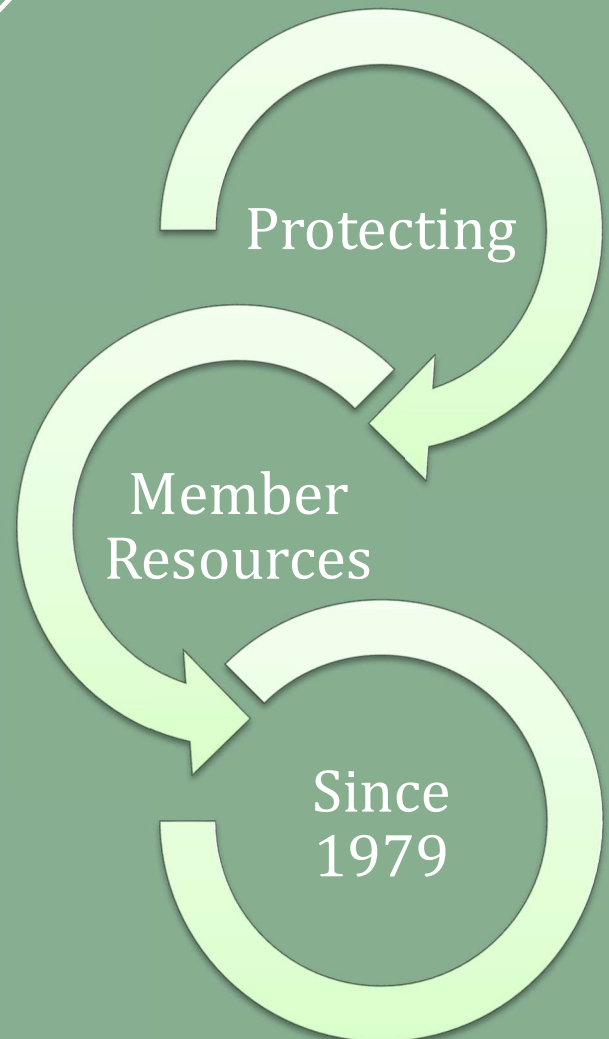


NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND

Celebrating 40 Years



2019/20 ANNUAL REPORT



40th Anniversary Luncheon Photos



LETTER TO OUR MEMBERS

Dear Members,

The 2019/20 Annual Report celebrates the 40th anniversary of NCCSIF with a new logo that recognizes the group's history while "rebranding" as NorCal Cities SIF to confirm a commitment to facing the changes and challenges of the next 40 years and beyond.

As evidence of the commitment to facing what may look like unsurmountable obstacles, last year the Town of Paradise was almost completely leveled by the Camp Fire and the community faced an uncertain future. NCCSIF members and service providers have and will continue to assist in recovery, and today the Town is preparing to rebuild, with a special "Building Resiliency Center" opening to process the thousands of building permits being requested.

NorCal Cities members continue to expand risk management training and services that contribute to the group's financial stability. **Net Position increased \$6,210,546, after payment of dividends totaling \$1,544,747.** Total assets increased by almost \$6 million; liabilities decreased by \$265,000. Net cash from operations increased by \$551,869 due to increased member contributions and less paid to vendors.

The Workers' Compensation Program continues to deliver better than expected results, allowing members to **maintain the funding confidence level at 80% with a (-3%) decrease in the rate.** During the same period the program returned over \$1.7 million in dividends to its members. This continues to buck the trend of rate increases seen by other groups and is the result of continued focus on risk and claims management that includes ergonomic and return to work programs as well as partnering with doctors and therapists to provide prompt diagnoses and effective treatment.

The Liability Program continues to improve and maintain assets in excess of the pool's target benchmarks, allowing for a refund in the Banking Layer for most members and continued growth in Net Position in the Shared Layer. This growth in assets allowed the members to forego a planned assessment last year and instead **increase the annual funding confidence level from 75% to 80%.** Members agreed to maintain that funding level this year with only a 2.3% increase in the rate, again very modest in light of increasing premiums for excess liability coverage due to the increasing severity of claims and a resulting reduction of insurance capacity.

In addition to increasing liability risks, members and their communities continue to face extreme challenges in dealing with wildfires and a lack of affordable insurance. One member joined the Property Program this year after having their coverage non-renewed, just one example of NCCSIF continuing to provide resources to assist in managing the ever-changing risk landscape we face here in Northern California. The group is committed to ongoing innovation of its programs and services to address the traditional and emerging risk exposures facing its members. I am proud to serve as NCCSIF President and support the continued success of the group in providing exceptional service and sound risk management practices to our members now and into the future.

Sincerely,



Liz Ehrenstrom

NCCSIF President

Human Resources Director - City of Oroville



Celebrating 40 Years

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HISTORY OF THE JPA

NCCSIF was **founded in 1979** as the Northern California Cities **Workers' Compensation Fund**.

Formed as a Joint Powers Authority (JPA), it is **one of the first pooled municipal programs in California**.

In 1981, members formed the Liability Program to apply the same concepts of pooling coverage for comprehensive coverage designed for municipalities.

In 1987, the Joint Powers Authority's name was changed to **Northern California Cities Self Insurance Fund (NCCSIF)**.

The same year NCCSIF began to offer group purchase of:

- Property,
- Crime, and
- Employee Assistance Program (EAP) coverage.

In 1991, the pool **began shared risk programs** for Liability and Workers' Compensation.

The group has grown to **twenty-two cities** that **pool coverage to \$500,000** for both Workers' Compensation and Liability.

In 1993, NCCSIF joined CJPRMA for Excess Liability Coverage.

The same year NCCSIF became one of the first pools to achieve **CAJPA Accreditation with Excellence**.

In 2003, NCCSIF joined CSAC-EIA for Excess Workers' Compensation Pooled Coverage.

Since 2008 NCCSIF has expanded coverage and increased the number and variety of risk management services and resources for members, including:

- **Cyber and Pollution Liability Coverage** through the Property Program
- Online training and risk management resources through TargetSolutions
- **Sewer operations risk management** through DKF Solutions
- Police Policy updates and training through Lexipol
- Body-worn camera grants for police agencies
- **Risk Management Best Practices and Scorecard** to benchmark and improve member operations
- Comprehensive Risk Assessments, training and consultation from Sedgwick Risk Services
- Deadly Weapons Response Coverage to assist members in responding to such incidents.

The JPA also piloted a half-day information packed workshop on **Risk Management 101 for Supervisors and Managers**, a collaborative effort by Alliant and Sedgwick Claims and Risk Control consultants. The workshop provides a better understanding of how a City manages their risks, tools and techniques to mitigate loss exposures, and the resources available through NCCSIF to help them reduce their losses.

MISSION STATEMENT

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



GOVERNANCE

NCCSIF operates under the direction of its 22 Member Cities, with each member represented on the Board of Directors. The Executive Committee consists of seven to eleven members that rotate on a geographical basis, with the President, Vice President and Treasurer elected by the Board. Four other committees review and make recommendations regarding risk management, claims, or financial issues.

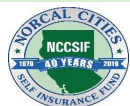


BOARD OF DIRECTORS

The Board of Directors of NCCSIF is composed of a representative appointed by the City Council of each member agency. An Alternate Representative is also appointed to serve and may vote in the Board Member's absence. Current Board Members and Alternates are listed below.

Member	Board Director	Alternate
City of Anderson*	Liz Cottrell	Jeff Kiser
City of Auburn	Cristina Shafer	Vacant
City of Colusa	Toni Benson	Vacant
City of Corning*	Kristina Miller	Tom Watson
City of Dixon	Rachel Ancheta	Kim Stalie
City of Elk Grove	Brad Koehn	Kara Redding
City of Folsom*	Jim Francis	Kristine Haile
City of Galt*	Joanne Narloch	Tom Haglund
City of Gridley	Vacant	Elisa Arteaga
City of Ione	Jon Hanken	Lori McGraw
City of Jackson*	Yvonne Kimball	Dalacie Blankenship
City of Lincoln	Veronica Rodriguez	Ruthann Codina
City of Marysville	Jennifer Styczynski	Karen Peters
City of Nevada City	Loree McCay	Catrina Olson
City of Oroville	Elizabeth Ehrenstrom	Vacant
Town of Paradise	Gina Will	Crystal Peters
City of Placerville*	Dave Warren	Cleve Morris
City of Red Bluff	Sandy Ryan	Anita Rice
City of Rio Vista*	Jose Jasso	Jen Lee
City of Rocklin	Kimberly Sarkovich	Andrew Schiltz
City of Willows*	Tim Sailsbery	Vacant
City of Yuba City	Vacant	Robin Bertagna

**Founding Members*



GOVERNANCE



EXECUTIVE COMMITTEE

The Executive Committee is a standing committee of the Board that acts as a steering committee for overall operation of the JPA and has been delegated certain duties in the Bylaws. The President of the Board serves as the Chair of the Committee, with the Vice President and Secretary as voting members. Remaining voting seats are selected on a rotating geographical basis. The Treasurer and CJPRMA Board Representative are non-voting members of the Committee.

Member	Name	Position
City of Oroville	Elizabeth Ehrenstrom	President
City of Folsom	Kristine Haile	Vice President
City of Willows	Tim Sailsbery	Treasurer
Town of Paradise	Gina Will	Secretary
City of Galt	Joanne Narloch	Member-at-large
City of Gridley	Elisa Arteaga	Member-at-large
City of Lincoln	Veronica Rodriguez	Member-at-large CJPRMA Board Representative
City of Nevada City	Loree McCay	Member-at-large
City of Rio Vista	Jen Lee	Member-at-large



GOVERNANCE

CLAIMS COMMITTEE

The Claims Committee reviews claims in the Shared Risk Layer, authorizes settlements and makes determinations on coverage. The Claims Committee has settlement authority from a Member's Banking Layer up to \$250,000, and the Executive Committee has authority to settle claims in excess of that amount for both Liability and Workers' Compensation. The Committee also reviews NCCSIF's claims management practices, claim audits, litigation management and approved attorney lists and makes recommendations as needed. The Executive Committee appoints members to the Claims Committee from their ranks.



FINANCE COMMITTEE

The NCCSIF Board of Directors has delegated financial investment authority and other duties to the Executive Committee. The Executive Committee delegates these duties to the Finance Committee on an as-needed basis. The Treasurer is appointed annually by the Board and serves as the Chair of the Finance Committee.

RISK MANAGEMENT COMMITTEE

NCCSIF established a Risk Management Committee in 1991, comprised of at least one member from each City. Over the years it has been enriched by participation from employees from Public Works, Finance, Human Resources, Police, Fire, and City Management who have contributed a broad range of ideas and best practices to the members.

The Committee's goal is to foster member risk management programs to reduce the frequency and severity of accidents and claims for loss or damage. Recognizing this goal, the Committee annually recommends and administers a budget to provide each member hands-on risk management consultation and training. For FY 19/20 the risk management budget is \$488,214, or 37% of the pool's total administration expenses.

POLICE RISK MANAGEMENT COMMITTEE



Given the importance of managing public safety risks and the unique nature of their operations, members formed a separate Police Risk Management Committee, and all members with police departments are encouraged to participate. Members meet quarterly to share risk management tips, keep abreast of legislative and case law changes, and attend a training session at each Committee meeting.

The Committee also reviews major claims for risk management practices that can be shared or improved and evaluates equipment to prevent or minimize losses. In the last five years, members have approved a **total of \$300,000 in grant funds to purchase body-worn cameras** and storage. Each meeting includes feedback on how effective the cameras have been in **reducing the number of claims and their severity.**

FY 19/20 MEMBERS PARTICIPATING IN EACH PROGRAM

MEMBER	POOLED PROGRAMS		GROUP PURCHASE						INDIVIDUAL PURCHASE						
	WORKERS' COMP	LIABILITY	APIP PROPERTY	APIP Auto Physical Damage	APIP FLOOD	ACIP CRIME	ID FRAUD Expense Reimbursement	ADWRP	AMVP Auto Physical Damage	AIRPORT	POLLUTION	DIC-Earthquake	Fiduciary Liability	EAP through ACI	Alliant Special Events Program
City of Anderson	✓	✓	✓			✓	✓	✓	✓					✓	✓
City of Auburn	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				✓
City of Colusa	✓	✓	✓			✓	✓	✓	✓					✓	✓
City of Corning	✓	✓				✓	✓							✓	
City of Dixon	✓	✓	✓			✓	✓	✓	✓					✓	✓
City of Elk Grove	✓						✓								✓
City of Folsom	✓	✓	✓	✓			✓	✓					✓	✓	✓
City of Galt	✓	✓	✓	✓		✓	✓	✓							
City of Gridley	✓	✓	✓			✓	✓	✓	✓					✓	
City of Ione	✓	✓	✓	✓	✓	✓	✓	✓			✓			✓	✓
City of Jackson	✓	✓	✓				✓		✓					✓	✓
City of Lincoln	✓	✓	✓	✓		✓	✓	✓		✓	✓			✓	
City of Marysville	✓	✓	✓		✓	✓	✓	✓	✓					✓	
City of Nevada City	✓						✓								✓
City of Oroville	✓	✓	✓	✓		✓	✓	✓		✓					
Town of Paradise	✓	✓	✓			✓	✓	✓	✓					✓	✓
City of Placerville	✓						✓								✓
City of Red Bluff	✓	✓	✓	✓		✓	✓	✓		✓		✓		✓	
City of Rio Vista	✓	✓				✓	✓		✓	✓				✓	✓
City of Rocklin	✓	✓	✓			✓	✓	✓	✓						✓
City of Willows	✓	✓				✓	✓								
City of Yuba City	✓	✓	✓	✓	✓	✓	✓	✓							

APIP = Alliant Property Insurance Program

ADWRP = Alliant Deadly Weapon Response Program

Special Events serviced by Penny DeWitt in Newport Beach office

ACIP = Alliant Crime Insurance Program

AMVP = Alliant Mobile Vehicle Program



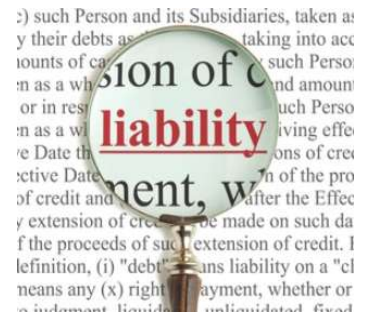
Celebrating 40 Years

LIABILITY PROGRAM

COVERAGE HIGHLIGHTS

The Liability Program provides coverage for losses Members become legally obligated to pay as damages due to:

- **Bodily Injury and Property Damage,**
- **Employment Practices Liability (EPL),**
- **Personal Injury, and**
- **Public Officials' Errors or Omissions.**



Coverage is included for the Member Entity and its commissions, agencies, districts, authorities, boards, or similar entities coming under the Member's direction or control, in addition to officials, employees, or volunteers while acting for or on behalf of the Member.

The program is divided into **three separate coverage layers** - Banking, Shared Risk and Excess Coverage, as illustrated in the table to the right.

All three coverage layers include self-insurance. The **Banking Layer is funded to pay for each Member's own claims, similar to a deductible.** The Shared Risk Layer is funded to pay for claims that are shared by all NCCSIF Members. The Excess Layer is funded through the California Joint Powers Risk Management Authority (CJPRMA).

<p><u>Excess Layer</u></p> <p>Excess Insurance: \$5,000,000 to \$40,000,000 EPL Coverage Limit: \$10,000,000 CJPRMA Members: \$500,000 to \$5,000,000</p>
<p><u>Shared Risk Layer</u></p> <p>Banking Layer Limit to \$500,000</p>
<p><u>Banking Layer</u></p> <p>Folsom: \$0 to \$100,000 All Other Members: \$0 to \$50,000</p>



**CALIFORNIA JOINT POWERS
RISK MANAGEMENT AUTHORITY**

CJPRMA members pool risk up to \$5,000,000 and purchase excess reinsurance for total limits up to \$40,000,000, inclusive of NCCSIF's retained limit of \$500,000 per occurrence. Other sublimit apply, including for Employment Practices Liability (EPL) and subsidence coverage. As a result of sharing risk to \$5,000,000, CJPRMA is largely insulated from fluctuating insurance market conditions. CJPRMA also provides valuable risk management training and excess claim management services.



Celebrating 40 Years

LIABILITY PROGRAM

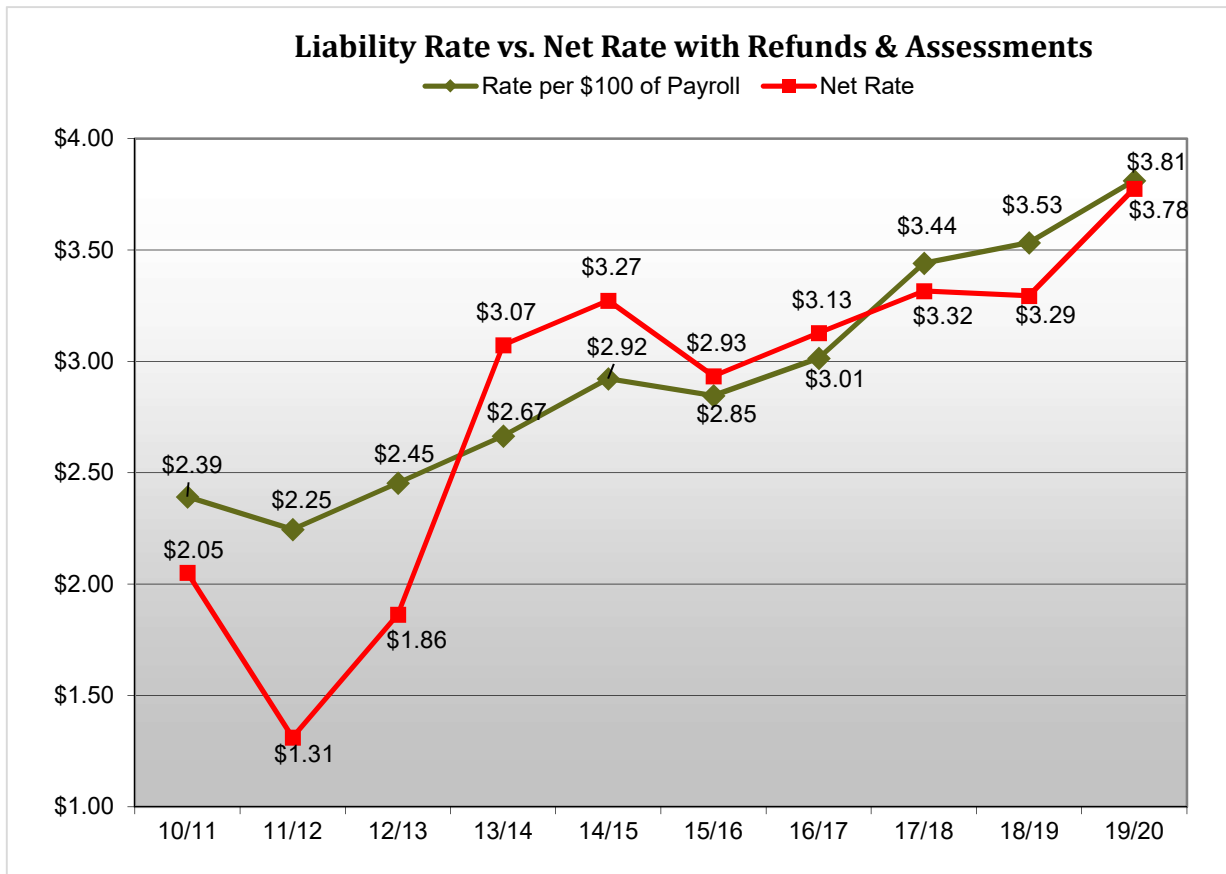
FINANCIAL HIGHLIGHTS

Total FY 19/20 funding for the Liability Program is \$6,549,555. Members agreed to **maintain the funding Confidence Level at 80%**, in spite of a total premium increase of 11%. Member payroll accounted for 3% of the increase, with the base rate for the NCCSIF coverage increasing by 2.3% and the excess coverage by 4%. Favorable loss development and the impact of increasing the confidence level contributed to a Shared Layer **increase of \$1,130,443 (75%) in Net Position**, continuing to exceed target benchmarks.

PROGRAM HIGHLIGHTS

The Board of Directors annually reviews the Banking and Shared Risk financial status to evaluate the appropriateness of declaring either a refund or an assessment. **The Banking Fund returned net dividends of \$234,280** to Members who exceeded their target funding levels. The Shared Risk Layer continues to increase without the need for assessments now that funding levels again exceed target benchmarks. The following chart shows the historical rates with and without the impact of refunds and assessments.

Nine years ago the Liability Program **net rates reached historic lows due to large dividends** that continued for several years. The gross rate hit a low of \$2.25 in 2012 before climbing to \$3.44 in 2018, in part due to increased losses during a period when the Shared Layer was \$1 million. The rate has also increased due to an **increase in the funding Confidence Level over the last five years**, from 65% in 14/15; 67.5% in 15/16; 70% in 16/17; 75% in 17/18; and 80% in 18/19. The increase in the net rate is due to Shared Risk Layer Assessments over four years from 13/14 to 16/17.



WORKERS' COMPENSATION PROGRAM

COVERAGE HIGHLIGHTS

California Workers' Compensation laws require every employer to provide benefits to employees for injury and/or illness arising out of, or in the course of, employment. Statutory benefits prescribed by law include:

- **Medical Treatment**
- **Temporary Disability Payments**
- **Permanent Disability Compensation**
- **Rehabilitation**
- **Death Benefits**



Like the Liability Program, coverage is divided into three separate layers, Banking, Shared Risk and Excess as illustrated in the chart to the right.

All three coverage layers include self-insurance. The Banking Layer is funded to pay for each Member's own claims, similar to a deductible. The Shared Risk Layer is funded to pay for claims that are shared by all NCCSIF Members. **The Excess Layer is funded through the CSAC Excess Insurance Authority (CSAC EIA).**



<p style="text-align: center;"><u>Excess Layer</u></p> <p style="text-align: center;">Excess Insurance: \$5,000,000 to Statutory CSAC-EIA Members: \$500,000 - \$5,000,000 Including Employer's Liability</p>
<p style="text-align: center;"><u>Shared Risk Layer</u></p> <p style="text-align: center;">Banking Layer Limit to \$500,000</p>
<p style="text-align: center;"><u>Banking Layer</u></p> <p style="text-align: center;">All Members: \$0 to \$100,000</p>

CSAC-EIA is a risk-sharing pool of most of the counties and many cities and special districts in California. Since 2003, NCCSIF has participated in the EIA, currently providing coverage from \$500,000 to \$5 Million and purchasing excess reinsurance to provide Statutory limits. The program also provides Employer's Liability Coverage up to \$5 Million. CSAC-EIA provides a variety of risk management resources, including online training, consulting and monthly webinars on a variety of topics.

FINANCIAL HIGHLIGHTS

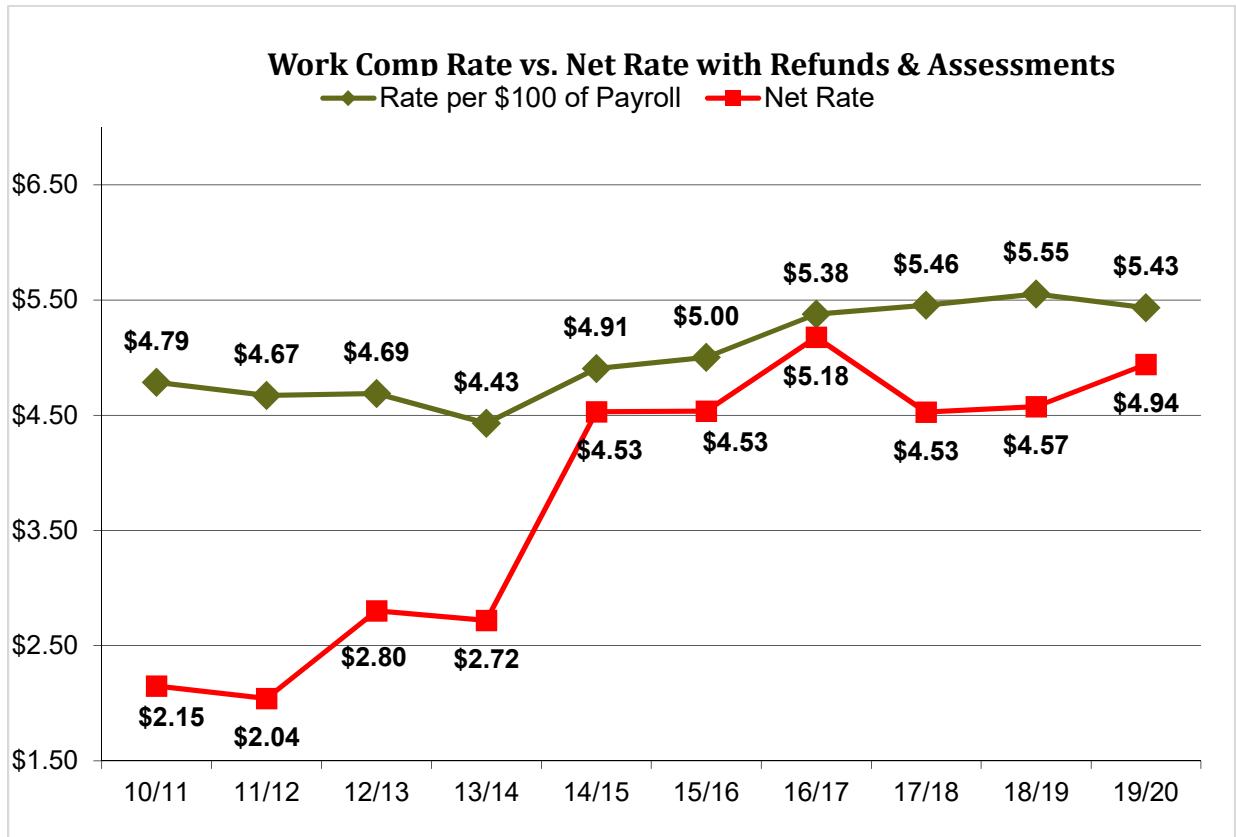
The total cost of the program for FY 19/20 is \$12,576,571, before dividends, an increase of 3% over the prior year due to a 5% increase in payroll. **The underlying rate decreased (-3%)** while maintaining the funding confidence level at 80%. Over the last five years members have increased the annual funding confidence level from 60% to 80%, a funding increase that has provided a consistently high margin for maintaining budget stability and meeting or exceeding financial benchmarks.

The Board of Directors annually reviews the Program's financial status to evaluate the appropriateness of declaring either a refund or an assessment. In 2019 NCCSIF **returned \$889,000 in Shared Layer dividends** to its members and **\$888,546 in dividends in the Banking Layer.**

WORKERS' COMPENSATION PROGRAM

PROGRAM HIGHLIGHTS

The following chart shows the historical rates with and without the impact of refunds and assessments. Rates were relatively low and stable from 09/10 to 13/14, largely due to the last regulatory reforms, but they have been increasing since then, though members have also **increased the Confidence Level from 60% to 80% over the last few years, increasing the financial stability of the pool**. Factoring in the refunds and assessments over the years results in a net rate that has dipped as low as \$2.04 per \$100 of payroll.



These results are due to a combination of NCCSIF cost containment strategies, including return to work modified duty placement for injured workers, increased loss control training for the members, and quality claims management from Sedgewick. They provide a “Fall into Education” Training Conference available to all NCCSIF members free of cost designed to enhance knowledge about the Workers’ Compensation claims process and increase risk management and return to work efforts.

Looking Ahead

Members will continue to receive hands-on training and assistance regarding Workers’ Compensation claims, including regular claim reviews, Work Comp 101. Sedgewick will also work with members in identifying qualified medical providers closer to member cities.

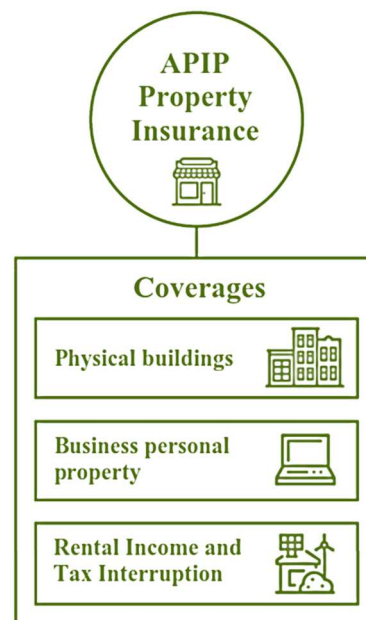


PROPERTY PROGRAM

COVERAGE HIGHLIGHTS

NCCSIF continues to offer coverage through the Alliant Property Insurance Program (APIP). This group purchase program provides the following coverages:

- **Broad Replacement Cost valuation**
- \$5,000 All Risk Deductible per claim
- **Rental Income and Tax Interruption**
- Course of Construction (Builder's Risk)
- **Auto Coverage with optional Replacement Cost**
- **Increased Cost of Construction (Code Upgrade)**
- Boiler & Machinery Coverage: \$100,000,000 limit per occurrence & \$5,000 deductible per claim
- **OPTIONAL Flood coverage** with deductible of \$100,000, or \$250,000 for Flood Zones A & V



The APIP Property Program *automatically includes coverage for Pollution Liability as well as Cyber Liability.*

POLLUTION LIABILITY

- Shared limit of \$2M between all NCCSIF members that participate in APIP
- New Pollution Conditions or Indoor Environmental Conditions Coverage: First-party and third-party coverage for **claims arising out of a pollution condition on, at, under or migrating from a covered location, or an indoor environmental condition** at a covered location
- Transportation Coverage: First-party and third-party coverage for claims arising out of a pollution condition resulting from transportation
- Non-Owned Disposal Site Coverage: Third-party coverage for claims arising out of a pollution condition on, at, under or migrating *from a non-owned disposal site*
- **Coverage for catastrophe management costs and emergency response costs** (first-party remediation costs incurred within seven (7) days following the discovery of a pollution condition) included, **provided that the claim is reported to the insurer within seven (7) days.**

CYBER LIABILITY

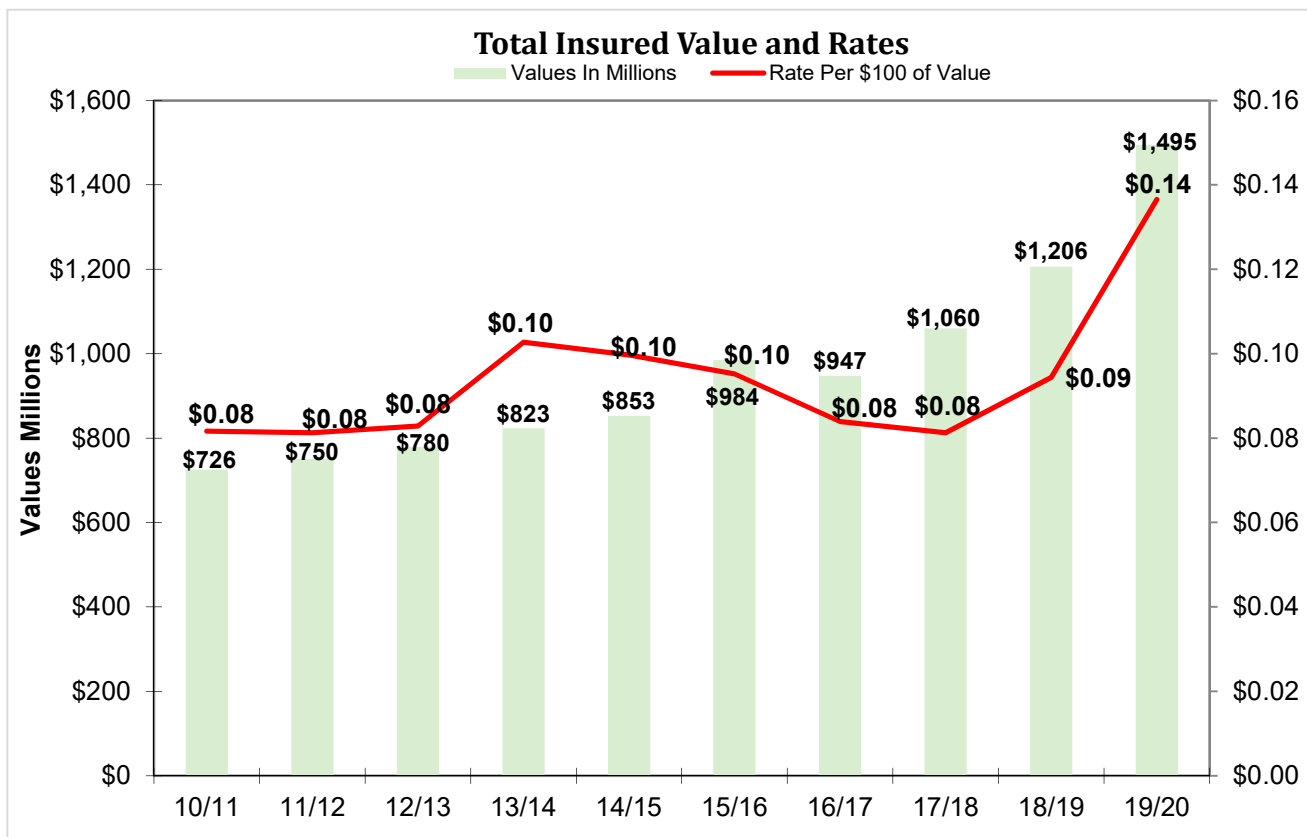
- Information Security & Privacy Liability – each member in APIP has a \$2 Million limit, with higher limits available
- **Privacy Notification Costs** limit of \$500,000 (limit is increased to \$1M if Beazley Vendor Services are used)
- **Cyber Extortion Loss**
- Data Protection Loss and Business Interruption
- **Fraudulent Instruction** resulting directly from an Insured having transferred, paid, or delivered any Money or Securities as a direct result of Fraudulent Instructions.



PROPERTY PROGRAM

FINANCIAL HIGHLIGHTS

For FY 19/20 NCCSIF total insurable values increased 24%, to almost \$1.5 Billion. The rate increased almost 46%, from \$0.094 to \$0.137, due to the extremely hard insurance market brought about a number of losses, including the CA wildfires, convection storms in the central U.S., and hurricanes along the coast and overseas. In spite of the increase, the Program remains the most competitive option as witnessed by a new member joining this year to obtain broader coverage and avoid a doubling of their premium.



LOOKING AHEAD

The APIP Program provides Real Property Appraisals based upon Real Property Replacement Cost for scheduled locations (Appraisals do not include Personal Property/Contents). Property Appraisals of scheduled buildings are conducted every five years to maintain accurate valuations. Buildings valued over \$5 Million are appraised at no cost to the member. Appraisals for properties below \$5 million are available at reduced group rates, and **members received property appraisals** prior to the FY 19/20 renewal.

Updated appraisals of all buildings are especially important in this period of rising rates, particularly in California, with the cost and availability of coverage a major issue for many member communities.



CRIME PROGRAM

COVERAGE HIGHLIGHTS

The ACIP Crime Program provides coverage for employee theft, robbery, fraud, forgery, and other types of crimes through the National Union Fire Insurance Company, A.M. Best Rated A (XV). The **per occurrence limit has remained at \$3,000,000** since FY 17/18, with a \$5,000 deductible, with higher limits available for members to obtain separately.

The ACIP policy also covers Faithful Performance of Duty and deletes typical exclusions for Treasurers, Tax Collectors, and Bonded Employees. Therefore, **there is no need for the city to purchase individual bonds** for city officials who are required by law to give bonds for the faithful performance of their duties. To assure coverage **the City must pass a resolution authorizing the use of a Master Crime Policy.**

The ACIP Coverage contains the following:

- Employee Theft
- Robbery or Safe Burglary
- Computer Fraud
- **Faithful Performance of Duty**
- Funds Transfer Fraud
- **Investigative Expenses – Sublimit of \$75,000**
- Forgery or Alteration including Credit, Debit or Charge Card Forgery
- Includes chairperson and members of committees as employees
- **Includes volunteer workers other than fund solicitors as employees**
- Includes specified directors and trustees on committees as employees
- **Deletes Treasurer/Tax Collector and Bonded Employees exclusions**
- Includes specified non-compensated officers as employees
- Specified City Officials Coverage Endorsement (for cities that are required by their city charter to individually bond certain employee or officer positions)



Sixteen of the twenty-two NCCSIF members participate in the ACIP Crime program: Cities of Anderson, Auburn, Colusa, Corning, Dixon, Galt, Gridley, Ione, Lincoln, Marysville, Oroville, Red Bluff, Rio Vista, Rocklin, Yuba City and Town of Paradise.

LOOKING AHEAD

As crime incidents are increasing in frequency and more commonly through computer fraud members could benefit from the added security a higher limit of insurance affords—NCCSIF members are always **encouraged to explore a higher limit of insurance in the ACIP program.** Members who do not currently participate in the ACIP Crime Coverage but would like additional information should contact the Program Administration for assistance with a quote.



OTHER PROGRAMS

ALLIANT MOBILE VEHICLE PROGRAM (AMVP)



Select Members of NCCSIF are enrolled in the Alliant Mobile Vehicle Program (AMVP), initially designed specifically for public agencies with a limited number of higher-valued vehicles or special equipment. The program has expanded to include all types of vehicles and mobile equipment. It provides All Risk Equipment Coverage **including earthquake and flood for scheduled equipment**. Claims valuation is on a replacement cost basis for vehicles or equipment less than three years old, otherwise the policy pays to repair or replace damaged property on a like kind and quality basis (not new for old). Currently ten of the twenty-two NCCSIF Members are enrolled in this program. The deductible varies for each member as selected.

Identity Fraud Protection

Member employees receive protection from the impact of identity fraud with Identity Fraud Reimbursement Coverage and Resolution Services through Travelers Insurance Company, with a **limit of up to \$25,000 to reimburse many of the costs and expenses associated with identity recovery**, including lost wages, attorney fees, and document replacement fees.

Employees as well as their immediate family members have 24/7 access to an expert fraud specialist to provide unlimited assistance in restoring a victim's identity. They also have access to online educational resources providing tips, information and steps to avoid becoming a victim of identity theft. NCCSIF members will receive step-by-step guidance through the resolution process, 3-in-1 credit reporting, as well as one year of free credit, cyber and fraud monitoring in the event of a fraud incident.



EMPLOYEE ASSISTANCE PROGRAM (EAP)

Thirteen NCCSIF members participate in the group purchase of an Employee Assistance Program (EAP). An EAP is a worksite-based program designed to assist City employees in identifying and resolving personal concerns, including, but not limited to, health, marital, family, financial, alcohol, drug, legal, emotional, stress, or other personal issues that may affect job performance.



ACI's program includes employees and ALL of their family members - whether or not they live in the home.

The program features a benefit package which includes:

- Counseling and training
- Critical Incident Stress Debriefing (CISD)
- Childcare and eldercare resources
- Legal and financial consultation

SERVICES

PROGRAM ADMINISTRATION

Alliant Insurance Services provides overall program administration, including meeting agendas, underwriting, and management of governing documents and policies. In addition, Alliant provides consultation and advice regarding:

- **Insurance requirements in contracts**
- Certificates of insurance and endorsements
- **Best Practices for Municipal Risk Management**
- Safety Grant administration



CLAIMS MANAGEMENT

Sedgwick provides **claims management for both the Liability and Workers' Compensation Programs**. The Sedgwick claims examiner is responsible for advising the member on the merits of each claim and the appropriate action to be taken, as well as providing for necessary investigation of claims and oversight of legal defense. Sedgwick manages litigated claims **based on NCCSIF's Litigation Management Guidelines** using a group of select attorneys chosen for their skill in public entity defense of Liability and Workers' Compensation claims.



RISK MANAGEMENT

NCCSIF hired Bickmore Risk Services in 2012 as their Risk Control Services provider to perform a Hazard and Risk Assessment for each member and **recommend policies, procedures, and training to address their individual needs**. As a result, members are receiving more direct assistance in managing their operations in ways that reduce the frequency and severity of claims. In 2018 Bickmore was purchased by York Risk Services and in 2019 Sedgwick purchased York, *without an interruption in service to NCCSIF*.

Consulting by Sedgwick includes:

- Hotline Services – call with any safety question
- **Program/Policy Development**
- Safety Materials
- **Training Matrix** – details the type and frequency of training required for member employees
- **Hazard & Safety Assessments**
- On-site Training
- Webinars – on a variety of Risk Management Topics



TARGETSOLUTIONS (PROVIDED BY CSAC-EIA)

NCCSIF members have access to a comprehensive online training platform to ensure compliance with OSHA, fire safety training, and ethics requirements. Target Solutions offers an **online based training platform** which members can access remotely and helps track training completed by employees.

LEXIPOL

NCCSIF law enforcement agencies are provided Lexipol policy and training services. Lexipol provides comprehensive, defensible public safety policy content and integrated policy training. The **Daily Training Bulletins (DTB) bring the manual into practice through real-life, scenario-based training exercises** emphasizing high-risk, low frequency events. DTBs often qualify for continuous training certification.



SERVICES

MEMBER TRAINING FUND

For FY 19/20, members are allotted \$4,000 training fund towards risk management related training and/or attendance to annual CAJPA, PARMA, CalPELRA, or other Risk Management Conferences. Attendance at Risk Management Conferences helps educate members on claim reduction strategies and other cost control mechanisms.



SEMINARS AND REGIONAL WORKSHOPS

Selection of topics determined annually by the Board and Members, including:

- **Sedgwick:** on-site sessions covering ergonomics, OSHA compliance, customized training and email communications.
- **Regional Workshops:** NCCSIF conducts regional workshops on pertinent safety topics. Topics for 2019 consisted of Heat Illness Prevention Train the Trainer, Temporary Traffic Control and Flagging, Homeless Encampment Clean-up and Workplace Violence Prevent and Active Shooter.
- **General Liability and Police Risk Management** related trainings provided through CJPRMA on a wide variety of topics.

WEBSITE

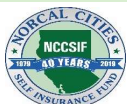
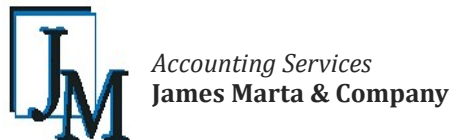
NCCSIF website resources include a Risk Management tab where members can access Risk Management information, including **recommended policies, procedures and best practices**. Please take a moment to visit our website at: www.nccsif.org.

ALLIANTCONNECT



AlliantConnect is a web based portal that provides a secure way for NCCSIF members to access coverage information online as well as the **JPA governing documents, agendas and other important documents**. AlliantConnect offers NCCSIF members access to the documents on the go via a **mobile app**. The mobile app version provides the same 24/7 access to the documents and coverage information through a secure platform. The app is available on iOS and Android devices.

FINANCIAL SERVICE PROVIDERS AND CONSULTANTS



FINANCIAL OVERVIEW

STATEMENT OF NET POSITION

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
COMBINING STATEMENT OF NET POSITION
June 30, 2019

	<u>Liability</u>	<u>Workers' Compensation</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,284,340	\$ 4,775,419	\$ 7,059,759
Investments maturing within one year	866,550	3,005,432	3,871,982
Member receivable	55,629	156,777	212,406
Excess insurance receivable	599,683	481,708	1,081,391
Interest receivable	82,635	270,563	353,198
Prepaid expenses	-	140,234	140,234
Total current assets	<u>3,888,837</u>	<u>8,830,133</u>	<u>12,718,970</u>
Investments, less portion maturing within one year	<u>10,605,883</u>	<u>39,936,465</u>	<u>50,542,348</u>
Total assets	<u>14,494,720</u>	<u>48,766,598</u>	<u>63,261,318</u>
LIABILITIES			
Current liabilities:			
Accounts payable	36,299	36,785	73,084
Unearned revenue	89,960	681,517	771,477
Current portion of unpaid claims and claim adjustment expenses	<u>2,800,000</u>	<u>5,760,000</u>	<u>8,560,000</u>
Total current liabilities	2,926,259	6,478,302	9,404,561
Unpaid claims and claim adjustment expenses	<u>5,227,722</u>	<u>26,799,499</u>	<u>32,027,221</u>
Total liabilities	<u>8,153,981</u>	<u>33,277,801</u>	<u>41,431,782</u>
NET POSITION			
Unrestricted	<u>\$ 6,340,739</u>	<u>\$ 15,488,797</u>	<u>\$ 21,829,536</u>

SUMMARY OF RESULTS

- Total assets increased by \$5,945,960 million, and total liabilities decreased by \$265,000, resulting in an increase in Net Position of \$6,210,546, compared to a decrease of \$377,089 in FY 2018. **Without dividends of \$1,544,747 the net position would have increased by \$7,755,293.**
- Net cash from operations increased by \$551,869, from \$2,016,729 to \$2,534,112. Results reflect increased cash received from members of \$1.6 million, less increased cash paid for claims of \$1.6 million and less (-\$600,000) paid to vendors.



FINANCIAL OVERVIEW

STATEMENT OF REVENUES AND EXPENSES

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
For the Year Ended June 30, 2019

	<u>Liability</u>	<u>Workers' Compensation</u>	<u>Total</u>
Operating revenues:			
Banking layer deposit	\$ 2,133,997	\$ 6,432,999	\$ 8,566,996
Shared risk layer deposit	2,096,001	3,402,998	5,498,999
Other deposits/fees	2,865,361	2,370,141	5,235,502
Banking layer assessment	101,785	245,862	347,647
Other income	<u>150,840</u>	<u>115,657</u>	<u>266,497</u>
Total operating revenues	<u>7,347,984</u>	<u>12,567,657</u>	<u>19,915,641</u>
Operating expenses:			
Provision for claims and claim adjustment expenses	2,708,917	6,634,684	9,343,601
Dividends	162,726	1,382,021	1,544,747
Insurance premiums	2,394,656	1,582,868	3,977,524
Claims administration	20,902	822,547	843,449
Program administration	220,357	192,213	412,570
Safety services	261,582	226,639	488,221
Other expenses	<u>201,599</u>	<u>35,823</u>	<u>237,422</u>
Total operating expenses	<u>5,970,739</u>	<u>10,876,795</u>	<u>16,847,534</u>
Operating income	<u>1,377,245</u>	<u>1,690,862</u>	<u>3,068,107</u>
Non-operating revenues:			
Net change in the fair value of investments	462,138	1,404,307	1,866,445
Investment income	<u>315,724</u>	<u>960,270</u>	<u>1,275,994</u>
Total non-operating revenues	<u>777,862</u>	<u>2,364,577</u>	<u>3,142,439</u>
Change in net position	<u>2,155,107</u>	<u>4,055,439</u>	<u>6,210,546</u>
Net position, beginning of year	<u>4,185,632</u>	<u>11,433,358</u>	<u>15,618,990</u>
Net position, end of year	<u>\$ 6,340,739</u>	<u>\$ 15,488,797</u>	<u>\$ 21,829,536</u>

SUMMARY OF RESULTS

- Total operating revenues for fiscal year 2019 were \$18,370,893, net of refunds, and increase of 13.5% or \$2,187,978 as compared to 2018, largely due to decreases in claim liabilities and dividends.
- NCCSIF earned \$6,210,546 in 2019 compared to a loss of (-\$377,089) in 2018. This is largely due to an increase of \$3.1 million in Investment Income and a decrease of (-\$1.2 million) in the provision for unpaid claims and claim adjustment expenses.



PROGRAM ADMINISTRATION CONTACT INFORMATION

PROGRAM ADMINISTRATION CONTACT INFORMATION



NCCSIF Program Administrators

Alliant Insurance Services, Inc.

2180 Harvard Street, Suite 460

Sacramento, California 95815

(916) 643-2700 Main

(916) 643-2750 Fax

www.alliant.com

Corporate License No. 0C36861



Michael Simmons
Vice Chairman, Public Entities
(415) 403-1425 Office
(925) 708-3374 Cell
msimmons@alliant.com

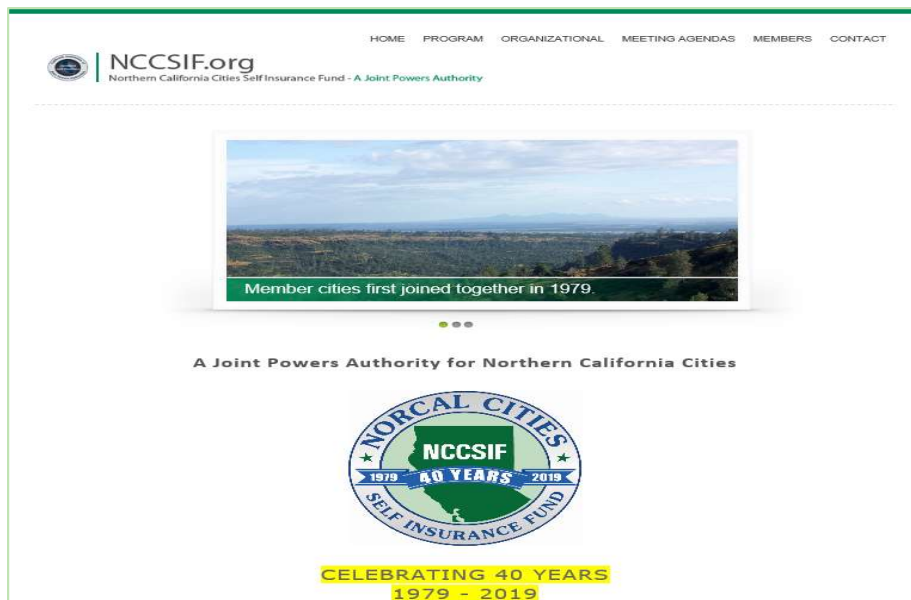


Marcus Beverly
First Vice President
(916) 643-2704 Office
(916) 660-2725 Cell
Marcus.Beverly@alliant.com



Raychelle Maranan
Account Manager
(916) 643-2712 Office
Raychelle.Maranan@alliant.com

Please visit our website at www.nccsif.org



Special thanks to the City of Rocklin for hosting all of NorCal Cities Board and Committee Meetings!



Celebrating 40 Years



Protect Member Resources

Reliable



Economical

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Broad Coverage

Quality Services

Risk and Claims Management



Northern California Cities Self Insurance Fund
A California Joint Powers Authority