Insurance
Leslie Cunningham, York Insurance

Jodi Fink, York Insurance
Kevin Wong, Gilbert Associates
Tracey Smith-Reed, Gilbert Associates
Leslie Tigan, City of Portola
Ken McDonald, City of Crescent City
Earl Wilson, City of Weed
Cricket Strock, Town of Loomis
David Stein, City of Etna
Megan Annand, City of Tulelake

A. CALL TO ORDER

Mr. Roger Carroll called the meeting to order at 9:08 a.m.

B. ROLL CALL

The above mentioned members were present constituting a quorum. Cities absent were City of Isleton and the City of Tulelake.

C. APPROVAL OF THE AGENDA

A motion was made to approve the Agenda as presented.

MOTION: Ted Marconi **SECOND:** Earl Wilson **MOTION CARRIED**

D. PUBLIC COMMENT

There were no public comments.

E. CONSENT CALENDAR

1. Board of Directors Meeting Minutes – August 26, 2011
2. Local Agency Investment Fund (LAIF) Monthly Statement of Investments - June & September 2011
3. Union Bank Account Statement – July, August & September 2011
4. Investment Statements from Chandler Asset Management: August & September 2011
 - a. Account 590
 - i. Portfolio Summaries
 - ii. Holdings Report – Most Recent
 - iii. Compliance Report
 - iv. Transaction Reports

A motion was made to approve the consent calendar as presented.

MOTION: Liz Clontz **SECOND:** Debra Magginiti **MOTION CARRIED**

F. FINANCIAL REPORTS

F1. SCORE's Quarterly Financials – June 30, 2011 and September 30, 2011

Mr. Kevin Wong gave a report regarding SCORE's Quarterly Financials as of June 30, 2011 and a brief report regarding the Quarterly Financials as of September 30, 2011. The Quarterly Financial Report ending September 30, 2011 was inadvertently not brought to the meeting so staff was directed to bring it back to the next SCORE Board of Directors meeting for approval.

A motion was made to approve the Quarterly Financials as of June 30, 2011.

MOTION: Linda Romaine **SECOND:** Kathy LeBlanc **MOTION CARRIED**

F2. Target Equity Analysis as of June 30, 2011

Ms. Susan Adams advised that the Target Equity Ratios are provided annually and are part of the CAJPA Accreditation requirements.

Mr. Michael Simmons gave a report on the Target Equity Analysis as of June 30, 2011.

F3. Approval of Workers' Compensation Revised Retrospective Distribution Calculation

Ms. Adams explained that in the August webinar an error was noticed regarding how the interest allocation was applied in the original calculation so the Distribution Calculations have been revised accordingly. The total distribution amount has not been changed but the allocation has been corrected.

A motion was made to approve the Workers' Compensation Revised Retrospective Distribution Calculation.

MOTION: John Duckett **SECOND:** Satwant Takhar **MOTION CARRIED**

F4. Declaration of Workers' Compensation Retrospective Distribution

The Board and staff discussed whether the shared layer distribution can be applied to the banking layer to help offset any deficit.

Members noticed the distribution calculations did not appropriately sum together the banking layer and shared layer distributions with respects to deficits in the banking layer.

Ms. Adams advised that staff will send out a letter to members requesting the cities' distribution options.

A motion was made to approve the declaration of Workers' Compensation Distribution at 40% of available funds with corrections based on the policy as necessary.

MOTION: Stephanie Beauchaine **SECOND:** Pamela Russell **MOTION CARRIED**

F5. Approval of General Liability Revised Retrospective Distribution Calculation

Ms. Adams explained the General Liability Revised Retrospective Distribution Calculation recommending a 30% distribution of available funds.

Mr. Wong explained that in an attempt to tie out the net results in the Distribution Calculations there was a remaining difference of \$3,512 available. Gilbert Associates will bring back options regarding the distribution of the difference remaining in January.

Members again noticed the distribution calculations did not appropriately sum together the banking layer and shared layer distributions with respects to deficits in the banking layer.

A motion was made to approve the General Liability Distribution Calculation at 30% of available funds with corrections based on the policy as necessary.

MOTION: Stephanie Beauchaine **SECOND:** Pamela Russell **MOTION CARRIED**

F6. Declaration of General Liability Revised Retrospective Distribution

There was discussion on whether the \$500,000 Equity Distributions are included in the Retrospective Distribution calculations. Mr. Simmons explained that in an attempt to tie the distributions to the Financial Statements new distribution calculations were used and in essence the \$500,000 Equity Distributions are included and allocated in the calculations.

A motion was made to approve the declaration of General Liability Revised Retrospective Distribution at 30% of available funds with corrections based on the policy as necessary.

MOTION: Stephanie Beauchaine **SECOND:** Pamela Russell **MOTION CARRIED**

F7. Financial Audit Update

Mr. Carroll noted that the Financial Audit Update was included in the discussion of the previous Retrospective Distributions items.

F8. City of Tulelake Premium Payment Plan Update

Ms. Adams updated members regarding the City of Tulelake Premium Payment Plan advising that Tulelake has paid its premium in full.

F9. Approval of Resolution regarding York signatures on Bank Signature Cards

Susan advised that York is migrating its claims management system from Valley Oaks to Claims Connect and as part of the migration, new Bank Signature Cards are required by the bank.

A motion was made to approve the Resolution regarding York signatures on Bank Signature Cards.

MOTION: Linda Romaine **SECOND:** Kathy LeBlanc **MOTION CARRIED**

The Chair called for a “hand indication” vote process with the following results:

Sixteen – Ayes
Zero - Opposed

G. ADMINISTRATIVE REPORTS

G1. President’s Report

Mr. Carroll spoke about the Company Nurse program offered at the Strategic Planning Session and asked if the Board would like for staff to contact Company Nurse for enrollment. Costs for the program will be an allocated loss adjustment expense billed in the claim file. Staff

recommends enrollment in program. Staff was directed to contact Company Nurse for enrollment.

G2. Alliant Update

Ms. Adams explained that a JPA unit was organized in the Alliant Insurance Sacramento office and introduced Ms. Joan Crossley who will be overseeing the unit. Ms. Adams said Kim Carter will handle all insurance related issues with Johnny Yang handling all JPA administration items.

G3. California Association of Joint Powers Authorities (CAJPA) Reaccreditation Update

Ms. Adams advised that SCORE has been reaccredited with excellence by CAJPA. CAJPA will present to SCORE the Reaccreditation with Excellence Certificate at the upcoming January Board meeting.

G4. California Joint Powers Risk Management Authority (CJPRMA) Update

Mr. Carroll addressed the board regarding CJPRMA's extensive renewal application to be expected soon. Mr. Carroll also noted the large EPL claims coming to light.

H. JPA BUSINESS

H1. City of Crescent City Distribution Request

Ms. Adams advised that at its prior webinar meeting the Board requested to have this item brought back to today's Board meeting for discussion.

Mr. Ken McDonald spoke about the prudent measure to require cities that have left the pool to request the distribution advising Crescent City will commit to the maintenance of reserves any assessments to Crescent City in the next twelve months.

Ms. Stephanie Beauchaine made a motion to deny the City of Crescent City Distribution request.

There was discussion about Crescent City's open claims that may affect the distribution and SCORE's JPA Agreement and Bylaws regarding distribution of funds.

Mr. McDonald expressed that since the City of Crescent City is responsible for any assessments then they are also eligible for any distributions to be made to members for that year. Mr. McDonald advised that any distributions calculated for the City of Crescent City, if not paid, should be addressed as a debt owed to the City by SCORE for any possible future assessments for the Crescent City.

Mr. Simmons mentioned that future assessments are impacted not only by Crescent City's claims but SCORE's claims as a whole noting that due to Crescent City's size, they are responsible for a

larger portion of those assessments. Mr. Simmons then suggested looking into claims for substantially closed years which are clearly available for release.

Ms. Beauchaine amended her original motion above to deny Crescent City's request and direct staff to examine a formula to determine and bring back a calculation of potentially eligible funds for departing cities for substantially closed years.

MOTION: Stephanie Beauchaine **SECOND:** Linda Romaine **MOTION CARRIED**

H2. Liability Claims Audit Request for Proposal

Susan Adams asked the Board to decide if a Request for Proposal should be issued for a Liability claims audit to be performed or should the previous auditor be contacted to determine his interest and availability to audit the Liability claims.

A motion was made to contact the previous auditor to determine his interest and availability to audit the claims.

MOTION: Earl Wilson **SECOND:** John Duckett **MOTION CARRIED**

H3. Workers' Compensation Audit Request for Proposal

Ms. Adams asked the Board to decide if a Request for Proposal be issued for a Workers' Compensation claims audit to be performed or should the previous auditor be contacted to determine their interest and availability to audit the Workers' Compensation claims.

A motion was made to contact the previous auditor to determine their interest and availability to audit the claims.

MOTION: John Duckett **SECOND:** Stephanie Beauchaine **MOTION CARRIED**

I. SAFETY AND RISK MANAGEMENT

II. TargetSolutions Usage

Ms. Adams gave a brief update regarding TargetSolutions' current utilization for the 2011-2012 policy year advising that interested members should contact Alliant Staff for contact information.

I2. Insurance Requirement in Contracts

Mr. Simmons gave a presentation with Marcus Beverly regarding the Insurance Requirements in Contracts.

I3. Lexipol Fire Policy Manual

Mr. Jack Kastorff gave an update regarding the Lexipol Fire Policy Manual. The Board requested that this item be brought back to the next Board of Directors meeting for future discussion regarding cost.

J. INFORMATION ITEMS

J1. Public Agency Risk Managers Association Conference – February 14 – 17, 2012 in Monterey

Mr. Carroll advised members of the upcoming PARMA Conference in Monterey California on February 14 – 17, 2012 reminding members of the Education Funds available through SCORE.

J2. SCORE Resource Contact Guide

Ms. Adams advised the Board that the SCORE Resource Contact Guide will updated by Staff and included in future Agendas. It will also be available on the SCORE website.

K. CLOSING COMMENTS

There were no closing comments.

AJOURNMENT

The meeting was adjourned at 11:59 a.m.

NEXT MEETING DATE: Friday, January 27, 2012

Respectfully Submitted,

Debra Magginetti, Secretary

Date

SCORE

Small Cities Organized Risk Effort A Joint Powers Authority

Board of Directors
Small Cities Organized Risk Effort

Treasurer's Report

Attached is the investment report for the period ended 12-31-2011, in accordance with Government Code §53646(b) (1) which requires the authority Treasurer to submit quarterly to the Chief Executive Officer and the legislative body (Board of Directors), a quarterly Investment Report within thirty (30) days following the end of the quarter covered by the report. The report shall contain the following elements; the type of investment, issuer, maturity, par and dollar amounts invested; for the funds managed by contracted parties including lending programs; the market value and source of valuation. The Treasurer must also include a description of the compliance with the stated investment policy. The description of the holdings and market value are not required if all of the Authority's funds are invested in LAIF or equivalent. The Treasurer must also include a statement regarding its ability to meet the next six (6) months cash expenditure requirements.

The Authority's funds are invested in LAIF and with Chandler Asset Management. The statements for those accounts are included as part of this Investment Report.

It is the belief of the Treasurer that the funds held in liquid investments are more than sufficient to meet the Authority's cash flow needs for the following six months, and that the investment in LAIF and other securities is in keeping with the investment policy of the Authority, as duly authorized by the Board of Directors.

Respectfully submitted,

Linda Romaine

Linda Romaine, Treasurer
01-19-2012



JOHN CHIANG

California State Controller

**LOCAL AGENCY INVESTMENT FUND
REMITTANCE ADVICE**

Agency Name	S.C.O.R.E.
Account Number	40-04-001

As of 01/13/2012, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 12/31/2011.

Earnings Ratio		.00001043176196406
Interest Rate		0.38%
Dollar Day Total	\$	228,607,175.13
Quarter End Principal Balance	\$	2,485,196.97
Quarterly Interest Earned	\$	2,384.78



ITC, INSTITUTIONAL CUSTODY
 350 CALIFORNIA STREET, 6TH FLOOR
 SAN FRANCISCO CA 94104

MB 02 002239 12534 H 13 A

SMALL CITIES ORGANIZED RISK EFFORT
 ATTN: LINDA ROMAINE
 P. O. BOX 40
 FORT JONES, CA 96032-0040



Account Statement

Statement Period

December 1, 2011 through December 31, 2011

Account Number

6736301210

Account Name

SMALL CITIES ORGANIZED RISK EFFORT

Relationship Manager

CARMEN CONIENDO
 415-705-7207

Online Access

unionbank.com/trustandcustody

Investment Manager
 CHANDLER LIQUID ASSET MGMT

Important Information

Effective November 1, 2011, your JIB Deposit Account converted to a transaction account. Union Bank no longer reserves the right to require seven days notification for withdrawal. Interest rates and fees are not impacted.

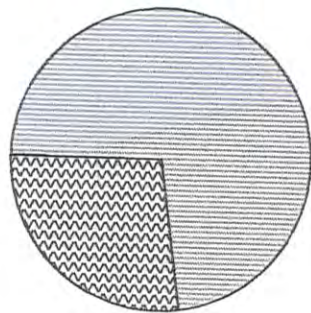
Overview of Total Account Value

Closing Value on 12/31/2010 \$10,196,231.23
 Opening Value on 12/01/2011 \$10,459,411.20
 Closing Value on 12/31/2011 \$10,502,017.56
Net Change For Period \$42,606.36

Overview of Account by Investment Category

Your Current Portfolio Mix

% of Total Account	Market Value	Description
0.20%	20,776.31	Cash & Cash Equivalents
72.47%	7,611,039.30	Government Obligations
27.33%	2,870,201.95	Corporate Obligations
100.00%	\$10,502,017.56	Total Account Value





Account Number
6736301210

Account Name
SCORE

Account Statement

Statement Period

December 1, 2011 through December 31, 2011

Contents

- Account Summary
- Principal Portfolio Summary
- Unrealized Gain/Loss Summary
- Cash Transactions Summary
- Asset Detail
- Maturity Summary
- Transaction Detail
- Realized Gain/Loss Summary

Principal Portfolio Summary

Description	Market Value	Percentage of Portfolio	Current Yield
Cash & Cash Equivalents	20,776.31	0.20%	0.00%
Government Obligations	7,611,039.30	72.47%	2.53%
Corporate Obligations	2,870,201.95	27.33%	2.84%
Total Principal Portfolio	\$10,502,017.56	100.00%	2.61%

Unrealized Gain/Loss Summary

Description	Cost Basis	Market Value	Gain/Loss
Cash & Cash Equivalents	20,776.31	20,776.31	0.00
Government Obligations	7,483,212.13	7,611,039.30	147,827.17
Corporate Obligations	2,825,800.28	2,870,201.95	44,401.67
Total Gain/Loss	\$10,305,788.72	\$10,502,017.56	\$192,228.84

Cash Transactions Summary

Receipts	Principal Cash
Dividend	0.01
Interest	36,684.18
Accrued Interest Received	688.89
Sales	131,294.28
Total Receipts	\$168,667.36
Disbursements	
Accrued Interest Paid	(99.02)
Purchases	(167,516.34)
Payments to/for Beneficiaries	(1,062.00)
Total Disbursements	(\$168,667.36)
Total Net Transactions	\$0.00



Account Number
6736301210

Account Name
SCORE

Account Statement

Statement Period

December 1, 2011 through December 31, 2011

Asset Detail - Principal Portfolio

Cash & Cash Equivalents

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
HighMark Money Market Funds								
HIGHMARKMONEY MARKET	431114503S	20,776.310	20,776.31	20,776.31	1.0000 12/30/2011	0.20%	0.00%	0.51
100% U S TREASURY FD FIDUCIARY SH								
***CASH MANAGEMENT SWEEP								
Total Cash & Cash Equivalents			\$20,776.31	\$20,776.31		0.20%	0.00%	\$0.51

Government Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
US Treasury								
UNITED STATES TREAS NTS 4.2500% 9/30/2012	912828HE3	120,000.000	120,253.13	123,661.20	103.0510 12/30/2011	1.18%	4.12%	5,100.00
UNITED STATES TREAS NTS 3.8750% 10/31/2012	912828HG8	100,000.000	102,113.28	103,078.00	103.0780 12/30/2011	0.98%	3.76%	3,875.00
UNITED STATES TREAS NTS 3.3750% 11/30/2012	912828HK9	365,000.000	367,036.33	375,650.70	102.9180 12/30/2011	3.58%	3.28%	12,318.75
UNITED STATES TREAS NTS 2.5000% 3/31/2013	912828HV5	125,000.000	128,154.72	128,565.00	102.8520 12/30/2011	1.22%	2.43%	3,125.00
UNITED STATES TREAS NTS 2.7500% 10/31/2013	912828JD4	125,000.000	129,633.79	130,658.75	104.5270 12/30/2011	1.24%	2.63%	3,437.50
UNITED STATES TREAS NTS 1.7500% 7/31/2015	912828NP1	225,000.000	223,067.16	234,843.75	104.3750 12/30/2011	2.24%	1.68%	3,937.50
UNITED STATES TREAS NTS 1.3750% 11/30/2015	912828PJ3	250,000.000	249,024.28	257,617.50	103.0470 12/30/2011	2.45%	1.33%	3,437.50





Account Number
6736301210

Account Name
SCORE

Account Statement

Statement Period

December 1, 2011 through December 31, 2011

Asset Detail - Principal Portfolio (continued)

Government Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
US Treasury								
UNITED STATES TREAS NTS 1.5000% 7/31/2016	912828DX1	370,000,000	374,487.57	382,517.10	103.3830 12/30/2011	3.65%	1.45%	5,550.00
UNITED STATES TREAS NTS 1.0000% 8/31/2016	912828RF9	250,000,000	251,690.29	252,735.00	101.0940 12/30/2011	2.41%	0.99%	2,500.00
UNITED STATES TREAS NTS 1.0000% 9/30/2016	912828RJ1	150,000,000	149,619.64	151,546.50	101.0310 12/30/2011	1.44%	0.99%	1,500.00
Federal Govt Agency								
TENNESSEE VALLEY AUTH 6.7900% 5/23/2012	880591DT6	215,000,000	234,715.95	220,547.00	102.5800 12/30/2011	2.10%	6.62%	14,598.50
FEDERAL HOME LOAN BANKS 3.6250% 5/29/2013	3133X0U34	200,000,000	197,247.00	209,192.00	104.5960 12/30/2011	1.99%	3.47%	7,250.00
FEDERAL HOME LN BKS 3.8750% 6/14/2013	31339X2M5	200,000,000	200,403.10	210,162.00	105.0810 12/30/2011	2.00%	3.69%	7,750.00
FEDERAL HOME LN MTG CORP 4.5000% 7/15/2013	3134A4TZ7	25,000,000	25,878.25	26,589.50	106.3580 12/30/2011	0.25%	4.23%	1,125.00
TENNESSEE VALLEY AUTH 4.7500% 8/1/2013	880591DW9	230,000,000	242,426.00	245,651.50	106.8050 12/30/2011	2.34%	4.45%	10,925.00
FEDERAL FARM CR BKS 0.9800% 9/23/2013	31331KET3	115,000,000	114,663.05	116,168.40	101.0160 12/30/2011	1.11%	0.97%	1,127.00
FEDERAL HOME LOAN BANKS 3.6250% 10/18/2013	3133XSAE8	250,000,000	258,142.75	264,220.00	105.6880 12/30/2011	2.52%	3.43%	9,062.50
FEDERAL NATL MTG ASSN DTD 12/11/2008 2.875% 12/11/2013	31398AUJ9	100,000,000	101,696.10	104,795.00	104.7950 12/30/2011	1.00%	2.74%	2,875.00



Account Number
6736301210

Account Name
SCORE

Account Statement

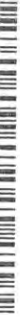
Statement Period

December 1, 2011 through December 31, 2011

Asset Detail - Principal Portfolio (continued)

Government Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Federal Govt Agency								
FEDERAL HOME LOAN MTG CORP NOTES DTD 01/08/2009 2.50% 01/07/2014	3137EABX6	35,000,000	34,625.96	36,438.50	104.1100 12/30/2011	0.35%	2.40%	875.00
FEDERAL NATL MTG ASSN NTS DTD 03/13/2009 2.750% 03/13/2014	31398AVZ2	95,000,000	96,665.83	99,547.65	104.7870 12/30/2011	0.95%	2.62%	2,612.50
FEDERAL FARM CR BKS GLOBAL BDS DTD 04/17/2009 2.625% 04/17/2014	31331GTJ8	205,000,000	216,410.30	214,809.25	104.7850 12/30/2011	2.05%	2.51%	5,381.25
FEDL HOME LOAN MTG CORP NOTES DTD 04/24/2009 2.50% 04/23/2014	3137EACB3	150,000,000	155,568.75	156,801.00	104.5340 12/30/2011	1.49%	2.39%	3,750.00
FEDERAL FARM CREDIT BANK BONDS 1.620% 04/25/2014	31331KHFO	205,000,000	204,979.50	205,760.55	100.3710 12/30/2011	1.96%	1.61%	3,321.00
FEDERAL NATL MTG ASSN NOTES DTD 05/15/2009 2.500% 05/15/2014	31398AXJ6	300,000,000	301,178.80	313,104.00	104.3680 12/30/2011	2.98%	2.40%	7,500.00
FEDERAL FARM CR BKS CONS 1.9000% 6/2/2014	31331JQA4	260,000,000	259,368.20	268,361.60	103.2160 12/30/2011	2.56%	1.84%	4,940.00
FEDERAL HOME LN BKS 5.2500% 6/18/2014	3133X7FK5	100,000,000	111,171.90	111,299.00	111.2990 12/30/2011	1.06%	4.72%	5,250.00
FEDERAL FARM CREDIT BANK BONDS 3.000% 09/22/2014	31331GL80	245,000,000	250,683.60	260,626.10	106.3780 12/30/2011	2.48%	2.82%	7,350.00
FEDERAL HOME LN MTG CORP 0.9200% 12/12/2014	3134G3CM0	70,000,000	70,063.00	70,031.50	100.0450 12/30/2011	0.67%	0.92%	644.00
FEDERAL HOME LN MTG CORP 2.0000% 1/13/2015	3134G2DN9	265,000,000	264,523.00	265,108.65	100.0410 12/30/2011	2.52%	2.00%	5,300.00





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Statement Period

December 1, 2011 through December 31, 2011

Asset Detail - Principal Portfolio (continued)

Government Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Federal Govt Agency								
FEDERAL HOME LOAN MTG CORP NOTES DTD 01/07/2010 2.875% 02/09/2015	3137EACH0	250,000,000	256,160.83	266,615.00	106.6460 12/30/2011	2.54%	2.70%	7,187.50
FEDERAL HOME LN BKS 2.8750% 6/12/2015	3133XWNB1	265,000,000	279,807.14	283,854.75	107.1150 12/30/2011	2.70%	2.68%	7,618.75
FEDERAL NATL MTG ASSN 2.3750% 7/28/2015	31398AU34	275,000,000	283,288.50	290,144.25	105.5070 12/30/2011	2.76%	2.25%	6,531.25
FEDERAL FARM CR BKS 2.3500% 12/22/2015	31331J6C2	120,000,000	120,434.40	126,504.00	105.4200 12/30/2011	1.20%	2.23%	2,820.00
FEDERAL NATL MTG ASSN 2.3750% 4/11/2016	3135G0BA0	275,000,000	282,544.63	290,551.25	105.6550 12/30/2011	2.77%	2.25%	6,531.25
FEDERAL HOME LN MTG CORP 2.5000% 5/27/2016	3137EACT4	310,000,000	321,083.36	328,314.80	105.9080 12/30/2011	3.11%	2.36%	7,750.00
FEDERAL HOME LOAN BANKS 2.1250% 6/10/2016	313373SZ6	200,000,000	209,390.00	208,542.00	104.2710 12/30/2011	1.99%	2.04%	4,250.00
FEDERAL NATL MTGE ASSN NOTE 1.250% 09/28/2016	3135G0CM3	210,000,000	209,497.89	210,852.60	100.4060 12/30/2011	2.01%	1.24%	2,625.00
FEDERAL NATL MTG ASSN NOTES DTD 10/20/2011 1.375% 11/15/2016	3135G0ES8	65,000,000	65,514.15	65,573.95	100.8830 12/30/2011	0.62%	1.36%	893.75
Total Government Obligations			\$7,463,212.13	\$7,611,039.30		72.47%	2.53%	\$192,625.50



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Statement Period

December 1, 2011 through December 31, 2011

Asset Detail - Principal Portfolio (continued)

Corporate Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Corporate Bonds								
US BANCORP DTD 03/13/2009 2.250% 03/13/2012	91160HAA5	85,000,000	84,989.80	85,341.70	100.4020 12/30/2011	0.81%	2.24%	1,912.50
BANK OF AMERICA FDIC GTD TLG 3.1250% 6/15/2012	06050BAA9	60,000,000	62,176.80	60,807.00	101.3450 12/30/2011	0.58%	3.08%	1,875.00
GOLDMAN SACHS GP INC FDIC TL 3.2500% 6/15/2012	38146FAA9	280,000,000	284,814.50	283,981.60	101.4220 12/30/2011	2.70%	3.20%	9,100.00
WELLS FARGO & COMPANY DTD 03/30/2009 2.1250% 06/15/2012	949744AC0	290,000,000	290,859.44	292,618.70	100.9030 12/30/2011	2.79%	2.11%	6,162.50
PNC FUNDING CORP NOTES DTD 12/2/2008 2.300% 06/22/2012	69351CAC7	290,000,000	294,515.30	292,891.30	100.9970 12/30/2011	2.79%	2.28%	6,670.00
JPMORGAN CHASE & CO DTD 04/06/2009 2.1250% 12/26/2012	481247AM6	295,000,000	295,914.50	300,519.45	101.8710 12/30/2011	2.86%	2.09%	6,268.75
XTO ENERGY INC 4.9000% 2/1/2014	98385XAD8	100,000,000	109,638.00	108,567.00	108.5670 12/30/2011	1.03%	4.51%	4,900.00
CHEVRON CORPORATION SR NOTES DTD 03/03/2009 3.95% 03/03/2014	166751AH0	190,000,000	200,126.65	203,186.00	106.9400 12/30/2011	1.93%	3.69%	7,505.00
GENL ELEC CAP CORP NOTES 5.900% 05/13/2014	36962G4C5	180,000,000	194,130.60	197,127.00	109.5150 12/30/2011	1.88%	5.35%	10,620.00
WALMART STORES INC NOTES DTD 05/21/2009 3.200% 05/15/2014	931142CQ4	190,000,000	197,746.80	200,657.10	105.6090 12/30/2011	1.91%	3.03%	6,080.00
MICROSOFT CORP NT DTD 05/18/2009 2.950% 05/01/2014	594918AB0	240,000,000	246,233.20	254,944.80	106.2270 12/30/2011	2.43%	2.78%	7,080.00





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Statement Period

December 1, 2011 through December 31, 2011

Asset Detail - Principal Portfolio (continued)

Corporate Obligations

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Corporate Bonds								
BERKSHIRE HATHAWAY INC 3.200% 02/11/2015	084670AV0	195,000,000	198,471.25	206,731.20	106.0160 12/30/2011	1.97%	3.02%	6,240.00
PROCTER & GAMBLE CO DTD 11/18/2010 1.80% 11/15/2015	742718DS5	265,000,000	258,615.14	273,646.95	103.2630 12/30/2011	2.61%	1.74%	4,770.00
GOOGLE INC 2.1250% 5/19/2016	38259PAC6	105,000,000	107,568.30	109,182.15	103.9830 12/30/2011	1.04%	2.04%	2,231.25
Total Corporate Obligations			\$2,825,800.28	\$2,870,201.95		27.33%	2.84%	\$81,415.00
Total Principal Portfolio			\$10,309,788.72	\$10,502,017.56		100.00%	2.61%	\$274,041.01
Total Account Values			\$10,309,788.72	\$10,502,017.56		100.00%	2.61%	\$274,041.01



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Statement Period

December 1, 2011 through December 31, 2011

Maturity Summary

	Face Value	Par Value	Cost Basis	Market Value	Percentage of Market Value
2011					
2012		2,100,000.000	2,137,389.03	2,139,096.65	20.41%
2013		1,370,000.000	1,398,244.76	1,436,002.15	13.70%
2014		2,565,000.000	2,648,591.09	2,701,261.05	25.77%
2015		2,110,000.000	2,133,391.70	2,205,066.05	21.04%
2016		1,995,000.000	1,971,395.83	1,999,815.35	19.08%
2017					
2018					
2019					
2020					
Ten-to-Fourteen Years					
Fifteen-to-Nineteen Years					
Twenty Years and Over					
Total	\$0.00	10,080,000.000	\$10,289,012.41	\$10,481,241.25	100.00%

Transaction Detail

Date	Activity Description	CUSIP	Principal Cash	Cost Basis
Beginning Balance			\$0.00	\$10,271,719.62
12/01/11	Interest CASH RECEIPT OF INTEREST EARNED ON MICROSOFT CORP NT 2.950% 6/01/14 0.01475/\$1 PV ON 240,000 PAR VALUE DUE 12/1/2011	594918AB0	3,540.00	
12/01/11	Purchases PURCHASED 3,540 UNITS OF HIGHMARK 100% US TREASURY MONEY MKT TRADE DATE 12/01/11	431114503S	(3,540.00)	3,540.00
12/01/11	Dividend CASH RECEIPT OF DIVIDEND EARNED ON HIGHMARK 100% US TREASURY MONEY MKT ONE MONTH YIELD (ANNUALIZED) 0%	431114503S	0.01	





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Statement Period

December 1, 2011 through December 31, 2011

Transaction Detail (continued)

Date	Activity Description	CUSIP	Principal Cash	Cost Basis
12/01/11	Purchases PURCHASED 0.01 UNITS OF HIGHMARK 100% US TREASURY MONEY MKT TRADE DATE 12/01/11	431114503S	(0.01)	0.01
12/02/11	Interest CASH RECEIPT OF INTEREST EARNED ON FFCB BDS 1.900% 6/02/14 0.0095/\$1 PV ON 260,000 PARVALUE DUE 12/2/2011	31331JQA4	2,470.00	
12/02/11	Purchases PURCHASED 2,470 UNITS OF HIGHMARK 100% US TREASURY MONEY MKT TRADE DATE 12/02/11	431114503S	(2,470.00)	2,470.00
12/08/11	Payments to/for Beneficiaries CASH DISBURSEMENT PAID TO CHANDLER ASSET MANAGEMENT INC PAYMENT PER REQUEST R/T 286 ADMIN MANAGEMENT FEE PERIOD ENDING NOVEMBER 30, 2011 INVOICE 10466		(1,052.00)	
12/08/11	Sales SOLD 1,052 UNITS OF HIGHMARK 100% US TREASURY MONEY MKT TRADE DATE 12/08/11	431114503S	1,052.00	(1,052.00)
12/12/11	Interest CASH RECEIPT OF INTEREST EARNED ON FHLB BDS 2.125% 6/10/16 0.012396/\$1 PV ON 200,000 PARVALUE DUE 12/12/201	313373SZ6	2,479.17	
12/12/11	Interest CASH RECEIPT OF INTEREST EARNED ON FNMA NTS 2.875% 12/11/13 0.014375/\$1 PV ON 100,000 PARVALUE DUE 12/11/201	31398AUJ9	1,437.50	
12/12/11	Interest CASH RECEIPT OF INTEREST EARNED ON FHLB BDS 2.875% 6/12/15 0.014375/\$1 PV ON 265,000 PARVALUE DUE 12/12/201	3133XWNB1	3,809.38	
12/12/11	Purchases PURCHASED 7,726.05 UNITS OF HIGHMARK 100% US TREASURY MONEY MKT TRADE DATE 12/12/11	431114503S	(7,726.05)	7,726.05



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Statement Period

December 1, 2011 through December 31, 2011

Transaction Detail (continued)

Date	Activity Description	CUSIP	Principal Cash	Cost Basis
12/14/11	Interest CASH RECEIPT OF INTEREST EARNED ON FHLB 3.875% 6/14/13 0.019375\$1 PV ON 200,000 PAR VALUE DUE 12/14/201	31339X2M5	3,875.00	
12/14/11	Purchases PURCHASED 3,875 UNITS OF HIGHMARK 100% US TREASURY MONEY MKT TRADE DATE 12/14/11	431114503S	(3,875.00)	3,875.00
12/15/11	Interest CASH RECEIPT OF INTEREST EARNED ON BK OF AMERICA BDS 3.125% 6/15/12 0.015625\$1 PV ON 60,000 PAR VALUE DUE 12/15/2011	06050BAA9	937.50	
12/15/11	Interest CASH RECEIPT OF INTEREST EARNED ON GOLDMAN SACHS GR BDS 3.250% 6/15/12 0.01625\$1 PV ON 280,000 PAR VALUE DUE 12/15/2011	38146FAA9	4,550.00	
12/15/11	Interest CASH RECEIPT OF INTEREST EARNED ON WELLS FARGO & CO 2.125% 6/15/12 0.010625\$1 PV ON 290,000 PAR VALUE DUE 12/15/201	949744AC0	3,081.25	
12/15/11	Purchases PURCHASED 8,568.75 UNITS OF HIGHMARK 100% US TREASURY MONEY MKT TRADE DATE 12/15/11	431114503S	(8,568.75)	8,568.75
12/16/11	Purchases PURCHASED 70,000 PAR VALUE OF FHLMC MTN 0.920% 12/12/14 TRADE DATE 12/15/11 PURCHASED THROUGH CREDIT SUISSE 70,000 PAR VALUE AT 100.09 %	3134G3CM0	(70,063.00)	70,063.00
12/16/11	Accrued Interest Paid PAID ACCRUED INTEREST ON PURCHASE OF FHLMC MTN 0.920% 12/12/14	3134G3CM0	(7.16)	
12/16/11	Sales SOLD 70,070.16 UNITS OF HIGHMARK 100% US TREASURY MONEY MKT TRADE DATE 12/16/11	431114503S	70,070.16	(70,070.16)





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Account Statement

Statement Period

December 1, 2011 through December 31, 2011

Transaction Detail (continued)

Date	Activity Description	CUSIP	Principal Cash	Cost Basis
12/19/11	Interest CASH RECEIPT OF INTEREST EARNED ON FHLB BDS 5.250% 6/18/14 0.02625/\$1 PV ON 100,000 PAR VALUE DUE 12/18/2011	3133X7FK5	2,625.00	
12/19/11	Purchases PURCHASED 2,625 UNITS OF HIGHMARK 100% US TREASURY MONEY MKT TRADE DATE 12/19/11	431114503S	(2,625.00)	2,625.00
12/22/11	Purchases PURCHASED 65,000 PAR VALUE OF FNMA NTS 1.375% 11/15/16 TRADE DATE 12/21/11 PURCHASED THROUGH BNP PARIBAS SECURITIES BOND 65,000 PAR VALUE AT 100.791 %	3135G0ES8	(65,514.15)	65,514.15
12/22/11	Accrued Interest Paid PAID ACCRUED INTEREST ON PURCHASE OF FNMA NTS 1.375% 11/15/16	3135G0ES8	(91.86)	
12/22/11	Sales SOLD 40,000 PAR VALUE OF FNMA NTS 3.875% 7/12/13 LT CAPITAL GAIN OF \$1,847.04 TRADE DATE 12/21/11 SOLD THROUGH SALOMON BROS. 40,000 PAR VALUE AT 105.579 %	31398ASD5	42,231.60	(40,384.56)
12/22/11	Accrued Interest Received RECEIVED ACCRUED INTEREST ON SALE OF FNMA NTS 3.875% 7/12/13	31398ASD5	688.89	
12/22/11	Interest CASH RECEIPT OF INTEREST EARNED ON FFCB BDS 2.350% 12/22/15 0.01175/\$1 PV ON 120,000 PAR VALUE DUE 12/22/2011	31331J6C2	1,410.00	
12/22/11	Interest CASH RECEIPT OF INTEREST EARNED ON PNC FDG CORP NTS 2.300% 6/22/12 0.0115/\$1 PV ON 290,000 PAR VALUE DUE 12/22/2011	69351CAC7	3,335.00	
12/22/11	Sales SOLD 17,940.52 UNITS OF HIGHMARK 100% US TREASURY MONEY MKT TRADE DATE 12/22/11	431114503S	17,940.52	(17,940.52)



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Statement Period

December 1, 2011 through December 31, 2011

Transaction Detail (continued)

Date	Activity Description	CUSIP	Principal Cash	Cost Basis
12/27/11	Interest CASH RECEIPT OF INTEREST EARNED ON JPMORGAN CHASE & CO 2.125% 12/26/12 0.010625/\$1 PV ON 295,000 PAR VALUE DUE 12/26/201	481247AM6	3,134.38	
12/27/11	Purchases PURCHASED 3,134.38 UNITS OF HIGHMARK 100% US TREASURY MONEY MKT TRADE DATE 12/27/11	431114503S	(3,134.38)	3,134.38
Net Activity			\$0.00	\$38,069.10
Ending Balance			\$0.00	\$10,309,788.72

Realized Gain/Loss Summary

Sale Date	Asset Name	CUSIP	Share	Cost	Proceeds	Gain / Loss Amount	
						Short Long	
12/22/11	FNMA NOTES 3.875% 7/12/13	31398ASD5	40,000.00	40,384.56	42,231.60	0.00 1,847.04	
TOTAL				\$40,384.56	\$42,231.60	\$0.00 \$1,847.04	
SUMMARY						DISTRIBUTIONS	TOTAL
Short Term Capital Gain / Loss						\$0.00	\$0.00
Long Term Capital Gain / Loss						\$0.00	\$1,847.04

Disclaimer

The amount your account netted on a sale minus the total amount the account paid at initial purchase is your account's realized gain (if positive) or loss (if negative). Cost basis as reported on your UB statement is either a) the lot-specific purchase price minus purchase commissions and fees or b) information provided by the client or their representative to Union Bank at or after the time we were appointed Custodian or Trustee of the assets. The monthly or quarterly statements of your account may not have correct calculations of gain/loss for a particular tax lot due to incomplete information. The cost basis information in those statements is preliminary and subject to change if you provide additional data during the year or for other reasons. Therefore, please refer to the Tax Statements that we provide after year-end to determine accurate gain/loss calculations and what we report to the IRS. Please consult your tax advisor for more information. Mutual Fund Capital Gain distributions are not included in this summary.



Monthly Account Statement

Small Cities Organized Risk Effort

December 1, 2011 through December 31, 2011

Chandler Team

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

Custodian

Union Bank of California
Carmen Coniando
415-705-7207

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



PORTFOLIO CHARACTERISTICS

Average Duration	2.35
Average Coupon	2.71 %
Average Purchase YTM	2.16 %
Average Market YTM	0.67 %
Average S&P/Moody Rating	AA+/Aaa
Average Final Maturity	2.56 yrs
Average Life	2.55 yrs

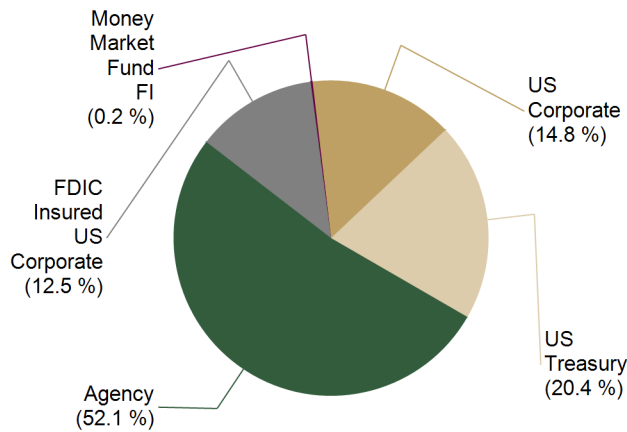
ACCOUNT SUMMARY

	Beg. Values as of 11/30/11	End Values as of 12/31/11
Market Value	10,459,419	10,502,015
Accrued Interest	65,382	51,017
Total Market Value	10,524,801	10,553,033
Income Earned	18,458	18,443
Cont/WD		-1,052
Par	10,062,900	10,100,776
Book Value	10,185,539	10,219,448
Cost Value	10,272,779	10,310,998

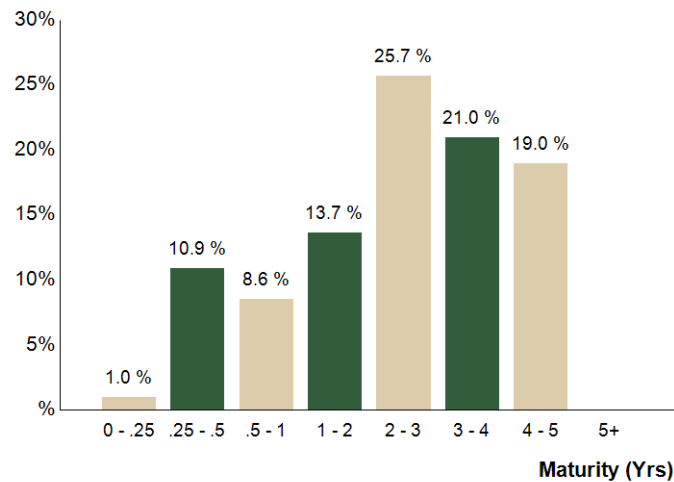
TOP ISSUERS

Issuer	% Portfolio
Government of United States	20.4 %
Federal National Mortgage Assoc	13.1 %
Federal Home Loan Bank	12.2 %
Federal Farm Credit Bank	11.3 %
Federal Home Loan Mortgage Corp	11.0 %
Tennessee Valley Authority	4.5 %
JP Morgan FDIC Insured	2.8 %
PNC Funding FDIC Insured	2.8 %
Total	78.1 %

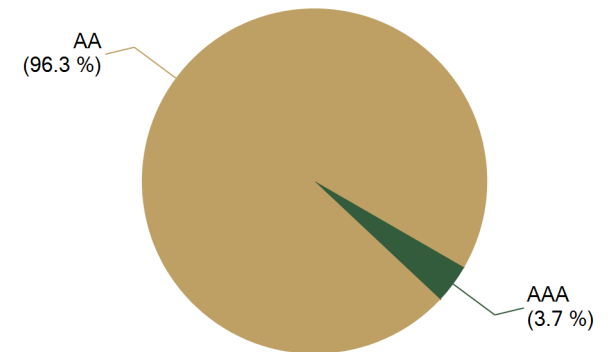
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY



PERFORMANCE REVIEW

Total Rate of Return As of 12/31/2011	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			Since 3/31/2006	Since 3/31/2006
					3 Yrs	5 Yrs	10 Yrs		
Small Cities Organized Risk Effort	0.28 %	0.49 %	2.96 %	2.96 %	3.13 %	4.98 %	N/A	5.05 %	32.76 %
1-5 yr Govt	0.17 %	0.40 %	3.19 %	3.19 %	2.52 %	4.73 %	N/A	4.78 %	30.80 %
1-5 Year Govt/A Rated or better Corporate	0.25 %	0.39 %	3.05 %	3.05 %	3.40 %	4.65 %	N/A	4.74 %	30.52 %



Small Cities Organized Risk Effort
Joint Powers Authority
December 31, 2011

COMPLIANCE WITH INVESTMENT POLICY

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

Category	Standard	Comment
U.S. Treasury Issues	No limitations	Complies
Government Agencies	No limitations	Complies
Negotiable CDs	A-1/P-1 or F-1, or AA rated; 30% max.; 3 years maximum maturity; \$1MM per issuer	Complies
Banker's Acceptances	A1/P1 or F-1 rated; 30% maximum; \$1MM per issuer; <180 days	Complies
Commercial Paper	A-1/P1 or F-1 rated; 25% maximum; \$1MM per issuer; <270 days	Complies
Medium Term Notes	"AA-" or better rated; 30% maximum; \$1MM per issuer	Complies
Asset-Backed Securities	AAA/Aaa rated; 20% maximum; \$1MM per issuer	Complies
Money Market Funds	AAA/Aaa rated; 15% maximum	Complies
Repurchase Agreements	Not used by investment adviser	Complies
LAIF	Not used by investment adviser	Complies
Maximum maturity	5 years	Complies

Small Cities Organized Risk Effort
Statement of Revenue, Expenses, and Changes in Net Assets (Draft)
For the Three Months Ended September 30, 2011

	Jul - Sep 11
Ordinary Revenue	
Revenue	
Member Contributions	\$ 623,384.50
Bank/LAIF Interest	3,818.10
Managed Portfolio	70,901.41
Total Operating Revenue	698,104.01
Operating Expenses	
General and Administrative Expenses	
Administration	
Bank Service Charges	2,645.00
Dues & Subscriptions	500.00
Reference Materials	1,950.00
Safety Training	5,961.25
Total Administration	11,056.25
Consulting Services	
Accounting Services	
Accounting Services	7,000.00
Administration Costs	51,131.50
Claims Services	
Claims Management -WC	22,995.00
Claims Management - Liability	22,969.38
Risk Management Services	25,752.70
TPA - Annual Fees	31,000.00
Total Claims Services	102,717.08
Investment Fees	3,131.00
Total Consulting Services	163,979.58
Total General and Administrative Expenses	175,035.83

Small Cities Organized Risk Effort
Statement of Revenue, Expenses, and Changes in Net Assets (Draft)
For the Three Months Ended September 30, 2011

	Jul - Sep 11
Insurance Expenses	
Insurance Premiums	169,209.63
Total Insurance Expenses	169,209.63
Claims Expenses	
Claims Payments	
Claim Payments - WC	133,600.38
Claim Payments - Liability	45,745.56
Total Claim Payments	179,345.94
Dividends	2,436,637.00
Total Expenses	2,960,228.40
Net Operating Revenue	(2,262,124.39)
Other Revenue (Expense)	
Investment Gain/Loss	42,539.69
Net Revenue Over Expenses	\$ (2,219,584.70)



eBrief

December 8, 2011

The LAWCX eBrief is a summary of information distributed to members electronically and posted to the website, www.lawcx.org.

Please contact Chrissy Mack at (800) 541-4591, ext. 1177 if you have any questions or comments regarding the eBrief.

Budgeting for 2012/13 - LAWCX's 2012/13 preliminary budget will be distributed to the membership shortly after the February 28, 2012, Executive Committee meeting. At the recent Board meeting, it was noted that if entities need estimated budgeting factors prior to that time, a 10% to 15% premium increase should be estimated based on the pool rate increase, a possible decrease in the discount rate, excess coverage costs, and administrative costs.

Retained Limit Changes - If your entity is considering an increase or a decrease in the current retained limit, please note, in accordance with LAWCX's governing documents, requests to *decrease* must be received no later than *February 1, 2012*, and requests to *increase* must be received no later than *April 1, 2012*. All requests are presented to the Underwriting Committee which then makes a recommendation to the Board of Directors.

Please remind your TPAs that loss data for December 31, 2011, must be submitted to LAWCX no later than January 15, 2012, in accordance with the governing documents. This information will be utilized in February when preparing the preliminary budget for the next program year.

Safety & Risk Control - Have you visited the *Members Only, Safety & Risk Control* section of the website to see the services currently available? Services have been enhanced to better meet the varying needs of our members. For access, please visit www.lawcx.org. If you don't already have a username and password, just select *Register* on the Home Page.

Don't forget! For the 2011/12 program year, LAWCX offers each direct member a reimbursement of up to \$1,000 for risk control expenses directly related to workers' compensation or workplace safety. Total funds available are \$20,000, and requests are accepted on a first-come, first-served basis. The entity must provide proof that the expense has been paid by the entity to be eligible. The form to request reimbursement is available on the LAWCX website under the *Members Only, Safety & Risk Control* section.

Meetings in 2012 - The next Executive Committee meeting will be held February 28, 2012, at the PARSAC offices in Sacramento. Any member is welcome to attend an Executive Committee meeting. We encourage anyone who may be interested in serving on the Committee in the future to come see what it's all about. The Executive Committee holds three meetings each calendar year, in February, May, and September.

Mark your calendar! The next Board of Directors' meeting is scheduled for June 12, 2012, in Sacramento. We would like to remind you LAWCX requires a Board member or alternate Board member from each entity to attend at least one meeting per fiscal year (July-June) or a penalty is assessed. The LAWCX Board holds two meetings each fiscal year, November and June. June 12th will be the *second* meeting of the fiscal year.



All LAWCX program information, governing documents, staff contact information, service provider information, and meeting agendas and minutes are available on the LAWCX website, www.lawcx.org²⁹

Website updates are continually posted to the LAWCX website. Some recent additions: an article under Workers' Comp Matters on the Home Page courtesy of the WorkComp Executive and various financial and governing documents approved by the Board at the November 8th meeting have been posted to *Members Only*.

Thank you to everyone who participated in the Strategic Planning Session on November 8th. It was a successful meeting with numerous goals and objectives developed. The Executive Committee will begin developing the action plan at their February 2012 meeting.

Happy Holidays from the LAWCX staff!



PreventionLink Utilization Report	December 2011
--	----------------------

	Oct	Nov	Dec
Active Users			138
Total Active and Offline Registered Users			263
Courses Completed-Users			19
Courses Completed-Total			26
Custom Activities Completed-Users			9
Custom Activities Completed-Total			16

Last 12 months
138
263
70
322
20
289

Member Organization	Contracted Employees	Total Active and Offline Users	Registered Users	Courses Completed-Users	Courses Completed-Total	Custom Activities Completed-User	Custom Activities Completed-Total
City of Biggs	0	12	6	0	0	0	0
City of Colfax	0	16	4	2	2	0	0
City of Dorris	0	16	3	0	0	0	0
City of Dunsmuir	0	2	1	0	0	0	0
City of Etna	0	47	25	1	4	9	16
City of Isleton	0	2	1	0	0	0	0
City of Live Oak	0	14	2	0	0	0	0
City of Loyalton	0	1	1	0	0	0	0
City of Montague	0	2	1	0	0	0	0
City of Mount Shasta	0	20	15	9	9	0	0
City of Portola	0	26	5	1	1	0	0
City of Rio Dell	0	3	1	0	0	0	0
City of Shasta Lake	0	38	17	0	0	0	0
City of Susanville	0	3	2	0	0	0	0
City of Weed	0	2	1	0	0	0	0
City of Yreka	0	29	27	4	8	0	0
Fort Jones Volunteer Fire Department	0	1	1	0	0	0	0
Loomis Fire Protection District	15	19	17	2	2	0	0
SCORE	0	4	4	0	0	0	0
Town of Fort Jones	0	2	1	0	0	0	0
Town of Loomis	0	3	2	0	0	0	0
Weed City Fire	0	1	1	0	0	0	0

Member Organization	Contracted Employees	Total Active and Offline Users	Registered Users	Courses Completed-Users	Courses Completed-Total	Custom Activities Completed-User	Custom Activities Completed-Total
City of Biggs	0	12	6	6	8	0	0
City of Colfax	0	16	4	3	6	0	0
City of Dorris	0	16	3	0	0	0	0
City of Dunsmuir	0	2	1	0	0	0	0
City of Etna	0	47	25	11	34	16	279
City of Isleton	0	2	1	0	0	0	0
City of Live Oak	0	14	2	0	0	0	0
City of Loyalton	0	1	1	0	0	0	0
City of Montague	0	2	1	0	0	0	0
City of Mount Shasta	0	20	15	13	13	0	0
City of Portola	0	26	5	3	5	0	0
City of Rio Dell	0	3	1	0	0	0	0
City of Shasta Lake	0	38	17	2	2	0	0
City of Susanville	0	3	2	0	0	0	0
City of Weed	0	2	1	0	0	0	0
City of Yreka	0	29	27	21	115	3	8
Fort Jones Volunteer Fire Department	0	1	1	0	0	1	2
Loomis Fire Protection District	15	19	17	11	139	0	0
SCORE	0	4	4	0	0	0	0
Town of Fort Jones	0	2	1	0	0	0	0
Town of Loomis	0	3	2	0	0	0	0
Weed City Fire	0	1	1	0	0	0	0

ACI Utilization Report for SCORE
by City as of December 31, 2011

Cities	EE Count	No. of Contacts	Individual City Utilization %
City of Biggs	9	2	22.2%
City of Colfax	1	0	0.0%
City of Dorris	12	1	8.3%
City of Dunsmuir	10	0	0.0%
City of Etna	46	4	8.7%
City of Isleton	5	2	40.0%
City of Loyalton	5	0	0.0%
City of Mount Shasta	34	2	5.9%
City of Portola	11	0	9.1%
City of Shasta Lake	45	7	15.6%
City of Susanville	62	4	6.5%
City of Weed	30	6	20.0%
City of Yreka	52	2	3.8%
Town of Loomis	10	0	0.0%
2011 (1/1/2011-12/31/2011)			



Agenda Item F.1

CALIFORNIA ASSOCIATION OF JOINT POWERS AUTHORITIES (CAJPA) ACCREDITATION WITH EXCELLENCE

INFORMATION ITEM

ISSUE: SCORE has been awarded the CAJPA Accreditation with Excellence.

A representative from the CAJPA Accreditation committee will be present at the meeting to present SCORE's plaque certifying the accreditation with excellence designation.

RECOMMENDATION: None.

FISCAL IMPACT: None.

BACKGROUND: CAJPA sponsors what is considered the nation's first risk management accreditation program. This Accreditation Program is designed to ensure quality and professional standards for all risk management pools regardless of size, scope of operation, or membership structure. The process involves a detailed examination of the pool's legal and operations documents, risk management, loss control and claims program, statutory compliance, program study and evaluation, committee review and issuance of a report.

SCORE first received this recognition in 2007.

ATTACHMENTS:

1. CAJPA Accreditation Report – June 15, 2011



June 15, 2011

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

Attention: Ms. Susan Adams
Assistant Vice President

RE: SMALL CITIES ORGANIZED RISK EFFORT (SCORE)

Dear Susan:

Congratulations to you, Roger Carroll and the entire SCORE membership with regards to achieving the Conditional Accreditation status from the CAJPA Accreditation Board on Monday, June 13, 2011 for a period of three years. Enclosed is the bound report.

The Accreditation Committee has approved the Conditional Accreditation pending your completion of specified requirements for both Full Accreditation and Accreditation with Excellence. You will have six months to complete the specified requirements applicable to the Full Accreditation status starting July 13, 2011. You may fulfil the requirements for Accreditation with Excellence any time within the three-year Accreditation period.

Once the requirements have been complied with, if requested, we can award and present the Accreditation Certificate.

Please contact me if you have any questions regarding compliance. You may forward all documentation to me. Thank you again for your cooperation and patience throughout the process.

Sincerely,

CAROL J. WELLS, ARM

/cjw

Enclosure

CALIFORNIA ASSOCIATION

OF

JOINT POWERS AUTHORITIES

ACCREDITATION REPORT

FOR

***SMALL CITIES ORGANIZED RISK
EFFORT
(SCORE)***

PREPARED BY

CAROL WELLS

FINAL

JUNE 13, 2011

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California Association of Joint Powers Authorities (CAJPA)

ACCREDITATION WORKSHEETS

As of July 1, 2009

Key:

√ = Satisfactory (Meets or Exceeds Standards)

U = Unsatisfactory (Does Not Meet Standards)

? = Unable to Determine

N/A = Not Applicable

I. BACKGROUND

A. DESCRIPTION OF JPA

The Small Cities Organized Risk Effort (SCORE) was created in 1986 for the purpose of jointly funding programs of insurance. SCORE is a statewide agency consulting of twenty (20) city members located in Northern and Central California.

SCORE is governed by a Board of Directors which consists of one representative and one alternate appointed by each member agency. The Board meetings are held quarterly. The Board elects a President, Vice-President, Secretary, Treasurer and Member-at-Large whom also serves as the Executive Committee. The Executive Committee conducts business as needed and no so important as to require a special board meeting (with the exception of the General Liability Program, all program participation is optional).

MISSION STATEMENT

To protect the assets of members by reducing, sharing, controlling, and stabilizing the cost of risk, while providing a high level of cost effective services.

LIABILITY PROGRAM

The Liability Program for SCORE provides coverage to its members with a self-funded banking and shared risk layer, providing total limits of coverage of \$500,000. Excess liability coverage is provided through California Joint Powers Risk Management Authority (CJPRMA) with limits of \$40,000,000 per occurrence inclusive of SCORE's \$500,000 retained limit. The Banking Layer consists of an amount of all claims arising of one occurrence or wrongful act from the First \$ up to \$25,000. The Shared Risk Layer consists of that amount of all claims arising out of one occurrence that exceeds the \$25,000 amount within the Banking layer to the extent the claims are retained by SCORE (up to \$500,000).

WORKERS' COMPENSATION PROGRAM (OPTIONAL)

The Workers' Compensation Program started effective on or about July 1, 1993. The optional Workers' Compensation program of SCORE provides coverage with a self-funded banking and shared risk layer, providing total limits of coverage of \$150,000. SCORE participates in the Local Agencies Workers' Compensation Excess Joint Powers Authority (LAWCX) with statutory limits for Workers' Compensation and \$1m for Employers Liability excess of the \$150,000 SCORE retention. The first \$25,000 is provided through the banking layer and excess of the \$25,000 up to the \$150,000 is on a shared risk basis.

Of the Authority's twenty member cities, ten participate in the Workers' Compensation pool (the tenth member, Mini-cities, was formed via JPA consisting of smaller cities that could not join the Workers' Compensation program individually due to their size).

PROPERTY COVERAGE PROGRAM (OPTIONAL)

SCORE group purchases approximately \$1,000,000,000 in property coverage on an All-Risk basis. Earthquake coverage is purchased on selected sites. The coverage is for replacement cost, except vehicles (which is based on an actual cash basis/ACV). The coverage is subject to a deductible of \$5,000 on licensed vehicles (except fire trucks which is \$10,000), \$5,000 on electronic data process equipment and \$5,000 on all other property for all perils, except EQ and FL. The deductible for flood is \$25,000 and the earthquake deductible is 5% per location with a minimum of \$50,000 per occurrence. No member is currently taking the earthquake coverage.

EMPLOYMENT PRACTICES LIABILITY PROGRAM (OPTIONAL)

Members that purchase Employment Practices Liability Insurance from (ERMA) Employment Risk Management Authority, retain the first \$25,000 of each wrongful act. ERMA provides coverage up to \$500,000 per wrongful act. For those members participating in ERMA, they retain the first \$500,000 per wrongful act; CJPRMA (California Joint Powers Risk Management Authority) provides \$5,500,000 (excess of the \$500,000 retained by SCORE members either through ERMA or self-insurance).

The structure of the various programs can be depicted by the following schedule:

COVERAGE AND PROGRAM STRUCTURE 2010/2011 FISCAL YEAR

Liability (Provided) Started in 1986	EPLI (Optional) Started on March 1, 2001	Property (Optional)	Workers' Compensation (Optional) started in 1993
CJPRMA	CJPRMA	PEPIP	LAWCX and CSAC-EIA
\$39,500,000 excess of SCORE's \$500,000 Retained Limit for a total of \$40,000,000.	\$6,000,000 Total Limit Inclusive Of \$500,000 THROUGH ERMA OR MEMBER SELF-INSURANCE	\$1 billion Excess SCORE's deductible	CSAC is XS of LAWCX's \$5m up to STAT Limits. LAWCX xs of SCORE's \$150,000 Up to \$5M
\$500,000	\$500,000	\$5,000	\$150,000
SCORE's Shared Risk Retained Limit	Covered Party Retained Limit for ERMA	SCORE Deductible	SCORE's Shared Risk Retained Limit
Banking Layer is from First \$ to the first \$25,000.	SCORE's \$25,000 Deductible		Banking Layer is from First \$ to the first \$25,000.

Payroll: \$25,391,599
 Property TIV: \$216,360, 357

SERVICE PROVIDERS

Broker	Alliant Insurance Services, Inc.
JPA Pool Administrator	Alliant Insurance Services, Inc.
Financial Accountant & Consulting Services	Gilbert Accounting
Financial Auditor	Maze and Associates Accountancy Corporation
Liability Claims Administration	York Insurance Services, Inc.
Liability Claims Auditor	RMS (Risk Management Services)
Workers' Comp Claims Administrator	York Insurance Services, Inc.
Workers' Comp Claims Auditor/Consultant	Nicholas L. Cali
Risk Control Services	York Insurance Services, Inc.
Investment Advisor	Chandler Asset Management, Inc.
Investment/Financial Custodian	Bank of New York
Actuary	Bickmore Risk Services & Consulting (BRS)

B. CONSULTANT ACTIVITIES

On July 29, 2010 and September 2, 2010, the Consultant was sent via email the requested materials for the accreditation audit from Joyce Flores and Susan Adams of Alliant Insurance Services. On Tuesday, May 10, 2011, a site visit was made to the Sacramento Alliant Insurance Services' office to review additionally requested materials.

C. LIMITATIONS

California Association of Joint Powers Authorities (CAJPA) Accreditation Program reviews the organizational structure and activities of a joint powers authority (JPA), comparing the JPA with standards adopted by the Association believed to be advantageous to the preservation and performance of the individual JPA and JPAs in California as a whole.

Our review was conducted for the purpose of forming an opinion on the general operations of the JPA, and its compliance with governmental regulations. The review also includes an examination of documents prepared by other professionals relating to actuarial soundness and financial stability of the JPA.

CAJPA does not guarantee that accreditation by CAJPA ensures the solvency or liquidity of any JPA at the time of the accreditation or any time before or after such accreditation, neither does the accreditation guarantee that an accredited JPA is administered in such a way that the JPA and its programs are, or will continue to be, financially sound.

D. DISTRIBUTION AND USE

This report has been prepared solely for the internal use of CAJPA as a guide in determining the applicant's compliance with the CAJPA Accreditation Standards in force at the time of the accreditation review. No further use or distribution is authorized without the prior written consent of CAJPA and Carol Wells.

Judgments as to the conclusions, recommendations, methods, and data contained in the report should be made only after studying the report in its entirety and understanding the limitations inherent in the analysis, as outlined in the "limitations" section. Of particular note is the limitation that we cannot assure or guarantee the financial soundness of the applicant JPA.

The supporting data, analysis, description, exhibits, and appendices to this report are provided to support the conclusions stated herein and are not necessarily suitable for any other purpose. Furthermore, CAJPA and its accreditation consultants are available to explain any matter presented herein, and it is assumed that the user of this report will seek such explanation as to any matter in question.

II. FINDINGS AND RECOMMENDATIONS

We find that **Small Cities organized Risk Effort (SCORE)** is in substantial compliance with current Accreditation Standards with the exception of the findings presented in this report. Upon approval of the CAJPA Accreditation Committee at its meeting on June 13, 2011, it is recommended that **SCORE** be granted **Conditional Accreditation** pending completion of the requirements listed below. It is further recommended that the accreditation be considered a new accreditation with an effective date of June 13, 2011 for a period of three years.

A. REQUIREMENTS FOR FULL ACCREDITATION

II. GOVERNING DOCUMENTS AND ADMINISTRATIVE CONTRACTS (A, B, F and G)

Requirement 1: G. The JPA has filed its Audited Financial Statement with the State Controller and with the county auditor of the county where the home office of the JPA is located within 12 months of the end of each fiscal year. (GC 6505{c}). This should be concluded by June 30, 2011.

IX. OPERATIONS AND ADMINISTRATIVE MANAGEMENT (D.1.)

Requirement 2: D. The JPA has developed and implemented processes and procedures relating to protection of electronic data, including:

1. A suitable security and back-up system for all stored data.

B. REQUIREMENTS FOR EXCELLENCE

IX. OPERATIONS AND ADMINISTRATIVE MANAGEMENT (D.2.a-c)

Requirement 3: A written policy with respect to disaster recovery, physical and electronic data security and electronic data retention.

SUGGESTIONS

None.

I wish to express my appreciation to the staff at Alliant Insurance Services, and to Roger Carroll, Board President, for their cooperation in the preparation of this report.

Respectfully submitted,

CAROL J. WELLS, ARM
CAJPA Accreditation Consultant

I. GOVERNING DOCUMENTS AND ADMINISTRATIVE CONTRACTS

Objective

To determine that the governing documents and contracts with major service providers contain all essential provisions.

CRITERIA	STATUS	DISCUSSION
<p>A. The JPA maintains in its records a signed original of the Joint Exercise of Powers Agreement or other acceptable documentation from each member agency. (Mandatory)</p> <p><i>Other = signed copy of resolution from member's board, photo copy of signed JPA agreement. If not an original, suggest JPA check with counsel about the use of resolutions.</i></p>	✓	
<p>B. The agreement shall contain all of the provisions required in the enabling legislation in Section 6500 et. seq. of the Government Code.</p>		
<p>1. §6503 requires that the purpose or power to be exercised and the method by which the purpose will be accomplished or the manner in which the power is to be exercised is to be stated in the agreement. (Mandatory)</p>	✓	JPA Agreement: Article II amended 7-1-2000
<p>2. In accordance with provisions of §6505.5 or §6505.6 the agreement must designate a treasurer and an auditor. (Mandatory)</p> <p><i>If §6505.5</i></p> <p><i>a. Treasurer and auditor from same member</i></p> <p><i>b. Treasurer and auditor from same county (if under 6505.5 the auditor shall be from the same entity as the treasurer but does not have to be specifically named and can be the same person.)</i></p> <p><i>c. A Certified Public Accountant, who can serve both functions</i></p> <p><i>If §6505.6: Can be an officer or employee of the JPA for either or both positions. (Does not have to name any one particular person in the agreement. If the agreement refers to duties under 65.05.6, this includes auditor/and treasurer, we count this as met.)</i></p>	✓	<p>Article XII JPA Agreement</p> <p>Bylaws, Sections: Article IV.3. – Duties (Treasurer); Article XII – Receipt & Disbursement of Funds; Article XIII - Auditor</p>
<p>3. §6511 requires that the agreement provide for the disposition, division or distribution of any property acquired as the result of the joint exercise of powers. (Mandatory)</p>	✓	Article XXIII, JPA Agreement
<p>4. §6512 or Sec. 6512.2 “requires that the agreement provide that any surplus money on hand after the completion of its purpose shall be returned in proportion to the contributions made.” Or may, in the alternative, in proportion to contributions made and claims or losses paid. (Mandatory)</p>	✓	Article XXIII, JPA Agreement

C. The following are described in appropriate governing documents (agreement, bylaws, resolutions, master plan documents, memorandums of coverage, memorandums of understanding, adopted board policies or other similar documents):		DOCUMENTS IN WHICH ITEM CAN BE LOCATED
1. Eligibility criteria; (Mandatory)	✓	Article XIX; Bylaws VII and Liability & W/Comp MPD: Master Plan Documents: Article V. Participation (I. Eligibility & Application (page 13 of 19)
2. Procedure for electing officers; (Mandatory)	✓	JPA Agreement, Article XII, Bylaws, Article IV (Section 1)
3. Terms of office; (Mandatory)	✓	Bylaws Article IV (Section 2)
4. Record retention policy; (Excellence only)	✓	Policy & Procedures No. A-4
5. Power and duties of Board; (Mandatory)	✓	JPA Agreement: Article VI, X
6. Indemnification for liability; (Excellence only) <i>The governing documents address that anyone acting in their official capacity (board/committee) is indemnified by the JPA or (not) to eliminate gray area. Employees are already covered under Gov. Code.</i>	✓	JPA Agreement: Article XXIV
7. Provisions for dissolution of pool; (Mandatory) <i>There is a process specified for the members to elect to dissolve the pool.</i>	✓	JPA Agreement: Article XXIII
8. Provisions for financial audits; (Mandatory)	✓	JPA Agreement: Article XVII, JPA Bylaws: Article XIII
9. Provisions for actuarial studies; (Excellence only)	✓	Liability/MPD (Master Plan Documents), Page 2 of 19; #2.B (1) and (2). W/Comp(Master Plan Documents/MPD)—Page 2 of 19; #2.B. (1) and (2)
10. Provisions for claims audits: (Excellence only)	✓	Liability & W/Comp MPD: Master Plan Documents: Article VI.5. (Page 17 of 19)
11. Provisions for assessments & distributions; (Mandatory)	✓	JPA Agreement: Article XXII and Bylaws: Article XI and XII – In the Liability & W/Comp MPD: Master Plan Documents: Article III – Premiums, Rates & Assessments (3.A.) Page 6/19.
12. Provisions for member withdrawal from a program or JPA as a whole. These provisions shall include: <ul style="list-style-type: none"> • Notice requirements • Financial obligations and entitlements, i.e. responsibilities for future assessments or rights for future dividends. (Mandatory) 	✓	JPA Agreement: Article XXI, XXII, XXIV Also included in Liab/Comp MPD (Master Plan Documents)
13. Provisions for termination of JPA members (such as the right to cancel for non-payment of premiums, underwriting problems, or the failure to adequately control risks); (Mandatory)	✓	JPA Agreement: Article XX Also included in Liab/Comp MPD (Master Plan Documents)

14. Provision for annual meeting of the board; (Mandatory) <i>(The board will meet at least annually, not an annual meeting according to Roberts Rules of Order.)</i>	✓	JPA Agreement: Article XI
15. Provision for the resolution of coverage and claims disputes with its members; (Excellence only)	✓	Endorsement #8, Underlying MOC, Form #LIAB-II Liability & W/Comp MPD: Master Plan Documents: Article VI: 7.A&B (Page 18 of 19)
16. Provision for obligations of members. (Mandatory) <i>The governing documents identify obligations of members, e.g.</i> <ul style="list-style-type: none"> • <i>Payment of premiums</i> • <i>Representative for board</i> • <i>Provide requested data</i> 	✓	JPA Agreement: Article VIII JPA Bylaws: Article VI (Member's Responsibilities) Liability & W/Comp MPD: Master Plan Documents:
D. Governing Documents and Prior Accreditation Report:		
1. The JPA is in substantial compliance with its governing documents. (Mandatory)	✓	
2. The JPA Governing Board has reviewed the prior Accreditation Report for findings and recommendations. (Excellence)	✓	January, 2008 Board of Directors Minutes from meeting.
E. The JPA has written contracts with firms or individuals that provide program administration services, insurance brokerage services, claims administration services, or have access to JPA funds. Such contracts shall include: (Mandatory) <ol style="list-style-type: none"> 1. Scope of services of the contractor; 2. Indemnification and insurance requirements; <i>(A fidelity bond is required for any contractor that has access to JPA funds. If coverage doesn't cover forgery and alteration then it would not be sufficient coverage; or is employee dishonesty enough. Optional for consultant to add as a recommendation if they believe this is a concern.)</i> 3. Compensation; 4. Term of Agreement; 5. Contract cancellation provisions; 6. Ownership of records; 7. Duty to disclose conflicts of interest including but not limited to other sources of income; and <i>(Suggest consultant inquire if there is a process to provide for this disclosure but this is not a standard requirement and may just be a suggestion.)</i> 8. Language addressing how and by whom fines and penalties are to be paid. (applies to workers' compensation third party claims administrators only). <i>(For investment advisor contract see V-H)</i>	✓	Refer to Exhibit 4 Below
F. The JPA has certificates of insurance on file evidencing coverage required in contracts under E., above. (Mandatory) <i>(Consider writing a suggestion for the pool to have a process to collect and review these if they do not have them on file and must collect them during the study.)</i>	✓	

G. If the JPA offers employee benefit programs to member agencies, a written plan description must be provided to covered employees. (Mandatory)	N/A	
H. The JPA keeps minutes of all meetings of its governing body and major committees. (Mandatory)	✓	

Exhibit 4

Contracts with Major Service Providers

Name of Contractor	Scope Of Services	Indemnification & Insurance <i>Fidelity bond if they write checks</i>	Compensation	Term	Cancellation	Ownership of Records	Disclosure of conflicts of interest and other sources of income	Fines & Penalties W/C only
Alliant Insurance Services, Inc.	JPA Administration	✓	✓	✓	✓	✓	✓	N/A
Alliant Insurance Services, Inc.	Insurance Brokerage Services	✓	✓	✓	✓	✓	✓	N/A
York Insurance Services Group, Inc. (California)	W.C. Claims Administrator	✓	✓	✓	✓	✓	✓	
York Insurance Services Group, Inc. (California)	Liability Claims Administrator	✓	✓	✓	✓	✓	✓	N/A
York Insurance Services Group, Inc. (California)	Property Loss Recovery	✓	✓	✓	✓	✓	✓	N/A
Both Alliant & York Insurance Services	Safety & Risk Control Services	✓	✓	✓	✓	✓	✓	N/A

II. GOVERNMENT RULES

Objective

To determine that the JPA complies with the various reporting requirements and other mandates imposed by the State of California and its regulatory agencies.

CRITERIA	STATUS	DISCUSSION
<p>A. The JPA has filed a notice of its joint exercise of powers agreement and any amendments or membership changes with the Secretary of State identifying (GC 6503.5): (Mandatory)</p> <ol style="list-style-type: none"> 1. The name of each member; 2. The effective date; 3. The purpose or power to be exercised; and 4. A description of the amendment, if any. <p style="margin-left: 40px;"><i>If the name of the JPA changes, counsel may be asked whether a new JPA agreement must be signed.</i></p> <p style="margin-left: 40px;"><i>Required if you add a new member or delete a member</i></p> <p style="margin-left: 40px;"><i>Notice must be filed within 30 days of amendment or member changes</i></p>	✓	<p>With the withdrawal of City of Lone, effective July 1, 2010; membership change filed with the Secretary of State on 5/31/2011.</p> <p>JPA Administrator has diaried for additional filing on July 1, 2011 as an expected membership change will occur at that time.</p>
<p>B. The JPA has made the necessary Public Agency Roster filing with the Secretary of State and county clerks in the counties in which the JPA has offices. (G.C. 53051) (Mandatory)</p> <p style="margin-left: 40px;"><i>Filing required when board members or location changes.</i></p>	✓	
<p>C. The JPA has adopted a Conflict of Interest Code, formally reconsiders it prior to October 1st of all even-numbered years, and oversees any required filings of the Statements of Economic Interest with the Fair Political Practices Commission or the designated filing agent. (G.C. 87306.5) (Mandatory)</p>	✓	<p>Yes, per Board of Directors Meeting Minutes dated March 26, 2010 (page 3 of 10, item #5)</p>
<p>D. If the JPA is subject to Education Code 17566(e) it procures triennial actuarial studies on its employee benefit programs. (Mandatory) <i>(Provision for community college districts Education Code Section 81602 actuarial study under ERISA)</i></p>	N/A	
<p>E. The JPA's governing body approves its annual budget. (G.C. 6508) (Mandatory)</p>	✓	<p>Yes, per Bylaws, Article X. BOD Meeting Minutes, Page 4 of 7; June 19, 2009, Item #3.</p>
<p>F. The JPA has filed the "Special Districts Financial Transactions Report" with the State Controller/Division of Local Government Fiscal Affairs Special District Unit. (GC 53891) (Mandatory)</p>	✓	<p>Filed by Gilbert Accounting on 12/29/2010.</p>
<p>G. The JPA has filed its Audited Financial Statement with</p> <ul style="list-style-type: none"> • the State Controller, and • with the county auditor of the county where the home office of the JPA is located within 12 months of the end of each fiscal year. (G.C. 6505 (c)) (Mandatory) 	U	<p>(Bylaws, Article XIII, Financial Audits) Gilbert is in process of filing the audit and it should be concluded by June 30, 2011.</p>
<p>H. JPA and/or members have valid certificate(s) of consent to self-insure Workers' Compensation (Labor Code 3700) and files any changes in claims administrators (8Cal Code Regs Sec.15402) and the necessary annual reports with the Dept. of Industrial Relations on or before October 1st of each year. (Labor Code 3702.2) (Mandatory) <i>(This does not apply to excess pools.)</i></p>	✓	<p>Certificate Number Series 5020.</p>

I. Meetings and Meeting Notices		
1. The JPA properly posts meeting notices and	✓	
2. Conducts its meetings in accordance with the Brown Act. (G.C. 54954.2, G.C. 54953.2 and 42 U.S.C. 12132) (Mandatory) <i>Board and standing committees. Check for ADA posting requirements. Note, the Attorney General has determined that valid posting means available to view 24/7 (consider posting on outside window).</i>	✓	
J. JPA's that self-insure medical benefits annually file a copy of their audit with a declaration to the Department of Managed Health Care as required for exemption from Knox-Keene requirements. (Code of Civil Procedures 2015.5) (Excellence Only)	N/A	

III. INSURANCE AND COVERAGES

Objective

To determine that the JPA properly identifies and handles its own exposures to loss, secures any insurance required by its governing documents and/or any other legal requirement, monitors the adequacy of coverages it provides to its members and maintains permanent policy files.

CRITERIA	STATUS	DISCUSSION
A. Insurance and Coverages		
1. The JPA maintains an official bond as required by state law (G.C. 6505.1 and 6505.5). The JPA requires fidelity coverage for a person or persons that are entrusted with any property of the JPA. (Mandatory) <i>Pool needs coverage for treasurer, most employee dishonesty policies exclude the Treasurer; have insurance company issue an endorsement deleting this exclusion.</i>	✓	Hartford Bond (July 1, 2010-2011). Policy purchased specifically for the Treasurer.
2. The JPA insures or self-insures for the following exposures as appropriate: (Mandatory)		
a. Public Officials Errors & Omissions;	✓	Self-insures first \$500,000; CJPRMA covers excess of the \$500,000 up to \$5,500,000.
b. Employee Fidelity; (insurance only, self-insurance not allowed) (G.C. 6505.1)	N/A	No employees
c. Commercial General Liability;	✓	Self-insures first \$500,000; CJPRMA covers excess of the \$500,000 up to \$5,500,000.
d. Workers Compensation;	N/A	No employees
e. Fiduciary Liability; <i>Required for self-funded health and welfare plans (May review public officials Errors and Omissions coverage, look at exclusions (if it only excludes ERISA then that doesn't exclude government entities) A standard commercial general liability policy doesn't extend to fiduciary coverage.)</i>	N/A	
f. Auto Liability; and,	N/A	No vehicles
g. Property.	N/A	No property
B. The JPA evaluates its insurers, excess insurers, reinsurers and risk pools for quality, stability, and financial solvency. (Mandatory) <i>(Review of current and past insurers due to outstanding claims. See process for evaluating excess insurers and excess risk pools and reinsurers document)</i>	✓	Contractually requires report from Alliant Insurance Services. Formal presentations from each JPA service provider. Alliant's contract calls for annual performance evaluation.
C. The JPA keeps all memoranda of coverages and insurance policies permanently on file. (Mandatory)	✓	
D. The JPA maintains and distributes coverage agreements and insurance policies as appropriate. (Mandatory)	✓	

IV. ACCOUNTING & FINANCE

Objective

Determine that the JPA complies with all applicable accounting standards and has adopted an investment policy.

CRITERIA	STATUS	DISCUSSION
<p>A. The JPA materially adheres to all applicable GAAP, GASB, and other accounting standards. (Mandatory)</p> <p><i>Non compliance examples:</i></p> <ul style="list-style-type: none"> • <i>Not recording IBNR</i> • <i>Unrecorded ULAE (material)</i> • <i>Inadequate disclosures (Required Supplementary Information (RSI) #1, by line of coverage and RSI #2) loss development by line of coverage and disclosure of ceded insurance.</i> • <i>Inappropriate application of GAAP, (such as recording equity in another pool) (cannot be cured by disclosing the policy and limitations)</i> • <i>Liabilities not fairly stated (materially overstated;</i> • <i>Don't record above expected, any additional should be recorded as a designation of retained earnings).</i> • <i>GASB 31, market value of investments</i> • <i>GASB 40 Custodial Credit Risk Disclosures</i> • <i>GASB 27 Pension Liabilities</i> • <i>GASB 45 Other Post Employment Benefits</i> • <i>Capital Asset Impairments</i> • <i>Related Party Transactions</i> • <i>Extraordinary Items</i> • <i>Prior Period Adjustments</i> • <i>Contingent Liabilities</i> • <i>Recording reinsurance recoveries when received instead of netting out of claims expense when paid and setting up as a receivable.</i> • <i>The MD&A is sufficient</i> <p><i>(Consultant will review above irrespective of auditor's opinion)</i></p>	✓	In July, 2010, SCORE hired a new accountant (Gilbert).
<p>B. The JPA issues to its members periodic financial reports at least annually or more frequently if required by its governing documents. (Mandatory)</p>	✓	Quarterly.
<p>C. Financial Audits</p>		
<p>1. The JPA has undergone annual independent financial audits conducted by a CPA in accordance with generally accepted auditing standards, a report of which has been made available to all members as required by its governing documents. (Mandatory)</p>	✓	June 30, 2010 and 2009 a financial audit was conducted by Maze & Associates on February 28, 2011.
<p>2. If the JPA has received an opinion other than an unqualified opinion on the audit of its financial statements, the JPA governing board has satisfactorily addressed any such qualifications of opinion, audit exceptions or negative statements. (Mandatory)</p>	✓	

3. The independent auditor's report shall include a review of internal controls at least every three years. (Excellence only) <i>(Issue a report on internal control and compliance to meet this.)</i>	✓	February 28, 2011 for year ended June 30, 2010 and 2009.
4. If a management letter or report on internal controls has been issued, the JPA governing board has addressed any recommendations. (Mandatory)	✓	
D. Unpaid Claims Liabilities		
1. The JPA has assets sufficient to pay all unpaid claims liabilities and maintains a reasonable contingency margin. The determination of whether there is a reasonable margin for contingencies will include consideration of investment income, excess of loss insurance, aggregate stop loss insurance, assess ability, size of program, volatility of risk, tolerance of membership, disclosure to board and any other relevant factors. (Excellence only) <i>(If there is a deficit and the board has made an assessment, the receivable is recorded to offset the deficit.)</i>	✓	
2. If the JPA does not currently have sufficient assets to pay unpaid claims liabilities, it has a reasonable financial plan in effect that will generate sufficient revenues to pay all unpaid claims liabilities and to establish a contingency margin. (Mandatory)	N/A	JPA Master Plan Documents: JPA is to assess only if SCORE is found to be actuarially underfunded as a whole. Any city with a negative balance will be assessed and any city that needs to make installment payments can request to do so. Liability & W/Comp Retro Adjustment Calculations at the 50% overall calculation and return at the 75% allowable rate to those cities that have a positive balance. The cities that have a negative balance in either program will be invoiced.
For both D (1) and D (2) above, unpaid claims include: (Mandatory) a. Case reserves for reported claims; b. Incurred but unreported claims; c. Expected loss development; and, d. Allocated & unallocated loss adjusting expenses.	✓	
3. JPAs with a self-funded medical benefits plan must fund at a level sufficient to cover expected claims, including the run-out, plus a reasonable contingency for adverse experience. Absent any acceptable evidence to the contrary, the contingency for adverse experience shall be set at an amount equal to or greater than the expected run-out of claims. (Mandatory)	N/A	
4. JPA's with self-funded benefit plans other than medical must fund such programs at a level sufficient to cover expected claims and projected run-out. (Mandatory)	N/A	
E. The JPA's current contribution levels for each self-funded program is in concert with Section D, above. (Mandatory)	✓	

F. The JPA has adopted a target equity policy and considers it when evaluating funding and dividends. (Mandatory) (<i>For example see target equity worksheet</i>)	✓	
G. Any JPA with non-risk sharing program(s) must clearly indicate in the governing documents the financial and operational structure of such program(s). (Mandatory) <i>To be considered as a W.C. non-risk sharing program, it must not be operating under a master workers' compensation certificate filed with the State Dept. of Self-Insurance Plans.</i>		
In lieu of funding standards contained in Section E above, a non-risk sharing program must:		
1. Calculate and communicate the individual member net asset balances and liabilities to the members annually.	n/a	
2. Be sufficiently assessable to ensure that program's cash flow needs are met.	n/a	
3. Demonstrate that it has adequate cash on hand to meet future claims costs.	n/a	
H. The JPA maintains a suitable management information system that includes premium computation methods and/or allocation formulas. (Excellence only).	✓	

V. INVESTMENT OF FUNDS

Objective

To assure that policies and procedures are in effect to protect and preserve the JPA's financial assets.

CRITERIA	STATUS	DISCUSSION
A. The JPA has a written investment policy that contains: (Mandatory) <i>Required for all, even if they only have money in LAIF and or County Treasury.</i>		Investment Policy reviewed was adopted on 1/27/2006. The Investment policy has been revised as of January 28, 2011. Investments are to be reconciled on a quarterly basis and recorded at fair market value. An annual reconciliation is provided to the auditor as part of the year-end close.
1. A statement of objectives as required by G.C. § 53646	✓	
2. Description of permitted investments, which must be in conformity with California G.C. §53601 and reasonable under "prudent investment rule."	✓	
3. The written investment policy is reviewed annually by governing body or an investment committee pursuant to California G.C. § 53646(a).	✓	BOD Meeting Minutes dated January 28, 2011; Page 6 of 8; Item #G.5.
B. The JPA invests its funds in conformity with GC §53601. (G.C. 6509.5) (Mandatory)	✓	
C. The JPA provides evidence that the governing body or an investment committee periodically considers diversification of risk as to type of investment and individual institution. (Excellence only)	✓	
D. The JPA has in place internal controls that include: (Mandatory) <i>Government pooled funds excepted.</i>		
1. Separation of functions (buying and selling of securities is separate from accounting and reporting of transactions) if the size of the staff can accommodate this;	✓	
2. Separate verification of all transactions; and	✓	
3. Written documentation of procedures.	✓	
E. If the Treasurer has the authority to reinvest, sell and exchange securities:		
1. The JPA makes such delegation of authority annually. (G.C. §53607). (Mandatory)	✓	BOD Meeting Minutes, Page 4 of 11; June 25 2010. Item #4.
2. The Treasurer renders a monthly report of investment transactions to the governing board. (G.C. 53607). (Mandatory)	✓	

<p>THE FOLLOWING REQUIREMENTS (F, G, H & I) ONLY APPLY TO JPAs THAT MANAGE THEIR OWN INVESTMENTS, WITH OR WITHOUT THE USE OF INVESTMENT CONSULTANTS.</p> <p><i>Does not apply to JPA funds that are deposited with county or state investment pools.</i></p>		Funds are invested in LAIF and with Chandler Asset Management.
<p>F. The JPA provides evidence that the Treasurer or Chief Financial Officer has submitted a quarterly report in a timely manner to the governing board containing the investment information required by California G.C. §53646 (b) (1), a description of compliance with the statement of investment policy G.C. §53646 (b) (2), and a statement of ability to meet expenditure requirements over the next six months G.C. §53646 (b) (3). (Mandatory) <i>Should be signed by Treasurer or CEO. (Note; under 53646 it does not state that you must provide the transaction detail as described under 53607 for a treasurer that has investment authority)</i></p>	✓	
<p>G. The quarterly investment report filed with the governing body shall also contain:</p>		
1. Type of investments; (Mandatory)	✓	
2. Issuing institution; (Mandatory)	✓	
3. Dates of purchase and maturity; (Mandatory)	✓	
4. Par and dollar amount invested on all securities; (Mandatory)	✓	
5. Investments and monies held by the JPA; (Mandatory)	✓	
6. Current market value, including source; (Mandatory)	✓	
7. Coupon rate; (Excellence only)	✓	
8. Effective yield rate; (<i>yield to maturity</i>) (Excellence only)	✓	
9. Portfolio total rate of return; (Excellence only)	✓	
10. Cash and security transactions; (Excellence only)	✓	
11. Percentage of portfolio by issuer or security type. (Excellence only)	✓	
<p>H. JPAs that own investment securities shall have an independent custodian who shall not be from the same department of the financial institution or broker/dealer from whom the JPA buys or sells the security, or the investment advisor. (Mandatory)</p>	✓	Union Bank of California
<p>1. There shall be a written contract between the JPA and the independent custodian that includes: (Mandatory)</p> <p>a. Scope of services</p> <p>b. Compensation</p> <p>c. Termination</p>	✓	Chandler agreement
<p>2. Monthly reports shall be sent directly from custodian to a specific person at the JPA. (Excellence only)</p>	✓	Report sent to Linda Romaine, JPA Treasurer.
<p>3. Custodial statements shall be reconciled with an in-house or investment advisor's report. (Mandatory)</p> <p><i>Should be independent of the custodian and investment advisor. Should be documented in the investment accounting procedures. Recommend quarterly.</i></p>	✓	

4. The third-party custodian shall maintain adequate fidelity coverage. (Excellence only)	✓	
I. For JPAs that engage in services of a professional investment advisor, the following safeguards are in place: <i>For the purpose of this Section I, an investment advisor is a person or firm that provides advice as to the value of securities or property or the advisability of purchasing or selling such securities or property. The advisor may have discretionary authority or control to purchase or sell. An investment advisor renders advice to the JPA on a regular basis with the understanding that his or her advice will be an integral factor in the investment decision-making process relative to the particular needs of the JPA. Purely clerical or ministerial duties such as record-keeping, reporting, processing, or disseminating information generally will not be classified as investment advisory activities, absent authority, discretion, or control.</i>		
1. There is a written contract between the advisor and the JPA that includes; (Mandatory) a. Scope of services b. Compensation c. Duty to disclose conflicts of interest d. Termination e. Disclosure to JPA of any investigation by a regulatory body for investment-related regulatory violations.	✓	
2. The JPA has a process to ensure the investment advisor has disclosed any conflict of interests (Mandatory) <i>(This may be satisfied by a provision in the contract as addressed in I(1) above or FPPC form 700, or review of Form ADV Parts 1 and 2; this should be done annually.)</i>	✓	Pg 2. #11.
3. All securities are purchased in the name of the JPA. (Mandatory) <i>Deposits in LAIF or a treasury are not "securities"</i>	✓	
4. The advisor sends monthly reports to the JPA containing information described in Section D above. (Mandatory)	✓	
5. The advisor reports at least quarterly an evaluation including total rate of return and a comparison of the pool's total rate of return to reasonable benchmarks (i.e., U.S. Treasury securities, an index comprised of Treasuries, or LAIF). (Excellence only)	✓	
6. The investment advisor carries Investment Advisor Professional Liability Insurance with a per claim/aggregate limit of at least \$1,000,000. (Mandatory)	✓	Chandler Asset Management, Inc. (\$10m limit of liability)
J. JPAs that place their investments in or through County or State investment pools, or in FDIC insured contracts will issue quarterly reports to the governing body, chief financial officer, and auditor in accordance with G.C. §53646 (e). (Mandatory)	✓	

VI.A. FUNDING AND ACTUARIAL STANDARDS

Objective

To determine that the JPA has completed actuarial studies or independent evaluations on each of its self-funded programs. There may be instances in which the provisions of this section may be waived because such studies may not be considered necessary (such as for property or vehicle physical damage programs).

Program: GENERAL LIABILITY

CRITERIA	STATUS	DISCUSSION
<p>A. The JPA has had property or casualty (including W.C.) actuarial study(ies). Such study was conducted by a Member of the American Academy of Actuaries and addressed all of the relevant items in Sections IV. E and IV. F. Such study(ies) shall be conducted within the last three years (Mandatory) or annually. (Excellence only). <i>(The actuary should be conducted for major programs; if a pool is in run-out it still should have an actuary study, unless as determined by the committee the risk and variability has sufficiently diminished. Such considerations would be; line of coverage, the risk layer retained, whether the pool is an excess layer pool, the variability inherent in the claims and how the claims are developing.)</i></p>	✓	<p>Bickmore Risk Services & Consulting performed an actuarial study in March of 2011.</p> <p>Mike Harrington/Director, BRS Nancy Gua/Manager, BRS FCAS, MAAA Fellow Casualty Actuarial Society Member, American Academy of Actuaries</p>
<p>B. If loss reserves requirements were computed on a discounted (present value) basis, the pay out pattern and projected rate of return were reasonable. (Mandatory) <i>Is the discount rate reasonable given; current cash and investment balances, accounts receivable or deficit balances, or the character of the assets such as buildings?</i></p>	✓	<p>3% discount, 70% Confidence level</p>
<p>C. If the JPA has a self-funded medical benefits plan, it must conduct an independent rate study and fund level evaluation, including consideration of a reasonable contingency margin for adverse experience. Such study shall be conducted annually (Excellence only) or within the last 36 months. (Mandatory).</p>	N/A	
<p>D. If JPA has other miscellaneous self-funded programs (such as dental, vision, long-term disability or life), it must conduct independent rate studies and fund level evaluations within the last 36 months (Mandatory) or bi-annually. (Excellence only) <i>Evaluation does not have to be prepared by actuary - can be by benefit consultant.</i></p>	N/A	

VI.B. FUNDING AND ACTUARIAL STANDARDS

Objective

To determine that the JPA has completed actuarial studies or independent evaluations on each of its self-funded programs. There may be instances in which the provisions of this section may be waived because such studies may not be considered necessary (such as for property or vehicle physical damage programs).

Program: EXCESS WORKERS' COMPENSATION

CRITERIA	STATUS	DISCUSSION
A. The JPA has had property or casualty (including W.C.) actuarial study(ies). Such study was conducted by a Member of the American Academy of Actuaries and addressed all of the relevant items in Sections IV. E and IV. F. Such study(ies) shall be conducted within the last three years (Mandatory) or annually. (Excellence only). <i>(The actuary should be conducted for major programs; if a pool is in run-out it still should have an actuary study, unless as determined by the committee the risk and variability has sufficiently diminished. Such considerations would be; line of coverage, the risk layer retained, whether the pool is an excess layer pool, the variability inherent in the claims and how the claims are developing.)</i>	✓	Bickmore Risk Services & Consulting performed an actuarial study in March of 2011. Mike Harrington: FCAS, MAAA Fellow Casualty Actuarial Society Member, American Academy of Actuaries
B. If loss reserves requirements were computed on a discounted (present value) basis, the payout pattern and projected rate of return were reasonable. (Mandatory) <i>Is the discount rate reasonable given; current cash and investment balances, accounts receivable or deficit balances, or the character of the assets such as buildings?</i>	✓	3 % discount and funded at the 70% confidence level, changed from 4% discount & 85% confidence level, \$15m surplus fund since updated financials completed.
C. If the JPA has a self-funded medical benefits plan, it must conduct an independent rate study and fund level evaluation, including consideration of a reasonable contingency margin for adverse experience. Such study shall be conducted annually (Excellence only) or within the last 36 months. (Mandatory).	N/A	
D. If JPA has other miscellaneous self-funded programs (such as dental, vision, long-term disability or life), it must conduct independent rate studies and fund level evaluations within the last 36 months (Mandatory) or bi-annually. (Excellence only) <i>Evaluation does not have to be prepared by actuary - can be by benefit consultant.</i>	N/A	

VII. RISK CONTROL

Objective

To determine that the JPA actively promotes risk control principles and practices to its members and necessary budgetary appropriations for such services are made. An excess JPA may meet this requirement by requiring its member agencies to be responsible for having their own risk control program.

CRITERIA	STATUS	DISCUSSION
A. JPAs are active in promoting risk control principles among their member agencies. This shall include the following: (Compliance with two or more is required for Excellence) <i>Not applicable for benefit programs.</i>		Both Alliant and York Insurance Services are contracted to provide safety/risk control services.
1. Promoting a risk transfer policy that addresses additional insureds, minimum insurance limits and proof of suitable insurance coverage.	✓	
2. Establishing risk control standards for the significant exposures of its member agencies.	✓	
3. Prioritizing the use of its risk control resources, based on such factors as; (a) loss ratios, (b) frequency, and (c) severity rates.	✓	
4. Offering risk control assistance to its member agencies, including (a) conducting or facilitating risk control inspections, (b) investigating large losses, (c) conducting risk control training for its member agencies, and/or (d) providing wellness and/or employee assistance program.	✓	SCORE has access to the Target Safety Prevention Link Platform through LAW CX (each member is charged a usage fee through CSAC-EIA agreement).
5. Providing or facilitating the procurement of appraisal services, in order to maintain accurate records of its members' property components and values.	✓	2012/2013 budgeted. Property values were decreasing so not previously performed (last performed in 2006/2007).
B. The JPA's budget provides for the above. (Excellence only)	✓	\$25,000 budgeted
C. The JPA maintains a suitable management information system that includes: (Excellence only)		
1. Relevant information about type and quantity of exposures being assumed.	✓	Alliant pulls from surveys and applications. Current annual information.
2. Relevant information about the type, number and cause of accidents resulting in claims against its member agencies.	✓	Reports by York Insurance Services & Alliant Ins. Services

VIII.A. CLAIMS MANAGEMENT

Objective

Measure nature, scope, and quality of the claims management services provided by JPA and its contractors.

Program: GENERAL LIABILITY

CRITERIA	STATUS	DISCUSSION
A. The JPA has established a suitable claims management system. Excess JPAs must have a process to monitor primary claims handled by, or for, its member agencies. (Mandatory)	✓	IVOS System. Utilizes both hard copy and electronic file documentation/management procedures.
B. The JPA has established a litigation management system. (Excellence only)	✓	Utilizes an approved panel of defense attorneys & the majority of litigation assignments are conducted by York Ins. Services.
C. The JPA has conducted a claims audit on each significant self-funded program within the last 2 years. Significant self-funded programs shall include W.C., liability, and medical malpractice. (Excellence only) <i>(A periodic OBEA audit may be acceptable replacement on a self administered program (in-house administration) however; this audit does not have the same scope in review of reserves.</i> The audit should be conducted by a qualified claims auditor, independent of the JPA, the claims administrator and the insurers, and should determine whether or not:		Conducted by RMS (Risk Management Services) in March 12 th of 2010.
1. Claims are handled in a timely and organized manner;	✓	
2. The claims administrator adequately communicates with the JPA, its members, and the claimants;	✓	
3. Case reserving practices are reasonable;	✓	Majority okay, 2 problem cases.
4. Loss experience reports accurately reflect the case reserves and the payments. As an alternative, this determination may be made during the financial audits required in Section IV. C. of these Accreditation Standards.	✓	
5. The JPA is receiving quality claims services. General evidence of this may be indicated from the following:		
a. Staffing levels are adequate in relation to caseloads;	✓	
b. Adjusters identify claims with subrogation potential;	✓	
c. Excess insurers are notified of claims with excess potential;	✓	
d. Litigated claims are adequately managed;	✓	
e. Coverage is verified; and	✓	
f. Adequate investigations are performed.	✓	

<p>D. The JPA has addressed all major recommendations and significant findings included in the audit report. <i>Consideration of a future standard: (An excess pool has a process of reviewing primary layer claim audit results and follow-up with members (Excellence only)</i></p>	<p>✓</p>	<p>Yes, per Board of Directors Meeting Minutes dated March 26, 2010 (page 4 of 10, item #G.2.)</p>
<p>E. The JPA maintains a management information system that includes relevant information about the type, number and cost of claims being reported and adjusted. (Excellence only)</p>	<p>✓</p>	<p>IVOS System is used.</p>
<p>F. If the JPA provides employee benefit plans for its members, it must have an appeals process for handling claims and/or coverage related disputes. (Mandatory)</p>	<p>N/A</p>	
<p>G. The JPA has a written policy addressing settlement authority (Excellence only)</p>	<p>✓</p>	<p>Page 17 of 19, #6 (Liability MPD) See Master Plan Documents</p>

VIII.B. CLAIMS MANAGEMENT

Objective

Measure nature, scope, and quality of the claims management services provided by JPA and its contractors.

Program: EXCESS WORKERS' COMPENSATION

CRITERIA	STATUS	DISCUSSION
A. The JPA has established a suitable claims management system. Excess JPAs must have a process to monitor primary claims handled by, or for, its member agencies. (Mandatory)	✓	Reports by York Insurance Services
B. The JPA has established a litigation management system. (Excellence only)	✓	SCORE has a defense attorney panel with Hanna, Brophy handling the majority of claims in litigation & others handled by Laughlin, Falbo.
C. The JPA has conducted a claims audit on each significant self-funded program within the last 2 years. Significant self-funded programs shall include W.C., liability, and medical malpractice. (Excellence only) <i>(A periodic OBEA audit may be acceptable replacement on a self administered program (in-house administration) however; this audit does not have the same scope in review of reserves.</i> The audit should be conducted by a qualified claims auditor, independent of the JPA, the claims administrator and the insurers, and should determine whether or not:		Nicholas L. Cali, Claim Consultant and Auditor performed an audit on February 15, 2010..
1. Claims are handled in a timely and organized manner;	✓	
2. The claims administrator adequately communicates with the JPA, its members, and the claimants;	✓	
3. Case reserving practices are reasonable;	✓	
4. Loss experience reports accurately reflect the case reserves and the payments. As an alternative, this determination may be made during the financial audits required in Section IV. C. of these Accreditation Standards.	✓	Reports by York Insurance Services
5. The JPA is receiving quality claims services. General evidence of this may be indicated from the following:		
a. Staffing levels are adequate in relation to caseloads;	✓	
b. Adjusters identify claims with subrogation potential;	✓	
c. Excess insurers are notified of claims with excess potential;	✓	
d. Litigated claims are adequately managed;	✓	
e. Coverage is verified; and	✓	
f. Adequate investigations are performed.	✓	

<p>D. The JPA has addressed all major recommendations and significant findings included in the audit report. <i>Consideration of a future standard: (An excess pool has a process of reviewing primary layer claim audit results and follow-up with members (Excellence only)</i></p>	<p>✓</p>	
<p>E. The JPA maintains a management information system that includes relevant information about the type, number and cost of claims being reported and adjusted. (Excellence only)</p>	<p>✓</p>	<p>IVOS used/ Valley Oaks Data System.</p>
<p>F. If the JPA provides employee benefit plans for its members, it must have an appeals process for handling claims and/or coverage related disputes. (Mandatory)</p>	<p>N/A</p>	
<p>G. The JPA has a written policy addressing settlement authority (Excellence only)</p>	<p>✓</p>	<p>York has no settlement authority and requests authority from the individual member cities if the authorization amount is <u>within</u> the \$150,000 SIR and from LAWCX if the authorization will cause the total incurred to <u>exceed</u> the SIR.</p> <p>See page 17, #6.</p>

IX. OPERATIONS AND ADMINISTRATIVE MANAGEMENT

Objective

To determine that the JPA (A) has a process for developing and implementing a strategic plan setting forth its goals and objectives for the future, (B) regularly and effectively communicates with its members (C) actively involves its governing board members and staff in education and training programs offered by relevant professional associations and (D) maintains procedures and policies relating to information systems.

CRITERIA	STATUS	DISCUSSION
A. The JPA conducts an effective strategic planning process to guide its future efforts. This should include an analysis of the environmental trends and the organizational strengths, weaknesses, opportunities and threats. Such a process may also include the following: (Excellence only)		Strategic Planning Session held October 14, 2010 (11a.m.-4p.m.) followed by a BOD meeting on October 15, 2010 at the Gaia Anderson Hotel.
1. A survey of member expectations and related perceptions; <i>(either formally or informally)</i>	✓	
2. A mission statement with supporting goals, objectives and tasks.	✓	
3. Consideration of the target equity policy.	✓	
B. The JPA regularly communicates with its member entities. Such communication may include (Excellence only) <i>One or more or related communication efforts with members</i>		
1. Annual reports, newsletters, or similar media;	✓	
2. Notice of major policy issues;	✓	
3. Periodic workshops, seminars, or similar educational activities;	✓	
4. Surveys of its member agencies, its service providers, and staff.		
5. JPA website for communication with members	✓	http://www.scorejpa.org
C. The JPA governing board and staff are actively involved in education and training programs. Such involvement may be indicated by the following: (Excellence only)		
1. Participation in one or more of the following organizations:		
a. CAJPA (California Association of Joint Powers Authorities)	✓	
b. PARMA (Public Agency Risk Managers Association)	✓	
c. PRIMA (Public Risk Management Association)		
d. CPCU Society (Chartered Property and Casualty Underwriters)		
e. RIMS (Risk and Insurance Management Society)		
f. CASBO (California Association of School Business Officials)	✓	
g. COSIPA (Council of Self-Insured Public Agencies)		
h. CSIA (California Self-Insurers Association)		

i. PASMA (Public Agency Safety Management Association)	✓	
j. AGRiP (Association of Governmental Risk Insurance Pools)	✓	
k. IEA (Insurance Educational Association)		
l. ASSE (American Society of Safety Engineers)	✓	
m. SCIC (Society of Certified Insurance Counselors)		
2. Top management has attended at least two professional conferences or seminars in the preceding 12 months.	✓	
3. The governing body members participate in pool management and risk management training.	✓	
4. There is formal training of all key personnel. <i>(As needed)</i>	✓	
5. The JPA's budget provides for the above participation and training.	✓	
D. The JPA has developed and implemented processes and procedures relating to protection of electronic data, including:		Alliant Contract, Addendum B, Disaster Recovery, SCORE Board Adopted/Approved, Subject to Board Approval
1. A suitable security and back-up system for all stored data. (Mandatory)	U	Received Addendum B, marked DRAFT.
2. A written policy with respect to:		
a. Disaster recovery (Excellence only)	U	Received Addendum B-DRAFT
b. Physical and electronic data security (Excellence only)	U	Received Addendum B-DRAFT
c. Electronic data retention (Excellence only)	U	Received Addendum B-DRAFT
d. Protection of electronic data as required by Health Insurance Portability and Accountability Act of 1996 (HIPAA), as applicable. (Excellence only)	N/A	

APPENDIX A – MEMBER LISTING BY PROGRAM

Liability Program	
City of Biggs City of Colfax City of Crescent City City of Dorris City of Dunsmuir City of Etna Town of Fort Jones City of Isleton City of Live Oak Town of Loomis	City of Loyalton City of Montague City of Mount Shasta City of Portola City of Rio Dell City of Shasta Lake City of Susanville City of Weed City of Williams City of Yreka
Workers' Compensation Program	
City of Biggs * City of Colfax * City of Crescent City City of Dorris * City of Dunsmuir City of Etna *7/1/05 Town of Fort Jones * City of Live Oak 7/1/05 Town of Loomis *	City of Montague* City of Mount Shasta City of Portola * City of Rio Dell * City of Shasta Lake City of Susanville City of Weed City of Williams City of Yreka * included in Mini-Cities
Property Program	
City of Biggs* City of Colfax* City of Crescent City* City of Dorris* City of Dunsmuir City of Etna * Town of Fort Jones* City of Live Oak* Town of Loomis*	City of Montague City of Mt. Shasta City of Portola* City of Rio Dell* City of Shasta Lake* City of Susanville * City of Weed City of Williams 9/1/04** City of Yreka *

City of Loyalton*

* Includes APD

** APD on premises only

Mobile Equipment Program

City of Biggs

City of Dorris

City of Etna

City of Live Oak

Town of Loomis

City of Loyalton

City of Mt. Shasta

City of Portola

City of Susanville

City of Weed

Employment Risk Management Authority (ERMA)

City of Colfax

City of Crescent City

City of Dorris

City of Live Oak

City of Mt. Shasta

City of Portola

City of Rio Dell

City of Shasta Lake

City of Susanville

City of Williams

City of Yreka



**ANCILLARY INSURANCE PROGRAMS
INFORMATION ITEM**

ISSUE: Staff will provide a presentation of the Ancillary Insurance Programs that member may be interested in to reduce their liability from loss.

RECOMMENDATION: None.

FISCAL IMPACT: None.

BACKGROUND: None.

ATTACHMENTS:

1. Ancillary Insurance Programs Presentation (Handout)



Agenda Item G.1

QUARTERLY FINANCIALS FOR PERIOD ENDING DECEMBER 31, 2011

ACTION ITEM

ISSUE: Members receive quarterly a report on the financial status of SCORE. Gilbert Associates will present SCORE's Financials for the Quarter ending December 31, 2011 to the Board of Directors for their review.

RECOMMENDATION: Receive and file the Quarterly Financials as presented.

FISCAL IMPACT: Unknown

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

ATTACHMENTS:

1. Quarterly Financial Statements as of December 31, 2011 (Handout)



Agenda Item G.2

ANNUAL AUDITED FINANCIAL REPORT YEAR ENDING JUNE 30, 2011

ACTION ITEM

ISSUE: SCORE annually has a financial audit conducted. The audit was performed by MAZE and Associates. They will present the 2011 Financial Audit to the Board.

RECOMMENDATION: The Board of Directors should review and consider acceptance of the YE 2011 financial audit as presented.

FISCAL IMPACT: None.

BACKGROUND: SCORE is required to have an audit conducted annually. The audit is filed with the County in which its primary office is located and with the State Controller.

ATTACHMENTS: Audited Financial Report for the Year Ended June 30, 2011 (Handout)



Agenda Item I.1

SCORE LOGO

ACTION ITEM

ISSUE: Staff has drafted a logo on behalf of SCORE to be approved by the Board of Directors.

RECOMMENDATION: Staff recommends review and acceptance of the new SCORE Logo.

FISCAL IMPACT: None.

BACKGROUND: None.

ATTACHMENTS: None.



CITY OF ISLETON PREMIUM PAYMENT DEFERRAL REQUEST

ACTION ITEM

ISSUE: The City of Isleton has provided a written notice to the SCORE program administrator asking for a 60-day deferral of their premium payment as they are currently requesting a loan from the County of Sacramento to assist in their financial crisis.

RECOMMENDATION: None

FISCAL IMPACT: \$23,811.95 currently due plus interest.

BACKGROUND: The City of Isleton has been in arrears of premium payment to SCORE for the last several years. The Board had previously agreed to annual payment plans plus interest at the rate SCORE's investments earn.

Staff met with the current City Manager on January 17, 2012 to discuss this in addition to other items. The City Manager has applied to Sacramento County for a loan between \$600,000-\$700,000 to pay off their debts. They expect that if this loan is approved, they will receive the funds within 60 days.

In October, 2011, Isleton had a dividend declared of \$25,658 which was applied to their balance due. Their total retrospective rating funds available are \$85,527 less the \$25,658 applied or \$59,869.

Discussion of Isleton's continued participation should take place.

ATTACHMENTS:

1. City of Isleton Premium Payment Deferral Request (Handout)
2. City of Isleton SCORE Statements

Small Cities Organized Risk Effort

PO Box 40
Fort Jones, CA 96032

Statement

Date
1/7/2012

To:
City of Isleton P. O. Box 716 Isleton, CA 95641

		Amount Due	Amount Enc.		
		\$23,811.95			
Date	Transaction	Amount	Balance		
06/30/2002	Balance forward		0.00		
07/01/2002	INV #417.	28,500.00	28,500.00		
07/01/2002	INV #417.	1,269.00	29,769.00		
04/15/2003	PMT #9479.	-28,500.00	1,269.00		
05/07/2003	PMT #9480.	-1,269.00	0.00		
07/07/2003	INV #544.	35,184.83	35,184.83		
07/07/2003	INV #502.	1,269.00	36,453.83		
08/21/2003	PMT #10080.	-7,185.00	29,268.83		
09/10/2003	PMT	-2,958.00	26,310.83		
10/10/2003	PMT	-2,958.00	23,352.83		
11/17/2003	PMT #10230.	-2,958.00	20,394.83		
12/08/2003	PMT #10274.	-2,958.00	17,436.83		
01/20/2004	PMT #10350.	-2,958.00	14,478.83		
02/09/2004	PMT	-2,958.00	11,520.83		
03/09/2004	PMT	-2,958.00	8,562.83		
05/03/2004	PMT	-2,958.00	5,604.83		
05/19/2004	PMT #10640.	-2,958.00	2,646.83		
06/17/2004	PMT	-2,950.00	-303.17		
07/26/2004	INV #2004-9.	30,323.00	30,019.83		
07/26/2004	INV #2004-9.	1,583.00	31,602.83		
08/10/2004	PMT	-5,317.66	26,285.17		
09/20/2004	PMT	-2,658.83	23,626.34		
10/29/2004	INV #2004-31.	436.00	24,062.34		
11/15/2004	PMT #11045.	-5,317.66	18,744.68		
12/06/2004	PMT	-2,658.83	16,085.85		
02/28/2005	PMT	-2,658.83	13,427.02		
03/25/2005	PMT	-2,658.83	10,768.19		
04/13/2005	PMT #11371.	-2,658.83	8,109.36		
05/06/2005	PMT	-2,658.83	5,450.53		
06/01/2005	PMT	-2,658.83	2,791.70		
07/01/2005	INV #0506-24.	27,498.00	30,289.70		
07/01/2005	INV #0506-25.	1,529.00	31,818.70		
07/06/2005	PMT #11576.	-2,658.87	29,159.83		
01/18/2006	PMT #12001.	-3,820.50	25,339.33		
CURRENT	1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	Amount Due
0.00	0.00	0.00	0.00	23,811.95	\$23,811.95

Small Cities Organized Risk Effort

PO Box 40
Fort Jones, CA 96032

Statement

Date
1/7/2012

To:
City of Isleton P. O. Box 716 Isleton, CA 95641

		Amount Due	Amount Enc.		
		\$23,811.95			
Date	Transaction	Amount	Balance		
01/18/2006	PMT	-3,090.87	22,248.46		
02/21/2006	PMT #12079.	-6,874.50	15,373.96		
03/21/2006	PMT #12149.	-2,291.50	13,082.46		
04/11/2006	PMT #12192.	-2,291.50	10,790.96		
06/08/2006	PMT #12279.	-4,583.00	6,207.96		
07/01/2006	INV #0607-9.	45,037.00	51,244.96		
07/01/2006	INV #0607-24.	2,466.00	53,710.96		
07/13/2006	PMT #12334.	-2,291.50	51,419.46		
08/30/2006	PMT #12423.	-6,219.08	45,200.38		
09/06/2006	PMT #12494.	-2,291.50	42,908.88		
01/17/2007	PMT #12653.	-3,753.08	39,155.80		
02/07/2007	PMT #12529.	-3,753.08	35,402.72		
07/01/2007	INV #0708-82.	2,639.00	38,041.72		
07/01/2007	INV #0708-9.	50,924.00	88,965.72		
11/01/2007	PMT	-18,465.68	70,500.04		
01/31/2008	PMT #12907.	-4,616.42	65,883.62		
01/31/2008	PMT #12888.	-19,777.26	46,106.36		
03/20/2008	PMT #12929.	-4,616.42	41,489.94		
04/18/2008	PMT #12946.	-4,616.44	36,873.50		
05/19/2008	PMT #12960.	-1,981.19	34,892.31		
07/01/2008	INV #0809-30.	48,720.00	83,612.31		
07/18/2008	PMT #Applied All. Allocated Refund	-25,173.00	58,439.31		
10/07/2008	PMT #2020.	-6,644.72	51,794.59		
11/30/2008	PMT #10332.	-6,627.89	45,166.70		
12/17/2008	PMT #13081.	-6,611.06	38,555.64		
02/18/2009	PMT #13105.	-6,594.23	31,961.41		
03/13/2009	PMT #13128.	-6,577.40	25,384.01		
06/01/2009	PMT #13166.	-6,543.75	18,840.26		
06/26/2009	PMT #2044.	-6,560.57	12,279.69		
07/01/2009	INV #0910-15.	47,470.00	59,749.69		
04/12/2010	PMT #2072.	-5,000.00	54,749.69		
05/20/2010	PMT #13339.	-5,000.00	49,749.69		
05/20/2010	PMT #13338.	-5,000.00	44,749.69		
06/30/2010	PMT	-8,000.00	36,749.69		
CURRENT	1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	Amount Due
0.00	0.00	0.00	0.00	23,811.95	\$23,811.95

Statement

Small Cities Organized Risk Effort

PO Box 40

Fort Jones, CA 96032

Date
1/7/2012

To:
City of Isleton P. O. Box 716 Isleton, CA 95641

		Amount Due	Amount Enc.
		\$23,811.95	
Date	Transaction	Amount	Balance
07/01/2010	INV #1011-129.	44,759.00	81,508.69
07/02/2010	CREDMEM #1011-182.	-34,590.00	46,918.69
10/18/2010	PMT #10466.	-5,000.00	41,918.69
01/21/2011	PMT #13470.	-5,000.00	36,918.69
03/23/2011	PMT	-5,000.00	31,918.69
06/15/2011	PMT #13579.	-10,000.00	21,918.69
06/30/2011	INV #1112 - 37.	683.26	22,601.95
07/07/2011	INV #1112 - 7.	26,868.00	49,469.95
11/16/2011	GENJRNL #GAI. To apply retro dividend to premium owed	-25,658.00	23,811.95
CURRENT			Amount Due
0.00			\$23,811.95
	1-30 DAYS PAST DUE		
	0.00		
	31-60 DAYS PAST DUE		
	0.00		
	61-90 DAYS PAST DUE		
	0.00		
	OVER 90 DAYS PAST DUE		
	23,811.95		



2011 RETROSPECTIVE ADJUSTMENT RATIFICATION

ACTION ITEM

ISSUE: At the previous October 28, 2011 meeting, the Board approved the distribution of the Liability and Workers' Compensation Retrospective Distribution Calculations at 30% Confidence Level for Liability and 40% Confidence Level for Workers' Compensation. Distributions were approved upon correction of the discrepancies found during the meeting.

RECOMMENDATION: It is the recommendation of staff that the Board ratifies the 2011 Retrospective Distribution Calculations as presented at today's meeting.

FISCAL IMPACT: Unknown.

BACKGROUND: At the previous October 28, 2011 meeting there were some discrepancies found in the proposed 2011 Retrospective Distributions. The Corrected Retrospective Rating Adjustments were distributed to members on October 31, 2011. The Board will be asked to review and approve the adjustment ratifications.

ATTACHMENTS:

1. Corrected 2011 Retrospective Distribution Calculations

**SCORE WC AND LIABILITY RETROSPECTIVE RATING DISTRIBUTIONS
APPROVED BY THE BOARD 10/28/11**

CITY	LIABILITY	WORKERS' COMPENSATION	TOTAL AVAILABLE DISTRIBUTION	
BIGGS	\$ (77,329)	\$ 21,002	\$ -	
COLFAX	\$ (240,691)	\$ 42,386	\$ -	
CRESCENT CITY	\$ 76,281	\$ 93,913	\$ 170,194	Review for distribution for closed years
DORRIS	\$ 27,072	\$ 7,623	\$ 34,695	
DUNSMUIR	\$ (380,338)	\$ 33,293	\$ -	
ETNA	\$ 10,386	\$ 4,110	\$ 14,496	
FORT JONES	\$ 35,508	\$ 11,741	\$ 47,250	
IONE	\$ (113,852)	\$ 86,299	\$ -	
ISLETON	\$ 25,658	\$ -	\$ -	Distribution will be applied to premium owed.
LIVE OAK	\$ 23,917	\$ 20,515	\$ 44,431	
LOOMIS	\$ 53,079	\$ 62,428	\$ 115,507	
LOYALTON	\$ 39,818	\$ -	\$ 39,818	
MONTAGUE	\$ 33,989	\$ 1,926	\$ 35,915	
MOUNT SHASTA	\$ 52,002	\$ 7,610	\$ 59,612	
PORTOLA	\$ (172,635)	\$ 45,676	\$ -	
RIO DELL	\$ 46,611	\$ 31,492	\$ 78,103	
SHASTA LAKE	\$ 211,262	\$ 281,107	\$ 492,369	
SUSANVILLE	\$ 225,996	\$ 146,044	\$ 372,040	
WEED	\$ 23,634	\$ 108,669	\$ 132,303	
WILLIAMS	\$ 39,738	\$ 56,589	\$ 96,327	No distribution at this time
YREKA	\$ 163,158	\$ 85,451	\$ 248,609	



CITY OF CRESCENT CITY DISTRIBUTION REQUEST

ACTION ITEM

ISSUE: At its October 28, 2011 Board meeting, the JPA made a motion to deny the City of Crescent City’s distribution request and directed staff to examine a formula to determine a calculation of potentially eligible funds for departing cities for substantially closed years. The Board will be asked to review the proposed calculations and direct staff as needed.

RECOMMENDATION: Release funds prior to the most recent nine years, or four years in addition to the five most current years that are restricted from distribution. Release these funds using the same percentage the Board approves for distributions by line of coverage.

FISCAL IMPACT: \$48,616

	Liability	Workers’ Compensation
Banking Layer	\$14,207	\$3,381
Shared Risk Layer	\$(9,482)	\$114,615
Total	\$4,725	\$117,996
% Distribution	30%	40%
Distribution	\$1,418	\$47,198

BACKGROUND: Staff met with Gilbert Associates to discuss distribution of equity to members that leave the JPA. After thorough analysis, most claims are closed within nine years.

SCORE has received a formal written request from the City of Crescent City requesting release of the funds due to the city from the retrospective rating plan distributions and/or equity distribution.

This item was discussed during the August 26, 2011 Board meeting. Action was originally suspended to be brought back for further consideration of the Board and has since been denied with direction for staff to examine a formula for potentially eligible funds for departing cities.

SCORE’s Bylaws were amended June 24, 2011 and specifically state that for members that withdraw from SCORE programs, their dividends and/or equity will remain with SCORE until program years close.

ATTACHMENTS: None



TARGET EQUITY ANALYSIS AS OF JUNE 30, 2011

INFORMATION ITEM

ISSUE: The Board will receive a presentation of SCORE's Target Equity Analysis as of June 30, 2011 which is developed from the Year Ending June 30, 2011 Audited Financials. The Target Equity Analysis should be reviewed annually and prior to issuing any dividends or making financial decisions for the JPA.

RECOMMENDATION: There is no recommendation at this time.

FISCAL IMPACT: TBD

BACKGROUND: During SCORE's accreditation for the California Association of Joint Powers Authorities (CAJPA), the Accreditation Auditor advised that SCORE should have a Target Equity Policy in place. On October 26, 2007, the Board approved SCORE's Target Equity policy to give guidance to the SCORE Board in making annual funding, dividend and assessment decisions for the Banking and Shared Risk Layers.

ATTACHMENTS:

1. SCORE's Target Equity Policy
2. Target Equity Analysis Presentation (Handout)

Target Equity/Return of Equity Policy Statement

I. PURPOSE

The purpose of this policy statement is to give guidance to the SCORE Board of Directors in making annual funding, dividend and assessment decisions for the Banking Layer and Shared Risk Layers.

The SCORE Board of Directors' acknowledge actuarial estimates are relied upon heavily when making financial decisions and that there is a high degree of uncertainty in such estimates due to the possibility of occasional catastrophic claims and inconsistent or inaccurate case reserving; therefore, the Board of Directors desires to fund the Banking Layer and Shared Risk Layer programs in a cautious and prudent manner and return equity to its members in an equally cautious and prudent manner. It is the policy of SCORE to conservatively fund its programs to maintain sufficient assets to pay all losses and avoid substantial fluctuations to contributions.

In order to fund program years in a fiscally prudent manner, the SCORE Board of Directors collects contributions at an actuarially determined confidence level as determined by the Board annually. The SCORE Board of Directors strives to annually collect at the 85% confidence level or higher as determined by the actuary.

II. DEFINITIONS

- “Claims Paid to Date” is the amount actually paid on reported claims at the date of valuation. “Claims Paid to Date” includes those amounts paid for both defense and indemnity of claims.
- “Confidence Level” is a statistical term used to express the degree to which an actuarial projection (usually “Ultimate Net Loss” or “IBNR”) will be an accurate prediction of the dollar losses ultimately paid for a given program year or combination of years. The higher a “Confidence Level” the greater certainty the actuary has that losses will not exceed the dollar value used to attain that “Confidence Level”.
- “Equity” is the amount of funds remaining, after deducting all administrative and excess insurance costs, available to pay claims in excess of actuarial expected losses discounted for investment income at the actuarially determined “Expected” “Confidence Level”.
- “Expected” by industry standard translates roughly to the 50% to 56% “Confidence Level” as determined by the independent actuary.
- “Expected Liabilities” is the total of all “Outstanding Reserves” and “IBNR”, discounted, at the “expected” “confidence level”.
- “Incurred But Not Reported (IBNR)” is the estimate of the funds needed to pay for covered losses that have occurred but have not yet been reported to the

member and/or SCORE. "IBNR" includes (a) known and unknown loss events that are expected to be claims; and (b) expected future development on claims already reported.

- "Net Contribution" includes the total contributions from members less the excess insurance cost.
- "Net Present Value" is the discounting of future cash flows to current values by taking into account the time-value of money.
- "Self Insured Retention" is the maximum amount of pooled risk retained by SCORE before any excess coverage.
- "Outstanding Reserves" are the sum total of unpaid case reserves in the Banking and Shared Risk Layers determined by the SCORE Claims Administrator.
- "Ultimate Net Loss" is the sum of "Claims Paid to Date", "Outstanding Reserves" and "IBNR", all within SCORE's Banking and Shared Risk Layers. It is the estimate of the total value of all claims that will ultimately be made against members for which SCORE is responsible.

III. IMPORTANT EQUITY RATIOS

The SCORE Board of Directors will only consider returning “Equity” to the members after evaluating and concluding the following ratios remain appropriate for the group prior to and following any potential return of “Equity”:

“Net Contribution” to “Equity” ratio: **Target \leq 2:1**

This ratio is a measure of how “Equity” is leveraged against possible pricing inaccuracies. A low ratio is desirable.

“Outstanding Reserves” to “Equity” ratio: **Target \leq 3:1**

This ratio is a measure of how “Equity” is leveraged against possible reserve inaccuracies. A low ratio is desirable.

“Equity” to “Self Insured Retention” ratio: **Target \geq 5:1**

This ratio is a measure of the maximum amount that “Equity” could decline due to a single loss. A high ratio is desirable.

Reserve Development: **Target \leq 20%**

This is a measure of the change in aggregate ultimate losses from one valuation period to the prior valuation(s). Generally, the one-year and two-year reserve development to “Equity” threshold should be less than 20%.

Change in Equity: **Target \geq -10%**

This ratio measures if a decline in equity in excess of 10% warrants an increase in annual contribution or an assessment.

Appendix B

Applicable SCORE Governing Documents Sections

The SCORE Master Program for the Liability Program document, Article III, states the following:

1. ADJUSTMENTS TO ACCOUNT BALANCES

A. ASSESSMENTS

If the Liability Program as a whole is not actuarially sound, that is where the funds for losses are less than the expected losses as determined by the actuary, an assessment against all "Participating Members" of the "Program Years" that are found to be actuarially unsound, shall be assessed a portion of the deficiency of funding according to the following calculation:

- 1) Each "Participating Member" of the earliest "Program Year" with a deficit balance shall be assessed to the extent that the participating Member has a deficit balance in that year using the calculation of account balances as described in the Retrospective Adjustment Section below. However, such calculation shall use funding at an actuarially expected loss level.
- 2) If the funds collected from assessing the year under A1, above, are insufficient to fund the Program above a deficit balance, the next earliest "Program Year" with a deficit will be assessed in the same fashion as the first year, per A1 above.
- 3) The above funds collection (A2) will be repeated until such time as sufficient funds have been raised to eliminate the deficit of the Program as a whole.

B. RETROSPECTIVE ADJUSTMENT

It is understood that the funds of the JPA are those of the JPA and no member may demand payment of the funds allocated to them via the Retrospective Adjustment or any other manner of distribution other than the declaration of a dividend by the Board or in accordance with distribution described in the Joint Powers Agreement upon the dissolution of SCORE.

1) TIMING

- a. Shared Risk Layer – Five (5) years after the end of the "Program Year", a "Retrospective Adjustment" shall be calculated for potential distribution or surcharge. Every year after the first "Retrospective Adjustment", there shall be additional adjustments until the "Program Year" is closed.
- b. Banking Layer – A "Retrospective Adjustment" shall be calculated at the end of the "Program Year" for potential distribution or surcharge. Every year after the first "Retrospective Adjustment", there shall be additional adjustments until the "Program Year" is closed. Typically, the Board of Directors refrains from returning twenty-five (25) percent of the positive balances.

- c. The Board of Directors may waive the collection of all members having a negative net balance or a net surcharge, provided the waiver will not leave the Liability Program funded below the 85 percent confidence level. This waiver may apply to the shared risk or the banking layer separately or together.
 - d. The Board of Directors need not declare a dividend or may declare a dividend that is something less than the Retrospective Adjustment calculates.
- 2) CALCULATION OF ACCOUNT BALANCES – SHARED RISK
- a. Each "Participating Member" will be credited for their deposit premiums paid to the Shared Risk Layer and any assessments paid for the "Program Year". Allocated interest for the year will be added to the amount determined above. This amount will constitute the Total Revenues credited to the "Entity's" Shared Risk account for the "Program Year".
 - b. From the amount calculated in a, above, the cost of claims shall be subtracted.
 - i. If the "Program Year" adjusted is the Program Year 2002-2003, then the total claims and IBNR in the shared risk layer for the shared risk layer shall be allocated based on an Adjusted Exposure Base calculated by:
 - o Dividing five (5) consecutive years of losses for each member limited to \$50,000 any one occurrence starting with the "Program Year" for which the adjustment is being calculated by the total deposits to the Liability Program of the member for those corresponding four (4) years. This calculates the member's loss rate for the period.
 - o Dividing the above loss ratio by the loss ratio for SCORE as a whole during the same period. This comparison of the loss rate of each member to the loss rate of SCORE for the same four (4) year period calculates a Relative Loss Rate or the member's deviation from the norm as a ratio.
 - o Multiply the Relative Loss Rate by the Credibility Factor and then add one minus the credibility factor. This produces the Experience Modification Factor.
 - The credibility factor is determined by dividing the member's four (4) year total deposits by the sum of the member's total deposit plus the smallest of the total deposit of any of the members. Thus, the smallest member will have a credibility factor of fifty (50) percent and all other members will have a credibility factor of fifty (50) percent or greater.
 - o The Adjusted Exposure Base is calculated by multiplying the four (4) years of deposits calculated earlier by the Experience Modification Factor.
 - ii. If the "Program Year" is the Program Year 2003-2004 or later, then the Adjusted Exposure Base is the Share Risk deposit for the "Program Year" divided by the total of all members' Shared Risk deposit for the year.

- c. The total amount of incurred claims within the share risk layer plus the IBNR at the 85 percent confidence level, plus any amounts reserved for shock losses as determined by the Board of Directors is distributed to the members in proportion to their Adjusted Exposure Base is to the total Adjusted Exposure Base for SCORE as a whole. This amount will be the Total Claims Costs for the member.
- d. The Funds in Excess of Costs is determined by subtracting the Total Claims Costs from the Total Revenues.
- e. The Account Balance for the member in any "Program Year" is the Funds in Excess of Costs less any prior returns plus any prior surcharges. This amount, or any portion of this amount, may be distributed to the member after approval from the Board and only if the "Program Year" is at least five (5) years old and the Program as a whole will not be under an 85 percent confidence level after the return or dividend.

3) CALCULATION OF ACCOUNT BALANCE – BANKING LAYER

- a. Each "Participating Member" will be credited for their deposit premiums paid to the Banking Layer and any assessments paid for the "Program Year". Allocated interest for the year will be added to the amount determined above. In addition, returns or surcharges from the excess coverage shall be credited or debited. This amount will constitute the Total Revenues credited to the "Entity's" Banking Layer account for the "Program Year".
- b. The amount credited for the returns from the excess coverage, or debited for the surcharges from the excess coverage, shall be allocated to the "Participating Members" in the same proportion as the member's Banking Layer deposit is to the total deposits of all "Participating Members".
- c. From the amount calculated in a, above, the cost of claims incurred within the Banking Layer by the member shall be subtracted. This amount shall include any payments made for the member from the Funds for Legal Assistance.
- d. In addition, an amount shall be deducted for IBNR at an 85 percent confidence level plus any amount for shock losses the Board of Directors determines should be withheld for financial security. The amount to be deducted from the member shall be the same proportion of the amount to be charged to the "Program Year" as is the member's Banking Layer deposit to the total Banking Layer deposits of all the members. The result will be the Funds in Excess of Costs.
- e. Any excess funds charged, or shortage of funds, for administrative expenses at the beginning of the "Program Year" for the Liability Program shall be added to, or subtracted from, the Funds in Excess of Costs, allocating such administrative expenses half by payroll for the period and half equally among the members.

- f. Finally, any prior returns, or prior surcharges shall be subtracted from, or credited to, the Funds in Excess of Costs.
- g. The result of the above calculation will provide the ending account balance for the Banking Layer of which the Board may return all or any portion of the excess funds provided such return will not leave the Liability Program, or the "Program Year", below an 85 percent confidence level.

4) DISTRIBUTION

Upon completion of the calculation described above, if there is a net negative balance in the individual accounts, the "Participant" shall not receive a refund for that "Program Year". "Participants" with positive balances may receive a refund, as determined by the Board of Directors. However, the total refunds for any one "Program Year" shall not exceed the actuarially determined surplus for that year. Further, the total refunds for any one "Program Year" shall be limited to the actuarially determined surplus for the Liability Program as a whole less any refunds granted from prior "Program Year's".

C. CLOSING OF PROGRAM YEARS

- 1) The Board of Directors may close a "Program Year" as described in Article I Section 2A.
- 2) Upon closure of a "Program Year", a final calculation of account balances shall be made as described in Part 3(g) above, and the account balances shall be returned if positive, or surcharged if negative, to the "Participating Member".
- 3) The Board of Directors retains the right to assess any and all "Member Entities" participating in a closed "Program Year", if such "Program Year" should incur additional expenses after closure.

The SCORE Master Liability Program Document, Article V, Section 3, states the following:

1. TERMINATION OF PARTICIPATION

- A. A "Participating Member" in one "Program Year" shall participate in the next "Program Year" unless:
 - 1) A request to terminate participation is received from the "Participating Member" at least six (6) months prior to the inception of the next "Program Year",
 - 2) A termination notice from the President advising the Board of Directors" of action to expel the "Participating Member" has been sent to the "Participating Member", or
 - 3) The "Participant" is no longer a "Member Entity".
- B. Termination of participation in future "Program Years" does not relieve the terminated "Entity" of any benefits or obligations of those "Program Years" in which the "Entity"

participated. These obligations include payment of assessments, "Retrospective Adjustments", or any other amounts due and payable.

- C. The Board of Directors may terminate future participation by an "Entity" for the following reasons:
- 1) Declination to cover the "Entity" by the organization providing excess coverage;
 - 2) Nonpayment of past billings, assessments, surcharges, or other charges;
 - 3) Habitual late payment of billings, assessments, surcharges, and/or other charges, or habitual late response in submitting data required by the Liability Program;
 - 4) Failure to provide underwriting information;
 - 5) Development of an extraordinarily poor loss history;
 - 6) A substantial change in exposures that are not acceptable in this program; and/or
 - 7) Financial impairment that is likely to jeopardize this Program's ability to collect amounts due in the future.



VENDOR CONTRACT RENEWALS

MAZE AND ASSOCIATES

ACTION ITEM

ISSUE: SCORE Financial Auditor, Maze and Associates, contract expires after the completion of the FYE 2011 audit is completed. The Board should take action to either exercise the two (2) additional year's option, or go out for RFP for auditing services.

RECOMMENDATION: None

FISCAL IMPACT: \$20,000 annually

BACKGROUND:

Maze and Associates contracted with SCORE to provide audit services for fiscal years ending 2009, 2010 and 2011 with an option to extend for two (2) additional years.

The actual costs for these services were: FY 2009 = \$18,915, FY 2010 = \$19,293, FY 2011 = \$3,050 (to date). The cost for these services were higher than anticipated due to the challenge of obtaining the financial documents needed to audit the 2009 year.

ATTACHMENTS:

1. MAZE and Associates Contract

July 13, 2009

ACCOUNTANCY CORPORATION
3478 Buskirk Ave. - Suite 215
Pleasant Hill, California 94523
(925) 930-0902 • FAX (925) 930-0135
maze@mazeassociates.com
www.mazeassociates.com

Ms. Susan Adams
Small Cities Organized Risk Effort
c/o Alliant Insurance Services, Inc.
1792 Tribute Road, Suite 450
Sacramento, CA 95815

Dear Susan:

We are pleased to confirm our understanding of the services we are to provide for the Small Cities Organized Risk Effort for the year ended June 30, 2009. The services we have been engaged to provide are outlined below, but we are also available to provide additional services at your request:

- 1) Audit of the basic financial statements, preparation of the memorandum on internal control structure and issuance of our reports thereon.

Audit Objective

The objective of our audit is to express opinions as to whether your financial statements are fairly presented in all material respects in conformity with generally accepted accounting principles in the United States of America and to provide limited assurance on accompanying supplemental information. Other information accompanying will not be audited by us and we will express no opinion on it. Our audit will be conducted in accordance with generally accepted auditing standards in the United States of America; and will include tests of accounting records and other procedures we consider necessary to enable us to express such opinions. If our opinions on the financial statements are other than unqualified, we will fully discuss the reasons with SCORE management in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will prepare a draft of your financial statements and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the management representation letter that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any nonaudit services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; for the fair presentation in the financial statements of financial position of SCORE's various activities, major funds, and the aggregate remaining fund information and changes in financial position and, where applicable, cash flows in conformity with U.S. generally accepted accounting principles.

Management is responsible for making all financial records and related information available to us. We understand that SCORE will provide us with the Closing Checklist information required for our audit and that SCORE is responsible for the accuracy and completeness of that information. Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud or illegal acts could have a material effect on the financial statements. SCORE is also responsible for informing us of its knowledge of any allegations of fraud or suspected fraud affecting it received in communications from employees, former employees, regulators, or others. In addition, SCORE is responsible for identifying and ensuring that it complies with applicable laws and regulations.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Also, we will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to SCORE or to acts by management or employees acting on behalf of SCORE.

Because an audit is designed to provide reasonable, but not absolute, assurance, and because we will not examine all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements, immaterial illegal acts, or illegal acts that do not have a direct and material effect on the financial statements. We will advise SCORE of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform SCORE of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of physical existence of inventories, and direct confirmation of cash, investments and certain other assets and liabilities by correspondence with selected customers, creditors and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill SCORE for responding to this inquiry. At the conclusion of our audit we will also require certain written representations from management about the financial statements and related matters.

Audit Procedures - Internal Controls

Our audit will include obtaining an understanding of SCORE and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify significant deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under professional standards.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of SCORE's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Audit Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

The audit documentation for this engagement is our property and constitutes confidential information. However, pursuant to SCORE given by law or regulation, we may be requested to make certain audit documentation available to a federal agency providing oversight of direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Maze & Associates personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies. We will retain audit documentation for seven years pursuant to state regulations.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

We expect to begin our audit in July, 2009 and to issue our reports no later than October 15, 2009. The name of the engagement partner is Katherine Yuen and is responsible for supervising the engagement and signing the report.

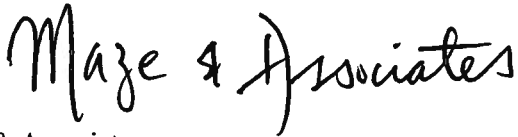
Our fees for these services are billed based on our contract with SCORE. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if SCORE's account becomes thirty days or more overdue and may not be resumed until SCORE's account is paid in full.

These fees are based on anticipated cooperation from SCORE personnel, the completion of schedules and data requested on our Checklists, and the assumption that there will be no unexpected increases in work scope, such as new debt issues, etc., or delays which are beyond our control, as discussed on the Fees Attachment to this letter. If significant additional time is necessary, we will discuss it with SCORE management and arrive at a new fee before we incur any additional costs.

We understand you will provide us with basic workspace sufficient to accommodate the audit team assigned to your audit. We understand the basic workspace will be equipped with a telephone and direct Internet access, preferably a temporary network outside of your network, a public IP address and a wired connection. We understand you will also provide us with access to a fax machine and read only access to your general ledger system.

Government Auditing Standards require that we provide SCORE with a copy of our most recent quality control review report and letter of comment. Our most recent peer review report, the letter of comment and our responses accompany this letter.

We appreciate the opportunity to be of service to SCORE and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return the entire copy to us.



Maze & Associates

RESPONSE:

This letter correctly sets forth the understanding of SCORE.

By: _____

Title: _____

Date: _____

**Small Cities Organized Risk Effort Engagement Letter
Fees Attachment
For the Year Ended June 30, 2009**

Our fees for the work described in the attached engagement letter will be as follows, unless they are adjusted for one or more of the items below:

Service	Proposed Total
1) Basic Financial Statements	<u>\$18,915</u>

2009 Fees – Our fees are based on the assumption that the following events occur:

- Audit opinion of Fiscal Year 2007/08 is unqualified.
- The audited financial statements and memorandum on internal control for the Fiscal Year 2007/08 are issued by July 31, 2009.
- The books of the Fiscal Year 2008/09 financial data are closed on accrual basis and ready to be audited by August 3, 2009.
- We encounter no major audit difficulties, such as unavailable financial records, multiple adjusting journal entries, or unavailable staff during the audit.

PDF Copies of Reports – scanned copies of the above reports are available upon request at no charge. These scanned copies (300 dpi) are not high quality and the file sizes may be large, depending on the length of the report. **If you intend to post the BFS to your website, we do not recommend using the scanned copies to do so – one of the options below should be used.** If you would like a higher quality PDF file, there are three options. **Please contact us if you would like us to prepare one of the following three options** for your BFS, or if you'd like a quote for the preparation of a file for another type of report. In addition, should you decide on one of the following options, please let us know at least a week in advance.

1. **INDIVIDUAL PDF BFS PAGES - \$150**

Print words, numbers, and statistics to PDF, then scan anything not available digitally (letterhead, award certificates, etc). Use WinZIP to archive individual PDF prints “as is” and send them to you, and you will then compile report. This option requires that you have a full copy of Adobe Acrobat Standard or Professional, and knowledge about the program, as well as a way to “unzip” the files. This should be used if you are willing to assemble the PDF report, but still would like to have a high quality “printed to PDF” BFS.

Quality: Medium-High
Time to Complete: 2-3 business days
File size: 1-2MB (varies with number of pages scanned)

2. **WEB PDF BFS - \$275**

Print words, numbers, and statistics to PDF, then scan anything not available digitally (letterhead, award certificates, etc). Compile into one document with embedded page numbers, linked Table of Contents, and PDF bookmarks for easy document navigation. This option is ideal for placement on a website or distribution via e-mail.

Quality: Medium-High (depending on number of pages scanned)
Time to Complete: 7-10 business days
File size: ~ 2MB (varies with number of pages scanned)

3. CAMERA READY PDF BFS - \$500

Print words, numbers, and statistics to PDF and compile into one document with embedded page numbers. Insert available digital pages (letterhead, award certificates, etc) but *no scanning* as we do not have the facilities to scan documents at “camera ready” quality. This option could be sent to any print shop to generate an official bound copy, for placement on a website, or distribution via e-mail.

Quality: Very High

Time to Complete: 7-10 business days

File size: < 1MB

Additional Services - The above fees are for audit and assurance services described in the accompanying engagement letter. They do not include fees for assisting with closing the books nor providing other accounting services. Should SCORE require assistance beyond audit services we will discuss these services with SCORE in advance.

Report Finalization - Our fee is based on our understanding that all information and materials necessary to finalize all our reports will be provided to us before we complete our year-end fieldwork in your offices. In the case of financial statements, this includes all the materials and information required to print the financial statements. We will provide final drafts of all our reports before we leave your offices. We will schedule a Final Changes Meeting with you for a date no more than two weeks after we complete our fieldwork. At that meeting, we will finalize all reports for printing. After that date, report changes you make and changes required because information was not received timely will be billed at our normal hourly rates.

Post-Closing Client Adjusting Entries - The first step in our year-end audit is the preparation of financial statement drafts from your final closing trial balance. That means any entries you make after handing us your closing trial balance must be handled as audit adjustments, or in extreme cases, by re-inputting the entire trial balance, even if the amounts are immaterial. If you make such entries and the amounts are in fact immaterial, we will bill you for the costs of the adjustments or re-input at our normal hourly rates.

BFS Printing - As a convenience, we can send your BFS to a printer we use locally. We do not charge for delivering camera-ready print masters to any printer of your choice and delivering the BFSs or BFS to you. However, we will bill you for any additional time spent on the BFS printing at our normal hourly rates. This includes changes after the report goes to the printer, obtaining, reviewing and / or delivering printer’s proofs, etc.

Grant Programs Requiring Separate Audit - Grant programs requiring separate audits represent a significant increase in work scope, and fees for these audits vary based on the grant requirements. If you wish us to determine and identify which programs are subject to audit, we will bill you for that time at our normal hourly rates.

Changes in SCORE Personnel - Our experience is that changes and /or reductions in SCORE staff can have a pronounced impact on costs of performing the audit. If such changes occur, we will meet with you to assess their impact and arrive at a new fee before we begin the next phase of our work. However, we reserve the right to revisit this subject at the conclusion of the audit, based on your actual performance and our actual costs.



Agenda Item I.6b

VENDOR CONTRACT RENEWALS YORK RISK INSURANCE SERVICES, INC.

ACTION ITEM

ISSUE: York Risk Insurance Services provides claims administration and risk management services for SCORE. Their current contract expires June 30, 2012. The Board should decide if these contracts should be renewed or if a RFP should be issued for these services.

RECOMMENDATION: None

FISCAL IMPACT: \$ 60,000 – Risk Control Services
\$150,000 – Claims Administration

BACKGROUND: York Risk Insurance Services has been SCORE's claims administrator and risk manager since SCORE was formed. Their current contract term is July 1, 2008 to June 30, 2012 which includes Risk Control Services, Liability, Property Recovery and Workers' Compensation Claims adjusting and Administration Services.

ATTACHMENTS: Contracts

1. York Risk Services (Liability/Workers' Compensation Claims Administration and Risk Control Services)

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



VOICE (916) 746-8828
FAX (916) 783-0334
marcus.beverly@yorkisg.com

June 3, 2011

Susan Adams
ALLIANT INSURANCE SERVICES
1792 Tribute Rd, Suite 450
Sacramento, CA 95815

RE: SCORE Services Contract

Dear Susan:

As you recall, we are in the last year of a four-year consolidated contract with SCORE for Liability and Workers' Compensation claims administration as well as Risk Control services. The contract allows for increases in our fees at each anniversary based on the December CPI for the Western Region. The December 2010 Western CPI was 1.5%.

While our Agreement allows for increases in all rates and fees each year, we have decided not to exercise this option for any of the services we provide. The following rates and fees for the 2010-2011 contract year will continue for 2011-12:

Department	Rate Description	Current Rate
Liability	Regular Time (Per hour)	\$84.85
Liability	Overtime (Per hour)	\$106.10
Liability	Double Time (Per hour)	\$127.33
Liability	Subrogation Flat Fee	\$317.25
Risk Control	Annual Billing Cap	\$94,115.00
Risk Control	Regular Time (Per hour)	\$121.60
WC Investigation	Regular Time (Per hour)	\$76.15
Workers' Compensation	Annual Flat Rate	\$91,980

We are foregoing a rate increase this year in recognition of SCORE members' continued financial concerns in an effort to assist any way we can with keeping costs down and saving vital services. We estimate this effort will save SCORE members at least \$7,000 over the 2011-12 term.

We sincerely value our long-term relationship with SCORE and the continued opportunity to provide claims administration and risk management services. If you have any questions, please give me a call.

Regards,

A handwritten signature in blue ink, appearing to read "Marcus Beverly", is written over a light blue circular watermark or background.

Marcus Beverly
Client Relations Director
marcus.beverly@yorkisg.com
(916) 746-8828

**AGREEMENT FOR RISK CONTROL SERVICES
LIABILITY, PROPERTY RECOVERY, AND WORKERS'
COMPENSATION CLAIMS
ADJUSTING AND ADMINISTRATION SERVICES**

This Agreement is made and entered into this 1st day, July 2008, by and between Small Cities Organized Risk Effort ("SCORE"), a California public entity, and Gregory B. Bragg & Associates, Inc., a California Corporation ("Administrator").

RECITALS

- (a) SCORE is an entity duly organized and validly existing under the laws of the State of California with the power to carry on its business as it now being conducted under the statutes of the State of California.
- (b) SCORE requires liability, property and workers' compensation claims adjusting and administrative services as well as risk control services and Administrator is agreeable to performing such services for SCORE.
- (c) In order to operate the Program effectively, it is necessary to retain an experienced and competent firm to act as claims adjuster and administrator. Administrator represents that it is experienced and competent to fulfill those duties and wishes to be retained by SCORE for that purpose.

TERMS AND CONDITIONS

In consideration of the foregoing Recitals and the following Terms and Conditions, the parties mutually agree as follows:

1. Retention of Administrator

SCORE agrees to retain Administrator to act as the claims adjuster and administrator for the SCORE Risk Control, Liability, Property Loss Recovery and Workers' Compensation Program on the Terms and Conditions set forth in this Agreement. Administrator agrees to accept that assignment and to perform all of the duties for which it has been retained.

2. Scope of Services

- (a) All services which Administrator provides to SCORE pursuant to this Agreement shall conform to the Scope of Services as outlined in Exhibit A "PROPERTY LOSS RECOVERY SERVICES", Exhibit B "SAFETY AND RISK CONTROL - SCOPE OF SERVICES", and the current LAWCX "PERFORMANCE STANDARDS" for workers' compensation claims.

- (b) Administrator will promptly initiate its administration and adjustment of each claim reported by SCORE. However, Administrator shall not be responsible for payment of any fines or penalties because of untimely or non-reporting of a claim by a SCORE member.
- (c) Administrator shall report or complete any required government forms upon request.

3. Program Records

- (a) Administrator shall maintain a complete set of records fully documenting its activities under this Agreement. The records shall be treated as CONFIDENTIAL and shall not be disclosed to any person except as required in furtherance of Administrator's duties under this Agreement or as directed by SCORE or as otherwise required by law.
- (b) All records prepared, acquired and maintained by Administrator shall at all times be the property of SCORE and shall be promptly released to SCORE, as the case may be, at the termination of this Agreement.
- (c) Administrator shall provide SCORE, its members participating in the Workers' Compensation and Liability programs, its program administrator, its auditors, and its excess carriers /pools, access to SCORE's electronic claim files.
- (d) For purposes of this Section 3, "records" include original and copies of all documents, reports, correspondence and any other physical embodiments of information and data, regardless of whether they are kept in written or electromagnetic form.

4. Compensation

For each service pursuant to this Agreement, the fees are outlined below. Fees may be increased at each anniversary subject to the December Consumer Price Index (CPI) for the Western region during the past year, but not less than 2%. CPI Increases greater than 5% annually would be subject to SCORE approval.

(a) Liability Adjusting and Investigation Services

For services pursuant to this Agreement, SCORE shall pay Administrator an annual administration fee of \$1,000.00 per member, payable at the inception and each anniversary of the Agreement. In addition to the administration fee, for the contract year 2008-09, SCORE shall pay time and expense charges on each claim as incurred in the investigation and adjustment of claims. Time and expense charges are as follows:

a) Adjusting/Investigating Services	\$ 80.25 per hour
b) Adjusting/Investigating Services (Overtime)	\$100.31 per hour
c) Adjusting/Investigating Services (Double-time)	\$120.38 per hour
d) Workers' Comp Investigation Services	\$ 72.00 per hour
e) Secretarial	\$ 6.00 per page/form
f) Claims Set Up – (Liability Claims Only)	\$ 25.00 per claim
g) Mileage	IRS Rate
h) Photocopies	\$ 0.25 per copy
i) Photographs	\$ 2.50 per photo
j) Audio Cassettes	\$ 3.00 per tape

- k) Video Cassettes \$ 15.00 per tape
- l) Index Reports At actual cost
- m) Other Expenses At actual cost

(b) Property Loss Recovery Services
Flat Fee: \$300.00

This fee would apply to all assigned losses regardless of the amount of the loss. In addition to the Flat Fee, work on losses deemed to be complex or requiring unusual collection efforts would be billed on a time and expense basis per the rate schedule for Liability Adjusting /Investigation listed above. All time and expense charges would be subject to prior approval by the member. Cases subject to time and expense would include those with the following issues:

1. Small Claims Actions
2. Criminal Restitution
3. Promissory Notes
4. Retained Legal Counsel or Litigation
5. Contract Disputes
6. Retained Experts
7. Referral to Collection Agency

(c) Safety and Risk Control Services

For its services performed pursuant to this Agreement, SCORE shall pay Administrator time and expense charges as follows:

- a) Safety and Risk Control \$115.00
- b) Secretarial \$ 6.00 per page/form
- c) Mileage IRS prevailing rate

Total time and expense charges will not exceed \$ 89,000 per year without prior approval from SCORE. Out-of-pocket expenses will be billed without surcharge.

(d) Workers' Compensation Services

For services pursuant to this Agreement, SCORE shall pay Administrator an annual administration fee of \$1,000.00 per full City, payable at the inception and each anniversary of the Agreement. A pool of up to 5 mini-cities is counted as one full City. The flat fee for the pool of mini-cities is \$1,000, regardless of the number of mini-cities. The monthly charge for claims adjusting services is \$7,500.00.

Administrator will receive no portion of the bill review/PPO network savings and are fully compensated by a \$10.50 per bill handling fee.

5. Billings

Administrator shall prepare and present to SCORE detailed monthly billings for its services under this Agreement. The billings shall describe the nature of the services provided and the expenses incurred, the applicable dates, an itemization of all charges and, to the extent possible, the person or

persons performing the services on behalf of Administrator. Upon request, Administrator will endeavor to supply additional billing details as SCORE may reasonably request. Administrator's billings shall be due and payable by SCORE thirty (30) days after receipt.

6. Trust Fund

SCORE shall establish a trust bank checking account or accounts to which Administrator shall have access for purposes of paying losses within its claims adjustment authority and processing claims administration and litigation expenses to third persons. With respect to claims administration expenses, Administrator shall not, without written authorization, make payments directly to or on behalf of itself of compensation earned pursuant to Section 4 above or for any other purpose.

The trust account or accounts shall be maintained at a level adequate to disburse payments on claims files in timely fashion, and shall be replenished as necessary by SCORE upon request of Administrator. The records of the trust account including check registers, canceled checks and bank statements shall be available for examination by SCORE at any reasonable time. The trust account balances shall be reconciled monthly by Administrator, with copies of the reconciliations supplied to SCORE not later than thirty (30) days after rendition of the account statement(s) by the bank.

For liability claims adjustment, all attorney's fees and other allocated expenses shall be the responsibility of SCORE. It is agreed and understood that, whenever practicable, any allocated expenses including attorney's fees, WCAB or court costs, costs of outside experts, and other costs related to services to be performed by persons other than the Administrator should be billed directly to SCORE and the bills will be paid from SCORE's trust account.

7. Contract Term; Termination

The term of this contract shall be from July 1, 2008 to June 30, 2012. This Agreement may be terminated by either party for any reason upon ninety (90) days written notice. Except with ninety days prior written notice otherwise, this Agreement will automatically renew on a yearly basis subject to the same terms and conditions, except Paragraph 4, herein, which may be renegotiated by the parties hereto.

8. Independent Contractor

In performing the services agreed upon in this Agreement, Administrator (and its officers, agents and employees) shall have the status of an independent contractor, and neither it nor they shall be deemed to be an officer or employee of SCORE.

9. Indemnification

(a) Administrator shall defend, indemnify and hold harmless SCORE and its members, officers, agents and employees from and against all damages, claims, penalties, demands, actions, or causes of actions which may arise from the action, conduct, or failure to act by SCORE or its officers and employees.

(b) SCORE will defend, indemnify and hold harmless Administrator, its officers, agents and employees from and against all damages, claims, penalties, demands, actions, or causes of actions if

not caused by the willful misconduct or sole negligent acts of Administrator's officers and employees.

10. Insurance

- (a) Administrator shall provide SCORE with a certificate or certificates of insurance duly executed by an insurance company or companies, acceptable to SCORE, which are authorized to transact business in the State of California. The certificate(s) shall certify that the Administrator has in full force and effect at all times during the term of this Agreement a single policy of at least \$1,000,000 coverage applying to bodily injury, personal injury, property damage and errors and omissions. Administrator shall also secure and maintain in effect at all times a fidelity bond or bonds in the amount of at least \$500,000 in form and sureties acceptable to SCORE which bond(s) shall secure SCORE and the Program Participants against any losses suffered by SCORE due to dishonesty of or misuse of funds and property entrusted to Administrator, or any of its officers, employees or agents.
- (b) All such policies of insurance and bonds shall contain endorsements requiring that notice of cancellation of any policy or bond be given by the insurer or surety to SCORE not less than thirty (30) days prior to the effective date of cancellation.

11. Miscellaneous

- (a) Administrator agrees to disclose any conflicts of interest that it may have, or may develop during the term of this contract, arising out of the performance under this contract. Administrator also agrees to complete and file the California Fair Political Practices Commission's Form 700 in accordance with the Conflict of Interest Code adopted by SCORE.
- (b) This Agreement contains the entirety of the agreements and understandings between the parties with regard to the subject matter of this Agreement, and it supersedes all prior written or oral agreements which may have previously existed.
- (c) This Agreement may not be altered or amended except upon the mutual written approval of both parties, which alteration or amendment shall be duly executed by the parties' authorized representative.
- (d) This Agreement is made and shall be interpreted and enforced under the laws of the State of California.

SMALL CITIES ORGANIZED RISK EFFORT

By: 

Title: President

Date: 8/5/08

GREGORY B. BRAGG & ASSOCIATES, INC.

By: Thomas B. Bragg

Title: Vice President

Date: 8/8/08

COMPANY NURSE ENROLLMENT INFORMATION ITEM

ISSUE: SCORE has been enrolled with Company Nurse providing triage services, care instructions and/or medical referrals to injured employees for Workers' Compensation injuries. SCORE's enrollment to Company Nurse will be effective February 1, 2012.

In the event an injury is not a medical emergency, the Manager and the Employee will telephone Company Nurse at the provided hotline number and speak with a medical professional who will assist the employee with his or her medical needs and expedite the claims processing. The medical professional will talk to the manager first and then the employee to assist in determining what kind of treatment, if any, is necessary for the employee based upon their conversation with the injured worker and the manager.

The Company Nurse Injury Hotline is available 24 hours per day, seven days per week.

- Company Nurse will complete the First Report of Injury form and email or fax it to the claims processing administrator.
- The Manager only needs to report the injury once to Company Nurse.
- Company Nurse will handle all initial reporting of employee incidents.

RECOMMENDATION: None.

FISCAL IMPACT: Costs for the program will be an allocated loss adjustment expense billed in the claim file.

BACKGROUND: At its October 27, 2011 Bi-Annual Training day the Board received a presentation from Company Nurse and the services provided and directed staff to contact Company Nurse for enrollment.

ATTACHMENTS:

1. Sample Company Nurse Poster
2. Easy Reference Guide
3. Enrollment Brochure

IN CASE OF WORKPLACE INJURY:

ACCION a seguir en caso de un accidente en el trabajo



1-888-545-9154

▶ **AVAILABLE 24 HOURS A DAY**

- 1** ▶ **Injured worker notifies supervisor.**
Empleado lesionado notifica a su supervisor.
- 2** ▶ **Supervisor / Injured worker immediately calls injury hotline.**
Supervisor / Empleado lesionado llama inmediatamente a la línea de enfermeros/as.
- 3** ▶ **Company Nurse gathers information over the phone and helps injured worker access appropriate medical treatment.**
Profesional Médico obtiene información por teléfono y asiste al empleado lesionado en localizar el tratamiento médico adecuado.



Notice to Employer/Supervisor:

Please post copies of this poster in multiple locations within your worksite. If the injury is non-life threatening, please call Company Nurse prior to seeking treatment. Minor injuries should be reported prior to leaving the job site when possible.

Visit us online: www.CompanyNurse.com



EASY REFERENCE GUIDE

The Right Call for Workplace Injuries®

STEP-BY-STEP INSTRUCTIONS FOR THE CALLER:

Company Nurse is open 24/7/365

In case of life – or limb – threatening injuries, always call 911.

Step 1

PREPARE TO MAKE THE RIGHT CALL!

- If possible, find a quiet place to call the Injury Hotline
- Have the following information available:
 - Name of employer/worksites information
 - Search code displayed on posters or wallet cards
 - Location of injury
 - General information for injured worker (name, address, date of hire, etc.)
 - Date / Time of injury
 - Injury details: Who? What? When? Where?
- Listen carefully to the menu to select the proper option

OPTIONS	SELECT THIS OPTION TO:	IS IT POSSIBLE TO LEAVE A VOICE MESSAGE?
1	Report a workplace injury and speak with a nurse	NO
2	Report an injury not requiring treatment or for injuries already treated by a physician	NO
3	Seek billing, claims or other information	YES

Notes:

- Post-Treatment Reporting: If the injured employee has already obtained medical care, the employee and / or supervisor should still report the injury to the Hotline as soon as possible
- CN will support employer's post incident drug testing policies when applicable. These protocols may only apply to specific departments
- Translators are available, if needed

Step 2

REGISTERED NURSES REFERRAL OPTIONS

These are the potential outcomes after talking with a nurse:

- Emergency Care – 911 or Immediate Emergency Room referral
- Referral to Occupational Health or Urgent Care
- Home care or basic first aid advice

Note:

* Call Confirmation Numbers are provided to every caller – The caller needs to be ready to write this down

Step 3

REPORT DISTRIBUTION

- **Injury Report**
 - Pre-Designated recipients will receive injury reports after every call by e-mail or electronic data transfer. Recipients could include:
 - RTW Coordinators
 - Claims Adjusters
 - Supervisors
 - Human Resources
 - Safety Personnel, etc.
- **Provider Injury Alert**
 - Medical providers will receive advanced notice via fax, alerting them of:
 - Patient's pending arrival
 - Injury/Medical information
 - Claims billing data
 - Employer information/specific protocols

Note:

- Company Nurse will use employer's preferred network or medical clinic whenever feasible and appropriate

Step 4

FOLLOW-UP CALLS

When calling back to follow-up on a particular employee injury, be prepared to provide the appropriate Call Confirmation number. Examples of follow-up calls include:

- **Additional Nurse Advice:** Injured employees are invited to call our nurses back if injuries become worse or new symptoms develop, for which they may require additional nurse advice and injury triage services
- **Medical Bills:** After treatment, if a medical provider sends a bill to the employer or employee, advise the facility to contact Company Nurse's Client Services Department at 888-817-9282. Company Nurse will ensure that all claims are properly reported and insurance information provided

Enrollment Brochure



The Right Call for Workplace Injuries®

➤ *Right Time...*

➤ *Right Care...*

➤ *Right Results...*

ENROLLMENT GUIDE



Welcome to Company Nurse!

We are pleased that your organization has decided to partner with Company Nurse to leverage our Injury Hotline. Our triage nurses stand ready to respond to injuries that occur on the job. This enrollment packet and instruction manual provide the information you need to implement and utilize our simple, easy-to-use program with optimal savings and success.

We are committed to provide you with exceptional value and benefits. If there is anything we can do to improve our level of service, or if you have any questions or concerns during the enrollment and implementation process, please contact Customer Service at 1-888-817-9282.

You will also receive support material and training options to inform and educate your employees and supervisors about the new injury-reporting process.



In this manual, the following information will help you to implement the Company Nurse program:

TABLE OF CONTENTS:

Getting to Know Company Nurse	1
Our Commitment to Customer Service	2
Implementing the Injury Hotline	2
Training Your Staff on the Injury Hotline	2
The Benefits of Making the “Right Call”	3
Frequently Asked Questions	4
Easy Reference Removable Training Manual	

GETTING TO KNOW COMPANY NURSE...



How Do We Address Key Workers' Compensation Challenges

Employers need a more effective means to improve workers' compensation results. To do this, they must address today's key challenges:

- ▶ **Late Reporting.** The average five- to ten-day delay in reporting workplace injuries triggers a chain reaction of setbacks in managing medical claims, and return-to-work (RTW) outcomes.
- ▶ **High Costs.** Medical costs continue to escalate at double-digit rates, and lost workdays results in increased indemnity costs—both need to be better managed and reduced.
- ▶ **Incomplete Information.** Without a well-defined injury reporting process, employers are unable to obtain accurate, complete claims information.
- ▶ **Quality Medical Care.** Worksite supervisors do not have the expertise to properly assess an injury or direct the injured employee to the right level of care.
- ▶ **Ineffective Use of Preferred Providers.** Many employers have established preferred provider networks, but proper utilization of these providers is less than desirable.
- ▶ **Dissatisfied Employees.** Many employees become disgruntled with the workers' compensation process, which increases attorney involvement and litigation.
- ▶ **Uncoordinated RTW Programs.** Without early and proactive coordination, injured employees may unnecessarily delay their return to work.

The Company Nurse Solution: Why Does Injury Triage Work?

Company Nurse offers a simple solution to address these problem areas. Our Injury Hotline – staffed with triage nurses – helps employers to proactively respond to workplace injuries, 24 hours a day, 7 days a week.

Employees are able to speak with our nurses within minutes of an injury occurring. Our nurses make immediate, critical medical decisions that positively impact the employee's medical care, as well as claims' costs and outcomes. In short, this injury reporting and triage process sets claims on the right course from the start.



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service@companynurse.com 112

Our Commitment to Customer Service

Company Nurse reviews its workflow and operations with the goal to continually improve our service, exceed customer expectations, and support employee satisfaction.

During the first few weeks of implementation, you may have an initially high volume of inquiries, which require additional research. We may need to review calls and verify facts. We will make every effort to respond in writing within four business days.

As issues come up in the ongoing delivery and maintenance of our service, you may expect a response within two to three business days. When clients have a concern about an injury call, our Hotline can perform a call review and provide a written recap of the discussion. This complimentary “call review” is performed and provided within four business days of the request. A complete transcript of a call will cost \$150 and requires seven to ten business days to fulfill.

We’re dedicated to customer service and satisfaction. If there is anything we can do to improve your injury-reporting process or the level of service you are receiving, please contact Customer Service at 1-888-817-9282.

Implementing the Injury Hotline

We’ve successfully implemented the Injury Hotline with many organizations. With this experience, we’ve come to know the key steps to ensure optimal program adoption among your supervisors and employees. Toward that end, we’ve provided the following:

Support Materials

- ▶ Workplace Posters (8.5” X 11”). Post them in break rooms, staff lounges, cafeterias, mailrooms, and other common areas. They remind employees to call the Injury Hotline when injuries occur
- ▶ Wallet Cards. Distribute them to managers, department heads, and supervisors who report injuries. Also provide cards to employees who are mobile, work in the field, or operate without a supervisor.
- ▶ Stickers. Designed to fit on a phone, in vehicles, or on the back of employee ID badges.

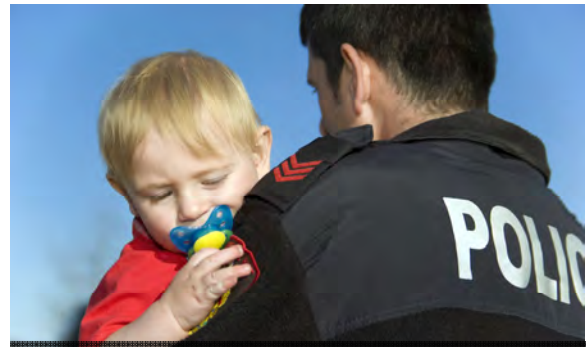
Training Your Staff on the Injury Hotline

To ensure optimal program success, all supervisors and employees should be required to undergo a brief training on the new injury-reporting process and benefits. Company Nurse provides the following training options:

- ▶ Pre-Implementation Training. Before the official day of implementation, our enrollment team will take you through a step-by-step demonstration of the Injury Hotline process. Ask about our teleconference or web-based training options.
- ▶ Online Training: We offer an online training presentation, approximately nine minutes in length, which provides an introduction and overview of the program. Take advantage of this convenient tool. It’s an excellent way to outline the process to current employees, as well as new staff members.

The Benefits of Making the “Right Call”

Unlike nurse case managers, our triage nurses get involved at the front end of the workers’ compensation process. When an injured employee calls, our triage nurses assess the injury over the phone. Based on treatment protocols and sophisticated algorithms, nurses systematically identify the right course of treatment and refer the employee to the most appropriate level of care—such as an ER or clinic—or they provide simple first aid or self-care guidelines. Our nurses listen closely to the nature of each injury and focus on an employee’s unique medical needs. Our trained nurses, rather than your worksite supervisors, make medical decisions on where to send injured employees for care.



Our Hotline Statistics & Standards:

- Average length of call: 8 - 12 minutes
- Average speed of answer: less than 3 minutes
- RN call backs: Approximately 5%
- Meets or exceeds the industry’s call center standards

When you use Company Nurse’s Injury Hotline, you make the “right call” with each and every workplace injury.

The Right Time

3 Company Nurse helps employers respond to workplace injuries on the “Day of Injury.” This is the earliest, most critical point at which to influence medical care, claims costs, return-to-work outcomes, and employee satisfaction.

The Right Care

In the past, supervisors may have erred on the side of caution sending all injured workers to the ER. In other cases, employees may not have received the treatment they needed.

Company Nurse provides medical expertise at the point of injury, so employees are channeled to the most appropriate and cost-effective level of care. We also help to build and integrate an employer’s list of preferred providers into our referral process.



FREQUENTLY ASKED QUESTIONS



Q. Should I call Company Nurse® after every workplace injury?

A. Yes, every injury should be called in to Company Nurse®. **CALL COMPANY NURSE® BEFORE THE EMPLOYEE LEAVES THE JOB SITE.** This will immediately provide injury information to Safety and Risk Management personnel on every injury. This is a 24/7 service, including all holidays.

Q. How can Company Nurse® diagnose an injury over the telephone?

A. We do not diagnose injuries. We perform a triage process that will guide the employee to the appropriate level of care for treatment given the information we are able to gather during the call.

Q. The employee and I do not think this injury needs to be treated, should I send him/her in anyway?

A. Yes. It is always best to follow the advice of the RN and get treatment sooner rather than later. Minor injuries are often referred to seek treatment within 48-72 hours. If the employee refuses to seek treatment, that will be documented in the incident report.

Q. The employee does not want to call Company Nurse®. Should I call it in myself?

A. Yes. Call with the information that you have; try to include where the employee was treated if that is the case. The reports will be forwarded to your Risk Management and/or Human Resources department and the claims adjuster for appropriate action.

Q. What about injuries that occurred before the Company Nurse® service started, or injuries to employees who no longer work there?

A. Call Company Nurse® with the information that you have, including the date of injury.

Q. The Employee has already been treated by their own physician. Should I call it in?

A. Yes. It is best to have the employee with you and get as much information as possible about where the treatment took place so the Nurse can include that information in the report.

Q. What about medical advice from the current treating physician?

A. Once a patient is under a physician's care, we cannot contradict the treating physician's advice; the Nurse will remind the employee to follow the physician's instructions and answer any questions they may have.

Q. I think this is a fraudulent claim. Should I tell the Nurse?

A. Yes, tell the Nurse that you think this claim should be questioned along with any information you have that may support your opinion.

Q. Will I get a call confirmation number when I speak to the Nurse?

A. Yes, the protocol is to provide a call confirmation number and the Nurse's name to each caller. This is not the same as the claim number assigned by your insurance.

Q. Does Company Nurse report the claim?

A. No, but we can send injury data to your carrier/TPA. It is your responsibility to report claims.

Q. What will I hear when I call Company Nurse®?

A. After the 911 message, you will have the following options: Option 1 for English or Option 2 for Spanish... Then LISTEN carefully to all options that will then guide you to the appropriate agent.

Q. What happens if the Nurses are flooded with calls? I don't want to be on hold forever.

A. The protocol is to answer every call that comes in – there is no voicemail box on the line. Most calls are initially answered by a medical clerk or health information assistant (HIA). During unexpected high volume time periods, the clerk will take your phone number and have a Nurse call you back within a few minutes.

Q. Is Company Nurse® my Workers' Compensation Insurance Provider?

A. No. Company Nurse® provides the initial injury triage, offers care advice and initiates the injury reporting process. Your employer is responsible for Workers' Compensation claims processing and administration.



888-817-9282
www.CompanyNurse.com
service@CompanyNurse.com

The Right Call for Workplace Injuries®

SCORE RESOURCE CONTACT GUIDE

November 2011

<p align="center">PROGRAM ADMINISTRATION Alliant Insurance Services, Inc. www.alliantinsurance.com Main: (916) 643-2700 Fax: (916) 643-2750</p>																				
SUBJECT	MAIN CONTACT																			
<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>Susan Adams Joan Crossley Johnny Yang</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>Johnny Yang Susan Adams Joan Crossley Jan Trevino</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>Kimberly Carter Susan Adams Joan Crossley</p>																			
<table border="0"> <tr> <td>Susan Adams</td> <td>(916) 643-2704 / (916) 203-1541 (cell)</td> <td>sadams@alliantinsurance.com</td> </tr> <tr> <td>Johnny Yang</td> <td>(916) 643-2712</td> <td>jyang@alliantinsurance.com</td> </tr> <tr> <td>Joan Crossley</td> <td>(916) 643-2708</td> <td>jcrossley@alliantinsurance.com</td> </tr> <tr> <td>Kimberly Carter</td> <td>(916) 643-2717</td> <td>kcarter@alliantinsurance.com</td> </tr> <tr> <td>Jan Trevino</td> <td>(916) 643-2701</td> <td>jtrevino@alliantinsurance.com</td> </tr> <tr> <td>Mike Simmons</td> <td>(415) 403-1425 / (925) 708-3374 (cell)</td> <td>msimmons@alliantinsurance.com</td> </tr> </table>			Susan Adams	(916) 643-2704 / (916) 203-1541 (cell)	sadams@alliantinsurance.com	Johnny Yang	(916) 643-2712	jyang@alliantinsurance.com	Joan Crossley	(916) 643-2708	jcrossley@alliantinsurance.com	Kimberly Carter	(916) 643-2717	kcarter@alliantinsurance.com	Jan Trevino	(916) 643-2701	jtrevino@alliantinsurance.com	Mike Simmons	(415) 403-1425 / (925) 708-3374 (cell)	msimmons@alliantinsurance.com
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<p>ACCOUNTING SERVICES Gilbert Associates, Inc. 2880 Gateway Oaks Drive, Suite 100 Sacramento, California 95833 Main: (916) 646-6464 Fax: (916) 929-6836 www.gilbertcpa.com Kevin Wong – kswong@gilbercpa.com</p>	<p>EMPLOYEE ASSISTANCE PROGRAM ACI Specialty Benefits Corporation 5414 Oberlin Drive, Suite 240 San Diego, California 92121 Main: (858) 452-1254 Fax: (858) 452-7819 www.acieap.com Tori Barr - tbarr@acieap.com</p>																			

SCORE RESOURCE CONTACT GUIDE

November 2011

CLAIMS ADMINISTRATION / LOSS CONTROL

York Insurance Services Group, Inc.

www.yorkisg.com

P.O. Box 619058

Roseville, CA 95661-9058

Main: (916) 960-0900 Fax: (916) 783-0334

SUBJECT	MAIN CONTACT	
ADMINISTRATIVE ISSUES - annual contracts for services	Tom Baber – Liab. & Sfty.	
SUPERVISORIAL ISSUES - claims administration management, oversight of safety & loss control services	Tom Baber - Liability	
CLAIMS ISSUES – LIABILITY - Auburn, Dixon, Folsom, Galt, Lincoln, Rocklin - Anderson, Corning, Red Bluff - Colusa, Gridley, Marysville, Oroville, Willows, Yuba City, Paradise - Ione, Jackson - Rio Vista	Craig Wheaton – ALL Craig Wheaton Cameron Dewey Shawn Millar Dan Lamb John Tucker	
CLAIMS ISSUES – WORKERS' COMPENSATION - Folsom - Oroville, Placerville, Rio Vista, Rocklin - Anderson, Auburn, Colusa, Corning, Dixon, Galt, Gridley, Ione, Jackson, Lincoln, Nevada City, Marysville, Paradise, Red Bluff, Willows, Yuba City,	Marcus Beverly– ALL Kara Kennedy Teresa Utterback Kelly Fahey	
SAFETY/LOSS PREVENTION – development & implementation of safety programs, on-site assistance, hotline services COMPUTER SERVICES TRUST ACCOUNT SERVICES – loss runs, special reports, check registers, bank reconciliations	Rudy Schroeder Jack Kastorff Chris Shaffer Herb McDuffee	
Tom Baber Christina Bishop Greg Bragg Ben Burg Lainie Callahan Cameron Dewey Kelly Fahey Jack Kastorff Kara Kennedy Dan Lamb Herb McDuffee Shawn Millar Chris Shaffer Randy Smith John Tucker Teresa Utterback Craig Wheaton	(916) 746-8834 (530) 248-1412 (916) 960-0909 (916) 960 0946 (916) 960-0979 (530) 248-1414 (916) 960-0963 (916) 960-0931 (916) 960-0983 (209) 795-0742 (916) 960-0941 (530) 345-5998 (916) 960-0960 (916) 960-0908 (209) 320-0804 (916) 960-0975 (916) 960-0988	Tom.baber@yorkisg.com christina.bishop@yorkisg.com gregory.bragg@yorkisg.com ben.burg@yorkisg.com lainie.callahan@yorkisg.com cameron.dewey@yorkisg.com kelly.fahey@yorkisg.com jack.kastorff@yorkisg.com kara.kennedy@yorkisg.com dan.lamb@yorkisg.com herb.mcduffee@yorkisg.com shawn.millar@yorkisg.com christopher.shaffer@yorkisg.com randall.smith@yorkisg.com john.tucker@yorkisg.com teresa.utterback@yorkisg.com craig.wheaton@yorkisg.com



PARMA is an organization that **promotes, develops, and facilitates** education and leadership in public agency risk management.

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PARMA would like to thank our 2011 Platinum Sponsors



Welcome

PARMA's mission is to provide a unique environment that promotes best practices, professional education, and strategies to manage a broad spectrum of risk.

Attendee Registration has now opened for the 2012 PARMA Conference

Registration is open for the 2012 PARMA Conference and Membership Meeting to be held in Monterey on February 14 – 17, 2012. This year we have a spectacular line up for you. Prepare to be dazzled on our fairway of exhibitors, astonished by the educational session under the big top and amazed at the host of lion tamers of risk you will have the chance to network with! And that is not all, folks. Prepare to see remarkable creatures that lurk in the depths of the ocean at the Welcome Reception at the Monterey Bay Aquarium as well as the rare dancing risk managers that are only seen gathered in one place each year - at the Annual PARMA Banquet. So, step right up. There is room for all but don't delay as you will not want to miss the marvelous sights and sounds that await you Under the Big Top of Risk!

If you are in need of a username and password, please contact us at info@parma.com. Payment by credit card and check is accepted.

[more >>](#)

2012 PARMA/CalPRIMA Mini-Conference Agenda and Registration Information

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The Fifth Annual CalPRIMA/PARMA Joint
Free Mini-Conference
October 6th and October 7th, 2012
Temecula Conference Center
41000 Main Street, Temecula, CA 92589

PARMA and CalPRIMA are proud to continue their partnership on a day and a half mini-conference. Once again, this event will be FREE to all attendees who are employees of current public entity members of PARMA or CalPRIMA.

[Click on More for agenda and Registration Form](#)

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2012 PARMA Annual Golf Tournament - Register Today

The Annual PARMA Golf Tournament will be Tuesday, February 14, 1011 with a 7:00 am check in and 8:00 am shotgun start. The tournament will be held at:

Pacific Grove Golf Links
77 Asilomar Boulevard
Pacific Grove, CA 93950

Cost is \$85 per person and includes green fees, cart, range balls and prizes.

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