



**President**  
Mr. Dave Warren  
City of Placerville

**Vice President**  
Ms. Liz Ehrenstrom  
City of Oroville

**Treasurer**  
Mr. Tim Sailsbery  
City of Willows

**Secretary**  
Ms. Corey Shaver  
City of Nevada City

## NCCSIF BOARD OF DIRECTORS MEETING AGENDA

**Date:** Thursday, June 15, 2017  
**Time:** 11:30 a.m.  
*Lunch available at 11:00 a.m.*

**Location:** Rocklin Event Center - Garden Room  
2650 Sunset Blvd.  
Rocklin, CA 95677  
(916) 625-5200

**A – Action**  
**I – Information**

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

### MISSION STATEMENT

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

**A. CALL TO ORDER**

**B. INTRODUCTIONS**

**C. APPROVAL OF AGENDA AS POSTED**

**A 1**

**D. PUBLIC COMMENTS**

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

pg. 5 **E. CONSENT CALENDAR**

**A 1**

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

pg. 6 1. Board Meeting Minutes - April 27, 2017

pg. 19 2. Check Register from March 1, 2017 to April 30, 2017

3. Investment Reports

pg. 20 a. Chandler Asset Management Short/Long Term - March 2017 to April 2017

pg. 36 b. Local Agency Investment Fund (LAIF) Report as of March 31, 2017

pg. 37 c. Treasurer's Report as of March 31, 2017



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- pg. 39            4. Financial Accounting and Consulting Services Agreement - July 1, 2017 to December 31, 2017
- pg. 44            5. Financial Audit Services Agreement - Fiscal Year End June 30, 2017-19
- pg. 59            6. Actuarial Services Engagement Letter - FY 16/17, FY 17/18 and FY 18/19

**F. ADMINISTRATION REPORTS I**

- 1. **President’s Report** 4  
*Dave Warren will address the Board on items pertaining to NCCSIF.*

- 2. **Program Administrator’s Report** 4  
*Alliant will address the Board on items pertaining to NCCSIF.*

- pg. 61            3. **Summary of the May 18, 2017 Executive Committee Meeting** 1  
*The Board will receive an update of the actions taken at the May 18, 2017 Executive Committee meeting.*

**G. FINANCIAL REPORTS**

- pg. 62            1. **Quarterly Financial Report for Period Ending March 31, 2017** A 1  
*James Marta & Company will present the quarterly financial report ending March 31, 2017 for the Board to Accept and File.*

- pg. 91            2. **Budget to Actual as of March 31, 2017** I 1  
*The Board will receive an update on the Budget to Actual as of March 31, 2017.*

- pg. 92            3. **Financial Accounting and Consulting Services Request for Proposals Process and Timeline** A 1  
*The Executive Committee recommends proceeding with an Accounting and Financial Services RFP and Board approval of the process.*

**H. JPA BUSINESS**

- 1. **FY 17/18 NCCSIF Memorandum of Coverage (MOC)** A

- pg. 94            a. **Liability MOC** 1  
*Review and approve the Liability MOC.*

- pg. 148            b. **Workers’ Compensation MOC** 1  
*Review and approve the Workers’ Compensation MOC.*



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**2. FY 17/18 Property Program Renewal**

pg. 162	a. <b>Property Renewal Proposal</b> <i>The Board will be asked to review and approve the renewal of the Property coverage with Alliant Property Insurance Program (APIP).</i>	<b>A</b>	<b>1</b>
pg. 216	b. <b>APIP Claims Reporting Acknowledgements</b> <i>The Board will be provided with an outline and be asked to acknowledge the reporting procedure guidelines that should be followed immediately after a Property, Pollution or Cyber Liability loss or incident.</i>	<b>I</b>	<b>1</b>
pg. 218	c. <b>Cyber Liability Optional Coverage Enhancement Options</b> <i>The Board will review and may approve a Coverage Enhancement for Cyber Liability, following presentation explaining the options.</i>	<b>I</b>	<b>1</b>
pg. 228	3. <b>FY 17/18 Crime Coverage Renewal</b> <i>The Board will review and approve the Crime coverage with Alliant Crime Insurance Program (ACIP).</i>	<b>A</b>	<b>1</b>
pg. 240	4. <b>FY 17/18 Identity Fraud Expense Reimbursement Renewal</b> <i>The Board will review and determine whether or not to renew the ID Fraud Coverage for NCCSIF member employees.</i>	<b>A</b>	<b>1</b>
pg. 248	5. <b>FY 17/18 NCCSIF Administration Budget</b> <i>The Board will review and approve the Administration Budget.</i>	<b>A</b>	<b>1</b>
	6. <b>FY 17/18 Deposit Calculations</b>	<b>A</b>	
pg. 252	a. <b>Liability</b> <i>Review and approve the Deposit Calculations for Liability.</i>		<b>1</b>
pg. 255	b. <b>Workers' Compensation</b> <i>Review and approve the Deposit Calculations for Workers' Compensation.</i>		<b>1</b>
	7. <b>Claims Settlement Authority</b>	<b>A</b>	
pg. 258	a. <b>Settlement of Coryell vs. City of Oroville</b> <i>The Board to ratify settlement as approved by the Executive Committee.</i>		<b>2</b>
pg. 259	b. <b>Executive Committee Authority</b> <i>The Board to provide direction regarding Executive Committee Claims Settlement Authority.</i>		<b>1</b>



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**8. York Risk Services Workers' Compensation Claims Administration**

pg. 263	a. <b>York Quarterly Report</b>	<b>I</b>	<b>1</b>
	<i>Dori Zumwalt from York Risk Services will provide an update on overall claims management and benchmarks</i>		
pg. 270	b. <b>WC Claim TPA Survey and Follow up</b>	<b>I</b>	<b>1</b>
	<i>Discuss follow up survey and timeline for possible RFP.</i>		
pg. 272	9. <b>Long Range Planning Date and Topics</b>	<b>A</b>	<b>1</b>
	<i>Discuss the topics for the Long Range Planning Meeting and moving the meeting to December 14, 2017.</i>		
pg. 273	<b>I. ROUND TABLE DISCUSSION</b>	<b>I</b>	<b>4</b>
	<i>The floor will be open to Board members for any topics or ideas that members would like to address.</i>		
pg. 274	<b>J. INFORMATION ITEMS</b>	<b>I</b>	<b>1</b>
pg. 275	1. Glossary of Terms		
pg. 284	2. NCCSIF Organizational Chart		
pg. 285	3. NCCSIF 2017 Meeting Calendar		
pg. 286	4. NCCSIF Vendor Services Matrix		
pg. 295	5. NCCSIF Resource Contact Guide		
pg. 297	6. NCCSIF Travel Reimbursement Form		

**K. ADJOURNMENT**

**UPCOMING MEETINGS**

- Police Risk Management Committee Meeting - August 3, 2017
- Claims Committee Meeting - September 21, 2017
- Executive Committee Meeting - September 21, 2017
- Risk Management Committee Meeting - October 19, 2017
- Board of Directors Meeting - October 19, 2017

*Per Government Code 54954.2, persons requesting disability related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact Raychelle Maranan at Alliant Insurance Services at (916) 643-2712.*

*The Agenda packet will be posted on the NCCSIF website at [www.nccsif.org](http://www.nccsif.org). Documents and material relating to an open session agenda item that are provided to the NCCSIF Board of Directors less than 72 hours prior to a regular meeting will be available for public inspection and copying at 2180 Harvard Street, Suite 460, Sacramento, CA 95815.*

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





## CONSENT CALENDAR

### ACTION ITEM

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

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

**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(S):

1. Board Meeting Minutes - April 27, 2017
2. Check Register from March 1, 2017 to April 30, 2017
3. Investment Reports
  - a. Chandler Asset Management Short/Long Term - March 2017 to April 2017
  - b. Local Agency Investment Fund (LAIF) Report as of March 31, 2017
  - c. Treasurer's Report as of March 31, 2017
4. Financial Accounting and Consulting Services Agreement - July 1, 2017 to December 31, 2017
5. Financial Audit Services Agreement - Fiscal Year End June 30, 2017-19
6. Actuarial Services Engagement Letter - FY 16/17, FY 17/18 and FY 18/19



**MINUTES OF THE  
NCCSIF BOARD OF DIRECTORS MEETING  
ROCKLIN EVENT CENTER, ROCKLIN, CA  
APRIL 27, 2017**

**BOARD OF DIRECTORS PRESENT**

Liz Cottrell, City of Anderson	Astrida Trupovnieks, City of Lincoln
Kristina Miller, City of Corning	Corey Shaver, City of Nevada City
Kim Stalie, City of Dixon (Alternate)	Liz Ehrenstrom, City of Oroville
Kara Reddig, City of Elk Grove (Alternate)	Gina Will, Town of Paradise
Kristine Haile, City of Folsom (Alternate)	Dave Warren, City of Placerville ( <b>Chair</b> )
Matt Michaelis, City of Gridley	Sandy Ryan, City of Red Bluff
Jon Hanken, City of Ione	Donna Lee, City of Rio Vista
Dalacie Blankenship, City of Jackson (Alternate)	Tim Sailsbery, City of Willows

**OTHER MEMBERS PRESENT**

Jim Ramsey, City of Elk Grove	Andrew Schiltz, City of Rocklin
Julie Rucker, City of Elk Grove	Spencer Morrison, City of Yuba City

**BOARD OF DIRECTORS ABSENT**

Nita Wracker, City of Auburn	City of Galt (vacant)
Toni Benson, City of Colusa	City of Jackson (vacant)
City of Dixon (vacant)	Satwant Takhar, City of Marysville
Brad Koehn, City of Elk Grove	Kimberly Sarkovich, City of Rocklin
Jim Francis, City of Folsom	Natalie Springer, City of Yuba City

**CONSULTANTS & GUESTS**

Marcus Beverly, Alliant Insurance Services	Bettina Hooper, York Risk Services
Michael Simmons, Alliant Insurance Services	Steven Scott, York Risk Services
Raychelle Maranan, Alliant Insurance Services	Mike Harrington, Bickmore
David Becker, James Marta & Company	Gail Zeigler, Bickmore

**A. CALL TO ORDER**

Chair Dave Warren called the meeting to order at 12:03 p.m.

**B. INTRODUCTIONS**

Introduction was made and the majority of the members were present constituting a quorum.



**C. APPROVAL OF AGENDA AS POSTED**

**A motion was made to approve the Agenda as posted.**

**Motion:** Liz Ehrenstrom                      **Second:** Tim Sailsbery                      **Motion Carried**  
**Ayes:** Cottrell, Miller, Stalie, Reddig, Haile, Michaelis, Hanken, Blankenship, Trupovnieks,  
Shaver, Ehrenstrom, Will, Warren, Ryan, Lee, Sailsbery  
**Nays:** None

**D. PUBLIC COMMENTS**

There were no public comments.

**E. CONSENT CALENDAR**

1. Board Meeting Minutes - December 8, 2016
2. Check Register from November 1, 2016 to February 29, 2017
3. Investment Reports
  - a. Chandler Asset Management Short/Long Term - November 2016 to February 2017
  - b. Local Agency Investment Fund (LAIF) Report as of December 31, 2016
  - c. Treasurer's Report as of December 31, 2016
4. 16-17 APIP Alliant-Commission Opt-Out Letter 02-09-17
5. 2016-17 CSAC EIA Member Annual Report for NCCSIF
6. CSAC EIA Workers' Compensation Claims Audit as of October 2016

**A motion was made to approve the Consent Calendar as posted.**

**Motion:** Corey Shaver                      **Second:** Liz Cottrell                      **Motion Carried**  
**Ayes:** Cottrell, Miller, Stalie, Reddig, Haile, Michaelis, Hanken, Blankenship, Trupovnieks,  
Shaver, Ehrenstrom, Will, Warren, Ryan, Lee, Sailsbery  
**Nays:** None

**F. ADMINISTRATION REPORTS**

**F.1. President's Report**

Chair Warren recognized Paula Islas' many accomplishments as the HR Administrator for the City of Galt and an active Member of the NCCSIF Board of Directors. Ms. Islas served the Board for fourteen years in many capacities including past President and as the CJPRMA Board Representative. Chair Warren also acknowledged Michael Daly from the City of Jackson for his many years of service on the NCCSIF Board.

Chair Warren indicated that AlliantConnect portal for NCCSIF was launched in January and thanked the Program Administrators for providing another platform for members to access documents.



Mr. Marcus Beverly indicated that when a new document is posted on AlliantConnect, the system sends an automatic notification to all users. It is a good feature however, it is creating confusion to some members when they receive a new file upload notification thinking they need to take action on their part. For less confusion, the automatic notification feature has been turned off. Mr. Beverly indicated that those members who are interested to receive new posting notification may opt in.

## **F.2. Program Administrator's Report**

Mr. Beverly referred the Board to the CSAC EIA, Excess Workers' Compensation carrier, Annual Report on the Consent Calendar. Mr. Beverly noted the pool realized a savings of \$362,897 for FY 16/17 and reiterated that it does pay to pool due to economies of scale.

## **F.3. Summary of the March 23, 2017 Executive Committee Meeting**

Mr. Marcus Beverly briefly reviewed the summary report and the Board had no questions.

Information only, no action taken.

## **G. FINANCIAL REPORTS**

### **G.1. Quarterly Financial Report for Period Ending December 31, 2016**

Mr. Michael Simmons introduced David Becker to the Board and indicated that Mr. Becker is a business partner at James Marta and Company.

Mr. Becker indicated that Alana Theiss is ill and unable to attend the meeting.

Mr. Becker reviewed the Quarterly Financial Report for Period Ending December 31, 2016. Mr. Becker presented the highlights of the report. The Liability Program Shared Layer is still in deficit. In contrary, the Workers' Compensation program is in positive position across the board.

**A motion was made to receive and file the Quarterly Financial Report for the period ending December 31, 2016.**

**Motion:** Liz Ehrenstrom                      **Second:** Tim Sailsbery                      **Motion Carried**  
**Ayes:** Cottrell, Miller, Stalie, Reddig, Haile, Michaelis, Hanken, Blankenship, Trupovnieks, Shaver, Ehrenstrom, Will, Warren, Ryan, Lee, Sailsbery  
**Nays:** None

### **G.2. Budget-to-Actual as of December 31, 2016**

Mr. Beverly reviewed the Budget-to Actual and noted the administrative expenses year-to-date are currently on track with the budget except for the Legal Services which is \$8,941 over budget. Mr. Becker noted that legal invoices are normally billed late and there are some bills from last fiscal



year that are now just realized. The annual State assessment of the Workers' Compensation claims is also over budget due to higher than expected indemnity payments.

Information only, no action taken.

## **H. JPA BUSINESS**

### **H.1. Actuarial Studies of the Self Insured Programs – Mike Harrington, Bickmore**

#### **H.1.a. FY 17/18 Workers' Compensation Program**

Mr. Mike Harrington from Bickmore, presented the FY 17/18 Actuarial Study of the WC program. The actuarial analysis consists of two main components. The first being a review of the estimates of the ultimate liabilities as of December 31, 2016, and the second component is a loss forecasting analysis to determine the rates for the 17/18 program year.

Mr. Harrington noted the pool does not cover 4850 SC (Salary Continuation) and 4850 TD (Temporary Disability) benefits for safety personnel. All actuarial estimates for WC exclude 4850 SC and 4850 TD, but the Actuarial study provides for analysis with and without the 4850 for reference. Funding at the 70% CL (Confidence Level) is marginally acceptable and funding at 90% confidence level is suggested to be conservative. The Outstanding Liabilities are projected to decrease by 1.5% from \$29,647,000 to \$29,205,000. The prior estimate of the Projected Losses is projected to increase by 3.7% from \$7,912,000 to \$8,205,000. Overall, the liabilities are down, surplus is up and rates are down.

Mr. Beverly indicated the FY 17/18 rate at the 75% CL is \$4.434 (per \$100 of payroll) is the same as the current FY 16/17 70% CL rate, and this is a good opportunity to increase the funding confidence level. It was noted that there is one correction on the report in that the CL for FY 16/17 is 70%, and not 67.5% as reflected on the report. Mr. Harrington noted the correction and it will be reflected accordingly in the final reports.

Mr. Harrington proceeded and reviewed the FY 17/18 Actuarial Study of the Liability Program. Funding at the 70% CL (Confidence Level) is marginally acceptable and funding at 90% confidence level is suggested to be conservative. The discount for investment income is calculated at 1.5% interest assumption per year. The Outstanding Liabilities are projected to decrease by 18.6% from \$9,770,000 to \$7,948,000. The prior estimate of the Projected Losses decreased by 5.2% from \$3,273,000 to \$3,104,000. Overall, the liabilities are down, surplus is up and rates are down.

**A motion was made to approve the Draft Actuarial Studies of the Self Insured Workers' Compensation Program and the Draft Actuarial Studies of the Self Insured Liability Program with correction as noted and to finalize the reports.**





**After review and discussion, a motion was made to approve the refund from Shared Risk Layer from the Workers' Compensation program at 50% as presented.**

**Motion:** Liz Ehrenstrom                      **Second:** Jon Hanken                      **Motion Carried**  
**Ayes:** Cottrell, Miller, Stalie, Reddig, Haile, Michaelis, Hanken, Blankenship, Trupovnieks, Shaver, Ehrenstrom, Will, Warren, Ryan, Lee, Sailsbery  
**Nays:** None

### **H.2.c. Preliminary FY 17/18 Deposit Premium Calculations**

Mr. Beverly noted that the Executive Committee recommended increasing funding levels from 70% CL to 75% CL. The funding at a 75% CL is estimated at \$11,552,255, an increase of 9.3% over current funding and \$337,000, or 3%, more than total FY 17/18 funding at the 70% CL. The individual member increase cap of 40% is not applicable this year, with the largest member increase at almost 30% at the 70% CL and 34% at the 75% CL.

Mr. Harrington noted ideally it would be prudent to collect at 85% CL to be financially sound to manage a surplus and pay out dividends than to manage a deficit and collect an assessment.

**After review and discussion, a motion was made to approve the 75% confidence level for the FY 17/18 deposit premium calculations for the Workers' Compensation program.**

**Motion:** Kara Reddig                      **Second:** Liz Ehrenstrom                      **Motion Carried**  
**Ayes:** Cottrell, Miller, Stalie, Reddig, Haile, Michaelis, Hanken, Blankenship, Trupovnieks, Shaver, Ehrenstrom, Will, Warren, Ryan, Lee, Sailsbery  
**Nays:** None

### **H.3. Liability Program**

#### **H.3.a. Annual Banking Plan Adjustments - James Marta & Company**

Mr. Becker presented the financial information for the Liability Banking Layer and noted that there are refunds available to members who are in a positive position. Mr. Becker reviewed the calculation method line by line. The Net Equity above the pool is ten times the \$50,000 SIR and 90% confidence level in excess of the outstanding liabilities. The total dividend is \$607,256 which represents 35% of the available net position, and the total assessments is \$34,369 which represents 20% of the amount for those members who fell below the required funding. Five members are due for assessment: City of Auburn, City of Colusa, City of Corning, City of Ione and City of Jackson. Any deficit at \$10,000 or less will be assessed 100%.

**A motion was made to approve the 35% Banking Layer refund from the Liability program for eligible members and 20% assessment to those members who fell below the required funding per the P&P A-1.**





**Motion:** Tim Sailsbery                      **Second:** Liz Cottrell                      **Motion Carried**  
**Ayes:** Cottrell, Miller, Stalie, Reddig, Haile, Michaelis, Hanken, Blankenship, Trupovnieks,  
Shaver, Ehrenstrom, Will, Warren, Ryan, Lee, Sailsbery  
**Nays:** None

### **H.3.b. Annual Shared Risk Plan Adjustments - Alliant Insurance Services**

Mr. Beverly indicated each year NCCSIF reviews the financial status of the Shared Risk Layer Fund to determine if refunds or assessments may be declared. The total adjustment is allocated to members based on their pro-rata share of the total Shared contributions. As of December 31, 2016, the fund has assets of \$6,746,000. This is \$725,000 above Outstanding Liabilities at the Expected Confidence Level (CL) and, while much improved over last year, well below the two benchmarks used to evaluate Shared Layer adjustments, liabilities at a 90% CL or 5 times the SIR of \$450,000 (\$2,250,000, or \$1,525,000 below that benchmark).

Mr. Beverly indicated that members previously agreed to assess themselves \$600,000 per year up to five year in an effort to increase assets and meet target funding goal. It was noted the FY 17/18 is the fourth year of that assessment. There is no refund available to the members even after applying the full CJPRMA refund of \$231,952.

**After review and discussion, a motion was made to continue the \$600,000 assessment and apply the full CJPRMA refund towards the assessment to offset the cost in order to bring the projected assets above liabilities at the expected confidence level.**

**Motion:** Liz Ehrenstrom                      **Second:** Tim Sailsbery                      **Motion Carried**  
**Ayes:** Cottrell, Miller, Stalie, Reddig, Haile, Michaelis, Hanken, Blankenship, Trupovnieks,  
Shaver, Ehrenstrom, Will, Warren, Ryan, Lee, Sailsbery  
**Nays:** None

### **H.3.c. Preliminary FY 17/18 Deposit Premium Calculations**

Mr. Beverly noted that the Executive Committee recommended increasing funding levels from 70% CL to 75% CL. The total funding at a 75% CL is estimated at \$5,585,657, an increase of 3.6% over FY 16/17 funding at the 70% CL and \$252,000, or 4.72%, more than total FY 17/18 funding at the 70% CL. Individual member increases do not need to be capped at 25% this year, with the largest increase at 24.15% when comparing funding at the 70% CL. Two members exceeded the 25% cap when comparing to the 75% CL: City of Colusa and City of Jackson.

Ms. Kris Haile asked for clarification about the asterisk next to the City of Folsom as there is no reference to it in the worksheet. Mr. Harrington clarified the City of Folsom's SIR in the Liability Banking Layer is \$100,000 whereas the rest of the members' SIR is \$50,000. Mr. Beverly indicated that the footnote in reference to the asterisk was cut off in the report.



**After review and discussion, a motion was made to approve the 75% confidence level for the FY 17/18 deposit premium calculations for the Liability program.**

**Motion:** Liz Ehrenstrom                      **Second:** Kristina Miller                      **Motion Carried**  
**Ayes:** Cottrell, Miller, Stalie, Reddig, Haile, Michaelis, Hanken, Blankenship, Trupovnieks, Shaver, Ehrenstrom, Will, Warren, Ryan, Lee, Sailsbery  
**Nays:** None

#### **H.4. Proposed Amendment to P&P #A-1, Banking Layer Adjustments**

Mr. Beverly noted the methodology in the Banking Layer refund calculation are capped at 35% and in essence is not fully distributed. In an effort to help those members with an assessment from other layers or programs that results in a net assessment for the year, the Program Administrators suggested allowing members to tap into more of the available funds to eliminate the net assessment. The proposed change to the Policy and Procedures A-1 Banking Layer Fund Adjustments included a Net Assessment section for members to elect up to 75% of the available refund in one or both program Banking Layers to offset the payment of the net assessments. The 75% is recommended to maintain some risk margin in the Banking Layer and minimize the potential that the Banking Layer will face an assessment the following year. The red-line version of the proposed changes to the Policy had been presented.

Mr. Beverly referred the Board to the analysis he prepared applying the 75% refund calculation and based on the re-calculation, of the three members with net assessments: City of Anderson, City of Oroville and Town of Paradise; only Anderson has enough in their Banking Layer to completely eliminate the net assessment.

**After review and discussion, a motion was made to approve the proposed changes to Policy and Procedures A-1 Banking Layer Fund Adjustments to include the Net Assessment section as presented.**

**Motion:** Liz Ehrenstrom                      **Second:** Dalacie Blankenship                      **Motion Carried**  
**Ayes:** Cottrell, Miller, Stalie, Reddig, Haile, Michaelis, Hanken, Blankenship, Trupovnieks, Shaver, Ehrenstrom, Will, Warren, Ryan, Lee, Sailsbery  
**Nays:** None

#### **H.5. Accounting and Financial Services Agreement**

Chair Warren requested to table the Accounting and Financial Services Agreement due to the recent development in the negotiation with James Marta and Company (Marta). Chair Warren apologizes to the Board for the sudden removal of this agenda item as agreement was not reached and instead, he requested to form an Ad Hoc Committee to continue to negotiate the agreement with Marta.



The Board appointed the following members to serve on the Ad Hoc Committee:

1. Liz Ehrenstrom, City of Oroville
2. Dave Warren, City of Placerville
3. Tim Sailsbery, City of Willows
4. Brad Koehn, City of Elk Grove (added during Round Table)

**A motion was made to form an Ad Hoc Committee to continue to negotiate the Accounting and Financial Services Agreement as amended.**

**Motion:** Dalacie Blankenship      **Second:** Jon Hanken      **Motion Carried**  
**Ayes:** Cottrell, Miller, Stalie, Reddig, Haile, Michaelis, Hanken, Blankenship, Trupovnieks, Shaver, Ehrenstrom, Will, Warren, Ryan, Lee, Sailsbery  
**Nays:** None

#### **H.6. Independent Financial Audit Services Agreement**

Mr. Beverly indicated that Crowe Horwath, LLP has submitted a proposal to provide financial audit services for the next three fiscal years. The Executive Committee recommended this agreement to the Board with a request that the scope of work include agreeing to an audit schedule, including a delivery date, with NCCSIF's financial accountant at the start of the engagement. Crowe Horwath has kept the agreement as originally presented and has agreed to the audit schedule requested by James Marta and Company in a separate email.

**A motion was made to approve the engagement letter with Crowe Horwath, LLP for Independent Financial Services Agreement for three years as presented.**

**Motion:** Tim Sailsbery      **Second:** Liz Ehrenstrom      **Motion Carried**  
**Ayes:** Cottrell, Miller, Stalie, Reddig, Haile, Michaelis, Hanken, Blankenship, Trupovnieks, Shaver, Ehrenstrom, Will, Warren, Ryan, Lee, Sailsbery  
**Nays:** None

*David Becker left the meeting at 1:32 pm*

#### **H.7. York Risk Services Workers' Compensation Claims Administration**

##### **H.7a. NCCSIF Workers' Compensation Claims Audit as of March 2017**

Mr. Beverly indicated the NCCSIF WC claims audit was conducted by Farley Consulting Services in March 2017. Mr. Beverly reviewed the highlights of the audit. The Executive Summary outlines the observations and recommendations in each of the major criteria for the audit. Highlights include adequate staffing and pending levels, effective cost containment and litigation management, thorough investigations, and consistent supervisory activity. The most notable improvements since the last audit are in diary maintenance, case reserve accuracy, and quality of



investigation. Overall the results meet or exceeded the Target Performance Level for all seven of the Key Categories of Observation, with three categories achieving 100% compliance.

*Mike Harrington left the meeting at 1:35 pm*

**A motion was made to accept and file the NCCSIF Workers' Compensation Claims Audit.**

**Motion:** Kris Haile

**Second:** Liz Ehrenstrom

**Motion Carried**

**Ayes:** Cottrell, Miller, Stalie, Reddig, Haile, Michaelis, Hanken, Blankenship, Trupovnieks, Shaver, Ehrenstrom, Will, Warren, Ryan, Lee, Sailsbery

**Nays:** None

### **H.7.b. York Quarterly Report**

Ms. Bettina Hooper from York Risk Services introduced herself to the Board and indicated that Dori Zumwalt is unable to attend as she is out on vacation and therefore, she is presenting the report in Dori's stead.

Ms. Hooper reviewed the quarterly report to the Board. Ms. Hooper indicated York's goal in response to the Performance Plan is to do regular file reviews with members and review reserves with Alliant. The WC 101 trainings are beneficial to all so that everyone understands the roles each has in the WC process and she encourages member cities to reach out to York should they need a refresher course. As with the recent change in staffing, Steven Scott and Dori have been visiting members to ensure and re-affirm to members the continued commitment of the new WC team.

Information only, no action taken.

### **H.7.c. Performance Plan Follow-up Survey Result**

Mr. Beverly indicated that at the June 2016 Board meeting, York Risk Services was put on a Performance Plan for their Management of Workers' Compensation Claims Administration. To gauge the progress made to date by York a follow up survey was sent to the members.

Chair Warren asked York to provide comments. Ms. Hooper indicated overall the survey reflected positive remarks and she is confident in the continuous improvement by the WC team, but due to staffing changes recently it is unfortunate to know that members do not know their respective examiners. Ms. Hooper indicated that employee turnover is appropriate due to shortage of adjusters in the current market. York has launched a 6-week Claims Adjuster training program to recruit new college graduates as a solution to the shortage of qualified adjusters and the diminishing pool of professionals in the industry.

York representatives were asked to step out of the room. The Board reviewed the result of the follow-up survey and Chair Warren noted only fifteen out of the twenty-two members responded to the survey. After further discussion, though the survey results showed positive results and since fifteen of the members responded it may not represent the underlying concerns of some members.





Mr. Beverly indicated that an e-mail was sent to members to solicit interest, and at least one member, Astrida Trupovnieks from the City of Lincoln, has expressed a desire to serve.

**A motion was made to appoint Astrida Trupovnieks from the City of Lincoln as the CJPRMA Board Representative and Liz Ehrenstrom from the City of Oroville as the Alternate CJPRMA Board Representative.**

**Motion:** Tim Sailsbery                      **Second:** Corey Shaver                      **Motion Carried**  
**Ayes:** Cottrell, Miller, Stalie, Reddig, Haile, Michaelis, Hanken, Blankenship, Trupovnieks, Shaver, Ehrenstrom, Will, Warren, Ryan, Lee, Sailsbery  
**Nays:** None

#### **H.10. FY 17/18 Property Renewal Update**

Mr. Beverly updated the Board on the status of the property renewal. Members have updated their property schedules, and have been confirmed and sent to underwriters. The estimated property premium report shows two premium calculations, one with no rate increase and the other with a 5% increase for budgeting purposes. The report also shows the total insured value comparison from FY 16/17 to FY 17/18. The actual rates and premiums should be available before the end of May and will be distributed when available.

*Sandy Ryan left the meeting at 2:33 pm*

Information only, no action taken.

#### **H.11. FY 17/18 Crime Policy Renewal Update**

Mr. Beverly updated the Board on the status of the Crime Coverage renewal. The NCCSIF Crime Policy is with Alliant Crime Insurance Program (ACIP) at \$3 million limit. The estimated premium report is provided for budgeting purposes. The actual premiums should be available before the end of May and will be distributed when available. It was noted that the City of Rio Vista was added mid-term.

Information only, no action taken.

#### **H.12. Preliminary FY 17/18 NCCSIF Budget**

Mr. Marcus Beverly provided an overview of the changes in the preliminary budget for FY 17/18. The Legal Services have increased by \$7,000 based on increased number of coverage opinions. The Accounting Services fee increase is to be determined due to the ongoing negotiation. Mr. Beverly noted there was a significant increase in the State Funding/Fraud Assessment by 34%, or 10% from the actual expense for FY 16/17 for the anticipated increase. It was noted that it is hard to estimate the State Funding/Fraud Assessment bill due to various factors mainly depending on State's budget as well as claim input for indemnity payments. The Risk Management Committee recommended to eliminate the ACI budget and re-allocate the budgeted expense of \$15,000 to





Seminar Conference training budget and rename it as ‘Member Training and Risk Management’ with an estimate of \$4,000 for each member to use for more generalized risk management training funds. It was noted that those members who want to continue the wellness service may do so and will be billed directly by ACI.

Mr. Beverly noted that overall the budget increase is 3% over last year’s budget, without the State Fund increase.

Information only, no action taken.

## **I. ROUND TABLE DISCUSSION**

Ms. Kara Reddig volunteered Brad Koehn to the Ad Hoc Committee for the Accounting Services.

The Board members shared their challenges at their city with the heavy rainfall in the past months that led to some flood issues and most notably, the broken dam spillway in Oroville that attracted National news.

Mr. Beverly indicated that the City of Marysville did suffer flood loss and thankfully the city purchased a separate Flood coverage through APIP (Alliant Property Insurance Program). The City received a \$500,000 advance check from APIP to help them recover. It is estimated that the total loss may exceed \$3 million when all is resolved.

## **J. INFORMATION ITEMS**

1. NCCSIF Organizational Chart
2. NCCSIF 2016 Meeting Calendar
3. NCCSIF Travel Reimbursement Form
4. NCCSIF Resource Contact Guide

These items were provided as information only.

## **K. ADJOURNMENT**

The meeting was adjourned at 2:45 p.m.

**Next Meeting Date:** June 6, 2016 in Rocklin, CA

Respectfully Submitted,

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Corey Shaver, Secretary

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Date



Company Name: NCCSIF  
 Report Name: NCCSIF Check Register  
 Check dates: 03/01/2017 - 04/30/2017

Document/Check No.	Vendor Name	Account title	Account #	Payment Date	Payment Amount
11113	Bickmore Risk Services Inc.	Risk Mgmt Comm Services	52201		
		On Site	52204	3/9/2017	18,226.66
11114	James Marta and Company LLP	Accounting Services	52403		
		Computer Services	52105	3/9/2017	5,790.17
11115	York Risk Services Group, Inc.	Claims Admin - Liability	51135	3/9/2017	45,188.91
11116	Alliant Insurance Services	Program Admin Fee	52401	3/9/2017	24,796.33
11117	Gibbons and Conley	Legal Services	52103	3/9/2017	376.68
11118	City of Lincoln	Seminars and PARMA	52207	3/9/2017	1,279.95
Voided - 11118	City of Lincoln	Seminars and PARMA	52207	3/9/2017	-1,279.95
11119	Chandler Asset Management, Inc.	Investment Income	44040	3/9/2017	4,594.74
11120	City of Oroville	Seminars and PARMA	52207	3/9/2017	1,331.72
11121	York	Claims Admin - Monthly WC Only	52300	3/25/2017	45,901.75
11122	Town of Paradise	Police Risk Mgmt Comm Svcs	52203	3/25/2017	2,305.58
11123	City of Dixon	Seminars and PARMA	52207	3/25/2017	3,300.00
11124	Astrida Trupovnickis	Seminars and PARMA	52207	4/18/2017	1,279.95
11125	Gibbons and Conley	Legal Services	52103	4/18/2017	1,686.12
11126	Aubergine Catering	Executive Committee	52501	4/18/2017	240.00
11127	City of Colusa	Member Travel	52502	4/18/2017	60.99
11128	City of Placerville	Member Travel	52502	4/18/2017	40.98
11129	Liz Cottrell	Member Travel	52502	4/18/2017	149.80
11130	Liz Ehrenstrom	Member Travel	52502	4/18/2017	64.20
11131	Sandy Ryan	Member Travel	52502	4/18/2017	146.59
11132	Tom Watson	Member Travel	52502	4/18/2017	81.32
11133	City of Folsom	Safety Grant Funds	54200	4/18/2017	40,500.00
11134	City of Rocklin	Seminars and PARMA	52207	4/18/2017	2,647.70
11135	James Marta and Company LLP	Accounting Services	52403		
		Computer Services	52105	4/18/2017	5,790.17
11136	York Risk Services Group, Inc.	Claims Admin - Liability	51135	4/18/2017	41,982.05
11137	Alliant Insurance Services	Program Admin Fee	52401	4/18/2017	24,796.33
11138	Bickmore Risk Services Inc.	On Site	52204	4/18/2017	14,726.67
11139	York	Claims Admin - Monthly WC Only	52300	4/18/2017	45,901.75
11140	Chandler Asset Management, Inc.	Investment Income	44040	4/18/2017	4,601.92
11141	Farley Consulting Services	Claims Audit	52101	4/18/2017	10,500.00
				Total	<u><u>347,009.08</u></u>

# Monthly Account Statement

## Northern CA Cities Self Ins. Fund Short Term

March 1, 2017 through March 31, 2017

### Chandler Team

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

### Custodian

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

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



PORTFOLIO CHARACTERISTICS

Average Duration	2.49
Average Coupon	1.46 %
Average Purchase YTM	1.54 %
Average Market YTM	1.60 %
Average S&P/Moody Rating	AA+/Aa1
Average Final Maturity	2.73 yrs
Average Life	2.56 yrs

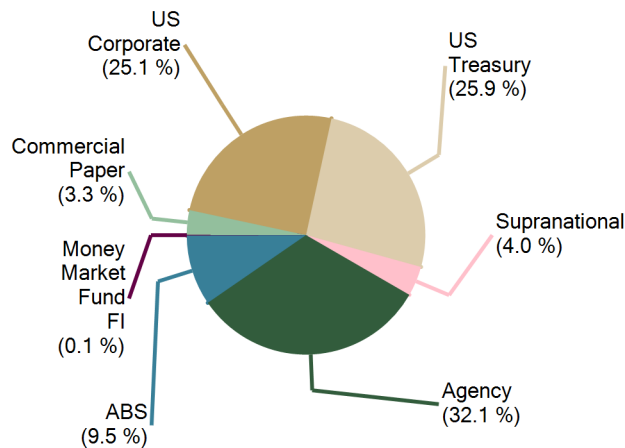
ACCOUNT SUMMARY

	Beg. Values as of 2/28/17	End Values as of 3/31/17
<b>Market Value</b>	26,744,902	26,779,442
<b>Accrued Interest</b>	92,469	83,688
<b>Total Market Value</b>	<b>26,837,371</b>	<b>26,863,130</b>
<b>Income Earned</b>	32,871	34,127
<b>Cont/WD</b>		0
<b>Par</b>	26,878,557	26,930,309
<b>Book Value</b>	26,813,433	26,856,811
<b>Cost Value</b>	26,775,619	26,817,006

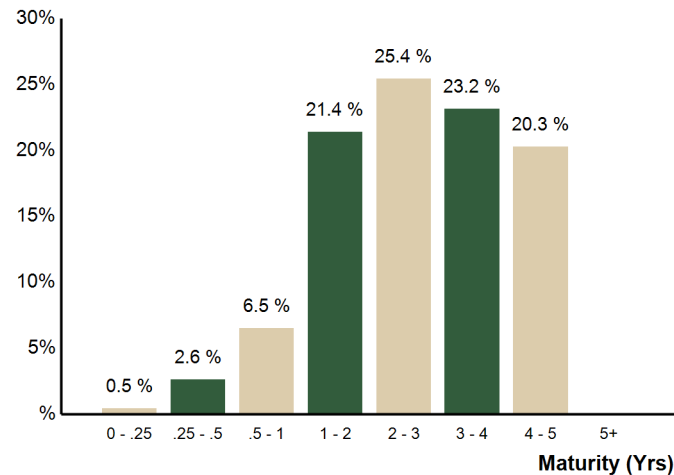
TOP ISSUERS

Issuer	% Portfolio
Government of United States	25.9 %
Federal National Mortgage Assoc	15.7 %
Federal Home Loan Mortgage Corp	8.4 %
Federal Home Loan Bank	5.9 %
Honda ABS	3.0 %
John Deere ABS	2.3 %
Intl Bank Recon and Development	2.0 %
Inter-American Dev Bank	2.0 %
<b>Total</b>	<b>65.3 %</b>

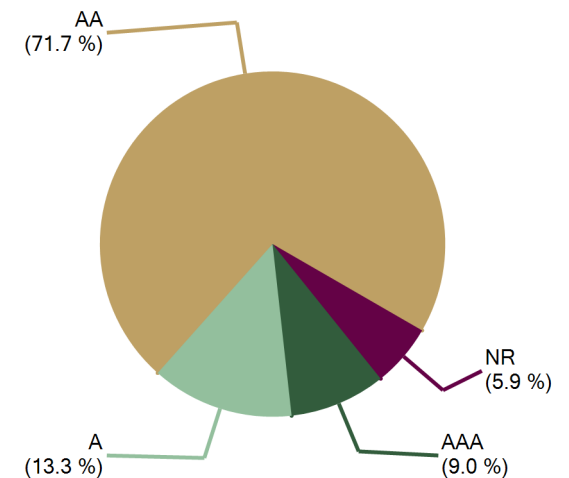
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 3/31/2017	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			Since 12/31/1997	114.14 %
					3 Yrs	5 Yrs	10 Yrs		
Northern CA Cities Self Ins. Fund Short Term	0.10 %	0.48 %	0.48 %	0.23 %	1.34 %	1.19 %	2.94 %	4.03 %	114.14 %
BAML 1-5 Yr US Treasury/Agency Index	0.05 %	0.37 %	0.37 %	-0.08 %	1.14 %	0.92 %	2.64 %	3.71 %	101.51 %
BAML 1-5 Yr US Issuers Corp/Govt Rated AAA-A Index	0.05 %	0.43 %	0.43 %	0.10 %	1.25 %	1.08 %	2.70 %	3.82 %	105.69 %



## Northern California Cities Self-Insurance Fund - Short Term

March 31, 2017

### COMPLIANCE WITH INVESTMENT POLICY

*The portfolio complies with State law and with the investment policy.*

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



Reconciliation Summary

As of 3/31/2017

BOOK VALUE RECONCILIATION	
<b>Beginning Book Value</b>	<b>\$26,813,433.47</b>
<b>Acquisition</b>	
+ Security Purchases	\$2,024,879.41
+ Money Market Fund Purchases	\$1,885,561.92
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
<b>Total Acquisitions</b>	<b>\$3,910,441.33</b>
<b>Dispositions</b>	
- Security Sales	\$255,312.90
- Money Market Fund Sales	\$2,025,286.00
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$1,500,155.27
- Calls	\$0.00
- Principal Paydowns	\$88,524.45
<b>Total Dispositions</b>	<b>\$3,869,278.62</b>
<b>Amortization/Accretion</b>	
+/- Net Accretion	\$1,745.97
	\$1,745.97
<b>Gain/Loss on Dispositions</b>	
+/- Realized Gain/Loss	\$468.72
	\$468.72
<b>Ending Book Value</b>	<b>\$26,856,810.87</b>

CASH TRANSACTION SUMMARY	
<b>BEGINNING BALANCE</b>	<b>\$160,969.15</b>
<b>Acquisition</b>	
Contributions	\$0.00
Security Sale Proceeds	\$255,312.90
Accrued Interest Received	\$311.95
Interest Received	\$33,325.59
Dividend Received	\$12.63
Principal on Maturities	\$1,500,155.27
Interest on Maturities	\$7,919.13
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$88,524.45
<b>Total Acquisitions</b>	<b>\$1,885,561.92</b>
<b>Disposition</b>	
Withdrawals	\$0.00
Security Purchase	\$2,024,879.41
Accrued Interest Paid	\$406.59
<b>Total Dispositions</b>	<b>\$2,025,286.00</b>
<b>Ending Book Value</b>	<b>\$21,245.07</b>

# Monthly Account Statement

## Northern Cal. Cities Self Ins. Fund Long Term

March 1, 2017 through March 31, 2017

### Chandler Team

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

### Custodian

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

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PORTFOLIO CHARACTERISTICS

Average Duration	3.37
Average Coupon	1.97 %
Average Purchase YTM	1.89 %
Average Market YTM	1.83 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	3.71 yrs
Average Life	3.58 yrs

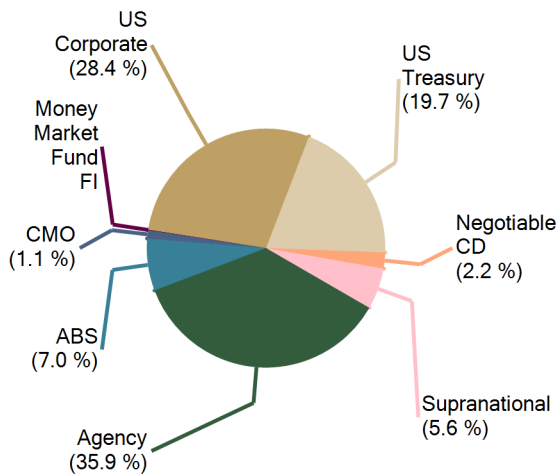
ACCOUNT SUMMARY

	Beg. Values as of 2/28/17	End Values as of 3/31/17
<b>Market Value</b>	27,707,274	27,727,978
<b>Accrued Interest</b>	123,721	125,137
<b>Total Market Value</b>	<b>27,830,995</b>	<b>27,853,116</b>
<b>Income Earned</b>	42,626	43,853
<b>Cont/WD</b>		0
<b>Par</b>	27,688,741	27,728,440
<b>Book Value</b>	27,678,912	27,726,822
<b>Cost Value</b>	27,766,772	27,827,491

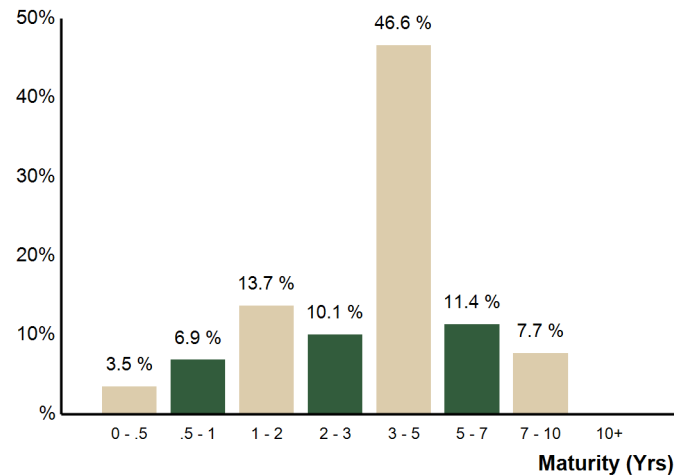
TOP ISSUERS

Issuer	% Portfolio
Government of United States	19.7 %
Federal National Mortgage Assoc	13.0 %
Federal Home Loan Bank	10.1 %
Federal Home Loan Mortgage Corp	8.0 %
Tennessee Valley Authority	5.9 %
Inter-American Dev Bank	3.6 %
Bank of Nova Scotia	2.2 %
JP Morgan ABS	2.1 %
<b>Total</b>	<b>64.6 %</b>

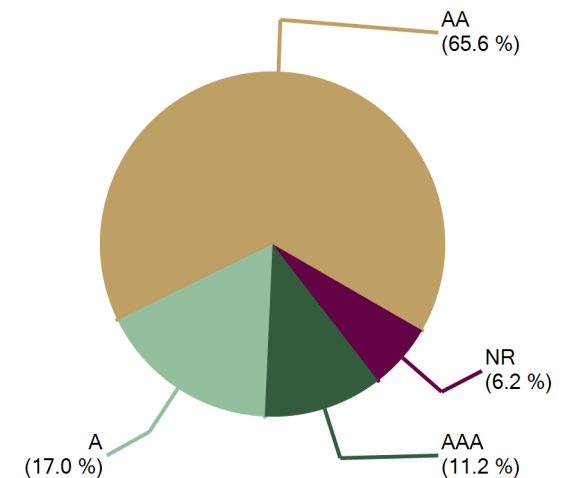
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 3/31/2017	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			5/31/2006	Since 5/31/2006
					3 Yrs	5 Yrs	10 Yrs		
Northern Cal. Cities Self Ins. Fund Long Term	0.08 %	0.63 %	0.63 %	-0.09 %	2.06 %	1.65 %	3.74 %	4.01 %	53.06 %
BAML 1-10 Yr US Treasury/Agency Index	0.05 %	0.51 %	0.51 %	-0.59 %	1.64 %	1.27 %	3.36 %	3.62 %	46.92 %
BAML 1-10 Yr US Corporate/Govt Rated AAA-A Index	0.05 %	0.64 %	0.64 %	-0.16 %	1.89 %	1.66 %	3.47 %	3.75 %	49.01 %





## Northern California Cities Self-Insurance Fund - Long Term

March 31, 2017

### COMPLIANCE WITH INVESTMENT POLICY

*The portfolio complies with State law and with the investment policy.*

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



Reconciliation Summary

As of 3/31/2017

BOOK VALUE RECONCILIATION	
<b>Beginning Book Value</b>	<b>\$27,678,912.00</b>
<b>Acquisition</b>	
+ Security Purchases	\$746,449.79
+ Money Market Fund Purchases	\$240,937.26
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
<b>Total Acquisitions</b>	<b>\$987,387.05</b>
<b>Dispositions</b>	
- Security Sales	\$487,167.80
- Money Market Fund Sales	\$394,979.79
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$0.00
- Calls	\$0.00
- Principal Paydowns	\$61,258.79
<b>Total Dispositions</b>	<b>\$943,406.38</b>
<b>Amortization/Accretion</b>	
+/- Net Accretion	(\$1,544.36)
	(\$1,544.36)
<b>Gain/Loss on Dispositions</b>	
+/- Realized Gain/Loss	\$5,473.89
	\$5,473.89
<b>Ending Book Value</b>	<b>\$27,726,822.20</b>

CASH TRANSACTION SUMMARY	
<b>BEGINNING BALANCE</b>	<b>\$170,621.03</b>
<b>Acquisition</b>	
Contributions	\$0.00
Security Sale Proceeds	\$487,167.80
Accrued Interest Received	\$629.51
Interest Received	\$48,504.20
Dividend Received	\$9.46
Principal on Maturities	\$0.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$61,258.79
<b>Total Acquisitions</b>	<b>\$597,569.76</b>
<b>Disposition</b>	
Withdrawals	\$0.00
Security Purchase	\$746,449.79
Accrued Interest Paid	\$5,162.50
<b>Total Dispositions</b>	<b>\$751,612.29</b>
<b>Ending Book Value</b>	<b>\$16,578.50</b>

# Monthly Account Statement

## Northern CA Cities Self Ins. Fund Short Term

April 1, 2017 through April 30, 2017

### Chandler Team

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

### Custodian

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

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PORTFOLIO CHARACTERISTICS

Average Duration	2.50
Average Coupon	1.48 %
Average Purchase YTM	1.56 %
Average Market YTM	1.56 %
Average S&P/Moody Rating	AA+/Aa1
Average Final Maturity	2.73 yrs
Average Life	2.58 yrs

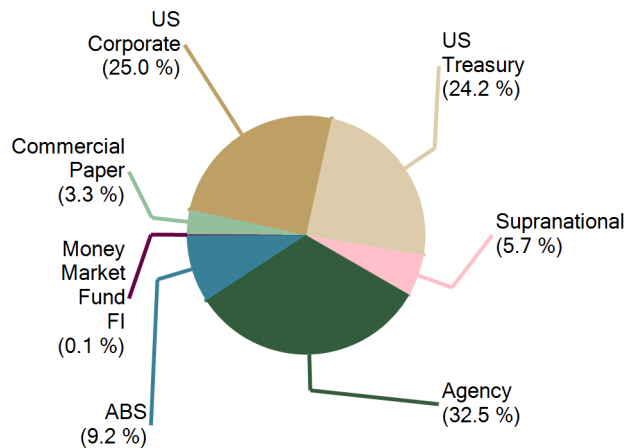
ACCOUNT SUMMARY

	Beg. Values as of 3/31/17	End Values as of 4/30/17
<b>Market Value</b>	26,779,442	26,866,041
<b>Accrued Interest</b>	83,688	86,279
<b>Total Market Value</b>	<b>26,863,130</b>	<b>26,952,320</b>
<b>Income Earned</b>	34,127	34,340
<b>Cont/WD</b>		0
<b>Par</b>	26,930,309	26,955,436
<b>Book Value</b>	26,856,811	26,891,648
<b>Cost Value</b>	26,817,006	26,857,767

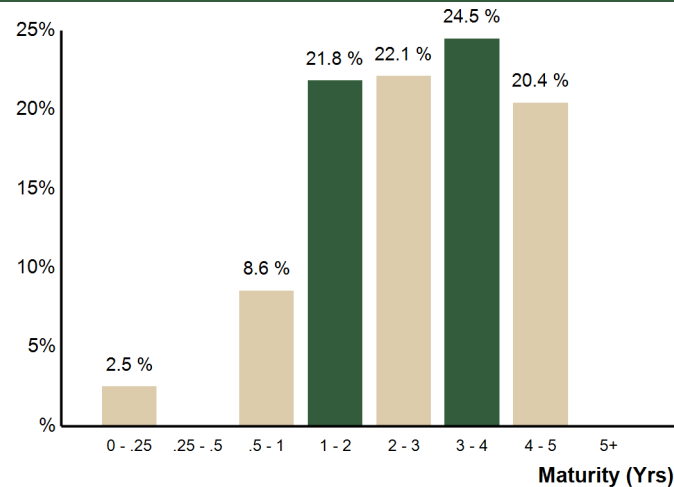
TOP ISSUERS

Issuer	% Portfolio
Government of United States	24.2 %
Federal National Mortgage Assoc	17.8 %
Federal Home Loan Mortgage Corp	8.4 %
Federal Home Loan Bank	4.9 %
Inter-American Dev Bank	3.7 %
Honda ABS	2.8 %
John Deere ABS	2.2 %
Intl Bank Recon and Development	2.0 %
	<b>66.0 %</b>

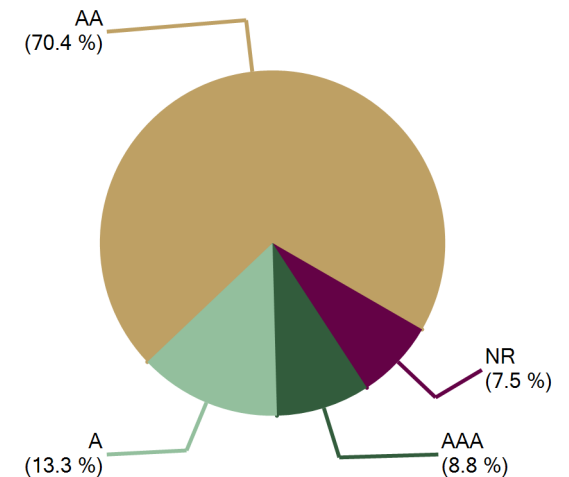
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 4/30/2017	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized				Since 12/31/1997
					3 Yrs	5 Yrs	10 Yrs	12/31/1997	
Northern CA Cities Self Ins. Fund Short Term	0.33 %	0.63 %	0.81 %	0.52 %	1.35 %	1.16 %	2.94 %	4.04 %	114.85 %
BAML 1-5 Yr US Treasury/Agency Index	0.31 %	0.51 %	0.68 %	0.23 %	1.16 %	0.89 %	2.63 %	3.71 %	102.13 %
BAML 1-5 Yr US Issuers Corp/Govt Rated AAA-A Index	0.32 %	0.57 %	0.75 %	0.38 %	1.27 %	1.06 %	2.69 %	3.82 %	106.36 %



## Northern California Cities Self-Insurance Fund - Short Term

April 30, 2017

### COMPLIANCE WITH INVESTMENT POLICY

*The portfolio complies with State law and with the investment policy.*

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



Reconciliation Summary

As of 4/30/2017

BOOK VALUE RECONCILIATION	
<b>Beginning Book Value</b>	<b>\$26,856,810.87</b>
<b>Acquisition</b>	
+ Security Purchases	\$1,000,941.00
+ Money Market Fund Purchases	\$1,019,613.66
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
<b>Total Acquisitions</b>	<b>\$2,020,554.66</b>
<b>Dispositions</b>	
- Security Sales	\$895,947.33
- Money Market Fund Sales	\$1,004,241.00
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$0.00
- Calls	\$0.00
- Principal Paydowns	\$90,245.72
<b>Total Dispositions</b>	<b>\$1,990,434.05</b>
<b>Amortization/Accretion</b>	
+/- Net Accretion	\$1,628.00
	\$1,628.00
<b>Gain/Loss on Dispositions</b>	
+/- Realized Gain/Loss	\$3,088.71
	\$3,088.71
<b>Ending Book Value</b>	<b>\$26,891,648.19</b>

CASH TRANSACTION SUMMARY	
<b>BEGINNING BALANCE</b>	<b>\$21,245.07</b>
<b>Acquisition</b>	
Contributions	\$0.00
Security Sale Proceeds	\$895,947.33
Accrued Interest Received	\$2,310.93
Interest Received	\$31,070.08
Dividend Received	\$39.60
Principal on Maturities	\$0.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$90,245.72
<b>Total Acquisitions</b>	<b>\$1,019,613.66</b>
<b>Disposition</b>	
Withdrawals	\$0.00
Security Purchase	\$1,000,941.00
Accrued Interest Paid	\$3,300.00
<b>Total Dispositions</b>	<b>\$1,004,241.00</b>
<b>Ending Book Value</b>	<b>\$36,617.73</b>

# Monthly Account Statement

## Northern Cal. Cities Self Ins. Fund Long Term

April 1, 2017 through April 30, 2017

### Chandler Team

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

### Custodian

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

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





PORTFOLIO CHARACTERISTICS

Average Duration	3.36
Average Coupon	1.97 %
Average Purchase YTM	1.90 %
Average Market YTM	1.77 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	3.69 yrs
Average Life	3.56 yrs

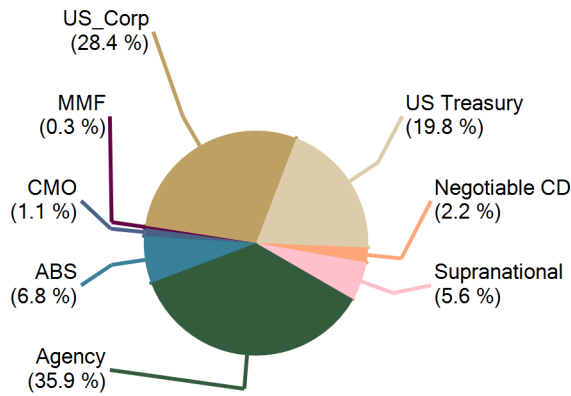
ACCOUNT SUMMARY

	Beg. Values as of 3/31/17	End Values as of 4/30/17
<b>Market Value</b>	27,727,978	27,853,872
<b>Accrued Interest</b>	125,137	142,994
<b>Total Market Value</b>	<b>27,853,116</b>	<b>27,996,866</b>
<b>Income Earned</b>	43,853	43,779
<b>Cont/WD</b>		0
<b>Par</b>	27,728,440	27,755,420
<b>Book Value</b>	27,726,822	27,752,744
<b>Cost Value</b>	27,827,491	27,843,640

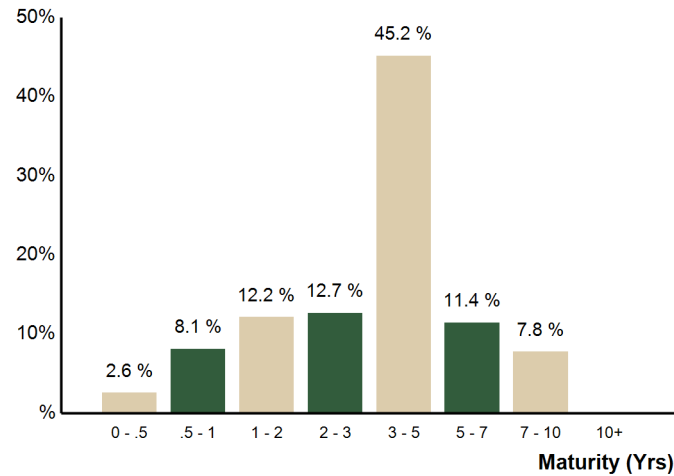
TOP ISSUERS

Issuer	% Portfolio
Government of United States	19.8 %
Federal National Mortgage Assoc	13.0 %
Federal Home Loan Bank	10.1 %
Federal Home Loan Mortgage Corp	8.0 %
Tennessee Valley Authority	5.9 %
Inter-American Dev Bank	3.6 %
Bank of Nova Scotia	2.2 %
JP Morgan ABS	2.1 %
<b>Total</b>	<b>64.6 %</b>

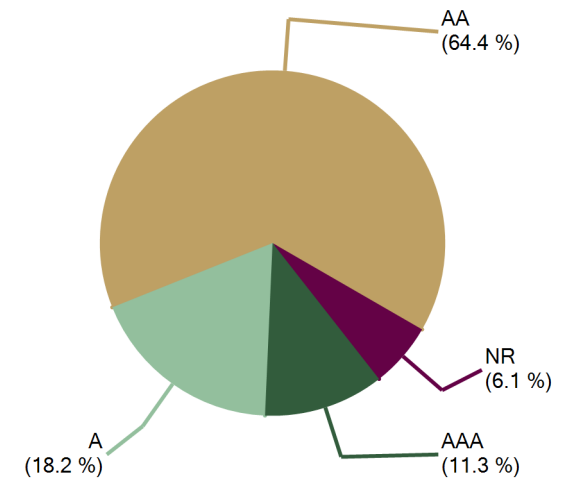
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 4/30/2017	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized			5/31/2006	Since 5/31/2006
					3 Yrs	5 Yrs	10 Yrs		
Northern Cal. Cities Self Ins. Fund Long Term	0.52 %	0.92 %	1.15 %	0.40 %	2.06 %	1.58 %	3.74 %	4.02 %	53.85 %
BAML 1-10 Yr US Treasury/Agency Index	0.50 %	0.83 %	1.01 %	-0.07 %	1.68 %	1.17 %	3.37 %	3.63 %	47.65 %
BAML 1-10 Yr US Corporate/Govt Rated AAA-A Index	0.54 %	0.96 %	1.18 %	0.28 %	1.92 %	1.58 %	3.48 %	3.77 %	49.81 %



## Northern California Cities Self-Insurance Fund - Long Term

April 30, 2017

### COMPLIANCE WITH INVESTMENT POLICY

*The portfolio complies with State law and with the investment policy.*

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



Reconciliation Summary

As of 4/30/2017

BOOK VALUE RECONCILIATION	
<b>Beginning Book Value</b>	<b>\$27,726,822.20</b>
<b>Acquisition</b>	
+ Security Purchases	\$345,472.65
+ Money Market Fund Purchases	\$423,982.40
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
<b>Total Acquisitions</b>	<b>\$769,455.05</b>
<b>Dispositions</b>	
- Security Sales	\$0.00
- Money Market Fund Sales	\$345,796.57
- MMF Withdrawals	\$0.00
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$330,000.00
- Calls	\$0.00
- Principal Paydowns	\$66,205.67
<b>Total Dispositions</b>	<b>\$742,002.24</b>
<b>Amortization/Accretion</b>	
+/- Net Accretion	(\$1,530.54)
	(\$1,530.54)
<b>Gain/Loss on Dispositions</b>	
+/- Realized Gain/Loss	\$0.00
	\$0.00
<b>Ending Book Value</b>	<b>\$27,752,744.47</b>

CASH TRANSACTION SUMMARY	
<b>BEGINNING BALANCE</b>	<b>\$16,578.50</b>
<b>Acquisition</b>	
Contributions	\$0.00
Security Sale Proceeds	\$0.00
Accrued Interest Received	\$0.00
Interest Received	\$27,732.79
Dividend Received	\$43.94
Principal on Maturities	\$330,000.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$66,205.67
<b>Total Acquisitions</b>	<b>\$423,982.40</b>
<b>Disposition</b>	
Withdrawals	\$0.00
Security Purchase	\$345,472.65
Accrued Interest Paid	\$323.92
<b>Total Dispositions</b>	<b>\$345,796.57</b>
<b>Ending Book Value</b>	<b>\$94,764.33</b>



**BETTY T. YEE**  
**California State Controller**

**LOCAL AGENCY INVESTMENT FUND  
 REMITTANCE ADVICE**

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

As of 04/14/2017, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 03/31/2017.

Earnings Ratio		.00002126194403179
Interest Rate		0.78%
Dollar Day Total	\$	89,487,920.12
Quarter End Principal Balance	\$	564,848.78
Quarterly Interest Earned	\$	1,902.69

# NCCSIF

## Northern California Cities Self Insurance Fund

c/o Alliant Insurance Services, Inc.

Corporate Insurance License No. 0C36861

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

### NCCSIF INVESTMENT REPORT FOR THE QUARTER ENDING MARCH 31, 2017

	<u>MARKET VALUE</u>
CASH:	
(1) Tri Counties Checking	\$ 424,853.28
(2) Local Agency Inv Fund (LAIF)	<u>564,848.78</u>
Total Cash	<u>989,702.06</u>
INVESTMENTS (Unrestricted):	
(3) Chandler Investments	
Account no. 170	26,779,442.00
Account no. 171	<u>27,727,978.00</u>
Total Unrestricted Investments	<u>54,507,420.00</u>
TOTAL CASH AND INVESTMENTS	<u><u>\$ 55,497,122.06</u></u>

- (1) This consists of one checking account and two pass-thru accounts (liability and workers comp claims).
- (2) The LAIF rate of return as of quarter ended March 31, 2017 0.78%
- (3) See attached Investment Activity Reports.

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

\_\_\_\_\_  
Tim Sailsbery, Treasurer

\_\_\_\_\_  
Date

*A Joint Powers Authority*

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




NCCSIF  
 Budget 2017  
**FOR THE QUARTER ENDING MARCH 31, 2017**

		<u>MARKET VALUE</u>
<b>CASH:</b>		
(1)	Tri Counties Checking	\$ 424,853.28
(2)	Local Agency Inv Fund (LAIF)	<u>564,848.78</u>
	<b>Total Cash</b>	<u>989,702.06</u>
<b>INVESTMENTS (Unrestricted):</b>		
(3)	Chandler Investments	
	Account no. 170	26,779,442.00
	Account no. 171	<u>27,727,978.00</u>
	<b>Total Unrestricted Investments</b>	<u>54,507,420.00</u>
<b>TOTAL CASH AND INVESTMENTS</b>		<u>\$ 55,497,122.06</u>

- (1) This consists of one checking account and two pass-thru accounts (liability and workers comp claims).
- (2) The LAIF rate of return as of quarter ended March 31, 2017 0.78%
- (3) See attached Investment Activity Reports.

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

  
 \_\_\_\_\_  
 Tim Salsbery, Treasurer

5/8/17  
 \_\_\_\_\_  
 Date

## **AGREEMENT FOR FINANCIAL ACCOUNTING AND CONSULTING SERVICES**

This Agreement is made and entered into effective for the period July 1, 2017 through December 31, 2017, by and between Northern California Cities Self Insurance Fund ("NCCSIF") and James Marta & Company LLP.

**WHEREAS**, NCCSIF requires accounting and consulting services, and James Marta & Company LLP is agreeable to performing such services for NCCSIF;

**NOW, THEREFORE**, the parties agree as follows:

1. **RETENTION OF ACCOUNTANT.** NCCSIF agrees to retain James Marta & Company LLP to provide Financial Consulting Services for NCCSIF under the terms and conditions set forth in this Agreement, and the NCCSIF JPA Agreement and Bylaws. James Marta & Company LLP agrees to accept that assignment and to perform all of the duties for which the firm has been retained.
  
2. **DESCRIPTION OF WORK.** James Marta & Company LLP agrees to perform the following services:
  - a. Prepare all bank reconciliations;
  
  - b. Process payables:
    - i. Receive and record all invoices;
    - ii. Obtain approval when necessary; and
    - iii. Prepare and issue checks per NCCSIF policy.
  
  - c. Process receivables:
    - i. Prepare invoices
    - ii. Receive and record invoices;
    - iii. Receive and record payments; and
    - iv. Follow up delinquent accounts.
  
  - d. Maintain check registers of all applicable accounts and submit to Board in a timely manner;
  
  - e. Maintain general ledger - prepare and enter periodic adjusting entries;
  
  - f. Reconcile Investments and manage investment transfers;
  
  - g. Act as liaison between associated banks and/or investment agencies, as required;
  
  - h. Perform cash management — perform the required money transfers between accounts and/or financial institutions per the NCCSIF investment and banking policies;
  
  - i. Facilitate the annual financial audit:
    - i. Prepare audit schedules; and
    - ii. Coordinate audit fieldwork.

- j. Prepare quarterly and annual financial reports and attend Executive Committee and Board of Directors' meetings to discuss them; (in the event of scheduling conflicts, James Marta may meet with the Treasurer and provide the required reports and update and or send an alternate accountant to attend).
- k. Review quarterly financial reports with the Treasurer.
- l. Assist with budget preparation;
- m. Annually file the State Controller's Annual Report of Financial Transactions and Local Government Compensation Report with the State of California;
- n. Prepare special reports, as required; and annually prepare and submit to the Program Administrator a completed Conflict of Interest form.
- o. Attend Finance Committee meetings, as necessary
- p. Complete any other related duties as requested by a duly authorized official.
- q. Provide quarterly balance sheets and income statements
- r. Provide quarterly budget to actual financial reporting
- s. Prepare quarterly claims reconciliation among the York reports, actuary reports and the general ledger
- t. Prepare quarterly claims analysis reporting (graphs and reconciliation statements)
- u. Maintain a suitable backup and recovery system for data and develop and implement processes for the protection of electronic data including a written policy with respect to:
  - i. Disaster recovery
  - ii. Physical and electronic data security
  - iii. Electronic data retention

James Marta & Company LLP will compile, from information you provide, the annual and interim statement of net position and the related statements of income, net position, and cash flows of Northern California Cities Self Insurance Fund. We will not audit or review such financial statements. Our report on the annual financial statements of Northern California Cities Self Insurance Fund is presently expected to read as follows:

We have compiled the accompanying statement of net position of Northern California Cities Self Insurance Fund as of [Year End(s)], and the related statements of income, net position, for the [Year or Years] then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United



States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Northern California Cities Self-Insurance Fund

If, for any reason, we are unable to complete the compilation of your financial statements, we will not issue a report on such statements as a result of this engagement.

Our engagement cannot be relied upon to disclose errors, fraud or illegal acts that may exist. However, we will inform you of any material errors that come to our attention and any fraud or illegal acts that come to our attention, unless they are clearly inconsequential. In addition, we have no responsibility to identify and communicate significant deficiencies or material weaknesses in your internal control as part of this engagement

**3. COMPENSATION.** As compensation to James Marta & Company LLP for services rendered hereunder, NCCSIF agrees to pay James Marta & Company LLP an monthly fee of:

- \$8,000 per month
- The cost of meeting attendance within one-hour of Sacramento California is included. In the event that we are required to attend meetings beyond this range we will charge mileage at the current federal reimbursement rate and time at \$150/hr. For purposes of this agreement, approval is the Executive Committee's authorization.

**FEES.** NCCSIF agrees to pay in addition to the monthly fee for accounting services:

Intacct software subscription service fees:

- \$215 per month for the 2017-18 year.

Plus \$750 annually for the annual subscription of electronic check delivery.

4. **CONTRACT TERM.** The term of this Agreement shall be for six (6) months commencing July 1, 2017 through December 31, 2017.
5. **OWNERSHIP OF RECORDS.** NCCSIF maintains ownership of all products, files, records, computations, studies and other data, prepared or obtained in connection with this Agreement. James Marta & Company LLP may maintain copies of records that may be required for professional liability insurance purposes and required professional practices.
6. **DISCLOSURES OF CONFLICTS.** James Marta & Company LLP shall be responsible for disclosing financial interests that may be a conflict. Disclosure may be satisfied through completion of the related Fair Political Practice Commission form on an annual basis.
7. **TERMINATION.** This Agreement is non-cancellable unless
  - a. James Marta & Company LLP is unable to provide services or,
  - b. by NCCSIF if they determine by cause gross negligence or,
  - c. gross negligence on the part of NCCSIF management or officials.

Such termination shall be effective upon 30 days written notice. Upon termination, James Marta & Company LLP shall give to NCCSIF copies of all products, files, records, computations, studies and other data, prepared or obtained in connection with this Agreement, which shall become the permanent property of NCCSIF. James Marta & Company LLP may maintain copies of records that may be required for professional liability insurance purposes and required professional practices.

8. **COMPLIANCE WITH LAWS.** James Marta & Company LLP agrees that all work will be conducted, and the services will be performed in compliance with all laws and regulations; with the policies; procedures and directives of NCCSIF, particularly those related to fiscal and management matters; and with generally accepted accounting principles applicable to governmental entities.
9. **INSURANCE.** James Marta & Company LLP shall provide General Liability, Auto Liability and Professional Liability insurance with separate limits of \$1,000,000 and a \$2,000,000 aggregate, and Workers Compensation as required by the State of California. A certificate shall be issued showing NCCSIF as additional insured for the Auto and General Liability coverages. Proof of coverage shall be provided annually to NCCSIF.
10. **INDEMNIFICATION.** James Marta & Company LLP agrees to indemnify and hold harmless NCCSIF its officers, directors and member agencies from any liability arising from James Marta & Company LLP's negligence or willful misconduct or omissions in the performance of the Agreement.
11. **INDEPENDENT CONTRACTOR.** It is expressly agreed by the parties that James Marta & Company LLP's relationship to NCCSIF is that of an independent contractor. As such, NCCSIF will not be providing Workers' Compensation coverage or any benefits to James Marta & Company LLP.
12. **SUCCESSORS AND ASSIGNMENT.** James Marta & Company LLP agrees it will not assign, transfer, convey or otherwise dispose of this Agreement or any part thereof, or its rights, title or interest therein, without the prior written consent of NCCSIF.



February 24, 2017

Mr. Marcus Beverly  
First Vice President, NCCSIF Program Manager  
Alliant Insurance Services  
2150 Harvard Street, Suite 460  
Sacramento, CA 95815

Dear Salutation:

This letter confirms the arrangements for Crowe Horwath LLP (“Crowe” or “us” or “we” or “our”) to provide the professional services discussed in this letter to Northern California Cities Self Insurance Fund (“the Fund” or “you”, “your” or “Fund” or “Client”) for the years ending June 30, 2017, 2018 and 2019. The attached Crowe Engagement Terms is an integral part of this letter, and its terms are incorporated herein.

## AUDIT SERVICES

### Our Responsibilities

We will audit and report on the basic financial statements of the Fund for the periods indicated.

In addition to our report on the financial statements, we plan to evaluate the presentation of the following supplementary information in relation to the financial statements as a whole, and to report on whether this supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

- Combining Statement of Net Position and Combining Statement of Revenues, Expenses and Change in Net Position
- Statement of Net Position by Member
- Statement of Revenues, Expenditures, and Change in Net Position by Member

In addition to our report on the financial statements, we also plan to perform specified procedures in order to describe in our report whether the following required supplementary information is presented in accordance with applicable guidelines. However, we will not express an opinion or provide any assurance on this information due to our limited procedures.

- Management’s Discussion and Analysis
- Reconciliation of Claims Liability by Type of Contract
- Claims Development Information

The objective of the audit is the expression of an opinion on the financial statements. We will plan and perform the audit in accordance with auditing standards generally accepted in the United States of America, and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement whether caused by error or fraud. Because of inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected



exists, even though the audit is properly planned and performed in accordance with applicable standards. An audit is not designed to detect error or fraud that is immaterial to the financial statements. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks that the financial statements could be misstated by an amount we believe would influence the financial statement users. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

In making our risk assessments, we consider internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. However, we will communicate in writing to those charged with governance and management concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. We will communicate to management other deficiencies in internal control identified during the audit that have not been communicated to management by other parties and that, in our professional judgment, are of sufficient importance to merit management's attention. We will also communicate certain matters related to the conduct of the audit to those charged with governance, including (1) fraud involving senior management, and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements, (2) illegal acts that come to our attention (unless they are clearly inconsequential) (3) disagreements with management and other significant difficulties encountered in performing the audit and (4) various matters related to the Fund's accounting policies and financial statements. Our engagement is not designed to address legal or regulatory matters, which matters should be discussed by you with your legal counsel.

We expect to issue a written report upon completion of our audit of the financial statements. Our report will be addressed to Board of Directors of the Fund. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis of matter or other matter paragraph, or withdraw from the engagement.

In addition to our report on the financial statements and supplemental information, we plan to issue the following reports:

- Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards — The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of your compliance with applicable laws, regulations, contracts and grants. However, because of the concept of reasonable assurance and because we will not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud or defalcations, may exist and not be detected by us. The objective of our audit of compliance relative to the financial statements will not be to provide an opinion on overall compliance with such provisions, and we will not express such an opinion. We will advise you, however, of any matters of that nature that come to our attention, unless they are clearly inconsequential.



Our audit and work product are intended for the benefit and use of the Fund only. The audit will not be planned or conducted in contemplation of reliance by any other party or with respect to any specific transaction and is not intended to benefit or influence any other party. Therefore, items of possible interest to a third party may not be specifically addressed or matters may exist that could be assessed differently by a third party.

The working papers for this engagement are the property of Crowe and constitute confidential information. However, we may be requested to make certain working papers available to your oversight agency or grantors pursuant to authority given to them by law, regulation, or contract. If requested, access to such working papers will be provided under the supervision of our personnel. Furthermore, upon request, we may provide photocopies of selected working papers to your oversight agency or grantors. The working papers for this engagement will be retained for a minimum of three years after the date our report is issued or for any additional period requested by the oversight agency or pass-through Fund. If we are aware that a federal awarding agency, pass-through Fund, or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the working papers.

*Government Auditing Standards* require that we provide you with a copy of our most recent peer review report, which accompanies this letter.

#### The Fund's Responsibilities

The Fund's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud. The Fund's management is also responsible for complying with applicable laws, regulations, contracts and grants and such responsibility extends to identifying the requirements and designing internal control policies and procedures to provide reasonable assurance that compliance is achieved.

Management has the responsibility to adopt sound accounting policies, maintain an adequate and efficient accounting system, safeguard assets, and design and implement programs and controls to prevent and detect fraud. Management's judgments are typically based on its knowledge and experience about past and current events and its expected courses of action. Management's responsibility for financial reporting includes establishing a process to prepare the accounting estimates included in the financial statements.

Management is responsible for providing to us, on a timely basis, all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters. Management is also responsible for providing such other additional information we may request for the purpose of the audit, and unrestricted access to persons within the Fund from whom we determine it necessary to obtain audit evidence. Additionally, those charged with governance are responsible for informing us of their views about the risks of fraud within the Fund, and their knowledge of any fraud or suspected fraud affecting the Fund.

Management is responsible for adjusting the financial statements to correct material misstatements related to accounts or disclosures. As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit, including that the effects of any uncorrected misstatements aggregated by us during the audit are immaterial, both individually and in the aggregate, to the financial statements and to compliance with the requirements of its Federal programs. Management acknowledges the importance of management's representations and responses to our inquiries, and that they will be utilized as part of the evidential matter we will rely on in forming our opinion. Because of the importance of management's representations to an effective audit, you agree to



release Crowe and its personnel from any liability and costs relating to our services under this letter attributable to any misrepresentations by management.

Management is responsible for the preparation of the supplementary information identified above in accordance with the applicable criteria. As part of our audit process, we will request from management certain written representations regarding management's responsibilities in relation to the supplementary information presented, including but not limited to its fair presentation in accordance with the applicable criteria, the method of measurement and presentation and any significant assumptions or interpretations underlying the supplementary information. In addition, it is management's responsibility to include the auditor's report on supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information. It is also management's responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the Fund of the supplementary information and the auditor's report thereon.

Management is responsible for the preparation of the required supplementary information identified above in accordance with the applicable guidelines. We will request from management certain written representations regarding management's responsibilities in relation to the required supplementary information presented, including but not limited to whether it has been measured and presented in accordance with prescribed guidelines, the method of measurement and presentation and any significant assumptions or interpretations underlying the supplementary information.

## OTHER SERVICES

### Financial Statement Preparation

The Fund will provide us with the necessary information to assist in the preparation of the draft financial statements including the notes thereto. We are relying on the Fund to provide us with the detailed trial balance, note disclosure information and any other relevant report information in a timely fashion and ensure the data is complete and accurate. Management is solely responsible for the presentation of the financial statements.

With respect to the above other services, you agree to: assume all management responsibilities including making all management decisions; oversee the service by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services.

## FEES

Our fees, including out-of-pocket expenses, are outlined below. Our invoices are due and payable upon receipt. Invoices that are not paid within 30 days of receipt are subject to a monthly interest charge of one percent per month or the highest interest rate allowed by law, whichever is less, which we may elect to waive at our sole discretion, plus costs of collection including reasonable attorneys' fees.

Audit of the Fund's financial statements for the years ending June 30, 2017	\$ 26,622
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Circumstances may arise under which we must perform additional work and, thus, require additional billings for our services. Examples of such circumstances include, but are not limited to:

- Changing audit requirements
- New professional standards or regulatory requirements
- New financial statement disclosures
- Work caused due to the identification of, and management's correction of, inappropriate application of accounting pronouncements
- Erroneous or incomplete accounting records
- New or unusual transactions
- Change in your organizational structure or size due to merger and acquisition activity or other events
- Change in your controls
- Agreed-upon level of preparation and assistance from your personnel not provided
- Failure of your staff to prepare information in a timely manner
- Numerous revisions to your information
- Lack of availability of appropriate Fund personnel during audit fieldwork.

Additionally, to accommodate requests to reschedule audit fieldwork without reasonable notice, additional billings for our services could be required, and our assigned staffing and ability to meet agreed-upon deadlines could be impacted.

Our fee assumes that we will be provided with auditable trial balances for all funds at year end, that all bank accounts and investment accounts will be reconciled through the end of the year being audited to the trial balances, that interfund and transfer accounts will balance, that subsidiary ledgers will reconcile to the general ledger and that beginning fund equity amounts will be reconcilable to prior year audited ending fund equity. We assume that the Fund will cooperate with our requests for information such as explanations of account activity.

We assume that requested records such as invoices, contracts, grant agreements and supporting documentation will be located and provided to us. We also assume the Fund will prepare confirmation letters, the MD&A section and the Supplemental Information and Required Supplementary Information sections of the report.

Our fee does not include implementation of any other future accounting or auditing pronouncements and/or government requirements that may change, thus, the scope or amount of auditing necessary to complete our engagements may increase beyond what is currently anticipated. Should such events occur, we would present you with our estimate of any possible increase prior to beginning our audit for the given year. An equitable adjustment in the proposed fee will be negotiated if the cost of time required for performance of the audit service is increased or decreased pursuant to a change in scope of the audit requested by the Fund or required by State or Federal regulations.

When we become aware of circumstances which impact the amount or scheduling of our work, we will issue, for your approval, a formal change order detailing the reason and the anticipated impact of the change.



#### PROVISION FOR THREE-YEAR PROPOSAL:

We have agreed to the following fees for the next two subsequent years as follows:

Audit of the Fund's financial statements for the years ending June 30, 2018	\$	27,154
Audit of the Fund's financial statements for the years ending June 30, 2019	\$	27,700

Because each year is a separate engagement and this three-year period does not constitute a continuous engagement, we will require execution of a new engagement letter for each subsequent year listed above. However, we agree to the fees listed above for each year unless we both agree in writing to a modification. In recognition of the significant start-up investment incurred by Crowe during the initial year of the three-year period, should you terminate Crowe during the three-year period for reasons other than failure of Crowe to perform, you agree to pay our fees and expenses for services performed up to the date of termination (which will be immediately due and payable) and a termination fee of 25% of the next year's fee if terminated after year one or 15% of the next year's fee if terminated after year two.

Our fees are exclusive of taxes or similar charges, as well as customs, duties or tariffs, imposed in respect of the Services, any work product or any license, all of which Client agrees to pay if applicable or if they become applicable (other than taxes imposed on Crowe's income generally), without deduction from any fees or expenses invoiced to Client by Crowe.

To facilitate Crowe's presence at Client's premises, Client will provide Crowe with internet access while on Client's premises. Crowe will access the internet using a secure virtual private network. Crowe will be responsible for all internet activity performed by its personnel while on Client's premises.

#### MISCELLANEOUS

For purposes of this Miscellaneous section, the Acceptance section below, and all of the Crowe Engagement Terms, "Client" will mean the Fund(ies) defined in the first paragraph of this letter and will also include all related parents, subsidiaries, and affiliates of Client who may receive or claim reliance upon any Report.

Crowe will provide the services to Client under this Agreement as an independent contractor and not as Client's partner, agent, employee, or joint venturer under this Agreement. Neither Crowe nor Client will have any right, power or authority to bind the other party.

This engagement letter agreement (the "Agreement") reflects the entire agreement between the parties relating to the services (or any reports, deliverables or other work product) covered by this Agreement. The engagement letter and any attachments (including without limitation the attached Crowe Engagement Terms) are to be construed as a single document, with the provisions of each section applicable throughout. This Agreement may not be amended or varied except by a written document signed by each party. It replaces and supersedes any other proposals, correspondence, agreements and understandings, whether written or oral, relating to the services covered by this letter, and each party agrees that in entering this Agreement, it has not relied on any oral or written representations, statements or other information not contained in or incorporated into this Agreement. Any non-disclosure or other confidentiality agreement is replaced and superseded by this Agreement. The agreements of the parties contained in this Agreement will survive the completion or termination of this Agreement. If any provision (in whole or in part) of this Agreement is found unenforceable or invalid, this will not affect the remainder of the provision or any other provisions in this Agreement, all of which will continue in effect as if the stricken portion had not been included. This Agreement may be executed in two or more actual, scanned, emailed, or electronically copied counterparts, each and all of which together are one and the same instrument. Accurate transmitted copies (transmitted copies are reproduced documents that are sent via

Mr. Marcus Beverly  
Alliant Insurance Services  
February 24, 2017  
Page 7

mail, delivery, scanning, email, photocopy, facsimile or other process) of the executed Agreement or signature pages only (whether handwritten or electronic signature), will be considered and accepted by each party as documents equivalent to original documents and will be deemed valid, binding and enforceable by and against all parties. This Agreement must be construed, governed, and interpreted under the laws of the State of Illinois, without regard for choice of law principles.

We are pleased to have this opportunity to serve you, and we look forward to a continuing relationship. If the terms of this letter and the attached Crowe Engagement Terms are acceptable to you, please sign below and return one copy of this letter at your earliest convenience. Please contact us with any questions or concerns.

ACCEPTANCE

I have reviewed the arrangements outlined above and in the attached "Crowe Engagement Terms," and I accept on behalf of the Client the terms and conditions as stated. By signing below, I represent and warrant that I am authorized by Client to accept the terms and conditions as stated.

IN WITNESS WHEREOF, Northern California Cities Self Insurance Fund and Crowe have duly executed this engagement letter effective the date first written above.

Crowe Horwath LLP and the Engagement Authorized Signer below are licensed or otherwise authorized by the California Board of Accountancy.

Northern California Cities Self Insurance Fund

CROWE HORWATH LLP



Signature

Signature

David R. Warren

Matthew Nethaway

Printed Name

Printed Name

President

Partner

Title

Title

05/18/17

February 24, 2017

Date

Date



## **Crowe Engagement Terms**

Crowe wants Client to understand the terms under which Crowe provides its services to Client and the basis under which Crowe determines its fees. These terms are part of the Agreement and apply to all services described in the Agreement as well as all other services provided to Client (collectively, the "Services"), unless and until a separate written agreement is executed by the parties for separate services. Any advice provided by Crowe is not intended to be, and is not, investment advice.

**CLIENT'S ASSISTANCE** – For Crowe to provide Services effectively and efficiently, Client agrees to provide Crowe timely with information requested and to make available to Crowe any personnel, systems, premises, records, or other information as reasonably requested by Crowe to perform the Services. Access to such personnel and information are key elements for Crowe's successful completion of Services and determination of fees. If for any reason this does not occur, a revised fee to reflect additional time or resources required by Crowe will be mutually agreed. Client agrees Crowe will have no responsibility for any delays related to a delay in providing such information to Crowe. Such information will be accurate and complete, and Client will inform Crowe of all significant tax, accounting and financial reporting matters of which Client is aware.

**PROFESSIONAL STANDARDS** – As a regulated professional services firm, Crowe must follow professional standards when applicable, including the Code of Professional Conduct of the American Institute of Certified Public Accountants ("AICPA"). Thus, if circumstances arise that, in Crowe's professional judgment, prevent it from completing the engagement, Crowe retains the right to take any course of action permitted by professional standards, including declining to express an opinion or issue other work product or terminating the engagement.

**REPORTS** – Any information, advice, recommendations or other content of any memoranda, reports, deliverables, work product, presentations, or other communications Crowe provides under this Agreement ("Reports"), other than Client's original information, are for Client's internal use only, consistent with the purpose of the Services. Client will not rely on any draft Report. Unless required by an audit or other attestation professional standard, Crowe will not be required to update any final Report for circumstances of which we become aware or events occurring after delivery.

**CONFIDENTIALITY** – Except as otherwise permitted by this Agreement or as agreed in writing, neither Crowe nor Client may disclose to third parties the contents of this Agreement or any information provided by or on behalf of the other that ought reasonably to be treated as confidential and/or proprietary. Client use of any Crowe work product will be limited to its stated purpose and to Client business use only. However, Client and Crowe each agree that either party may disclose such information to the extent that it: (i) is or becomes public other than through a breach of this Agreement, (ii) is subsequently received by the recipient from a third party who, to the recipient's knowledge, owes no obligation of confidentiality to the disclosing party with respect to that information, (iii) was known to the recipient at the time of disclosure or is thereafter created independently, (iv) is disclosed as necessary to enforce the recipient's rights under this Agreement, or (v) must be disclosed under applicable law, regulations, legal process or professional standards.

**THIRD PARTY PROVIDER** – Crowe may use a third-party provider in providing Services to Client, which may require Crowe to share Client confidential information with the provider. If Crowe uses a third-party provider, Crowe will enter into a confidentiality agreement with the provider to require the provider to protect the confidentiality of Client's confidential information, and Crowe will be responsible to Client for maintaining its confidentiality.

**CLIENT-REQUIRED CLOUD USAGE** – If Client requests that Crowe access files, documents or other information in a cloud-based or web-accessed hosting service or other third-party system accessed via the internet, including, without limitation iCloud, Dropbox, Google Docs, Google Drive, a data room hosted by a third-party, or a similar service or website (collectively, "Cloud Storage"), Client will confirm with any third-parties assisting with or hosting the Cloud Storage that either such third-party or Client (and not Crowe) is responsible for complying with all applicable laws relating to the Cloud Storage and any information contained in the Cloud Storage, providing Crowe access to the information in the Cloud Storage, and protecting the information in the Cloud Storage from any unauthorized access, including without limitation unauthorized access to the information when in transit to or from the Cloud Storage. Client represents that



it has authority to provide Crowe access to information in the Cloud Storage and that providing Crowe with such access complies with all applicable laws, regulations, and duties owed to third-parties.

**DATA PROTECTION** – If Crowe holds or uses Client information that can be linked to specific individuals who are Client’s customers ("Personal Data"), Crowe will treat it as confidential as described above and comply with applicable US state and federal law and professional regulations in disclosing or using such information to carry out the Services. Crowe has implemented and will maintain physical, electronic and procedural safeguards reasonably designed to (i) protect the security, confidentiality and integrity of the Personal Data, (ii) prevent unauthorized access to or use of the Personal Data, and (iii) provide proper disposal of the Personal Data (collectively, the "Safeguards"). Client warrants that it has the authority to provide the Personal Data to Crowe in connection with the Services and that Client has processed the Personal Data provided to Crowe in accordance with applicable law. To provide the Services, Client may also need to provide Crowe with access to Personal Data consisting of protected health information, financial account numbers, Social Security or other government-issued identification numbers, or other data that, if disclosed without authorization, would trigger notification requirements under applicable law ("Restricted Personal Data"). In the event Client provides Crowe access to Restricted Personal Data, Client will consult with Crowe on appropriate measures (consistent with professional standards applicable to Crowe) to protect the Restricted Personal Data, such as: deleting or masking unnecessary information before making it available to Crowe, encrypting it when transferring it to Crowe, or providing it to Crowe only during on-site review on Client’s site. Client will provide Crowe with Restricted Personal Data only in accordance with mutually agreed protective measures. Otherwise, Client and Crowe agree each may use unencrypted electronic media to correspond or transmit information and such use will not in itself constitute a breach of this Agreement.

**INTELLECTUAL PROPERTY** – Crowe may use ideas, concepts, methodologies, data, software, designs, utilities, tools, models, techniques, systems, Reports, or other know-how that it develops, owns or licenses ("Materials") in performing the Services. Crowe retains all intellectual property rights in the Materials (including any improvements or knowledge developed while performing the Services), and in any working papers compiled in providing the Services, but not in the Client information reflected in them. Upon payment for Services and subject to the other terms of this Agreement, Client will use Reports, as well as any Materials therein, only to the extent necessary and permitted under this Agreement.

**AGGREGATED DATA** – Client agrees Crowe may from time to time use and process Client’s confidential information for data aggregation or industry benchmarking purposes. In using Client’s confidential information in this way, Crowe will maintain the information as confidential unless Crowe removes data that specifically identifies Client and Client customers.

**LEGAL AND REGULATORY CHANGE** – Crowe may periodically communicate to Client changes in laws, rules or regulations. However, Client has not engaged Crowe, and Crowe does not undertake an obligation, to advise Client of changes in (a) laws, rules, regulations, industry or market conditions, or (b) Client’s own business practices or other circumstances (except to the extent required by professional standards). The scope of Services and the fees for Services are based on current laws and regulations. If changes in laws or regulations change Client’s requirements or the scope of the Services, Crowe’s fees will be modified to a mutually agreed amount to reflect the changed level of Crowe’s effort.

**PUBLICATION** – Client agrees to obtain Crowe’s specific permission before using any Report or Crowe work product or Crowe’s firm’s name in a published document, and Client agrees to submit to Crowe copies of such documents to obtain Crowe’s permission before they are filed or published.

**CLIENT REFERENCE** – From time to time Crowe is requested by prospective clients to provide references for Crowe service offerings. Client agrees that Crowe may use Client’s name and generally describe the nature of Crowe’s engagement(s) with Client in marketing to prospects, and Crowe may also provide prospects with contact information for Client personnel familiar with Crowe’s Services.

**NO PUNITIVE OR CONSEQUENTIAL DAMAGES** – Any liability of Crowe will not include any consequential, special, incidental, indirect, punitive, or exemplary damages or loss, nor any lost profits, goodwill, savings, or business opportunity, even if Crowe had reason to know of the possibility of such damages.



**LIMIT OF LIABILITY** – Except where it is judicially determined that Crowe performed its Services with gross negligence or willful misconduct, Crowe's liability will not exceed fees paid by Client to Crowe for the portion of the work giving rise to liability. A claim for a return of fees paid is the exclusive remedy for any damages. This limit of liability will apply to the full extent allowed by law, regardless of the grounds or nature of any claim asserted, including, without limitation, to claims based on principles of contract, negligence or other tort, fiduciary duty, warranty, indemnity, statute or common law. This limit of liability will also apply after this Agreement.

**INDEMNIFICATION FOR THIRD-PARTY CLAIMS** – In the event of a legal proceeding or other claim brought against Crowe by a third party, except where it is judicially determined that Crowe performed Services with gross negligence or willful misconduct, Client agrees to indemnify and hold harmless Crowe and its personnel against all costs, fees, expenses, damages and liabilities, including attorney fees and any other fees or defense costs, associated with such third-party claim, relating to or arising from any Services performed or work product provided by Crowe that Client uses or discloses to others or this engagement generally. This indemnification is intended to apply to the full extent allowed by law, regardless of the grounds or nature of any claim, liability, or damages asserted, including, without limitation, to claims, liability or damages based on principles of contract, negligence or other tort, fiduciary duty, warranty, indemnity, statute or common law. This indemnification will also apply after termination of this Agreement.

**NO TRANSFER OR ASSIGNMENT OF CLAIMS** – No claim against Crowe, or any recovery from or against Crowe, may be sold, assigned or otherwise transferred, in whole or in part.

**TIME LIMIT ON CLAIMS** – In no event will any action against Crowe, arising from or relating to this engagement letter or the Services provided by Crowe relating to this engagement, be brought after the earlier of 1) two (2) years after the date on which occurred the act or omission alleged to have been the cause of the injury alleged; or 2) the expiration of the applicable statute of limitations or repose.

**RESPONSE TO LEGAL PROCESS** – If Crowe is requested by subpoena, request for information, or through some other legal process to produce documents or testimony pertaining to Client or Crowe's Services, and Crowe is not named as a party in the applicable proceeding, then Client will reimburse Crowe for its professional time, plus out-of-pocket expenses, as well as reasonable attorney fees, Crowe incurs in responding to such request.

**MEDIATION** – If a dispute arises, in whole or in part, out of or related to this engagement, or after the date of this agreement, between Client or any of Client's affiliates or principals and Crowe, and if the dispute cannot be settled through negotiation, Client and Crowe agree first to try, in good faith, to settle the dispute by mediation administered by the American Arbitration Association, under its mediation rules for professional accounting and related services disputes, before resorting to litigation or any other dispute-resolution procedure. The results of mediation will be binding only upon agreement of each party to be bound. Costs of any mediation will be shared equally by both parties. Any mediation will be held in Chicago, Illinois.

**JURY TRIAL WAIVER** – FOR ALL DISPUTES RELATING TO OR ARISING BETWEEN THE PARTIES, THE PARTIES AGREE TO WAIVE A TRIAL BY JURY TO FACILITATE JUDICIAL RESOLUTION AND TO SAVE TIME AND EXPENSE. EACH PARTY AGREES IT HAS HAD THE OPPORTUNITY TO HAVE ITS LEGAL COUNSEL REVIEW THIS WAIVER. THIS WAIVER IS IRREVOCABLE, MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND APPLIES TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, OR MODIFICATIONS TO THIS AGREEMENT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS WRITTEN CONSENT TO A BENCH TRIAL WITHOUT A JURY. HOWEVER, AND NOTWITHSTANDING THE FOREGOING, IF ANY COURT RULES OR FINDS THIS JURY TRIAL WAIVER TO BE UNENFORCEABLE AND INEFFECTIVE IN WAIVING A JURY, THEN ANY DISPUTE RELATING TO OR ARISING FROM THIS ENGAGEMENT OR THE PARTIES' RELATIONSHIP GENERALLY WILL BE RESOLVED BY ARBITRATION AS SET FORTH IN THE PARAGRAPH BELOW REGARDING "ARBITRATION."

**ARBITRATION** – If any court rules or finds that the JURY TRIAL WAIVER section is not enforceable, then any dispute between the parties relating to or arising from this Agreement or the parties' relationship generally will be settled by binding arbitration in Chicago, Illinois (or a location agreed in writing by the parties). Any issues concerning the extent to which any dispute is subject to arbitration, or concerning the



applicability, interpretation, or enforceability of any of this Section, will be governed by the Federal Arbitration Act and resolved by the arbitrator(s). The arbitration will be governed by the Federal Arbitration Act and resolved by the arbitrator(s). The parties will use the International Institute for Conflict Prevention & Resolution (the "CPR Institute") Global Rules for Accelerated Commercial Arbitration (the "Accelerated Rules") then in effect, or such other rules or procedures as the parties may agree in writing. In the event of a conflict between those rules and this Agreement, this Agreement will control. The parties may alter each of these rules by written agreement. If a party has a basis for injunctive relief, this paragraph will not preclude a party seeking and obtaining injunctive relief in a court of proper jurisdiction. The parties will agree within a reasonable period of time after notice is made of initiating the arbitration process whether to use one or three arbitrators, and if the parties cannot agree within fifteen (15) business days, the parties will use a single arbitrator. In any event the arbitrator(s) must be retired federal judges or attorneys with at least 15 years commercial law experience and no arbitrator may be appointed unless he or she has agreed to these procedures. If the parties cannot agree upon arbitrator(s) within an additional fifteen (15) business days, the arbitrator(s) will be selected by the CPR Institute. Discovery will be permitted only as authorized by the arbitrator(s), and as a rule, the arbitrator(s) will not permit discovery except upon a showing of substantial need by a party. To the extent the arbitrator(s) permit discovery as to liability, the arbitrator(s) will also permit discovery as to causation, reliance, and damages. The arbitrator(s) will not permit a party to take more than six depositions, and no depositions may exceed five hours. The arbitrator(s) will have no power to make an award inconsistent with this Agreement. The arbitrator(s) will rule on a summary basis where possible, including without limitation on a motion to dismiss basis or on a summary judgment basis. The arbitrator(s) may enter such prehearing orders as may be appropriate to ensure a fair hearing. The hearing will be held within one year of the initiation of arbitration, or less, and the hearing must be held on continuous business days until concluded. The hearing must be concluded within ten (10) business days absent written agreement by the parties to the contrary. The time limits in this section are not jurisdictional. The arbitrator(s) will apply substantive law and may award injunctive relief or any other remedy available from a judge. The arbitrator(s) may award attorney fees and costs to the prevailing party, and in the event of a split or partial award, the arbitrator(s) may award costs or attorney fees in an equitable manner. Any award by the arbitrator(s) will be accompanied by a reasoned opinion describing the basis of the award. Any prior agreement regarding arbitration entered by the parties is replaced and superseded by this agreement. The arbitration will be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1 et seq., and judgment upon the award rendered by the arbitrator(s) may be entered by any court having jurisdiction thereof. All aspects of the arbitration will be treated by the parties and the arbitrator(s) as confidential.

**NOTIFICATION OF NON-LICENSEE OWNERSHIP** – Crowe ("the Firm") and certain owners of the Firm are licensed by the California State Board of Accountancy. However, the Firm has owners not licensed by the California State Board of Accountancy who may provide Services under this agreement. If Client has any questions regarding licensure of the personnel performing Services under this engagement, please do not hesitate to contact Crowe.

**NON-SOLICITATION** – Client and Crowe acknowledge the importance of retaining key personnel. Accordingly, both parties agree that during the period of this agreement, and for one (1) year after its expiration or termination, neither party will solicit any personnel or subcontractors (if any) of the other party for employment without the written consent of the other party. If an individual becomes an employee of the other party, the other party agrees to pay a fee equal to the individual's compensation for the prior full twelve-month period to the original employer.

**AFFILIATES** – Crowe Horwath LLP is an independent member of Crowe Horwath International, a Swiss verein. Each member firm of Crowe Horwath International is a separate and independent legal Fund. Crowe Horwath LLP and its affiliates are not responsible or liable for any acts or omissions of Crowe Horwath International or any other member of Crowe Horwath International and specifically disclaim any and all responsibility or liability for acts or omissions of Crowe Horwath International or any other member of Crowe Horwath International. Crowe Horwath International does not render any professional services and does not have an ownership or partnership interest in Crowe Horwath LLP. Crowe Horwath International and its other member firms are not responsible or liable for any acts or omissions of Crowe Horwath LLP and specifically disclaim any and all responsibility or liability for acts or omissions of Crowe Horwath LLP.



## System Review Report

To the Partners of Crowe Horwath LLP  
and the AICPA National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Crowe Horwath LLP (the "firm") applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, audits of employee benefit plans, audits performed under FDICIA, audits of carrying broker-dealers, and examinations of service organizations [Service Organizations Control (SOC) 1 and SOC 2 engagements].

In our opinion, the system of quality control for the accounting and auditing practice of Crowe Horwath LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2016, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Crowe Horwath LLP has received a peer review rating of *pass*.

Cherry Bekaert LLP

Cherry Bekaert LLP  
August 23, 2016





**Peer Review Program**  
Administered by the National Peer Review Committee

American Institute of CPAs  
220 Leigh Farm Road  
Durham, NC 27707-8110

October 31, 2016

James L Powers  
Crowe Horwath LLP  
225 W Wacker Dr Ste 2600  
Chicago, IL 60606

Dear Mr. Powers:

It is my pleasure to notify you that on October 27, 2016 the National Peer Review Committee accepted the report on the most recent system peer review of your firm. The due date for your next review is September 30, 2019. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Sincerely,

Michael Fawley  
Chair—National PRC  
nprc@aicpa.org 919 4024502

cc: Samuel Edward Johnson; Scot D Ivey

Firm Number: 10014904

Review Number 446067

Letter ID: 1122915A

**From:** Alana Theiss <Atheiss@jpmcpa.com>  
**Sent:** Wednesday, March 01, 2017 8:26 AM  
**To:** Ngo, Arthur  
**Subject:** NCCSIF Audit Schedule Recommendation

Hi Arthur,

Here is my recommendation:

07/18/2017 - JM CPAs – Release trial balance and compilation reports to Crowe  
07/25/2017 – 07/28/2017 - Crowe – Preliminary audit work in office  
08/08/2017 – 08/11/2017 - Crowe/JM CPAs – audit fieldwork in JM CPAs office  
08/29/2017 – Crowe releases audit draft  
09/05/2017 – JM CPAs return draft with edits, if applicable  
09/15/2017 – Crowe releases final report for inclusion with EC agenda package  
09/21/2017 – NCCSIF EC meeting – JM presents audit to EC  
10/19/2017 – NCCSIF full board meeting – Crowe presents audit to full board

Kindly call or email with any questions or concerns.

Regards,

Alana N Theiss, CPA  
Manager

James Marta & Company LLP  
701 Howe Avenue, Suite E3  
Sacramento, CA 95825

Voice 916-993-9494 xt 12  
Fax 916-993-9489

I am required by IRS Circular 230 to inform you that, unless expressly indicated, any federal tax advice contained in this or any communications from us, including attachments and enclosures, is not intended or prepared to be used, for the purpose of (i) avoiding tax-related penalties under Internal Revenue Code or (ii) promoting, marketing or recommending to any other party any tax-related matters addressed herein.



Tuesday, January 3, 2017

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

RE: Actuarial Services Engagement Letter

Dear Mr. Beverly:

Thank you for the opportunity to provide actuarial services to the Northern California Cities Self Insurance Fund (NCCSIF). The following is a brief outline of our understanding of the scope of work to be performed and our fees.

NCCSIF is seeking professional actuarial advice with regard to its self-insured workers' compensation and liability programs. The objectives of the studies are to provide a projection of outstanding liabilities and claim costs. Each report will include the following items:

- Provide a projection of outstanding losses and loss adjustment expenses for all preceding fiscal years as of June 30 of the current fiscal year end. The outstanding losses and loss adjustment expenses are to be stated at the expected level, as well as at various confidence levels.
- Provide a projection of program assets to the current fiscal year end for comparison with the outstanding liabilities to determine the program funding surplus or deficit at the expected level, as well as at various confidence levels.
- Provide program funding levels for the next program year at the expected level, as well as at various confidence levels.
- Provide appropriate rates for claims incurred during the next program year at the expected level, as well as at various confidence levels.
- Each of the estimates specified above will be provided on both discounted and full value bases.
- Each of the estimates specified above will be provided separately for the banking layer and the pooling layer.
- Estimates of the program's cash flow requirements for a given number of fiscal years, separately identified for each accident year.
- Provide a statement of compliance with GASB #10 and GASB #30.
- Optional: Provide an update of program liabilities at June 30 of the current fiscal year end based upon loss data valued as of June 30.

We will agree to complete the scope of work discussed above for the following fees:

<u>Project Component</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
WC 12/31 Study	\$5,750	\$5,890	\$6,040
WC 6/30 Update (optional)	1,250	1,280	1,310
Liability 12/31 Study	5,750	5,890	6,040
Liability 6/30 Update (optional)	<u>1,250</u>	<u>1,280</u>	<u>1,310</u>
Total Fees	\$14,000	\$14,340	\$14,700
Less: CSAC Subsidy for WC Study	<u>-2,000</u>	<u>-2,000</u>	<u>-2,000</u>
Net Total	\$12,000	\$12,340	\$12,700

NOTE: The 2016-17 projects include the study based on 12/31/16 loss data and update based on 6/30/17 loss data. 2017-18 and 2018-19 projects are similarly defined.

We will agree to one personal visit as part of the fees outlined above. Should other services beyond the scope of work outlined above be required, we will bill for our time and out of pocket expenses at the rates specified below.

<u>Consultant</u>	<u>Hourly Rate</u>
Fellow	\$250
Associate	200
Actuarial Staff	100
Administrative Staff	50

Our target delivery date for the draft reports is within four weeks after the receipt of complete data.

Please call me at (916) 244-1162 with any questions you may have with regard to our proposal.

Respectfully Submitted,

Bickmore




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



**Agenda Item F.3.**

**SUMMARY OF THE MAY 18, 2017 EXECUTIVE COMMITTEE MEETING**

**INFORMATION ITEM**

**ACTIONS TAKEN:**

- **Accounting and Financial Services Agreement** - approved 6-month agreement, current Ad Hoc Committee to work with Program Administrator to develop an RFP and conduct interviews, and authority to remain with the Executive Committee.
  
- **Defense Attorney list for Workers' Compensation** - the Committee approved addition of the following attorneys:
  1. Ohnmar M. Shin, Senior Partner - Mullen & Filippi, LLP, Sacramento office
  2. Serineh Karapetian, Associate Partner - Mullen & Filippi, LLP, Sacramento office
  3. Medy F. Beauchane, Managing Partner - Mullen & Filippi, LLP, Chico office
  4. Oscar L. Haro, Associate - Mullen & Filippi, LLP, Chico office
  5. Joel Kautz - Lenahan, Lee, Slater, & Pearse, LLP
  
- **Long Range Planning Meeting** - the Committee recommended to move the meeting from December 7, 2017 to December 14, 2017.



BACK TO AGENDA

Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 15, 2017

Agenda Item G.1.

**QUARTERLY FINANCIAL REPORT  
FOR PERIOD ENDING MARCH 31, 2017**

**ACTION ITEM**

**ISSUE:** The Board receives quarterly a report on the financial status of NCCSIF. James Marta & Company will present NCCSIF's Financials for the Quarter ending March 31, 2017 to the Board.

The report also provides individual member Banking Layer financial reports, including a Combining Statement of Net Position and a Combined Statement of Revenues, Expenses, and Changes in Net Position for both the Workers' Compensation and Liability Programs.

**RECOMMENDATION:** Receive and file the Quarterly Financials as presented.

**FISCAL IMPACT:** None

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

**ATTACHMENT(S):** Quarterly Financial Report for Period Ending March 31, 2017

**FINANCIAL REPORT**

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**MARCH 31, 2017**

**AND FOR THE**

**NINE MONTHS THEN ENDED**

# **Northern California Cities Self Insurance Fund**



**Northern California Cities Self Insurance Fund**  
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**March 31, 2017**

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**James Marta & Company LLP**

*Certified Public Accountants*

*Accounting, Auditing, Tax, and Consulting*

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**ACCOUNTANT'S COMPILATION REPORT**

Board of Directors  
Northern California Cities Self Insurance Fund  
701 Howe Avenue, Suite E3  
Sacramento, CA 95825

Management is responsible for the accompanying statement of financial position of Northern California Cities Self Insurance Fund as of March 31, 2017, and the related statement of revenues, expenses and changes in net position for the nine months then ended and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has omitted substantially all of the disclosures that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations, comprehensive income and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The supplementary information on pages 4 through 24 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. The information was subject to our compilation engagement; however, we have not audited or reviewed the information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

A statement of cash flows for the nine months ended March 31, 2017 has not been presented. Accounting principles generally accepted in the United States of America require that such a statement of cash flows be presented when financial statements purport to present financial position and results of operations.

Management has elected to present designations of net position on the Statement of Net Position as of March 31, 2017, contrary to accounting principles generally accepted in the United States of America which bar the presentation of designations of net position on the Statement of Net Position.

We are not independent with respect to Northern California Cities Self Insurance Fund.

*James Marta & Company LLP*

James Marta & Company LLP  
Certified Public Accountants  
Sacramento, California  
March 28, 2017

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Statement of Net Position  
March 31, 2017**

---

**Assets**

Current Assets	
Cash and Cash Equivalents	\$ 989,704
Accounts Receivable	256,947
Interest Receivable	208,825
Excess Accounts Receivable	494,643
Prepaid Expense	<u>801,575</u>
Total Current Assets	<u>2,751,694</u>
Non-Current Assets	
Investments*	<u>54,507,418</u>
Total Assets	<u><u>\$ 57,259,112</u></u>

**Liabilities & Net Position**

Current Liabilities	
Accounts Payable	\$ 99,639
Unearned Revenue	<u>1,942,446</u>
Total Current Liabilities	<u>2,042,085</u>
Non-Current Liabilities	
Outstanding Liabilities*	35,738,919
ULAE*	<u>1,640,846</u>
Total Non-Current Liabilities	<u>37,379,765</u>
Total Liabilities	<u>\$ 39,421,850</u>
Net Position	
Designated for Contingency	200,000
Designated for Safety Grants	185,237
Undesignated	<u>17,452,025</u>
Total Net Position	<u>17,837,262</u>
Liability & Net Position	<u><u>\$ 57,259,112</u></u>

\*For internal reporting purposes, investments and claim liabilities are classified as non-current.

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Statement of Revenues, Expenses and Changes in Net Position  
For the Nine Months Ended March 31, 2017**

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Operating Income	
Administration Deposit	\$ 861,798
Banking Layer Deposit	5,784,004
Shared Risk Layer	3,628,500
Excess Deposit/Premium	1,698,455
Property/Crime Insurance Income	634,176
Other Income	108,425
Excess Insurance Refund	231,952
Total Operating Income	12,947,310
Operating Expenses	
Claims Paid	7,287,516
O/S Liability adj.	(2,399,031)
ULAE	33,762
Consultants	51,614
Administration-Other	7,684
Safety Service	357,027
Claims Administration	672,167
Program Administration	273,389
Board Expenses	6,320
Excess Insurance	1,677,838
Property/Crime Insurance Expense	634,164
Member Identity Theft Protection	11,477
Total Operating Expenses	8,613,927
Operating Income (Loss)	4,333,383
Non-Operating Income	
Change in Fair Market Value	(1,154,703)
Investment Income	659,026
Total Non-Operating Income	(495,677)
Change in Net Position	3,837,706
Beginning Net Position	13,999,556
Ending Net Position	\$ 17,837,262

## **SUPPLEMENTARY INFORMATION**

Selected Information  
Substantially All Disclosures Required by Generally Accepted  
Accounting Principles Are Not Included

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Net Position - Liability  
March 31, 2017**

	<b>Total All Layers</b>	<b>Admin Layer</b>	<b>Shared Layer</b>	<b>Total Banking Layer</b>
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 398,130	\$ 29,818	\$ 64,108	\$ 304,204
Accounts Receivable	168,487	-	168,487	-
Interest Receivable	50,001	1,056	26,019	22,926
Excess Accounts Receivable	164,997	-	164,997	-
Prepaid Expense	501,784	27,273	474,511	-
<b>Total Current Assets</b>	<b>1,283,399</b>	<b>58,147</b>	<b>898,122</b>	<b>327,130</b>
<b>Non-Current Assets</b>				
Investments*	12,388,389	206,184	6,725,604	5,456,601
<b>Total Assets</b>	<b>\$ 13,671,788</b>	<b>\$ 264,331</b>	<b>\$ 7,623,726</b>	<b>\$ 5,783,731</b>
<b>Current Liabilities</b>				
Accounts Payable	\$ 49,281	\$ 6,256	\$ 152	\$ 42,873
Unearned Revenue	1,559,624	131,829	960,544	467,251
<b>Total Current Liabilities</b>	<b>1,608,905</b>	<b>138,085</b>	<b>960,696</b>	<b>510,124</b>
<b>Non-Current Liabilities</b>				
Outstanding Liabilities*	7,585,207	-	5,448,336	2,136,871
<b>Total Non-Current Liabilities</b>	<b>7,585,207</b>	<b>-</b>	<b>5,448,336</b>	<b>2,136,871</b>
<b>Total Liabilities</b>	<b>\$ 9,194,112</b>	<b>\$ 138,085</b>	<b>\$ 6,409,032</b>	<b>\$ 2,646,995</b>
<b>Net Position</b>				
Designated for Contingency	100,000	100,000	-	-
Undesignated	4,377,676	26,246	1,214,694	3,136,736
<b>Total Net Position</b>	<b>4,477,676</b>	<b>126,246</b>	<b>1,214,694</b>	<b>3,136,736</b>
<b>Liability &amp; Net Position</b>	<b>\$ 13,671,788</b>	<b>\$ 264,331</b>	<b>\$ 7,623,726</b>	<b>\$ 5,783,731</b>

\*For internal reporting purposes, investments and claim liabilities are classified as non-current.

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Net Position - Liability  
March 31, 2017**

	City of Anderson	City of Auburn	City of Colusa	City of Corning	City of Dixon	City of Folsom	City of Galt	City of Gridley	City of Ione
<b>Current Assets</b>									
Cash and Cash Equivalents	\$ 13,063	\$ 33,200	\$ 1,108	\$ 23,919	\$ 4,945	\$ 37,900	\$ 33,540	\$ 12,826	\$ 2,378
Accounts Receivable	-	-	-	-	-	-	-	-	-
Interest Receivable	552	643	19	384	708	7,301	1,411	548	67
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-
Prepaid Expense	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>13,615</b>	<b>33,843</b>	<b>1,127</b>	<b>24,303</b>	<b>5,653</b>	<b>45,201</b>	<b>34,951</b>	<b>13,374</b>	<b>2,445</b>
<b>Non-Current Assets</b>									
Investments*	133,046	81,620	1,881	70,386	178,308	1,767,363	324,835	131,839	12,866
<b>Total Assets</b>	<b>\$ 146,661</b>	<b>\$ 115,463</b>	<b>\$ 3,008</b>	<b>\$ 94,689</b>	<b>\$ 183,961</b>	<b>\$ 1,812,564</b>	<b>\$ 359,786</b>	<b>\$ 145,213</b>	<b>\$ 15,311</b>
<b>Current Liabilities</b>									
Accounts Payable	\$ 205	\$ 6,988	\$ 42	\$ 82	\$ 1,001	\$ 8,990	\$ 1,862	\$ 681	\$ 1,516
Deferred Revenue	7,717	27,345	2,764	9,585	7,674	135,192	30,806	9,315	3,366
<b>Total Current Liabilities</b>	<b>7,922</b>	<b>34,333</b>	<b>2,806</b>	<b>9,667</b>	<b>8,675</b>	<b>144,182</b>	<b>32,668</b>	<b>9,996</b>	<b>4,882</b>
<b>Non-Current Liabilities</b>									
Outstanding Liabilities*	28,816	78,890	16,224	39,231	48,321	719,908	74,558	28,973	10,859
<b>Total Non-Current Liabilities</b>	<b>28,816</b>	<b>78,890</b>	<b>16,224</b>	<b>39,231</b>	<b>48,321</b>	<b>719,908</b>	<b>74,558</b>	<b>28,973</b>	<b>10,859</b>
<b>Total Liabilities</b>	<b>\$ 36,738</b>	<b>\$ 113,223</b>	<b>\$ 19,030</b>	<b>\$ 48,898</b>	<b>\$ 56,996</b>	<b>\$ 864,090</b>	<b>\$ 107,226</b>	<b>\$ 38,969</b>	<b>\$ 15,741</b>
<b>Net Position</b>									
Designated for Contingency	-	-	-	-	-	-	-	-	-
Undesignated	109,923	2,240	(16,022)	45,791	126,965	948,474	252,560	106,244	(430)
<b>Total Net Position</b>	<b>109,923</b>	<b>2,240</b>	<b>(16,022)</b>	<b>45,791</b>	<b>126,965</b>	<b>948,474</b>	<b>252,560</b>	<b>106,244</b>	<b>(430)</b>
<b>Liability &amp; Net Position</b>	<b>\$ 146,661</b>	<b>\$ 115,463</b>	<b>\$ 3,008</b>	<b>\$ 94,689</b>	<b>\$ 183,961</b>	<b>\$ 1,812,564</b>	<b>\$ 359,786</b>	<b>\$ 145,213</b>	<b>\$ 15,311</b>

\*For internal reporting purposes, investments and claim liabilities are classified as non-current.

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Net Position - Liability  
March 31, 2017**

	City of Jackson	City of Lincoln	City of Marysville	City of Oroville	City of Paradise	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City
<b>Current Assets</b>										
Cash and Cash Equivalents	\$ 5,556	\$ 2,874	\$ 7,931	\$ 6,863	\$ 31,150	\$ 7,723	\$ 7,653	\$ 47,993	\$ 12,716	\$ 10,866
Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Interest Receivable	172	1,772	1,196	782	1,188	1,489	248	1,685	287	2,474
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-	-
Prepaid Expense	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>5,728</b>	<b>4,646</b>	<b>9,127</b>	<b>7,645</b>	<b>32,338</b>	<b>9,212</b>	<b>7,901</b>	<b>49,678</b>	<b>13,003</b>	<b>13,340</b>
<b>Non-Current Assets</b>										
Investments*	15,931	461,171	306,010	196,942	272,061	383,673	52,532	365,440	62,743	637,954
<b>Total Assets</b>	<b>\$ 21,659</b>	<b>\$ 465,817</b>	<b>\$ 315,137</b>	<b>\$ 204,587</b>	<b>\$ 304,399</b>	<b>\$ 392,885</b>	<b>\$ 60,433</b>	<b>\$ 415,118</b>	<b>\$ 75,746</b>	<b>\$ 651,294</b>
<b>Current Liabilities</b>										
Accounts Payable	\$ 47	\$ 2,321	\$ 2,052	\$ 2,430	\$ 2,792	\$ 658	\$ 4,289	\$ 4,528	\$ 188	\$ 2,201
Deferred Revenue	11,383	37,038	27,028	14,639	14,150	27,826	5,838	50,289	3,412	41,884
<b>Total Current Liabilities</b>	<b>11,430</b>	<b>39,359</b>	<b>29,080</b>	<b>17,069</b>	<b>16,942</b>	<b>28,484</b>	<b>10,127</b>	<b>54,817</b>	<b>3,600</b>	<b>44,085</b>
<b>Non-Current Liabilities</b>										
Outstanding Liabilities*	11,983	98,928	146,666	97,887	198,556	64,990	14,864	177,647	29,361	250,209
<b>Total Non-Current Liabilities</b>	<b>11,983</b>	<b>98,928</b>	<b>146,666</b>	<b>97,887</b>	<b>198,556</b>	<b>64,990</b>	<b>14,864</b>	<b>177,647</b>	<b>29,361</b>	<b>250,209</b>
<b>Total Liabilities</b>	<b>\$ 23,413</b>	<b>\$ 138,287</b>	<b>\$ 175,746</b>	<b>\$ 114,956</b>	<b>\$ 215,498</b>	<b>\$ 93,474</b>	<b>\$ 24,991</b>	<b>\$ 232,464</b>	<b>\$ 32,961</b>	<b>\$ 294,294</b>
<b>Net Position</b>										
Designated for Contingency	-	-	-	-	-	-	-	-	-	-
Undesignated	(1,754)	327,530	139,391	89,631	88,901	299,411	35,442	182,654	42,785	357,000
<b>Total Net Position</b>	<b>(1,754)</b>	<b>327,530</b>	<b>139,391</b>	<b>89,631</b>	<b>88,901</b>	<b>299,411</b>	<b>35,442</b>	<b>182,654</b>	<b>42,785</b>	<b>357,000</b>
<b>Liability &amp; Net Position</b>	<b>\$ 21,659</b>	<b>\$ 465,817</b>	<b>\$ 315,137</b>	<b>\$ 204,587</b>	<b>\$ 304,399</b>	<b>\$ 392,885</b>	<b>\$ 60,433</b>	<b>\$ 415,118</b>	<b>\$ 75,746</b>	<b>\$ 651,294</b>

\*For internal reporting purposes, investments and claim liabilities are classified as non-current.



**Northern California Cities Self Insurance Fund**  
**(Governmental Enterprise Fund)**  
**Combining Statement of Revenues, Expenses and Changes in Net Position - Liability**  
**For the Nine Months Ended March 31, 2017**

	<b>Total All Layers</b>	<b>Admin Layer</b>	<b>Shared Layer</b>	<b>Total Banking Layer</b>
Operating Income				
Administration Deposit	\$ 395,488	\$ 395,488	\$ -	\$ -
Banking Layer Deposit	1,401,751	-	-	1,401,751
Shared Risk Layer	1,465,500	-	1,465,500	-
Excess Deposit/Premium	781,955	-	781,955	-
Property/Crime Insurance Income	634,176	-	634,176	-
Excess Insurance Refund	231,952	-	231,952	-
<b>Total Operating Income</b>	<b>4,910,822</b>	<b>395,488</b>	<b>3,113,583</b>	<b>1,401,751</b>
Operating Expenses				
Claims Paid	3,072,778	-	1,697,426	1,375,352
O/S Liability adj.	(2,361,373)	-	(1,725,907)	(635,466)
Consultants	37,056	37,056	-	-
Administration-Other	3,842	3,842	-	-
Safety Service	179,906	179,906	-	-
Claims Administration	24,200	24,200	-	-
Program Administration	147,740	147,740	-	-
Board Expenses	3,160	3,160	-	-
Excess Insurance	789,320	-	789,320	-
Property/Crime Insurance Expense	634,164	-	634,164	-
Member Identity Theft Protection	-	-	-	-
<b>Total Operating Expense</b>	<b>2,530,793</b>	<b>395,904</b>	<b>1,395,003</b>	<b>739,886</b>
<b>Operating Income (Loss)</b>	<b>2,380,029</b>	<b>(416)</b>	<b>1,718,580</b>	<b>661,865</b>
Non-Operating Income				
Change in Fair Market Value	(300,461)	(7,116)	(158,308)	(135,037)
Investment Income	164,410	3,560	85,536	75,314
<b>Total Non-Operating Income</b>	<b>(136,051)</b>	<b>(3,556)</b>	<b>(72,772)</b>	<b>(59,723)</b>
<b>Change in Net Position</b>	<b>2,243,978</b>	<b>(3,972)</b>	<b>1,645,808</b>	<b>602,142</b>
<b>Beginning Net Position</b>	<b>2,233,698</b>	<b>130,218</b>	<b>(431,114)</b>	<b>2,534,594</b>
<b>Ending Net Position</b>	<b>\$ 4,477,676</b>	<b>\$ 126,246</b>	<b>\$ 1,214,694</b>	<b>\$ 3,136,736</b>

See Accompanying Accountant's Report

**Northern California Cities Self Insurance Fund**  
**(Governmental Enterprise Fund)**  
**Combining Statement of Revenues, Expenses and Changes in Net Position - Liability**  
**For the Nine Months Ended March 31, 2017**

	City of Anderson	City of Auburn	City of Colusa	City of Corning	City of Dixon	City of Folsom	City of Galt	City of Gridley	City of Ione
Operating Income									
Administration Deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Banking Layer Deposit	23,150	82,034	8,292	28,755	23,022	405,575	92,417	27,944	10,098
Shared Risk Layer	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-
Property/Crime Insurance Income	-	-	-	-	-	-	-	-	-
Excess Insurance Refund	-	-	-	-	-	-	-	-	-
<b>Total Operating Income</b>	<b>23,150</b>	<b>82,034</b>	<b>8,292</b>	<b>28,755</b>	<b>23,022</b>	<b>405,575</b>	<b>92,417</b>	<b>27,944</b>	<b>10,098</b>
Operating Expenses									
Claims Paid	18,079	177,755	9,213	26,610	12,306	510,438	91,256	42,685	16,792
O/S Liability adj.	(4,120)	(142,720)	3,881	(35,894)	7,698	(58,253)	(118,583)	(28,726)	(13,907)
Consultants	-	-	-	-	-	-	-	-	-
Administration-Other	-	-	-	-	-	-	-	-	-
Safety Service	-	-	-	-	-	-	-	-	-
Claims Administration	-	-	-	-	-	-	-	-	-
Program Administration	-	-	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-	-	-
Excess Insurance	-	-	-	-	-	-	-	-	-
Property/Crime Insurance Expense	-	-	-	-	-	-	-	-	-
Member Identity Theft Protection	-	-	-	-	-	-	-	-	-
<b>Total Operating Expense</b>	<b>13,959</b>	<b>35,035</b>	<b>13,094</b>	<b>(9,284)</b>	<b>20,004</b>	<b>452,185</b>	<b>(27,327)</b>	<b>13,959</b>	<b>2,885</b>
Operating Income (Loss)	9,191	46,999	(4,802)	38,039	3,018	(46,610)	119,744	13,985	7,213
Non-Operating Income									
Change in Fair Market Value	(3,046)	(5,028)	(189)	(2,368)	(3,992)	(44,035)	(8,495)	(3,160)	(449)
Investment Income	1,708	2,448	106	1,346	2,222	23,939	4,701	1,720	212
<b>Total Non-Operating Income</b>	<b>(1,338)</b>	<b>(2,580)</b>	<b>(83)</b>	<b>(1,022)</b>	<b>(1,770)</b>	<b>(20,096)</b>	<b>(3,794)</b>	<b>(1,440)</b>	<b>(237)</b>
Change in Net Position	7,853	44,419	(4,885)	37,017	1,248	(66,706)	115,950	12,545	6,976
Beginning Net Position	102,070	(42,179)	(11,137)	8,774	125,717	1,015,180	136,610	93,699	(7,406)
Ending Net Position	\$ 109,923	\$ 2,240	\$ (16,022)	\$ 45,791	\$ 126,965	\$ 948,474	\$ 252,560	\$ 106,244	\$ (430)

See Accompanying Accountant's Report

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Revenues, Expenses and Changes in Net Position - Liability  
For the Nine Months Ended March 31, 2017**

	City of Jackson	City of Lincoln	City of Marysville	City of Oroville	City of Paradise	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City
Operating Income										
Administration Deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Banking Layer Deposit	34,148	111,114	81,084	43,918	42,451	83,478	17,513	150,868	10,237	125,653
Shared Risk Layer	-	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-	-
Property/Crime Insurance Income	-	-	-	-	-	-	-	-	-	-
Excess Insurance Refund	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Income</b>	<b>34,148</b>	<b>111,114</b>	<b>81,084</b>	<b>43,918</b>	<b>42,451</b>	<b>83,478</b>	<b>17,513</b>	<b>150,868</b>	<b>10,237</b>	<b>125,653</b>
Operating Expenses										
Claims Paid	48,619	62,563	33,965	26,848	31,629	14,892	24,624	159,014	1,155	66,909
O/S Liability adj.	(1,816)	(79,319)	(67,692)	(6,437)	(19,368)	1,031	(4,122)	(134,565)	6,994	60,452
Consultants	-	-	-	-	-	-	-	-	-	-
Administration-Other	-	-	-	-	-	-	-	-	-	-
Safety Service	-	-	-	-	-	-	-	-	-	-
Claims Administration	-	-	-	-	-	-	-	-	-	-
Program Administration	-	-	-	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-	-	-	-
Excess Insurance	-	-	-	-	-	-	-	-	-	-
Property/Crime Insurance Expense	-	-	-	-	-	-	-	-	-	-
Member Identity Theft Protection	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Expense</b>	<b>46,803</b>	<b>(16,756)</b>	<b>(33,727)</b>	<b>20,411</b>	<b>12,261</b>	<b>15,923</b>	<b>20,502</b>	<b>24,449</b>	<b>8,149</b>	<b>127,361</b>
Operating Income (Loss)	(12,655)	127,870	114,811	23,507	30,190	67,555	(2,989)	126,419	2,088	(1,708)
Non-Operating Income										
Change in Fair Market Value	(1,393)	(10,173)	(6,567)	(4,342)	(6,707)	(8,170)	(1,542)	(9,879)	(1,578)	(13,924)
Investment Income	725	5,773	3,928	2,526	3,858	4,869	829	5,564	918	7,922
<b>Total Non-Operating Income</b>	<b>(668)</b>	<b>(4,400)</b>	<b>(2,639)</b>	<b>(1,816)</b>	<b>(2,849)</b>	<b>(3,301)</b>	<b>(713)</b>	<b>(4,315)</b>	<b>(660)</b>	<b>(6,002)</b>
Change in Net Position	(13,323)	123,470	112,172	21,691	27,341	64,254	(3,702)	122,104	1,428	(7,710)
Beginning Net Position	11,569	204,060	27,219	67,940	61,560	235,157	39,144	60,550	41,357	364,710
<b>Ending Net Position</b>	<b>\$ (1,754)</b>	<b>\$ 327,530</b>	<b>\$ 139,391</b>	<b>\$ 89,631</b>	<b>\$ 88,901</b>	<b>\$ 299,411</b>	<b>\$ 35,442</b>	<b>\$ 182,654</b>	<b>\$ 42,785</b>	<b>\$ 357,000</b>

**Northern California Cities Self Insurance Fund**  
**(Governmental Enterprise Fund)**  
**Combining Statement of Net Position – Workers’ Compensation**  
**March 31, 2017**

	<b>Total All Layers</b>	<b>Admin Layer</b>	<b>Shared Layer</b>	<b>Total Banking Layer</b>
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 591,574	\$ 27,072	\$ 43,546	\$ 520,956
Accounts Receivable	88,460	-	-	88,460
Interest Receivable	158,824	1,278	75,138	82,408
Excess Accounts Receivable	329,646	-	329,646	-
Prepaid Expense	299,791	3,618	296,173	-
<b>Total Current Assets</b>	<b>1,468,295</b>	<b>31,968</b>	<b>744,503</b>	<b>691,824</b>
<b>Non-Current Assets</b>				
Investments*	42,119,029	350,302	20,241,790	21,526,937
<b>Total Assets</b>	<b>\$ 43,587,324</b>	<b>\$ 382,270</b>	<b>\$ 20,986,293</b>	<b>\$ 22,218,761</b>
<b>Current Liabilities</b>				
Accounts Payable	\$ 50,358	\$ 46,502	\$ 1,795	\$ 2,061
Unearned Revenue	382,822	-	2,547	380,275
<b>Total Current Liabilities</b>	<b>433,180</b>	<b>46,502</b>	<b>4,342</b>	<b>382,336</b>
<b>Non-Current Liabilities</b>				
Outstanding Liabilities*	28,153,712	-	15,582,199	12,571,513
ULAE*	1,640,846	-	908,157	732,689
<b>Total Non-Current Liabilities</b>	<b>29,794,558</b>	<b>-</b>	<b>16,490,356</b>	<b>13,304,202</b>
<b>Total Liabilities</b>	<b>\$ 30,227,738</b>	<b>\$ 46,502</b>	<b>\$ 16,494,698</b>	<b>\$ 13,686,538</b>
<b>Net Position</b>				
Designated for Contingency	100,000	100,000	-	-
Designated for Safety Grants	185,237	185,237	-	-
Undesignated	13,074,349	50,531	4,491,595	8,532,223
<b>Total Net Position</b>	<b>13,359,586</b>	<b>335,768</b>	<b>4,491,595</b>	<b>8,532,223</b>
<b>Liability &amp; Net Position</b>	<b>\$ 43,587,324</b>	<b>\$ 382,270</b>	<b>\$ 20,986,293</b>	<b>\$ 22,218,761</b>

\*For internal reporting purposes, investments and claim liabilities are classified as non-current.

See Accompanying Accountant’s Report

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Net Position – Workers’ Compensation  
March 31, 2017**

	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
<b>Current Assets</b>											
Cash and Cash Equivalents	\$ 18,167	\$ 11,543	\$ 9,743	\$ 24,524	\$ 16,188	\$ 20,455	\$ 69,783	\$ 29,545	\$ 14,003	\$ 2,985	\$ 22,702
Accounts Receivable	-	88,460	-	-	-	-	-	-	-	-	-
Interest Receivable	1,421	2,884	775	1,191	3,441	6,946	23,555	3,652	1,953	399	946
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-
Prepaid Expense	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>19,588</b>	<b>102,887</b>	<b>10,518</b>	<b>25,715</b>	<b>19,629</b>	<b>27,401</b>	<b>93,338</b>	<b>33,197</b>	<b>15,956</b>	<b>3,384</b>	<b>23,648</b>
<b>Non-Current Assets</b>											
Investments*	360,403	726,122	183,487	296,262	881,172	2,022,492	6,195,285	945,287	488,456	97,316	232,615
<b>Total Assets</b>	<b>\$ 379,991</b>	<b>\$ 829,009</b>	<b>\$ 194,005</b>	<b>\$ 321,977</b>	<b>\$ 900,801</b>	<b>\$ 2,049,893</b>	<b>\$ 6,288,623</b>	<b>\$ 978,484</b>	<b>\$ 504,412</b>	<b>\$ 100,700</b>	<b>\$ 256,263</b>
<b>Current Liabilities</b>											
Accounts Payable	\$ 30	\$ 58	\$ 13	\$ 23	\$ 81	\$ 44	\$ 485	\$ 93	\$ 41	\$ 8	\$ 389
Deferred Revenue	-	-	34,945	271	-	332,511	-	3,532	-	-	181
<b>Total Current Liabilities</b>	<b>30</b>	<b>58</b>	<b>34,958</b>	<b>294</b>	<b>81</b>	<b>332,555</b>	<b>485</b>	<b>3,625</b>	<b>41</b>	<b>8</b>	<b>570</b>
<b>Non-Current Liabilities</b>											
Outstanding Liabilities*	469,175	436,668	70,557	96,840	332,460	1,120,378	2,626,773	679,532	136,540	15,886	158,663
ULAE*	27,344	25,450	4,112	5,644	19,376	65,298	153,093	39,604	7,958	926	9,247
<b>Total Non-Current Liabilities</b>	<b>496,519</b>	<b>462,118</b>	<b>74,669</b>	<b>102,484</b>	<b>351,836</b>	<b>1,185,676</b>	<b>2,779,866</b>	<b>719,136</b>	<b>144,498</b>	<b>16,812</b>	<b>167,910</b>
<b>Total Liabilities</b>	<b>\$ 496,549</b>	<b>\$ 462,176</b>	<b>\$ 109,627</b>	<b>\$ 102,778</b>	<b>\$ 351,917</b>	<b>\$ 1,518,231</b>	<b>\$ 2,780,351</b>	<b>\$ 722,761</b>	<b>\$ 144,539</b>	<b>\$ 16,820</b>	<b>\$ 168,480</b>
<b>Net Position</b>											
Designated for Contingency	-	-	-	-	-	-	-	-	-	-	-
Designated for Safety Grants	-	-	-	-	-	-	-	-	-	-	-
Undesignated	(116,558)	366,833	84,378	219,199	548,884	531,662	3,508,272	255,723	359,873	83,880	87,783
<b>Total Net Position</b>	<b>(116,558)</b>	<b>366,833</b>	<b>84,378</b>	<b>219,199</b>	<b>548,884</b>	<b>531,662</b>	<b>3,508,272</b>	<b>255,723</b>	<b>359,873</b>	<b>83,880</b>	<b>87,783</b>
<b>Liability &amp; Net Position</b>	<b>\$ 379,991</b>	<b>\$ 829,009</b>	<b>\$ 194,005</b>	<b>\$ 321,977</b>	<b>\$ 900,801</b>	<b>\$ 2,049,893</b>	<b>\$ 6,288,623</b>	<b>\$ 978,484</b>	<b>\$ 504,412</b>	<b>\$ 100,700</b>	<b>\$ 256,263</b>

\*For internal reporting purposes, investments and claim liabilities are classified as non-current.

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Net Position – Workers’ Compensation  
March 31, 2017**

	City of Lincoln	City of Marysville	City of Nevada City	City of Oroville	City of Paradise	City of Placerville	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City
<b>Current Assets</b>											
Cash and Cash Equivalents	\$ 78,369	\$ 13,505	\$ 14,411	\$ 12,412	\$ 15,812	\$ 33,232	\$ 45,888	\$ 19,625	\$ 10,399	\$ 21,210	\$ 16,455
Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-
Interest Receivable	4,210	2,892	1,121	2,000	2,254	2,964	3,285	976	7,019	1,201	7,323
Excess Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-
Prepaid Expense	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>82,579</b>	<b>16,397</b>	<b>15,532</b>	<b>14,412</b>	<b>18,066</b>	<b>36,196</b>	<b>49,173</b>	<b>20,601</b>	<b>17,418</b>	<b>22,411</b>	<b>23,778</b>
<b>Non-Current Assets</b>											
Investments*	1,068,881	752,362	282,561	496,365	582,096	761,574	840,177	241,723	1,863,035	300,371	1,908,895
<b>Total Assets</b>	<b>\$ 1,151,460</b>	<b>\$ 768,759</b>	<b>\$ 298,093</b>	<b>\$ 510,777</b>	<b>\$ 600,162</b>	<b>\$ 797,770</b>	<b>\$ 889,350</b>	<b>\$ 262,324</b>	<b>\$ 1,880,453</b>	<b>\$ 322,782</b>	<b>\$ 1,932,673</b>
<b>Current Liabilities</b>											
Accounts Payable	\$ (105)	\$ 74	\$ 19	\$ 54	\$ 74	\$ 43	\$ 74	\$ 18	\$ 166	\$ 29	\$ 350
Deferred Revenue	-	-	-	-	-	-	-	4,483	-	4,352	-
<b>Total Current Liabilities</b>	<b>(105)</b>	<b>74</b>	<b>19</b>	<b>54</b>	<b>74</b>	<b>43</b>	<b>74</b>	<b>4,501</b>	<b>166</b>	<b>4,381</b>	<b>350</b>
<b>Non-Current Liabilities</b>											
Outstanding Liabilities*	389,878	472,522	229,035	964,180	635,966	343,950	860,913	83,451	1,082,876	75,426	1,289,844
ULAE*	22,723	27,539	13,349	56,194	37,065	20,046	50,175	4,864	63,112	4,396	75,174
<b>Total Non-Current Liabilities</b>	<b>412,601</b>	<b>500,061</b>	<b>242,384</b>	<b>1,020,374</b>	<b>673,031</b>	<b>363,996</b>	<b>911,088</b>	<b>88,315</b>	<b>1,145,988</b>	<b>79,822</b>	<b>1,365,018</b>
<b>Total Liabilities</b>	<b>\$ 412,496</b>	<b>\$ 500,135</b>	<b>\$ 242,403</b>	<b>\$ 1,020,428</b>	<b>\$ 673,105</b>	<b>\$ 364,039</b>	<b>\$ 911,162</b>	<b>\$ 92,816</b>	<b>\$ 1,146,154</b>	<b>\$ 84,203</b>	<b>\$ 1,365,368</b>
<b>Net Position</b>											
Designated for Contingency	-	-	-	-	-	-	-	-	-	-	-
Designated for Safety Grants	-	-	-	-	-	-	-	-	-	-	-
Undesignated	738,964	268,624	55,690	(509,651)	(72,943)	433,731	(21,812)	169,508	734,299	238,579	567,305
<b>Total Net Position</b>	<b>738,964</b>	<b>268,624</b>	<b>55,690</b>	<b>(509,651)</b>	<b>(72,943)</b>	<b>433,731</b>	<b>(21,812)</b>	<b>169,508</b>	<b>734,299</b>	<b>238,579</b>	<b>567,305</b>
<b>Liability &amp; Net Position</b>	<b>\$ 1,151,460</b>	<b>\$ 768,759</b>	<b>\$ 298,093</b>	<b>\$ 510,777</b>	<b>\$ 600,162</b>	<b>\$ 797,770</b>	<b>\$ 889,350</b>	<b>\$ 262,324</b>	<b>\$ 1,880,453</b>	<b>\$ 322,782</b>	<b>\$ 1,932,673</b>

\*For internal reporting purposes, investments and claim liabilities are classified as non-current.

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)**

**Combining Statement of Revenues, Expenses and Changes in Net Position – Workers’ Compensation  
For the Nine Months Ended March 31, 2017**

	<b>Total All Layers</b>	<b>Admin Layer</b>	<b>Shared Layer</b>	<b>Total Banking Layer</b>
<b>Operating Income</b>				
Administration Deposit	\$ 466,310	\$ 466,310	\$ -	\$ -
Banking Layer Deposit	4,382,253	-	-	4,382,253
Shared Risk Layer	2,163,000	-	2,163,000	-
Excess Deposit/Premium	916,500	-	916,500	-
Other Income	108,425	-	-	108,425
<b>Total Operating Income</b>	<b>8,036,488</b>	<b>466,310</b>	<b>3,079,500</b>	<b>4,490,678</b>
<b>Operating Expenses</b>				
Claims Paid	4,214,738	-	1,485,300	2,729,438
O/S Liability adj.	(37,658)	-	1,078,466	(1,116,124)
ULAE	33,762	-	81,355	(47,593)
Consultants	14,558	14,558	-	-
Administration-Other	3,842	3,842	-	-
Safety Service	177,121	177,121	-	-
Claims Administration	647,967	234,852	-	413,115
Program Administration	125,649	125,649	-	-
Board Expenses	3,160	3,160	-	-
Excess Insurance	888,518	-	888,518	-
Contingency Reserves	11,477	11,477	-	-
<b>Total Operating Expenses</b>	<b>6,083,134</b>	<b>570,659</b>	<b>3,533,639</b>	<b>1,978,836</b>
<b>Operating Income (Loss)</b>	<b>1,953,354</b>	<b>(104,349)</b>	<b>(454,139)</b>	<b>2,511,842</b>
<b>Non-Operating Income</b>				
Change in Fair Market Value	(854,242)	(8,227)	(403,427)	(442,588)
Investment Income	494,616	3,674	233,020	257,922
<b>Total Non-Operating Income</b>	<b>(359,626)</b>	<b>(4,553)</b>	<b>(170,407)</b>	<b>(184,666)</b>
<b>Change in Net Position</b>	<b>1,593,728</b>	<b>(108,902)</b>	<b>(624,546)</b>	<b>2,327,176</b>
<b>Beginning Net Position</b>	<b>11,765,858</b>	<b>444,670</b>	<b>5,116,141</b>	<b>6,205,047</b>
<b>Ending Net Position</b>	<b>\$ 13,359,586</b>	<b>\$ 335,768</b>	<b>\$ 4,491,595</b>	<b>\$ 8,532,223</b>

See Accompanying Accountant’s Report

**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Revenues, Expenses and Changes in Net Position – Workers’ Compensation  
For the Nine Months Ended March 31, 2017**

	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
Operating Income											
Administration Deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Banking Layer Deposit	130,189	150,248	57,053	56,033	235,266	440,160	804,990	191,129	47,846	7,463	50,825
Shared Risk Layer	-	-	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	108,425	-	-	-	-	-
Total Operating Income	130,189	150,248	57,053	56,033	235,266	548,585	804,990	191,129	47,846	7,463	50,825
Operating Expenses											
Claims Paid	95,189	34,441	50,767	19,444	144,336	100,924	394,828	206,667	15,579	13,545	17,947
O/S Liability adj.	4,137	6,366	(15,567)	(87,816)	(385,928)	3,877	(421,847)	(29,938)	(517)	(6,908)	14,954
ULAE	834	920	(797)	(4,883)	(21,576)	1,650	(20,697)	(840)	145	(374)	1,055
Consultants	-	-	-	-	-	-	-	-	-	-	-
Administration-Other	-	-	-	-	-	-	-	-	-	-	-
Safety Service	-	-	-	-	-	-	-	-	-	-	-
Claims Administration	16,076	11,986	4,476	8,755	13,343	30,283	82,208	24,595	6,131	732	5,029
Program Administration	-	-	-	-	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-	-	-	-	-
Excess Insurance	-	-	-	-	-	-	-	-	-	-	-
Contingency Reserves	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	116,236	53,713	38,879	(64,500)	(249,825)	136,734	34,492	200,484	21,338	6,995	38,985
Operating Income (Loss)	13,953	96,535	18,174	120,533	485,091	411,851	770,498	(9,355)	26,508	468	11,840
Non-Operating Income											
Change in Fair Market Value	(7,478)	(15,980)	(5,071)	(6,303)	(18,498)	(31,585)	(127,891)	(20,533)	(10,496)	(2,302)	(4,994)
Investment Income	4,495	9,150	2,785	3,671	10,819	21,478	73,681	11,372	6,097	1,280	2,899
Total Non-Operating Income	(2,983)	(6,830)	(2,286)	(2,632)	(7,679)	(10,107)	(54,210)	(9,161)	(4,399)	(1,022)	(2,095)
Change in Net Position	10,970	89,705	15,888	117,901	477,412	401,744	716,288	(18,516)	22,109	(554)	9,745
Beginning Net Position	(127,528)	277,128	68,490	101,298	71,472	129,918	2,791,984	274,239	337,764	84,434	78,038
Ending Net Position	\$ (116,558)	\$ 366,833	\$ 84,378	\$ 219,199	\$ 548,884	\$ 531,662	\$ 3,508,272	\$ 255,723	\$ 359,873	\$ 83,880	\$ 87,783



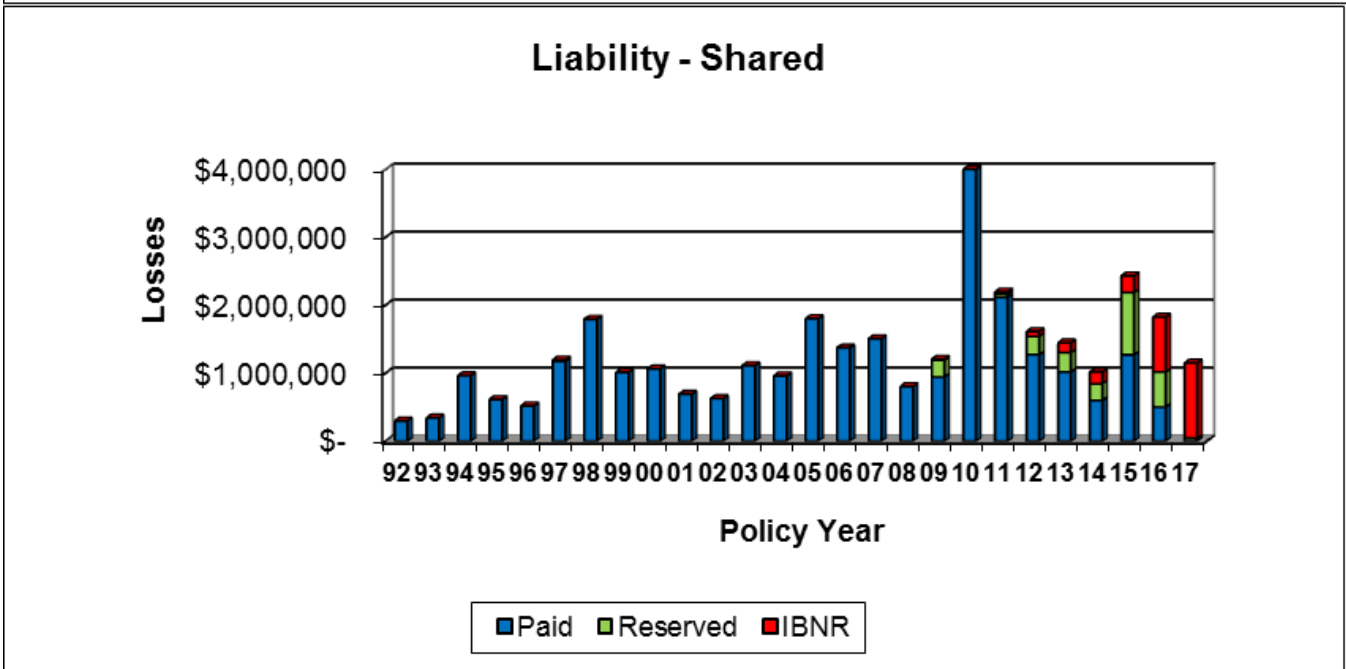
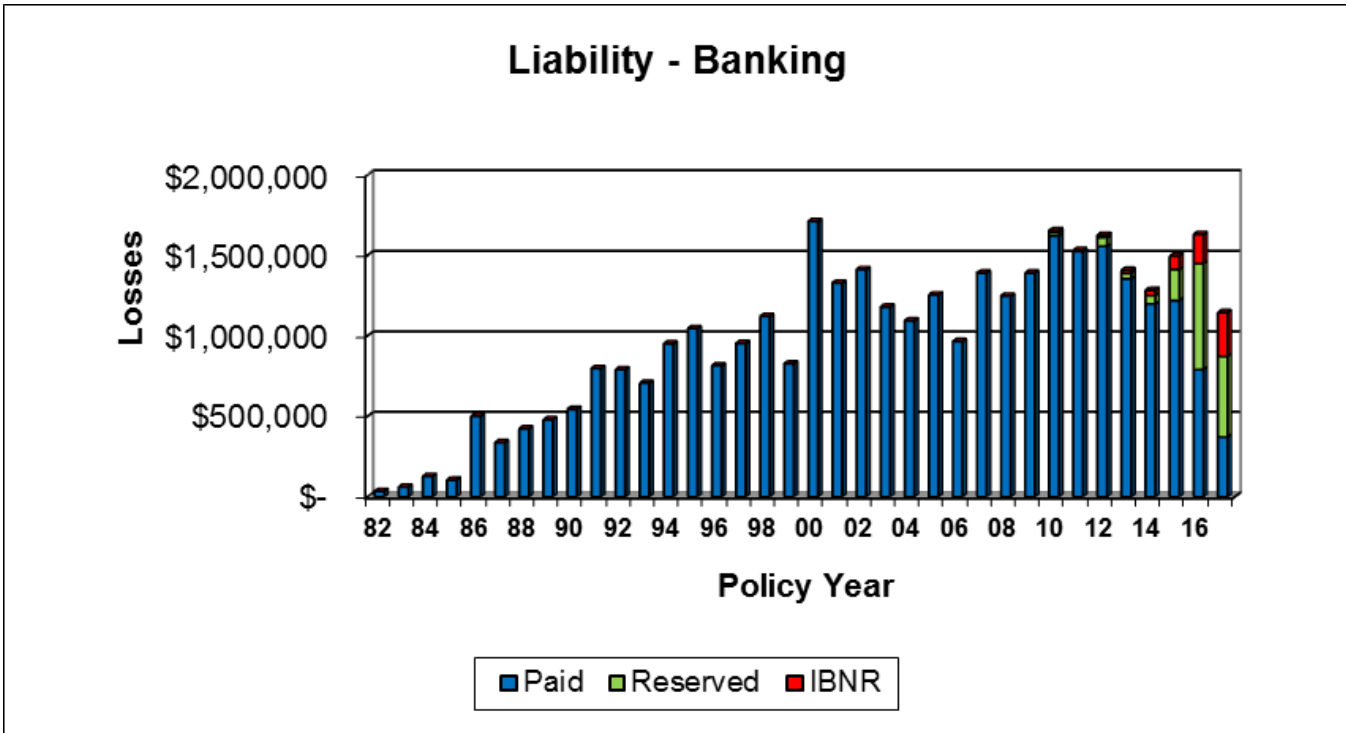
**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Combining Statement of Revenues, Expenses and Changes in Net Position – Workers’ Compensation  
For the Nine Months Ended March 31, 2017**

	City of Lincoln	City of Marysville	City of Nevada City	City of Oroville	City of Paradise	City of Placerville	City of Red Bluff	City of Rio Vista	City of Rocklin	City of Willows	City of Yuba City
Operating Income											
Administration Deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Banking Layer Deposit	259,036	120,465	50,642	125,789	125,750	112,286	289,717	52,325	365,497	88,851	620,693
Shared Risk Layer	-	-	-	-	-	-	-	-	-	-	-
Excess Deposit/Premium	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Income</b>	<b>259,036</b>	<b>120,465</b>	<b>50,642</b>	<b>125,789</b>	<b>125,750</b>	<b>112,286</b>	<b>289,717</b>	<b>52,325</b>	<b>365,497</b>	<b>88,851</b>	<b>620,693</b>
Operating Expenses											
Claims Paid	79,905	122,198	36,248	164,123	209,629	42,556	163,158	25,375	284,227	25,502	482,850
O/S Liability adj.	(49,384)	(81,490)	63,241	577,043	8,755	(17,518)	(69,904)	(13,315)	(304,736)	(37,118)	(272,511)
ULAE	(2,318)	(4,043)	3,897	34,125	1,310	(560)	(2,887)	(653)	(15,991)	(2,020)	(13,890)
Consultants	-	-	-	-	-	-	-	-	-	-	-
Administration-Other	-	-	-	-	-	-	-	-	-	-	-
Safety Service	-	-	-	-	-	-	-	-	-	-	-
Claims Administration	12,695	15,735	5,389	19,828	19,909	14,163	26,670	5,927	38,474	4,763	45,948
Program Administration	-	-	-	-	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-	-	-	-	-
Excess Insurance	-	-	-	-	-	-	-	-	-	-	-
Contingency Reserves	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>40,898</b>	<b>52,400</b>	<b>108,775</b>	<b>795,119</b>	<b>239,603</b>	<b>38,641</b>	<b>117,037</b>	<b>17,334</b>	<b>1,974</b>	<b>(8,873)</b>	<b>242,397</b>
Operating Income (Loss)	218,138	68,065	(58,133)	(669,330)	(113,853)	73,645	172,680	34,991	363,523	97,724	378,296
Non-Operating Income											
Change in Fair Market Value	(22,071)	(16,293)	(6,202)	(11,812)	(12,952)	(15,994)	(15,675)	(5,406)	(38,537)	(6,270)	(40,245)
Investment Income	13,172	9,062	3,541	6,428	6,896	9,305	9,983	3,068	22,025	3,655	23,060
<b>Total Non-Operating Income</b>	<b>(8,899)</b>	<b>(7,231)</b>	<b>(2,661)</b>	<b>(5,384)</b>	<b>(6,056)</b>	<b>(6,689)</b>	<b>(5,692)</b>	<b>(2,338)</b>	<b>(16,512)</b>	<b>(2,615)</b>	<b>(17,185)</b>
Change in Net Position	209,239	60,834	(60,794)	(674,714)	(119,909)	66,956	166,988	32,653	347,011	95,109	361,111
Beginning Net Position	529,725	207,790	116,484	165,063	46,966	366,775	(188,800)	136,855	387,288	143,470	206,194
<b>Ending Net Position</b>	<b>\$ 738,964</b>	<b>\$ 268,624</b>	<b>\$ 55,690</b>	<b>\$ (509,651)</b>	<b>\$ (72,943)</b>	<b>\$ 433,731</b>	<b>\$ (21,812)</b>	<b>\$ 169,508</b>	<b>\$ 734,299</b>	<b>\$ 238,579</b>	<b>\$ 567,305</b>

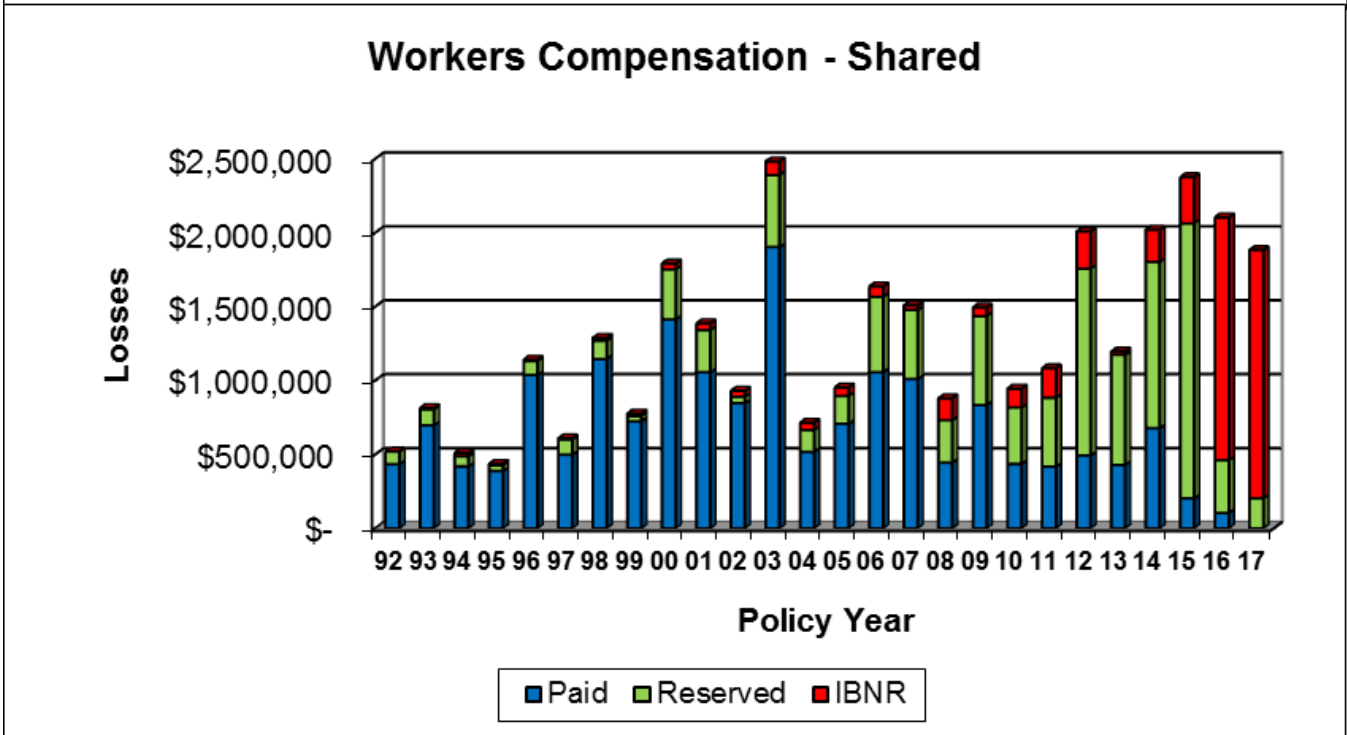
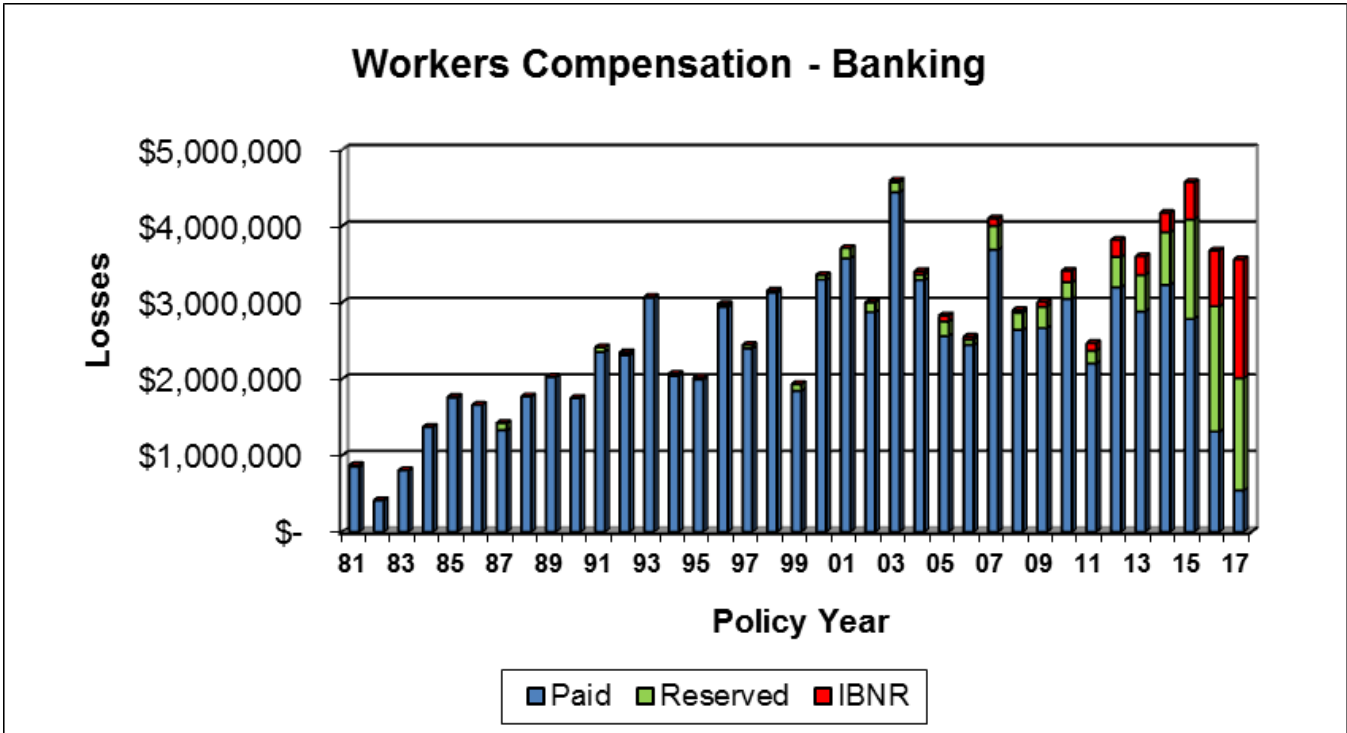
**Northern California Cities Self Insurance Fund  
(Governmental Enterprise Fund)  
Reconciliation of Claims Liability by Program  
As of March 31, 2017 and June 30, 2016**

	<b>Liability Banking 2017</b>	<b>Liability Shared Risk 2017</b>	<b>Total Liability Program</b>		<b>WC Banking 2017</b>	<b>WC Shared Risk 2017</b>	<b>Total WC Program</b>		<b>Totals</b>	
			<b>2017</b>	<b>2016</b>			<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Unpaid claims and claim adjustment expenses at beginning of the fiscal year	\$ 2,772,332	\$ 7,174,243	\$ 9,946,575	\$ 10,258,970	\$ 14,467,914	\$ 15,330,535	\$ 29,798,449	\$ 30,487,191	\$ 39,745,024	\$ 40,746,161
Incurred claims and claim adjustment expenses:										
Provision for insured events of the current fiscal year	1,144,504	1,150,593	2,295,097	3,636,601	3,565,691	1,881,752	5,447,443	6,961,050	7,742,540	10,597,651
Increases (Decreases) in provision for insured events of prior fiscal years	(404,613)	(1,177,337)	(1,581,950)	(425,868)	(1,952,373)	652,162	(1,300,211)	(1,958,991)	(2,882,161)	(2,384,860)
Change in provision for ULAE in current year	-	-	-	-	(47,591)	81,355	33,764	(60,654)	33,764	(60,654)
<b>Total incurred claims and claim adjustment expenses</b>	<b>739,891</b>	<b>(26,744)</b>	<b>713,147</b>	<b>3,210,733</b>	<b>1,565,727</b>	<b>2,615,269</b>	<b>4,180,996</b>	<b>4,941,405</b>	<b>4,894,143</b>	<b>8,152,137</b>
Payments:										
Claims and claim adjustment expenses attributable to insured events of the current fiscal year	370,982	4,776	375,758	358,490	542,025	-	542,025	617,872	917,783	976,362
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	1,004,370	1,694,387	2,698,757	3,164,638	2,187,414	1,455,448	3,642,862	5,012,275	6,341,619	8,176,913
<b>Total Payments</b>	<b>1,375,352</b>	<b>1,699,163</b>	<b>3,074,515</b>	<b>3,523,128</b>	<b>2,729,439</b>	<b>1,455,448</b>	<b>4,184,887</b>	<b>5,630,147</b>	<b>7,259,402</b>	<b>9,153,275</b>
<b>Total unpaid claims and claim adjustment expenses at end of the fiscal year</b>	<b>\$ 2,136,871</b>	<b>\$ 5,448,336</b>	<b>\$ 7,585,207</b>	<b>\$ 9,946,575</b>	<b>\$ 13,304,202</b>	<b>\$ 16,490,356</b>	<b>\$ 29,794,558</b>	<b>\$ 29,798,449</b>	<b>\$ 37,379,765</b>	<b>\$ 39,745,024</b>
Claims Liability	\$ 2,136,871	\$ 5,448,336	\$ 7,585,207	\$ 9,946,575	\$ 12,571,513	\$ 15,582,199	\$ 28,153,712	\$ 28,191,365	\$ 35,738,919	\$ 38,137,940
Claims ULAE	-	-	-	-	732,689	908,157	1,640,846	1,607,084	1,640,846	1,607,084
<b>Total Claim Liabilities</b>	<b>\$ 2,136,871</b>	<b>\$ 5,448,336</b>	<b>\$ 7,585,207</b>	<b>\$ 9,946,575</b>	<b>\$ 13,304,202</b>	<b>\$ 16,490,356</b>	<b>\$ 29,794,558</b>	<b>\$ 29,798,449</b>	<b>\$ 37,379,765</b>	<b>\$ 39,745,024</b>

**Northern California Cities Self Insurance Fund**  
**Graphical Summary of Claims**  
**As of March 31, 2017**



**Northern California Cities Self Insurance Fund**  
**Graphical Summary of Claims**  
**As of March 31, 2017**



**Northern California Cities Self Insurance Fund**  
**Budget to Actual**  
**As of March 31, 2017**

	Budget 2016-2017			YTD Expended 2016-2017			Remaining 2016-2017			
	Total	WC	Liab	Total	WC	Liab	Total \$	Total %	WC	Liab
<b>ADMIN BUDGET</b>										
<b>Administrative Revenue</b>										
41010 Administrative Deposit - See Note 1	\$ 1,149,064	\$ 621,747	\$ 527,317	\$ 861,798	\$ 466,310	\$ 395,488	\$ 287,266	25%	\$ 155,437	\$ 131,829
44030 Change in Fair Value - See Note 2	-	-	-	(15,343)	(8,227)	(7,116)	15,343		8,227	7,116
44040 Interest Income - See Note 2	-	-	-	7,234	3,673	3,561	(7,234)		(3,673)	(3,561)
Total Admin Revenue	\$ 1,149,064	\$ 621,747	\$ 527,317	\$ 853,689	\$ 461,756	\$ 391,933	\$ 295,375	26%	\$ 159,991	\$ 135,384
<b>Administrative Expenses</b>										
52101 Claims Audit	\$ 8,000	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ 8,000	100%	\$ 8,000	\$ -
52102 Financial Audit	27,000	13,500	13,500	26,100	13,050	13,050	900	3%	450	450
52103 Legal Services	10,000	3,000	7,000	22,116	(1)	22,117	(12,116)	-121%	3,001	(15,117)
52104 Actuarial Services	11,800	5,000	6,800	2,500	1,059	1,441	9,300	79%	3,941	5,359
52105 Computer Services	8,400	4,200	4,200	7,640	3,820	3,820	760	9%	380	380
52107 Fidelity Bonds	1,100	550	550	898	449	449	202	18%	101	101
52109 Miscellaneous Consultants	5,000	2,500	2,500	-	-	-	5,000	100%	2,500	2,500
Total Admin Expenses	\$ 71,300	\$ 36,750	\$ 34,550	\$ 59,254	\$ 18,377	\$ 40,877	\$ 12,046	17%	\$ 18,373	\$ (6,327)
<b>Safety Services</b>										
52201 Outside Training	\$ 30,000	\$ 15,000	\$ 15,000	\$ 6,844	\$ 3,422	\$ 3,422	\$ 23,156	77%	\$ 11,578	\$ 11,578
52202 Risk Mgmt Comm Mtg Expense	1,500	750	750	-	-	-	1,500	100%	750	750
52203 Police Risk Mgmt Comm Svcs	7,900	3,950	3,950	8,800	4,942	3,858	(900)	-11%	(992)	92
52204 On Site Monthly Fee	168,820	94,910	73,910	132,540	70,688	61,852	36,280	21%	24,222	12,058
52207 Seminars and PARMA	72,600	40,000	32,600	23,948	13,198	10,750	48,652	67%	26,802	21,850
52208 Police Risk Mgmt Manual	132,546	15,903	116,643	92,673	10,855	81,818	39,873	30%	5,048	34,825
52209 Safety Contingency	50,000	25,000	25,000	36,412	18,206	18,206	13,588	27%	6,794	6,794
52217 Wellness Optional	15,072	15,072	-	15,310	15,310	-	(238)	-2%	(238)	-
Total Safety Services Expenses	\$ 478,438	\$ 210,585	\$ 267,853	\$ 357,027	\$ 177,121	\$ 179,906	\$ 121,411	25%	\$ 33,464	\$ 87,947

**Northern California Cities Self Insurance Fund**  
**Budget to Actual**  
**As of March 31, 2017**

	Budget 2016-2017			YTD Expended 2016-2017			Remaining 2016-2017			
	Total	WC	Liab	Total	WC	Liab	Total	Total %	WC	Liab
<b>ADMIN BUDGET CONTINUED</b>										
<b>Claims Administration</b>										
52302 Claims Administration Fee	\$ 48,150	\$ 28,350	\$ 19,800	\$ 53,900	\$ 29,700	\$ 24,200	\$ (5,750)	-12%	\$ (1,350)	\$ (4,400)
52304 State Funding/Fraud Assessment	168,000	168,000	-	205,152	205,152	-	(37,152)	-22%	(37,152)	-
Total Claims Admin Expenses	\$ 216,150	\$ 196,350	\$ 19,800	\$ 259,052	\$ 234,852	\$ 24,200	\$ (42,902)	-20%	\$ (38,502)	\$ (4,400)
<b>Program Administration</b>										
52401 Program Administration Fee	\$ 297,556	\$ 135,252	\$ 162,304	\$ 223,167	\$ 100,538	\$ 122,629	\$ 74,389	25%	\$ 34,714	\$ 39,675
52403 Accounting Services	67,620	33,810	33,810	50,222	25,111	25,111	17,398	26%	8,699	8,699
Total Program Admin Expenses	\$ 365,176	\$ 169,062	\$ 196,114	\$ 273,389	\$ 125,649	\$ 147,740	\$ 91,787	25%	\$ 43,413	\$ 48,374
<b>Board Expenses</b>										
52501 Executive Committee	\$ 3,000	\$ 1,500	\$ 1,500	\$ 240	\$ 120	\$ 120	\$ 2,760	92%	\$ 1,380	\$ 1,380
52502 Executive Committee Member Travel	3,000	1,500	1,500	2,247	1,123	1,124	753	25%	377	376
52503 Board of Directors Meetings (includes Travel)	6,000	3,000	3,000	1,440	720	720	4,560	76%	2,280	2,280
XXXX Board of Directors Long Range Planning Session	2,000	1,000	1,000	-	-	-	2,000	100%	1,000	1,000
52504 Association Memberships	4,000	2,000	2,000	2,394	1,197	1,197	1,606	40%	803	803
Total Board Expenses	\$ 18,000	\$ 9,000	\$ 9,000	\$ 6,321	\$ 3,160	\$ 3,161	\$ 11,679	65%	\$ 5,840	\$ 5,839
<b>Other Administration Expenses - Not identified with above budget line items</b>										
52001 Administration Expense - Other	\$ -	\$ -	\$ -	\$ 44	\$ 22	\$ 22	\$ (44)		\$ (22)	\$ (22)
52900 Member Identity Theft Protection	11,500	11,500	-	11,477	11,477	-	23	0%	23	-
Total Other Admin	\$ 11,500	\$ 11,500	\$ -	\$ 11,521	\$ 11,499	\$ 22	\$ (21)	0%	\$ 1	\$ (22)
<b>Total Admin Expenses</b>	\$ 1,160,564	\$ 633,247	\$ 527,317	\$ 966,564	\$ 570,658	\$ 395,906	\$ 194,000	17%	\$ 62,589	\$ 131,411
<b>TOTAL ADMIN REVENUE OVER EXPENSES</b>	\$ (11,500)	\$ (11,500)	\$ -	\$ (112,875)	\$ (108,902)	\$ (3,973)	\$ 101,375		\$ 97,402	\$ 3,973

**Northern California Cities Self Insurance Fund**  
**Budget to Actual**  
**As of March 31, 2017**

	Budget 2016-2017			YTD Expended 2016-2017			Remaining 2016-2017			
	Total	WC	Liab	Total	WC	Liab	Total	Total %	WC	Liab
<b>BANKING LAYER BUDGET</b>										
<b>Banking Layer Revenue</b>										
41020 Banking Layer Deposit - See Note 1	\$ 7,712,000	\$ 5,843,000	\$ 1,869,000	\$ 5,784,002	\$ 4,382,251	\$ 1,401,751	\$ 1,927,998	25%	\$ 1,460,749	\$ 467,249
44030 Change in Fair Value - See Note 2	-	-	-	(577,621)	(442,587)	(135,034)	577,621		442,587	135,034
44040 Interest Income - See Note 2	-	-	-	333,245	257,932	75,313	(333,245)		(257,932)	(75,313)
44010 Other Income	-	-	-	108,425	108,425	-	(108,425)		(108,425)	-
Total Banking Layer Revenue	\$ 7,712,000	\$ 5,843,000	\$ 1,869,000	\$ 5,648,051	\$ 4,306,021	\$ 1,342,030	\$ 2,063,949	27%	\$ 1,536,979	\$ 526,970
<b>Banking Layer Expenses</b>										
51100 Claims Expense - See Note 4	\$ 6,868,018	\$ 5,058,157	\$ 1,809,861	\$ 3,761,068	\$ 2,729,438	\$ 1,031,630	\$ 3,106,950	45%	\$ 2,328,719	\$ 778,231
51135 Claims Admin - Liability - See Note 4	-	-	-	343,721	-	343,721	(343,721)		-	(343,721)
51400 OS Liability Adjustment - See Note 4	-	-	-	(1,751,589)	(1,116,123)	(635,466)	1,751,589		1,116,123	635,466
51800 ULAE Adjustment - See Note 4	-	-	-	(47,593)	(47,593)	-	47,593		47,593	-
52300 Claims Admin - Monthly WC Only - See Note 4	550,815	550,815	-	413,119	413,119	-	137,696	25%	137,696	-
Total Banking Layer Expenses	\$ 7,418,833	\$ 5,608,972	\$ 1,809,861	\$ 2,718,726	\$ 1,978,841	\$ 739,885	\$ 4,700,107	63%	\$ 3,630,131	\$ 1,069,976
<b>TOTAL BANKING REVENUE OVER EXPENSES</b>	\$ 293,167	\$ 234,028	\$ 59,139	\$ 2,929,325	\$ 2,327,180	\$ 602,145	\$ (2,636,158)		\$ (2,093,152)	\$ (543,006)

**Northern California Cities Self Insurance Fund**  
**Budget to Actual**  
**As of March 31, 2017**

	Budget 2016-2017			YTD Expended 2016-2017			Remaining 2016-2017			
	Total	WC	Liab	Total	WC	Liab	Total	Total %	WC	Liab
<b>SHARED RISK LAYER BUDGET</b>										
<b>Shared Layer Revenue</b>										
41030 Shared Risk Layer Deposit - See Note 1	\$ 4,838,000	\$ 2,884,000	\$ 1,954,000	\$ 3,628,500	\$ 2,163,000	\$ 1,465,500	\$ 1,209,500	25%	\$ 721,000	\$ 488,500
41040 Excess Deposit/Premium - See Note 1	2,264,606	1,222,000	1,042,606	1,698,455	916,500	781,955	566,151	25%	305,500	260,651
44020 Excess Insurance Refund - See Note 3	-	-	-	231,952	-	231,952	(231,952)	-	-	(231,952)
44030 Change in Fair Value	-	-	-	(561,735)	(403,427)	(158,308)	561,735	-	403,427	158,308
44040 Interest Income	-	-	-	318,557	233,019	85,538	(318,557)	-	(233,019)	(85,538)
44060 Property Premium - See Note 1	794,982	-	794,982	596,237	-	596,237	198,745	25%	-	198,745
44070 Crime Premium - See Note 1	50,585	-	50,585	37,939	-	37,939	12,646	25%	-	12,646
Total Shared Layer Revenue	\$ 7,948,173	\$ 4,106,000	\$ 3,842,173	\$ 5,949,905	\$ 2,909,092	\$ 3,040,813	\$ 1,998,268	25%	\$ 1,196,908	\$ 801,360
<b>Shared Layer Expenses</b>										
51100 Claims Expense	\$ 5,208,750	\$ 2,492,617	\$ 2,716,133	\$ 2,616,640	\$ 2,645,121	\$ (28,481)	\$ 2,592,110	50%	\$ (152,504)	\$ 2,744,614
54100 Excess Deposit/Premium Exp - See Note 5	2,264,606	1,222,000	1,042,606	1,677,838	888,518	789,320	586,768	26%	333,482	253,286
54150 Member Property Coverage - See Note 5	794,982	-	794,982	596,225	-	596,225	198,757	25%	-	198,757
54150 Member Crime Coverage - See Note 5	50,585	-	50,585	37,939	-	37,939	12,646	25%	-	12,646
Total Shared Layer Expenses	\$ 8,318,923	\$ 3,714,617	\$ 4,604,306	\$ 4,928,642	\$ 3,533,639	\$ 1,395,003	\$ 3,390,281	41%	\$ 180,978	\$ 3,209,303
<b>TOTAL SHARED REVENUE OVER EXPENSES</b>	\$ (370,750)	\$ 391,383	\$ (762,133)	\$ 1,021,263	\$ (624,547)	\$ 1,645,810	\$ (1,392,013)		\$ 1,015,930	\$ (2,407,943)
<b>OTHER INCOME/(EXPENSE)</b>										
Rounding	-	-	-	(7)	(3)	(4)	7		3	4
Total Other Income/(Expense)	\$ -	\$ -	\$ -	\$ (7)	\$ (3)	\$ (4)	\$ 7		\$ 3	\$ 4
<b>TOTAL INCOME/(EXPENSE)</b>	\$ (89,083)	\$ 613,911	\$ (702,994)	\$ 3,837,706	\$ 1,593,728	\$ 2,243,978	\$ (3,926,789)		\$ (979,817)	\$ (2,946,972)



**Northern California Cities Self Insurance Fund**  
**Notes to Budget to Actual**  
**As of March 31, 2017**

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**1. Revenue Recognition**

The budget presents revenue to be earned during the entire fiscal year. In accordance with the accrual basis of accounting, the YTD Expended columns show only the amount earned by the organization, year-to-date.

**2. Investment Income**

No budget is developed for the Change in Fair Value and Interest Income amounts, as it is difficult to predict the yield on the organization's portfolio.

**3. CJPRMA Refund**

For budgeting purposes, the CJPRMA refund is recorded in the year following its approval. In accordance with the accrual basis of accounting, the refund to the organization is recorded on the books in the period it was declared.

**4. Claims Expenses**

Claims related expenses are budgeted based on the estimated claims expense for the year. Claims related expenses are recorded on the books in several additional categories. Review of the budget to actual performance of claims related items should take this into consideration.

**5. Insurance Expense Recognition**

The budget presents excess and other insurance expense based on the policy fee paid for entire fiscal year. In accordance with the accrual basis of accounting, the YTD Expended columns show only the portion of the policy used by the organization, year-to-date. The remainder of the policy fee paid, but not used to date is recorded in Prepaid Expenses on the Statement of Net Position, as applicable.

**Northern California Cities Self Insurance Fund  
Safety Grant Historic Usage Report  
As of March 31, 2017**

Member	ADA Grants Declared in FY 2009 Board Meeting 4/24/2009		Risk Management Grants elected to be retained in WC admin by members from their WC shared refund					Total funds available FY 2009 - FY 2015 for ADA grants and Risk Management Grants	Total Disbursements Paid through Last Update	Funds Available
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015				
Anderson	\$ 6,496.00	\$ 8,039.00	\$ 7,650.00	\$ 7,540.00	\$ 7,451.00	\$ 3,860.00	\$ -	\$ 41,036.00	\$ 31,355.00	\$ 9,681.00
Auburn	6,397.00	-	-	8,098.00	-	-	-	\$ 14,495.00	6,397.00	8,098.00
Colusa	6,258.00	-	-	5,817.00	5,662.00	-	-	\$ 17,737.00	17,737.00	-
Corning	6,157.00	6,149.00	5,788.00	5,678.00	-	-	-	\$ 23,772.00	23,772.00	-
Dixon	6,592.00	-	-	-	10,379.00	-	10,602.00	\$ 27,573.00	11,762.47	15,810.53
Elk Grove	-	-	-	-	-	-	-	\$ -	-	-
Folsom	16,732.00	62,977.00	-	61,737.00	61,566.00	32,328.00	57,693.00	\$ 293,033.00	286,221.00	6,812.00
Galt	7,613.00	14,375.00	14,135.00	14,171.00	14,153.00	11,310.00	16,586.00	\$ 92,343.00	84,412.00	7,931.00
Gridley	6,144.00	6,391.00	-	6,507.00	6,476.00	5,152.00	6,614.00	\$ 37,284.00	6,144.00	31,140.00
Ione	-	-	-	-	-	514.00	-	\$ 514.00	-	514.00
Jackson	5,627.00	3,510.00	3,487.00	-	-	-	4,285.00	\$ 16,909.00	5,500.00	11,409.00
Lincoln	6,303.00	8,638.00	10,028.00	-	10,854.00	-	10,078.00	\$ 45,901.00	24,969.00	20,932.00
Marysville	6,758.00	-	-	-	-	-	-	\$ 6,758.00	731.00	6,027.00
Nevada City	5,665.00	-	-	-	3,618.00	1,896.00	4,275.00	\$ 15,454.00	5,665.00	9,789.00
Oroville	7,633.00	-	-	-	-	-	12,309.00	\$ 19,942.00	17,412.50	2,529.50
Placerville	6,883.00	-	-	-	-	9,048.00	-	\$ 15,931.00	6,883.00	9,048.00
Paradise	7,182.00	-	-	-	-	-	-	\$ 7,182.00	7,182.00	-
Red Bluff	7,339.00	12,860.00	12,493.00	12,290.00	-	-	-	\$ 44,982.00	44,982.00	-
Rio Vista	5,818.00	-	4,770.00	4,766.00	-	3,759.00	-	\$ 19,113.00	15,602.50	3,510.50
Rocklin	9,178.00	24,019.00	25,254.00	25,419.00	25,476.00	20,260.00	22,851.00	\$ 152,457.00	110,451.00	42,006.00
Willows	5,856.00	4,618.00	4,412.00	-	-	3,405.00	7,156.00	\$ 25,447.00	25,448.00	(1.00)
Yuba City	8,607.00	-	-	22,184.00	-	-	-	\$ 30,791.00	30,791.00	-
	<b>\$ 145,238.00</b>	<b>\$ 151,576.00</b>	<b>\$ 88,017.00</b>	<b>\$ 174,207.00</b>	<b>\$ 145,635.00</b>	<b>\$ 91,532.00</b>	<b>\$ 152,449.00</b>	<b>\$ 948,654.00</b>	<b>\$ 763,417.47</b>	<b>\$ 185,236.53</b>



**Agenda Item G.2.**

**BUDGET TO ACTUAL AS OF MARCH 31, 2017**

**INFORMATION ITEM**

**ISSUE:** Members have asked for this item to be reviewed at each meeting to ensure that NCCSIF is on track. They have requested that the Program Administrators discuss any items pertaining to the budget, updating members on the status of the current budget-to-actual.

NCCSIF administrative expenses year-to-date are currently on track with the FY 16/17 Budget. Exceptions include Legal Services (\$12,116 over budget), Claims Administration Fees (\$5,750), and the annual State assessment of the Workers' Compensation Program (\$37,152). The assessment was \$168,000 versus the budgeted amount of \$205,152 due to higher than expected indemnity payments used as the basis. Currently the assessment is not expected to exceed this year's amount but the FY17/18 budget was increased as a precaution.

Overall administration expenses are at 83% of budget and are expected to be slightly under budget at year end.

**RECOMMENDATION:** None.

**FISCAL IMPACT:** None.

**BACKGROUND:** None.

**ATTACHMENT(S):** Please refer to *pages 19-23* of the Quarterly Financial Report for Period Ending March 31, 2017 - Budget to Actual as of March 31, 2017



**Agenda Item G.3.**

**FINANCIAL ACCOUNTING & CONSULTING SERVICES  
REQUEST FOR PROPOSALS PROCESS & TIMELINE**

**ACTION ITEM**

**ISSUE:** The Executive Committee is recommending NCCSIF conduct a Request for Proposals (RFP) for Financial Accounting and Consulting Services. The committee made this determination to be able to appropriately gauge the market for such services in light of an increase in the annual rate offered by James Marta and Company, from just under \$70,000 to \$96,000 per year.

The Program Administrators are working with the Ad Hoc Committee, previously established, to prepare the RFP and have created a timeline to enable NCCSIF to enter into a contract in November. The current plan includes continuing to grant the Executive Committee the authority to select a service provider and negotiate a new contract. Attached is a draft of the timeline.

The Executive Committee has added another member to the Ad Hoc Committee, Robin Bertagna, Finance Director for City Yuba City. Other Members are: Dave Warren, City of Placerville, Liz Ehrenstrom, City of Oroville, Tim Sailsbery, City of Willows, and Brad Koehn, City of Elk Grove.

**RECOMMENDATION:** Review the attached timeline and grant the Executive Committee the authority to select a service provider and negotiate a new contract.

**FISCAL IMPACT:** None.

**BACKGROUND:** The Executive Committee approved a six-month contract with James Marta & Company that was placed on the Consent Calendar for this meeting. The reason for the six-month contract is to allow NCCSIF time to conduct a Request for Proposals (RFP) for financial accounting and consulting services. James Marta and Company has provided such services since 2002. Given the length of time since the initial contract and the request for an increase in the annual service charge the Executive Committee recommends an RFP for services.

**ATTACHMENT(S):** NCCSIF Accounting/Financial Services RFP Process Timeline

# NCCSIF Accounting/Financial Services

## RFP Process Timeline

- May 18<sup>th</sup>** - EC Recommends Proceeding with Accounting/Financial Service RFP
- June 15<sup>th</sup>** - Board approves Accounting/Financial Service 6 Month Agreement and Timeline Process – *Authority granted to EC for decision making*
- July/August** - Program Administrators draft RFP and submit to Ad Hoc/Finance Committee (FC) for review
- August TBD** - Ad Hoc/(FC) meet telephonically to finalize RFP
- August 18<sup>st</sup>** - RFP posted to various websites (PARMA/CAJPA/etc.) and sent to known providers
- Sept. 5<sup>th</sup>** - Questions DUE
- Sept. 12<sup>th</sup>** - Questions Answered
- Sept. 19<sup>th</sup>** - RFP Responses DUE 5pm Electronically
- Sept 21<sup>st</sup>** - Verbal Status Report at EC Meeting that day
- Sept 27/28<sup>th</sup>** - Ad Hoc/(FC) 1<sup>st</sup> meeting telephonically to review Program Administrators evaluation and RFP responses
- October 4/5<sup>th</sup>** - Ad Hoc/(FC) 2<sup>nd</sup> meeting telephonically to determine finalist for interviews
- October 19<sup>th</sup>** - Interviews (Rocklin 9am to noon) prior to the Board meeting by Ad Hoc/(FC)
- October 19<sup>th</sup>** - Status Report to the Board @ noon meeting
- Nov. 2<sup>nd</sup>** - Special EC Meeting (Telephonically?) to approve Ad Hoc/(FC) recommendation and authority to negotiate/execute contract
- Nov. 15<sup>th</sup>** - Negotiations concluded and Agreement signed
- Nov. 27<sup>th</sup>–30<sup>th</sup>** -Transition meeting(s) as needed
- December 1<sup>st</sup>** - Effective Date of new Agreement (if change in provider) to provide 30 day cross-processing (new contract will be a three-year Agreement with 2, one-year optional extensions)
- December 14<sup>th</sup>** - Accounting/Finance partner presents at NCCSIF Long Range Planning



## FY 17/18 NCCSIF MEMORANDUM OF COVERAGE - LIABILITY

### ACTION ITEM

**ISSUE:** The Board annually reviews and approves the Liability Memorandum of Coverage (MOC). The NCCSIF MOC is an “underlying” form that incorporates the excess Memorandum of Coverage provided by the California Joint Powers Risk Management Authority (CJPRMA), with a few modifications.

This year CJPRMA has made a few significant changes and some minor ones that are described in the attached summary, along with a red-line version of the changes to the MOC. The significant changes are highlighted in the summary and include the addition of drone coverage, a definition of “routine governmental operations” related to coverage for contractual liability, exclusion of all wage claims by employees, an alternative “hammer” clause to cap CJPRMA’s exposure in the event of a dispute regarding the value of a claim, and a narrowing of the sewer backup coverage to exclude discharge into public waterways.

Note that the retained limit for drone coverage is only \$500 (v. \$500,000 for other claims) but the drone must be registered with CJPRMA<sup>1</sup> and operated by a remote pilot certified with a small UAS rating, pursuant to FAA regulations for any coverage to apply. The applicable sublimit is \$7 million subject to a \$2 million aggregate for claims above \$5 million.

There are no recommended changes to the underlying NCCSIF Liability MOC, with limited coverage for transit operations continuing for one more year for three members.

**RECOMMENDATION:** Review and approve the FY 17/18 NCCSIF Liability Memorandum of Coverage, incorporating the changes to the CJPRMA Liability MOC per the attached.

**FISCAL IMPACT:** None.

**BACKGROUND:** NCCSIF annually reviews and approves the Liability Memorandum of Coverage (MOC), including any recommended changes based on member feedback and/or changes made to the excess MOC provided by CJPRMA.

### ATTACHMENT(S):

1. FY 17/18 NCCSIF Liability MOC
2. FY 17/18 CJPRMA Liability MOC with tracked changes and summary

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<sup>1</sup> The FAA already requires these UAVs to be registered with them so this does not seem to be an undo additional burden.

**LIABILITY**

**UNDERLYING MEMORANDUM OF COVERAGE**

**DECLARATIONS**

- 1. Memorandum Number:** NCCL-17
- 2. Member City:** City of Anderson  
1887 Howard Street  
Anderson, California 96007
- 3. Participating Agencies:** Anderson Public Financing Authority  
Anderson Redevelopment Agency
- 4. Coverage Period:** July 1, 2017 through June 30, 2018
- 5. Banking Layer:** \$0 to \$50,000 each covered occurrence  
**\$0 to \$75,000 each covered occurrence for any claim(s) arising out of any fireworks display or demonstration sponsored or controlled by a covered party, if the covered party has not secured an additional insured endorsement in its favor from the fireworks vendor's insurance or coverage provider with limits in an amount of at least \$5 million dedicated, project specific aggregate limit.**
- 6. Shared Risk Layer:** \$50,000 to \$500,000 each covered occurrence
- 7. Limit of Liability:** \$450,000 each covered occurrence, as respects liability imposed by law for damages excess of banking layer because of bodily injury, property damage, personal injury, employment practices liability or public officials' errors and omissions.
- 8. Deductible:** None
- 9. Terms and Conditions:** The terms and conditions of this Memorandum of Coverage shall apply.





## **LIABILITY**

### **UNDERLYING MEMORANDUM OF COVERAGE**

**The Northern California Cities Self Insurance Fund (hereinafter called NCCSIF) is an intergovernmental agency, risk sharing, joint powers authority, duly formed pursuant to California Government Code Sections 6500-6512, and other provisions of law.**

**This Memorandum of Coverage is a contract between the NCCSIF and its Members which sets forth certain duties, responsibilities and obligations of each party. This Memorandum of Coverage is not an insurance policy or document, and is not necessarily subject to the particular rules of law which apply to an insurance policy or to interpretation of insurance policies or insurance related documents.**

#### **1. COVERAGE AGREEMENT**

In consideration of the payment of the required deposit and subject to all the terms of this Memorandum of Coverage, NCCSIF agrees to pay on behalf of the Member a Loss resulting from any occurrence covered by the terms of the California Joint Powers Risk Management Authority (CJPRMA) Memorandum of Coverage effective for the Coverage Period under Item 3 of the Declarations to this Memorandum, except for the Limits of Liability and defense provisions and as amended within this Memorandum or by endorsement. The coverage afforded by this Memorandum shall be primary unless Other Insurance is applicable.

#### **2. LIMIT OF LIABILITY**

The Limit of Liability applicable to this Memorandum is as stated under Item 7 of the Declarations.

In the event of a coverage dispute, under no circumstances shall the NCCSIF be liable for consequential damages, “bad faith” damages, or any sums beyond the amounts due under CJPRMA Memorandum of Coverage Section I - Coverages, plus interest at the same rate as NCCSIF earned on investments for the time period involved.

#### **3. EXCLUSIONS**

- A. Exclusions No. 25 and No. 36, dealing with Transit Systems, of the CJPRMA Memorandum of Coverage do not apply to this Memorandum of Coverage.
- B. Exclusion No. 22 of the CJPRMA Memorandum of Coverage does not apply under this Memorandum to inverse condemnation liability arising from accidentally caused physical injury to or destruction of tangible property, including all resulting

loss of use of such property, for which the covered party may be legally responsible.

- C. As stated under “Covered Party” definition, coverage does not apply to loss resulting from any employee or volunteer who has five or more than five violation points as valued and enumerated on the Department of Motor Vehicles Negligent Operator Count sheet within the three years immediately preceding the loss.

However, this exclusion shall apply to the covered employee or volunteer only, and not the vicarious liability of the Member, except that if the Member knowingly permits a covered employee or volunteer to operate after accumulating five or more violation points, this exclusion applies to the Member as well.

#### 4. DEFINITIONS

The conditions of this Memorandum of Coverage shall be applied as if the definitions of words listed below had been included with the word or words each time they appear in this Memorandum.

##### **COVERED PARTY:**

- (a) A member entity of NCCSIF. This includes all entities named in the Declarations page, including any and all commissions, agencies, districts, authorities, boards (including the governing board) or similar entities coming under the entity’s direction or control, or for which the entity’s board members sit as the governing body, except a hospital board or commission, regardless of how it is denominated.
- (b) Any person or entity identified as a covered party holding a certificate of coverage duly issued by the Authority, for occurrences during the coverage period identified in the certificate of coverage; if a particular activity is identified in the certificate of coverage, the person or entity is a covered party only for occurrences arising out of the described activity.
- (c) Any person who is an official, employee or volunteer of a person or entity covered by (a) or (b) herein, whether or not compensated, while acting in an official capacity for or on behalf of such person or entity, including while acting on any commission, regardless of how such body is denominated. Covered Party shall not include any person whose conduct is not within the course and scope of his or her employment or office with the covered party at the time of the act or acts that give rise to liability.
- (d) With respect to any automobile owned or leased by a covered party (described in (a) or (b) above), or loaned to or hired for use by or on behalf of the covered party, any person, while using such automobile, and any person or organization legally responsible for the use thereof, provided the actual use is with the express permission of the covered party, but this protection does not apply to the an covered party as respects:



- 1) any employee or volunteer who has five or more than five violation points, as valued and enumerated on the Department of Motor Vehicles Negligent Operator Count sheet within the three years immediately preceding the “loss.”
- 2) any person or organization, or any agent or employee thereof, operating an automobile sales agency, repair shop, service station, storage garage or public parking place, with respect to an occurrence arising out of the operation thereof; or
- 3) the owner or any lessee, other than the covered party, of any automobile hired by or loaned to the covered party or to any agent or employee of such owner or lessee.

This agreement does not provide uninsured or underinsured motorist coverage.

**LOSS:** The total of all defense costs incurred by the covered parties and all damages for which the covered parties are liable either by adjudication or by compromise with the written consent of NCCSIF, after making proper deduction for all recoveries and salvages, arising from an occurrence to which this coverage applies. Loss does not include attorneys’ fees or costs awarded to the prevailing party in a suit except where such attorneys’ fees or costs are attributable to a claim for damages covered by this Memorandum.

Additionally, for any claim or suit seeking damages that would be potentially covered by this Memorandum of Coverage but for the operation of an Exclusion, NCCSIF shall, upon request, include within the definition of loss, damages for which the covered parties are liable either by adjudication or by compromise up to the limit of coverage in the Member City’s Banking Layer shown on the Declarations.

## 5. OTHER INSURANCE or COVERAGE

The coverage afforded by this Memorandum shall be excess over any other valid and collectible insurance or coverage available to the Member City and applicable to any part of the ultimate net loss, whether such other insurance or coverage is stated to be primary, excess, contingent or otherwise, unless such other insurance or coverage specifically applies as excess insurance or coverage over the limits provided in this Memorandum of Coverage.

## 6. NOTICE OF OCCURRENCE

Upon the happening of any occurrence likely to involve NCCSIF under this Memorandum, the Member shall give notice, either written or oral, as soon as practicable to the Claims Administrator of NCCSIF as listed in Item 10 of the Declarations. Such notice shall contain



particulars sufficient to identify the Member and fullest information obtainable at the time. If legal proceedings are begun, the Member shall forward to the NCCSIF Claims Administrator each paper therein, or a copy thereof, received by the Member or the Member's representative, together with copies of reports or investigations with respect to such claim proceedings.

**7. DEFENSE**

NCCSIF shall assume charge of the investigation, settlement or defense of any claims made, or suits brought, or proceedings instituted against the Member that in the opinion of NCCSIF may create liability on the part of NCCSIF under the terms of this Memorandum of Coverage.

Additionally, for any claim or suit seeking Damages that would be potentially covered by this Memorandum of Coverage but for the operation of Exclusion, NCCSIF shall, upon request, reimburse the Member's cost of defense of the claim, up to the limit of coverage in the Member's Banking Layer shown in the Declarations. This supplemental defense cost coverage shall not apply to coverage in the pooled risk sharing layer shown in the Declarations.

**8. PAYMENT OF LOSS**

Upon final determination of Loss, NCCSIF will promptly pay on behalf of the Member the amount of Loss falling within the terms of this Memorandum of Coverage.

**9. SUBROGATION**

In the event of any payment under this Memorandum of Coverage, NCCSIF will be subrogated to all the Member City's rights of recovery against any person or organization and NCCSIF shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights.

The amount recovered as subrogation shall be apportioned in the inverse order of payment of the Loss to the extent of the actual payment. The expenses of all such recovery proceedings shall be apportioned in the ratio of the respective recoveries.

**10. CANCELLATION**

This Memorandum of Coverage may be canceled in accordance with the terms of the JPA Agreement and Bylaws of NCCSIF.



## **11. ARBITRATION OF COVERAGE DISPUTES**

### **COVERAGE DETERMINATIONS**

The Claims Committee shall make the initial determination whether to deny coverage on all or part of a claim, or to reserve the Authority's right to deny coverage on all or part of a claim, if a loss subsequently exceeds the retained limit.

A decision by the Claims Committee to deny coverage can be appealed to the Board of Directors. Notice of such appeal shall be submitted in writing within thirty (30) calendar days of the date of the Claims Committee's written notice of decision.

The appeal shall be considered by the Board of Directors at the next regular or special meeting following receipt of the written appeal; if the appeal is received too late for inclusion in the agenda packet, it can be postponed to the next following Board meeting. The Program Administrator in conjunction with the Claims Committee and the covered party will have the right to submit written materials and present oral argument to the Board, subject to reasonable time constraints. Any dispute concerning a decision by the Board to deny coverage for all or part of a claim shall not be subject to any court action, but may instead be submitted to binding arbitration in accordance with the procedures set forth below. Notice of a request for binding arbitration by the covered party must be submitted within thirty (30) calendar days from the date of the noticed decision by the Board of Directors.

Under no circumstances shall the NCCSIF be liable for consequential damages, "bad faith" damages, or any sums beyond the amounts due under CJPRMA Memorandum of Coverage Section I – Coverages, plus interest at the same rate as NCCSIF earned on investments for the time period involved.

### **(a) ARBITRATION PROCEDURES FOR RESOLVING DISPUTES**

#### **1) Selection of Arbitrators:**

If an appeal of a Board decision is submitted to arbitration, each side shall, within ten (10) calendar days, select one (1) arbitrator and submit his or her name in writing to the other side. Within ten (10) calendar days after their selection, these two arbitrators shall select a third independent arbitrator. If the two sides cannot agree on the selection of the third arbitrator within ten (10) calendar days, either side may petition the Sacramento County Superior Court for the appointment of the third arbitrator pursuant to the provisions of section 1281.6 of the California Code of Civil Procedure. The third arbitrator shall be an attorney and preside as the Chairperson of the arbitration panel. No arbitrator shall be employed or affiliated with the Authority or the covered party or parties.

The arbitration hearing shall commence within forty-five (45) calendar days from the date of the selection of the Chairperson, unless both sides agree to an extension. Each side shall pay the cost of its selected arbitrator and one-half of the cost of the third selected arbitrator. In addition, each side shall be responsible for its own cost and expense of arbitration.

Except for notification of appointment and as provided in the California Code of Civil Procedure, there shall be no communication between either side and the arbitrator(s) relating to the subject of the arbitration other than at oral hearings.

- 2) **Discovery**  
The procedures set forth in Code of Civil Procedure section 1283.05 relating to depositions and discovery shall apply to any arbitration pursuant to this paragraph (b).
- 3) **Testimony Under Oath**  
The testimony of witnesses shall be given under oath.
- 4) **Length of Hearing**  
The panel will endeavor to confine the length of the hearing to two (2) days. A decision of the panel shall be reported in writing. The written decision of the panel shall be given to both sides within thirty (30) calendar days of the close of the hearing.
- 5) **Certified Shorthand Reporter**  
Either side wishing a certified shorthand reporter record shall make arrangements directly with a certified shorthand reporter and notify the other side of such arrangements in advance of the hearing. The requesting side shall pay the cost of recording the hearing if no transcript is ordered. If a transcript is ordered, the cost of the transcript and of recording the hearing shall be prorated equally among the parties ordering copies.

(b) **FUNDING OF DEFENSE AND PAYMENT OF CLAIMS PENDING RESOLUTION OF DISPUTE**

During the course of the arbitration proceedings provided herein, the covered party will be responsible for all fees and expenses for investigation, defense or litigation of a claim or lawsuit. In the event the arbitration panel determines that coverage applies for such defense costs, the Authority will reimburse the covered party as directed by the panel.



(c) EFFECTS OF ARBITRATION DECISIONS

All decisions on appeals, whether by the Board of Directors (after the time to request arbitration has expired) or by the arbitration panel, shall be final and binding upon the parties and shall not be subject to any further appeal or court action, except as provided in Code of Civil Procedures sections 1286.2 and 1286.4 (relating to fraud or corruption, etc.).

(d) GENERAL LAW

Except as provided otherwise above, arbitration shall be conducted as provided in Title 9 of the Code of Civil Procedure (commencing with section 1280).

07/01/2017

Date

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Dave Warren, NCCSIF President





## **LIABILITY AMENDATORY ENDORSEMENT UNDERLYING MEMORANDUM OF COVERAGE**

This endorsement is issued to:

**The City of Folsom**

**The City of Auburn**

**The City of Dixon**

It is understood and agreed that Section 3, **Exclusion A** is deleted and replaced with the following:

With respect to the Members named above, Exclusions No. 25 and No. 36, dealing with Transit Systems, of the **California Joint Powers Risk Management Authority Memorandum of Coverage** do not apply to the **Northern California Cities Self Insurance Fund (NCCSIF) Underlying Memorandum of Coverage** for Liability. Notwithstanding what is stated in the applicable declarations, the limit of coverage described in this exception will be subject to a sublimit of \$250,000 each occurrence.

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

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Dave Warren, NCCSIF President

Endorsement Effective Date: July 1, 2017

**CALIFORNIA JOINT POWERS  
RISK MANAGEMENT AUTHORITY**

**AGENDA BILL**

<b>ITEM:</b> 5	<b>TITLE: APPROVAL OF PROPOSED MEMORANDUM OF COVERAGE CHANGES FOR 2017-2018</b>
<b>MEETING:</b> 5/24 & 5/25/2017	
<b>GENERAL MANAGER:</b> 	

**Recommended Actions:**

Staff recommends the Board of Directors approve the updated Memorandum of Coverage (MOC) changes to become effective July 1, 2017.

**Strategic Direction:**

This item addresses Strategic Goal 1, Employ Customizable Products and Services to be Competitive.

**Item Explanation:**

Staff consulted Board Counsel regarding the current Memorandum of Coverage and identified areas within the MOC that require clarification. There are items within the Memorandum of Coverage that have been unclear and created concerns by our members. The proposed changes are not intended to minimize or limit any coverage currently provided to the membership, but to clarify areas that are either out of date or present conflicts for the member. Byrne Conley worked with the general manager to finalize the list of items being recommended for inclusion in the 2017-2018 MOC.

Staff met with Dr. William Deeb, Broker at AON Risk Services, to review the current MOC to identify and rectify coverage gaps with our current reinsurer Munich Re. Board Counsel and staff met with a coverage expert attorney provided by AON to evaluate MOC language for the renewal.

The following list identifies the specific items where modifications to the MOC are being recommended:

- Page 1, insert reference to Government Code section authorizing pooling.
- Page 1, specify that small drone aircraft are not "aircraft" for purposes of exclusions.

- Page 2, define “routine governmental operations” for which contractual assumption of liability is covered. List examples automatically within definition, and permit staff to address others case-by-case in advance of the loss.
- Page 3, specify that additional covered party status is for not more than required by contract and does not expand coverage beyond terms of what is covered in the MOC.
- Page 5, tighten exclusion from Damages definition so that it is all wage claims by employees, not just EPL claims.
- Page 9, put in title for Fireworks Retained Limit so it is more prominent.
- Page 10, alternative “hammer” clause where Authority can tender amount necessary to settle and cap exposure if there is a dispute whether to settle a claim.
- Page 11, eliminate duplicate language (was supposed to be stricken when next paragraph added).
- Page 12, define “subsidence” for limit. [Question, should we reference earthquake? Limit it to property damage instead of bodily injury and property damage?]
- Page 12, added “bacterial pathogens” to mold sublimit.
- [Page 12, note we discussed defining Daycare Operations; but this affects the reinsurance layer, only and should be discussed with the reinsurer.]
- Page 15, add “failure to enter into” a contract to breach of contract exclusion.
- Page 16, add FLSA claims to labor disputes exclusion.
- Page 18, add reference to criminal acts in intentional acts exclusion.
- Page 18, define “land use planning” and “land use regulation” including examples.
- [Note, do we want to address taxi ordinances or otherwise address adoption and enforcement of municipal ordinances?]
- Page 20, narrowed sewer backup exception to pollution exclusion to backup into home or business, not discharge into public waterways.
- Page 21, add to pollution cleanup exclusion an explicit reference to citizen suits under the Clean Water Act.
- Page 27, add back in former language re arbitration, to be applied when determining how much a member gets to credit toward Retained Limit where there are multiple covered Members, or payment from an additional insured endorsement jointly for a Member and outside party. Also, provide that by mutual agreement the Authority and a covered party can agree to arbitrate coverage disputes, setting forth a procedure for doing so.

Staff has also prepared a new endorsement to the Memorandum of Coverage for the coverage of Drones. CJPRMA has collected data from its members and multiple members currently operate drones. It also appears that many more members will be in the process of purchasing drones for their operations. The endorsement proposes coverage for a five million dollar retained limit and a reinsurance program for an extended two million dollars provided by Munich Re. The cost of commercial drone coverage is very cost effective. CJPRMA will provide the Board of Directors with a renewal option that includes primary commercial coverage for a part of or the full CJPRMA retention. The endorsement specifically states the requirements for inclusion within the program and requires that all drones be reported to CJPRMA to qualify for coverage. The draft Drone Endorsement is attached to this agenda bill.

A copy of the proposed 2017-2018 MOC has been attached to this agenda bill. The items listed above are included within this copy and are identified with red text.

The majority of the changes within the MOC will have little or no effect on the participants in the liability program. The Executive Committee reviewed this document at their May Meeting and agreed that the modifications are appropriate and necessary. A copy of this draft MOC has been provided to Munich Re for their review.

The general manager recommends the Board of Directors approve the proposed MOC as provided for the 2017-2018 program year.

**Fiscal Impact:**

1. None. The implementation of the modifications of the MOC will not have an adverse fiscal impact on the program participants.

**Exhibits:**

1. 2017-2018 Memorandum of Coverage with red edits
2. Draft Drone Endorsement NO. 7

# 2017 - 2018 Memorandum of Coverage



California Joint Powers  
Risk Management Authority

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**CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY**

**MEMORANDUM OF COVERAGE**

**PROGRAM YEAR: 2017-2018**

This coverage document shall be in effect from July 1, 2017 through June 30, 2018.

In consideration of the payment of the deposit premium, the *Authority* agrees with the *covered parties* as follows:

**SECTION I - COVERAGES**

The *Authority* will pay up to the *limit of coverage* those sums for *ultimate net loss* in excess of the *retained limit* that the *covered parties* become legally obligated to pay as *damages* because of *bodily injury, property damage, personal injury, public officials errors and omissions* or *employment practices liability* as those terms are herein defined and to which this agreement applies, caused by an *occurrence* during the coverage period, except as otherwise excluded.

This Memorandum of Coverage does not provide insurance, but instead provides for pooled self-insurance pursuant to California Government Code section 990.8. This Memorandum is a negotiated agreement among the *members* of the *Authority* and none of the parties to the Memorandum is entitled to rely on any contract interpretation principles that require interpretation of ambiguous language against the drafter of such agreement. This Memorandum shall be applied according to the principles of contract law, giving full effect to the intent of the *members* of the *Authority*, acting through the Board of Directors in adopting this Memorandum. As the *Authority* is not an insurer, it has no obligation to issue reservation of rights letters, nor does it have an obligation to provide "Cumis" counsel to a *covered party* in disputed coverage situations under California Civil Code section 2860. Finally, failure to provide notice to a *covered party* of any coverage dispute shall not operate to waive any of the provisions of this Memorandum.

**SECTION II - DEFINITIONS**

- 1) **Aircraft** means a vehicle designed for the transport of persons or property principally in the air. Aircraft does not include Small Unmanned Aircraft as defined in 14 Code of Federal Regulations Section 107.3.
- 2) **Airport** means an area of land or water used or intended to be used for the landing and taking off of *aircraft*; including an appurtenant area used or intended to be used for *airport* buildings or other *airport* facilities or right of way; and *airport* buildings and facilities located in any of these areas. "*Airport*" includes a heliport.

- 3) **Authority** shall mean the California Joint Powers Risk Management Authority created by the JPA Agreement.
- 4) **Automobile** means a land motor vehicle, trailer or semi-trailer.
- 5) **Bodily injury** means *bodily injury*, sickness, disease or emotional distress sustained by a person, including death resulting from any of these at any time. *Bodily injury* includes *damages* claimed by any person or organization for care, loss of services or death resulting at any time from the *bodily injury*.
- 6) **Care, Custody or Control Hazard** includes all *property damage* to: (1) property that the *covered party* rents or occupies; (2) premises the *covered party* sells, gives away or abandons, if the *property damage* arises out of any part of those premises; (3) property loaned to the *covered party*; and (4) personal property in the care, custody or control of the *covered party*.
- 7) **Covered Indemnity Contract** means that part of any contract or agreement pertaining to the *covered party's* routine governmental operations under which the *covered party* assumes the tort liability of another party to pay for *bodily injury* or *property damage* to a third person or organization. This definition applies only to liability that would be imposed by law in the absence of any contract or agreement, arising out of an *occurrence* to which this Agreement applies. **Routine governmental operations include the Covered Party's lease of premises, easement or license agreement, use of facilities or equipment, mutual aid agreement, or other agreement approved by Authority staff in advance of the loss.**
- 8) **Covered party** means:
  - (a) A *member entity* of the California Joint Powers Risk Management Authority. This includes all entities named in its declarations page, including any and all commissions, agencies, districts, authorities, boards (including the governing board) or similar entities coming under the entity's direction or control, or for which the entity's board members sit as the governing body, except a hospital board or commission, regardless of how such body is denominated.
  - (b) A member of a joint powers authority that is a *member entity* herein, which participates in said jpa's liability program. This includes all entities named in its declarations page, including any and all commissions, agencies, districts, authorities, boards (including the governing board) or similar entities coming under the entity's direction or control, or for which the entity's board members sit as the governing body, except a hospital board or commission, regardless of how such body is denominated.
  - (c) Any person or entity identified as a *covered party* holding a certificate of coverage duly issued by the *Authority*, for *occurrences* during the coverage period identified in the certificate of coverage; if a particular activity is identified in the certificate of coverage, the person or entity is a *covered*

*party only for occurrences arising out of the described activity. Coverage will not be broader than what the Member Entity is required to provide by the contract or agreement, nor for higher limits than required by the contract, nor broader than the coverage provided under this Memorandum.*

- (d) Any person who is an official, *employee* or volunteer of a person or entity covered by (a), (b), or (c) herein, whether or not compensated, while acting in an official capacity for or on behalf of such person or entity, including while acting on any outside board at the direction of such person or entity, except a hospital board or commission, regardless of how such body is denominated. *Covered party* shall not include any person whose conduct is not within the course and scope of his or her employment or office with the *covered party* at the time of the act or acts that give rise to liability.
- (e) With respect to any *automobile* owned or leased by a *covered party* (described in (a), (b) or (c) above), or loaned to or hired for use by or on behalf of the *covered party*, any person while using such *automobile*, and any person or organization legally responsible for the use thereof, provided the actual use is with the express permission of the *covered party*, but this protection does not apply to:
  - 1) Any person or organization, or any agent or *employee* thereof, operating an *automobile* sales agency, repair shop, service station, storage garage or public parking place, with respect to an *occurrence* arising out of the operation thereof; or
  - 2) The owner or any lessee, other than the *covered party*, of any *automobile* hired by or loaned to the *covered party* or to any agent or *employee* of such owner or lessee.

This agreement does not provide uninsured or underinsured motorist coverage.

- (f) Notwithstanding sections (d) and (e) above, the defense and indemnity coverage afforded by this agreement to a past or present official, *employee* or volunteer of a *member entity* (described in (a) or (b) above) is not broader than the *member entity's* duty to defend and indemnify its official, *employee* or volunteer pursuant to California Government Code sections 815 to 815.3, 825 to 825.6, and 995 to 996.6, inclusive and any amendments thereof. If the *member entity* which employs the official, *employee* or volunteer is not obligated under the Government Code to provide a defense, or to provide indemnity, for a claim, or if said *member entity* refuses to provide such defense and/or indemnity to said official, *employee* or volunteer, then this agreement shall not provide for any such defense or indemnity coverage to said official, *employee* or volunteer. All immunities, defenses, rights and privileges afforded to a *member entity* under Government Code sections 815 to 815.3, 825 to 825.6, and 995 to 996.6, inclusive and any amendments

thereof, shall be afforded to the *Authority* to bar any defense or indemnity coverage under this agreement to that *member entity's* official, *employee* or volunteer.

(g) No person or entity is a *covered party* with respect to the conduct of any current or past partnership, joint venture or joint powers authority unless all members are *covered parties* under (a) or (b) herein. However, for any person (1) who is an official, *employee*, or volunteer of an entity covered by (a) or (b) herein, (2) who participates in the activities of any partnership, joint venture or joint powers authority (or any separate agency or entity created under any joint powers agreement by the named entity), and (3) who is acting for or on behalf of an entity covered by (a) or (b) herein at the time of the *occurrence*, then coverage is afforded by this agreement. Such coverage will be in excess of and shall not contribute with any collectible insurance or other coverage provided to the other joint powers authority, agency or entity.

(9) **Dam** means any artificial barrier, together with appurtenant works, which does or may impound or divert water, and which either (a) is 25 feet or more in height from the natural bed of the stream or watercourse at the downstream toe of the barrier, or from the lowest elevation of the outside limit of the barrier, if it is not across a stream, channel or watercourse, to the maximum possible water storage elevation; or (b) has an impounding capacity of 50 acre-feet or more.

Any such barrier which is not in excess of 6 feet in height, regardless of storage capacity, or which has a storage capacity not in excess of 15 acre-feet, regardless of height, shall not be considered a *dam*.

No obstruction in a canal used to raise or lower water therein or divert water therefrom, no levee, including but not limited to a levee on the bed of a natural lake the primary purpose of which levee is to control floodwater, no railroad fill or structure, and no road or highway fill or structure, no circular tank constructed of steel or concrete or both, no tank elevated above the ground, and no barrier which is not across a stream channel, watercourse, or natural drainage area and which has the principal purpose of impounding water for agricultural use shall be considered a *dam*.

No obstruction in the channel of a stream or watercourse which is 15 feet or less in height from the lowest elevation of the obstruction and which has the single purpose of spreading water within the bed of the stream or watercourse upstream from the construction for percolation underground shall be considered a *dam*.

The levee of an island adjacent to tidal waters in the Sacramento-San Joaquin Delta, as defined in California Water Code section 12220, even when used to impound water, shall not be considered a dam and the impoundment shall not be considered a reservoir if the maximum possible water storage elevation of the

impounded water does not exceed four feet above mean seal level, as established by the United States Geological Survey 1929 datum.

No noncircular tank, constructed of steel or concrete, or both, that is constructed in a county of the third class by a public agency, under the supervision of a civil engineer registered in the state, that does not exceed 75 acre feet in capacity or 30 feet in height, and no barrier that is not across a stream channel, watercourse, or natural drainage area and that has the principal use as a sewage sludge drying facility shall be considered a *dam*.

Nor shall any impoundment constructed and utilized to hold treated water from a sewage treatment plant be considered a *dam*. Nor shall any wastewater treatment or storage pond exempted from state regulation and supervision by California Water Code section 6025.5 be considered a *dam*.

- 10) **Damages** means compensation in money recovered by a party for loss or detriment it has suffered through the acts of a *covered party*. *Damages* include (1) attorney fees not based on contract awarded against the *covered party*, (2) interest on judgments, or (3) costs, for which the *covered party* is liable either by adjudication or by compromise with the written consent of the *Authority*, if the fees, interest or costs arise from an *occurrence* to which this coverage applies. *Damages* also include reasonable attorney fees and necessary litigation expenses incurred by or for a party other than the *covered party*, which are assumed by the *covered party* in a *covered indemnity contract* where such attorney fees or costs are attributable to a claim for *damages* covered by this Memorandum.

~~*Damages with respect to employment practices liability*~~ shall not include those sums owed by a *covered party* to any employee or former employee as contract *damages*, any wages, salary, or benefit owed for work actually performed, or (whether prospective or retrospective) resulting from promotion or reinstatement, or any *damages* owing under an express contract of employment or an express obligation to make severance payments in the event of termination of employment.

*Damages with respect to employment practices liability* also shall not include amounts awarded under a labor grievance or arbitration pursuant to a collective bargaining agreement, nor sums paid pursuant to any judgment or agreement, whether injunctive or otherwise, to undertake actions to correct past discriminatory or unlawful conduct or to establish practices or procedures designed to eliminate or prevent future discriminatory or other unlawful conduct, or any non-monetary relief.

- 11) **Defense costs** means all fees and expenses incurred by any *covered party*, caused by and relating to the adjustment, investigation, defense or litigation of a claim to which this coverage applies, including attorney fees. *Defense costs* shall include adjusting expenses of a third party claims administrator which are specifically identifiable with a claim subject to this coverage.

*Defense costs* shall not include:

- (a) the office expenses, salaries of *employees* or officials, or expenses of the *covered party* or the *Authority*;
  - (b) any fee or expense relating to coverage issues or disputes between the *Authority* and any *covered party*; or
  - (c) attorney fees, interest on judgments, or costs awarded to a prevailing plaintiff against the *covered party*.
- 12) **Discrimination** means an act or failure to act with respect to any present or former *employee* or applicant for employment with regard to compensation, terms, conditions, privileges or opportunities of employment because of race, color, religion, age, sex, disability, pregnancy, national origin, sexual orientation, or other protected category or characteristic established pursuant to any applicable federal, state or local statute or ordinance.
- 13) **Employee** means a person whose labor or services is engaged and directed by a *covered party* described in definition 8 (a), (b) or (c) above. This includes part-time, seasonal, and temporary labor or services, as well as any person employed in a supervisory, managerial or confidential position. *Employee* shall not include an independent contractor, volunteer or agent, and shall not include any person performing work pursuant to a court order in lieu of a fine or jail sentence.
- 14) **Employment Practices Liability** means liability arising from *discrimination*, *sexual harassment*, and/or *wrongful termination* claimed by an *employee*, former *employee* or applicant for employment of a *covered party*.
- 15) **Limit of coverage** shall be the amount of coverage stated in the declaration page or certificate of coverage for each *covered party* per *occurrence*, subject to any lower sublimit stated in this Memorandum. For each *occurrence*, there shall be only one *limit of coverage* regardless of the number of claimants or *covered parties* against whom a claim is made. If the *covered parties* have different limits of coverage, the highest limit for any party found liable by a final judgment will apply.
- 16) **Marina** means facilities which include floating docks, boat berthing spaces, marine fueling operations, marine repair facilities, storage facilities for boats and other related marine materials, and other related facilities in which berthing spaces are leased or rented to members of the public for berthing of their private boats. *Marina* includes all of such facilities beyond locking gates, fences or barriers barring access to non-lessees and within waterways enclosed by any breakwater or similar structure, and any repair and storage facilities wherever located.
- 17) **Medical malpractice** means the rendering of or failure to render any of the following services:



- (a) medical, surgical, dental, psychiatric, psychological counseling, x-ray or nursing service or treatment or the furnishing of food or beverages in connection therewith; or any services provided by a health care provider as defined in section 6146 (c), (2), (3) of the California Business and Professions Code.
- (b) furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances.

*Medical malpractice* does not include first aid administered by *employees*, nor does it include advice or services rendered by a 911 emergency dispatcher.

- 18) **Member Entity** means a signatory to the JPA Agreement creating the California Joint Powers Risk Management Authority.
- 19) **Nuclear material** means source material, special *nuclear material*, or byproduct material. “Source material”, “special *nuclear material*”, and “byproduct material” have the meanings given to them by the Atomic Energy Act of 1954 or in any law amendatory thereof.
- 20) **Occurrence** means:
  - (a) with respect to *bodily injury* or *property damage*: an accident, including continuous or repeated exposure to substantially the same generally harmful conditions, which results in *bodily injury* or *property damage* neither expected nor intended from the standpoint of the *covered party*. *Property damage* that is loss of use of tangible property that is not physically injured shall be deemed to occur at the time of the *occurrence* that caused it.
  - (b) with respect to *personal injury*, *public officials errors and omissions liability* and *employment practices liability*, respectively: an offense described in the definitions of those terms in this coverage agreement.
- 21) **Personal injury** means injury, other than *bodily injury*, arising out of one or more of the following offenses:
  - (a) false arrest, detention or imprisonment, or malicious prosecution;
  - (b) wrongful entry into, or eviction of a person from, a room, dwelling or premises that the person occupies;
  - (c) publication or utterance of material that slanders or libels a person or organization or disparages a person’s or organization’s goods, products or services, or oral or written publication of material that violates a person’s right of privacy.
  - (d) *discrimination* or violation of civil rights.

- (e) injury resulting from the use of reasonable force for the purpose of protecting persons or property.
- 22) **Pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, airborne particles or fibers, asbestos, lead and waste. Waste includes material to be recycled, reconditioned or reclaimed. The term *pollutants* as used herein does not mean potable water, agricultural water, water furnished to commercial users or water used for fire suppression.
- 23) **Property damage** means:
- (a) physical injury to tangible property, including all resulting loss of use of that property; or
  - (b) loss of use of tangible property that is not physically injured or destroyed.
- 24) **Public officials errors and omissions** means any actual or alleged misstatement or misleading statement or act or omission by any *covered party* (individually or collectively) arising in the course and scope of their duties with the *covered party* or claimed against them solely by reason of their being or having been public officials or *employees*, and which results in damage neither expected nor intended from the standpoint of the *covered party*.
- 25) **Retained limit** means the amount, identified in the applicable declaration or certificate of coverage, of *ultimate net loss* which the *member entity* must incur or become liable for before the *Authority* is obligated to make any payment, subject to the following:
- (a) For each *occurrence*, there shall be only one *retained limit* regardless of the number of claimants or *covered parties* against whom a claim is made. If the *covered parties* have different *retained limits*, the lowest *retained limit* of any party found liable will apply. Payment of the *retained limit* shall be apportioned among the *covered parties* in accordance with their proportionate shares of liability.
  - (b) If the payment is for a settlement, the *retained limit* shall be apportioned among the *covered parties*, in accordance with the respective parties' agreed upon or court-determined share of liability. In the event that the apportionment requires ~~arbitration~~ court determination, the *covered parties* will pay all costs of the California Joint Powers Risk Management Authority in seeking such determination, including its attorney's fees in proportion to the court's determination of liability.
  - (c) In the event that a structured settlement, whether purchased from or through a third party or paid directly by the *covered party* in installments, is utilized in the resolution of a claim or suit, only the present value of the

agreed-upon payments (the present value cost of the structured settlement) shall be considered in determining satisfaction of the *covered party's retained limit*.

(d) The amount which the *covered party* must "incur or become liable for" so that the *retained limit* is satisfied and this coverage attaches may include sums paid on behalf of the *covered party* by:

1) A commercial insurance carrier because of a policy purchased by the *covered party*;

2) A commercial insurance carrier because of an additional insured endorsement issued to the *covered party*;

3) A self-insurance pooling joint powers authority which provides coverage to the *covered party*;

or

4) A party making payment because of a contractual indemnity agreement with the *covered party*.

In the event that one of the sources listed above provides indemnity coverage to the *covered party* and other defendant(s) in the claim or suit, only those sums paid on behalf of the *covered party* shall be used to satisfy the *retained limit*. If payment is for a settlement, payment will be allocated between the *covered party* and the other defendant(s) in accordance with their court-determined shares of liability, or in an allocation according to liability as agreed upon by the *covered party* and the *Authority*. In the event that the *covered party* and the *Authority* are unable to agree upon an allocation, the matter will be submitted binding arbitration for a determination of the respective shares of liability. This determination will be according to the procedures set forth in the California Code of Civil Procedure, each side to bear its own costs.

### **Fireworks Retained Limit**

For any fireworks display or demonstration sponsored or controlled by the covered party, if the covered party has not secured an additional insured endorsement in its favor from the fireworks vendor's insurance or coverage provider with limits in an amount of at least \$5 million dedicated, project specific aggregate limit, the Retained Limit will not be satisfied by any payment by the insurance or coverage provider for the vendor (see Definition 25(d)), and must instead be paid by the covered party; and the applicable Retained Limit will be increased by 50% (fifty percent) for any claim(s) arising out of the fireworks display or demonstration.

26) **Sexual harassment** means unwelcome sexual advances and/or requests for sexual favors and/or other verbal or physical conduct of a sexual nature that: (1)

are made a condition of employment; and/or (2) are used as a basis for employment decisions; and/or (3) create a work environment that is intimidating, hostile or offensive, or interfere with performance.

- 27) **Ultimate net loss** means the total of all *defense costs* incurred by the *covered parties* and all *damages* for which the *covered parties* are liable either by adjudication or by compromise with the written consent of the *Authority*, arising from an *occurrence* to which this coverage applies. However, *ultimate net loss* does not include defense expenses incurred by the *Authority* after the *Authority* assumes control of the negotiation, investigation, defense, appeal or settlement of any claim or proceeding. *Ultimate net loss* also does not include attorneys fees or costs awarded to the prevailing party in a suit except where such attorneys fees or costs are attributable to a claim for compensatory damages covered by this Memorandum.
- 28) **Wrongful termination** means termination of an employment relationship in a manner which is against the law and wrongful or in breach of an implied agreement to continue employment.

### **SECTION III - DEFENSE AND SETTLEMENT**

The *Authority* shall have no duty to assume charge of investigation or defense of any claim. However, the *Authority*, at its own expense, shall have the right to assume the control of the negotiation, investigation, defense, appeal or settlement of any claim which the *Authority* determines, in its sole discretion, to have a reasonable possibility of resulting in an *ultimate net loss* in excess of the applicable *retained limit*. The *covered party* shall fully cooperate in all matters pertaining to such claim or proceeding.

If the *Authority* assumes the control of the handling of a claim, the *covered parties* shall be obligated to pay at the direction of the *Authority* any sum necessary for the settlement of a claim, or to satisfy liability imposed by law, up to the applicable *retained limit*.

No claim shall be settled for an amount in excess of the *retained limit* without the prior written consent of the *Authority* and the *Authority* shall not be required to contribute to any settlement to which it has not consented.

In the alternative, if a settlement demand acceptable to the *Authority* is not acceptable to the *covered party*, and the *Authority* tenders to the *covered party* an amount equal to the difference between the remainder of the *retained limit* and said settlement demand (or up to the applicable Limit of Coverage, whichever is less), then the *Authority's* agreement to indemnify or to pay on behalf of the *covered party* for the *ultimate net loss* hereunder shall be discharged and terminated, and the *Authority* shall have no further obligations with respect thereto.

## **SECTION IV - THE AUTHORITY'S LIMIT OF COVERAGE**

The *limit of coverage* is the most the *Authority* will pay for *ultimate net loss* arising out of any *occurrence*, and the amount payable for *ultimate net loss* under this agreement shall be reduced by the amount of the *retained limit*. (For example, if the *covered party* has a \$40,000,000 *limit of coverage* and a \$500,000 *retained limit*, the *Authority* will pay not more than \$39,500,000 after exhaustion of the *retained limit*.) For each *occurrence*, there shall be only one *limit of coverage* regardless of the number of claimants or *covered parties* against whom a claim is made. ~~The *limit of coverage* for an additional *covered party* (including its officials, employees and volunteers) shall be the limit stated in its additional *covered party* certificate, regardless of the limit that applies to the *member entity*.~~

For any person or entity that is a covered party under Definition 8(c), or 8(c) and (d), pursuant to a certificate of coverage duly issued by the Authority, the limit of coverage will be the lower of: (1) the Limit stated in the Declarations page for the Member Entity; (2) any limit stated in the Additional Covered Party certificate or (3) the amount required to be provided by contract or agreement with the Member Entity.

Where this Agreement, or an endorsement or declaration, lists a "sublimit," that sublimit operates as the *limit of coverage*. (For example, if the *covered party* has a \$2,000,000 sublimit and a \$1,000,000 *retained limit*, the *Authority* will pay not more than \$1,000,000 after exhaustion of the *retained limit*.)

Should it appear to the Board of Directors that the total exposure for all claims in a program year may exceed a general aggregate limit for Pool D, the aggregate limit will be prorated between the *member entities*, on the basis of the *member entities'* respective premium contributions for the program year at issue. For purposes of determining whether the aggregate limit has been exhausted, the Board retains full discretion regarding placement of reserves, and payment of claims in order to equitably allocate the general aggregate limit. Once the general aggregate limit for such claims occurring during a program year has been exhausted, the *Authority* will have no further obligation to pay for covered ultimate net loss for such claims within Pool D, but this will not limit coverage which may be available within Pools B or C.

### **EPL Sublimit**

A sublimit applies to *employment practices liability*. For any *claims* arising out of *employment practices liability*, the *limit of coverage* will be \$10,000,000 per *occurrence* all allegations by an *employee* or former *employee* or applicant for employment in the same *claim* shall be considered as one *occurrence* for the purpose of the *limit of coverage*. All *claims* by all *employees* or former *employees* or applicants for employment arising from the same act, policy, or course of conduct by a *covered party*

shall be considered as one *occurrence* for the purpose of the *limit of coverage*. All *claims* which allege *employment practices liability* for *occurrences* extending to a duration of more than one coverage period shall be treated as a single *occurrence* arising during the first coverage period when the *occurrence* begins.

This sublimit for *employment practices liability* will further be subject to an annual aggregate limit, so that the \$10,000,000 *limit of coverage* is the most the *Authority* will pay for all *ultimate net loss* arising out of *employment practices liability* for any *covered party* (inclusive of its *employees*, *commissions*, *agencies*, *districts*, *authorities* or *boards*), as defined in Section II(8)(a) or (b) for any coverage year.

### **Subsidence Sublimit**

For *bodily injury*, *property damage* or *personal injury* arising out of the subsidence of land or earth, the sublimit will be \$5,000,000 per *occurrence*. **Subsidence means the movement of land or earth, including, but not limited to, sinking or settling of land, earth movement, earth expansion and/or contraction, *landslide*, slipping, falling away, caving in, eroding, earth sinking, and earth rising or shifting or tilting.**

### **Fungal Pathogens Sublimit/Aggregate Limit**

A sublimit applies to any loss, cost or expense directly or indirectly arising out of or related to exposure to “fungal pathogens,” whether or not there is another cause of loss that may have contributed concurrently or in any sequence to the loss. The sublimit will be \$10,000,000 per *occurrence*, subject also to a \$5,000,000 annual aggregate collectively in Pool D only, for all *covered parties*. The designated general aggregate limit of \$5,000,000 is the most the *Authority* will pay from Pool D because of such *claims* for all *covered parties*, combined, in any *program year*.

“Fungal pathogens” as used herein, shall mean any fungus or mycota or any byproduct or type of infestation produced by such fungus or mycota, including, but not limited to, mold, mildew, mycotoxins, spores, **bacterial pathogens**, or any biogenic aerosols.

### **Sexual Abuse – Daycare Operations Sublimit/Aggregate Limit**

A sublimit applies to “sexual abuse” arising out of daycare operations. The sublimit will be \$10,000,000 per *occurrence*, subject also to a \$5,000,000 annual aggregate collectively in Pool D only, for all *covered parties*. The designated general aggregate limit of \$5,000,000 is the most the *Authority* will pay from Pool D because of such *claims* for all *covered parties*, combined, in any *program year*. All *claims* based on or arising out of “sexual abuse” as respects daycare operations by the *covered party’s* employee and/or volunteer, or more than one of the *covered party’s* employees and/or volunteers acting in concert, will be considered as arising out of one *occurrence* regardless of:



- (1) the number of persons sexually abused;
- (2) the number of locations where the sexual abuse occurred;
- (3) the number of acts of sexual abuse; or
- (4) the period of time over which the sexual abuse took place.

An occurrence which extends to a duration of more than one coverage period shall be treated as a single occurrence arising during the first coverage period when the occurrence began.

As used herein, "sexual abuse" means any actual or alleged criminal sexual conduct of a person or persons acting in concert, which causes physical and/or mental injuries. "Sexual abuse" includes sexual molestation, sexual assault, sexual exploitation or sexual injury.

### **Terrorism Sublimit/Aggregate Limit**

A sublimit applies to any loss, cost or expense directly or indirectly arising out of any act or multiple, related acts of *terrorism*, regardless of any other cause or event contributing concurrently or in sequence to the loss. The sublimit will be \$10,000,000 per occurrence, subject also to a \$5,000,000 annual aggregate collectively in Pool D, only, for all covered parties. The designated general aggregate limit of \$5,000,000 is the most the Authority will pay from Pool D because of such claims for all *covered parties*, combined, in any program year

As used in this sublimit, "terrorism" shall mean any activity that:

- (1) is declared by any authorized governmental official to be or to involve "terrorism," terrorist activity or acts of terrorism; or,
- (2) includes, involves or is associated with the use or threatened use of force, violence or harm to human life, tangible or intangible property, the environment, natural resources, or the infrastructure or includes, involves or is associated with, in whole or in part, the use or threatened use of, or release or threatened release of, any biological, chemical, radioactive or nuclear agents, materials, devices or weapons, and
- (3) is intended, in whole or in part, to (i) intimidate, coerce, or frighten a civilian population; or (ii) disrupt or interfere with any segment of a local, national or global economy; or (iii) influence, disrupt or interfere with any government related operations, activities or policies; or (iv) promote, further or express opposition to any political, ideological, racial, ethnic, social or religious cause or objective.

### **Airports, Pollution, and Property of a Covered Party Sublimits/Aggregate Limits**

Exclusions 2 (Airports), 27 (Pollution) and 29 (Property of a Covered Party) contain additional sublimits/aggregate limits.

## **SECTION V - COVERAGE PERIOD AND TERRITORY**

This agreement applies to *bodily injury, personal injury, property damage, public officials errors and omissions* and *employment practices liability* which occurs anywhere in the world during the coverage period identified in the applicable declaration or certificate of coverage.

## **SECTION VI - EXCLUSIONS**

(Captions provided for the exclusions are descriptive only and do not serve to either expand or limit coverage.)

This agreement does not apply to:

1) **Aircraft**

Claims arising out of the ownership, operation, use, maintenance or entrustment to others of any *aircraft* by a *covered party*. "Ownership, operation, use or maintenance" as used herein does not include static displays of *aircraft* in a park or museum setting.

2) **Airports**

Claims arising out of ownership, maintenance, management, supervision or the condition of any *airport*. However, this exclusion does not apply to *public officials errors and omissions* or *employment practices liability* coverage arising from the ownership, maintenance, management, supervision or the condition of any *airport*. Notwithstanding what is stated in the applicable declarations, *public officials errors and omissions* coverage described in this exception will be subject to a sublimit of \$5,000,000.

3) **Airshows**

Claims arising out of any air show sponsored or controlled by the *covered party*.

4) **Bid Specifications/Cost Overruns**

(a) Claims arising out of estimates of probable cost or cost estimates being exceeded or faulty preparation of bid specifications or plans including architectural plans.

(b) Mechanic's lien claims, stop notice claims, change order claims, or similar claims by contractors for the value of services or materials provided; this exclusion extends to such claims however denominated, including claims of breach of oral or written contract, third-party beneficiary claims, quantum meruit claims, and/or open account claims.

5) **Contractual Obligations**

Claims arising out of:

- (a) a failure to **enter into a contract, or failure to** perform or breach of a contractual obligation; or
- (b) *bodily injury or property damage* for which the *covered party* is obligated to pay *damages* by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for *damages*:
  - 1) assumed in a contract or agreement that is a *covered indemnity contract*, provided the *bodily injury or property damage* occurs subsequent to the execution of the contract or agreement; or
  - 2) that the *covered party* would have in the absence of the contract or agreement.

Notwithstanding this exclusion, the General Manager (or Board President or Vice President, in the absence of the General Manager) is granted authority to approve settlements involving promises to indemnify a co-defendant as part of the settlement. Any funds recovered from a co-defendant under such an agreement must be applied to *ultimate net loss* in addition to the *retained limit* before CJPRMA coverage is triggered.

6) **Damages Other Than Money**

*Ultimate net loss* arising out of relief, or redress, in any form other than money *damages*.

7) **Dams**

Claims arising out of partial or complete structural failure of a *dam* owned or operated by a *covered party*.

8) **Defamation**

Claims arising out of oral or written publication of material, if done by or at the direction of the *covered party* with knowledge of its falsity.

9) **Employment Liability**

*Bodily injury* to:

- (a) an *employee* of the *covered party* arising out of and in the course of:
  - 1) employment by the *covered party*; or

2) performing duties related to the conduct of the *covered party's* business.

(b) the spouse, child, unborn child or fetus, parent, brother or sister of the *employee* as a consequence of paragraph (a) above.

This exclusion applies to any obligation to share *damages* with or repay someone else who must pay *damages* because of the injury except under a *covered indemnity contract*.

This exclusion applies whether the *covered party* may be liable as an employer or in any other capacity.

10) **Employment Practices – Labor Disputes**

Under *employment practices liability*, to any potential or actual liability arising out of a lockout, strike, picket line, replacement or other similar action in connection with labor disputes or labor negotiations; or any liability arising from the failure to pay wages earned by an employee of a Covered Party, including but not limited to any claim or suit brought under the overtime compensation or minimum wage provisions of the Fair Labor Standards Act, 29 U.S.C. 201 et seq., or any state or local law governing the payment of overtime compensation or minimum wage.

11) **Employment Practices – Workers' Adjustment and Retraining**

Under *employment practices liability*, to any liability arising out of the Workers' Adjustment and Retraining Notification Act, Public Law 100-379 (1988), or any amendment thereto, or any similar federal, state or local law.

12) **Elected Officials – Employees - Restitution**

Claims by any *covered party* against its own past or present elected or appointed officials, *employees* or volunteers, where such claim seeks *damages* or restitution payable to the *covered party*.

13) **Employee Benefit Plans**

Benefits payable under any *employee* benefit plan (whether the plan is voluntarily established by the *covered party* or mandated by statute) because of unlawful *discrimination*.

This exclusion applies whether the *covered party* may be liable as an employer or in any other capacity.

14) **Employment Benefits**

Any obligation under any workers' compensation, unemployment compensation or disability benefits law or any similar law.

This exclusion applies whether the *covered party* may be liable as an employer or in any other capacity.

15) **ERISA**

Claims arising out of the Employee Retirement Income Security Act of 1974 or any law amendatory thereof, or any similar law or liability arising out of fiduciary activities as respects *employee* benefits plans.

16) **Failure to Supply**

Claims arising out of the failure to supply or provide an adequate supply of gas, water, electricity, storm drainage or sewage capacity when such failure is a result of the inadequacy of the *covered party's* facilities to supply or produce sufficient gas, water, electricity, storm drainage or sewage capacity to meet the demand. This exclusion does not apply if the failure to supply results from direct and immediate accidental damage to tangible property owned or used by any *covered party* to procure, produce, process or transmit the gas, water, electricity, storm drainage or sewage.

17) **Fines, Penalties, Punitive Damages**

Fines, assessments, penalties, restitution, disgorgement, exemplary or punitive *damages*. This exclusion applies whether the fine, assessment, penalty, restitution, disgorgement, exemplary or punitive *damage* is awarded by a court or by an administrative or regulatory agency. "Restitution" and "disgorgement" as used herein refer to the order of a court or administrative agency for the return of a specific item of property or a specific sum of money, because such item of property or sum of money was not lawfully or rightfully acquired by the *covered party*.

18) **Firing Ranges**

Claims arising out of the private use of a firing range owned, operated or maintained by a *covered party* where such private use is sanctioned by the *covered party*, except where such use is by a covered individual as defined in definition (8) (d). This exclusion does not apply to such private use where all of the following conditions are met:

- (a) A qualified range master is present at all times while the firing range is being utilized;
- (b) The firing range is only provided for the additional use of law enforcement divisions of other public agencies, and police academies, herein defined as

California P.O.S.T. (Peace Officers Standards & Training) Certified Basic Academies;

(c) Any agency using the firing range has provided an indemnification agreement which assumes full responsibility by the user agency for all liability arising out of their activities; and

(d) The user agency has provided liability coverage in an amount of not less than \$1,000,000 and has also provided a certificate of coverage which names the CJPRMA member as an additional covered party.

19) **Hospitals**

Claims arising out of ownership, maintenance, management, supervision or the condition of any hospital.

20) **Intentional Conduct**

Claims for injury or *damages* caused by intentional **or criminal** conduct done by the *covered party* with willful and conscious disregard of the rights or safety of others, or with malice. However, where the *covered party* did not authorize, ratify, participate in, consent to, or have knowledge of such conduct by its past or present *employee*, elected or appointed official, or volunteer, and the claim against the *covered party* is based solely on its vicarious liability arising from its relationship with such *employee*, official or volunteer, this exclusion does not apply to said *covered party*.

21) **Jumping/Propelling Activities**

Claims arising out of bungee jumping or propelling activities sponsored, controlled or authorized by a *covered party*.

22) **Land Use**

Claims arising out of or in connection with land use regulation, land use planning, the principles of eminent domain, condemnation proceedings or inverse condemnation by whatever name called, and whether or not liability accrues directly against any *covered party* by virtue of any agreement entered into by or on behalf of any *covered party*. **Land use planning and land use regulation include the approval or disapproval of any land-use entitlement including but not limited to general plan amendments, zoning amendments, variances, permits, tract maps, development agreements, owner-participation agreements, or disposition-and-development agreements; the approval or disapproval of any rent control ordinance, outdoor advertising ordinance, or adult bookstore ordinance; or the approval or disapproval of the operation of a marijuana dispensary, any ordinances governing that activity, and any and all enforcement efforts.**



23) **Marinas**

Claims arising out of:

- (a) or connected with *property damage* to private vessels or craft while present at or in a *marina* owned, operated or controlled by a *covered party* whether or not the vessel or craft is docked, moored or underway; or
- (b) *bodily injury* or *property damage* occurring on, in or about any boat owned or operated by the *covered party* (whether such vessel is being operated or has broken away from any dock or mooring) while present at or in a *marina* owned, operated or controlled by a *covered party*.

24) **Medical Malpractice**

Claims arising out of any professional *medical malpractice* (1) committed by a doctor, osteopath, chiropractor, dentist or veterinarian, or (2) committed by any health care provider (as defined in Business & Professions Code Section 6146(c) (2)) working for any hospital or hospital operated out-patient, in-patient or other clinic at the time of the *occurrence* giving rise to the loss. This exclusion shall not apply, however, to any injury arising out of emergency medical services rendered or which should have been rendered to any person or persons during the coverage period by any duly certified emergency medical technician, paramedic, or nurse who is employed by or acting on behalf of any *member entity* to provide such services, but is not employed at a hospital, clinic or nursing home facility.

25) **Multi Passenger Vehicles**

Claims arising out of the ownership, operation, maintenance or use of any vehicle (1) with over 30 passenger seats or carrying over 30 passengers and (2) which is owned, operated, maintained or used by any transit authority, transit system or public transportation system owned or operated by or on behalf of the *covered party*.

26) **Nuclear Material**

Claims arising out of the hazardous properties of *nuclear material*.

27) **Pollution**

Claims which would not have occurred in whole or in part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of *pollutants* at any time.

- (a) This exclusion does not apply to fire fighting activities, including training burns, or intentional demolition or burns for the purpose of limiting a fire, or the discharge of *pollutants* for the purpose of controlling a fire; or to police

use of mace, oleoresin capsicum (O.C.), pepper gas or tear gas; or to weed abatement or tree spraying.

- (b) This exclusion does not apply to claims arising from sudden and accidental sewer backups **into a home or business, but this extension of coverage does not apply to backups, overflow or runoff into public waterways.** Notwithstanding what is stated in the applicable declarations, the *limit of coverage* for claims described in this exception will be subject to a sublimit of \$5,000,000.
- (c) This exclusion does not apply to claims arising from the sudden and accidental discharge, dispersal, release, or escape of chlorine and other chemicals (gas, liquid or solid) which are being used or being prepared for use in fresh or wastewater treatment or in water used in swimming pools, wading pools or decorative fountains. Notwithstanding what is stated in the applicable declarations, the *limit of coverage* for claims described in this exception will be subject to a sublimit of \$5,000,000.
- (d) This exclusion does not apply to claims arising from materials being collected as part of any drop-off or curbside recycling program implemented and operated by the *covered party*; if the materials have not been stored by the *covered party* or *parties* for a continuous period exceeding ninety (90) days. Notwithstanding what is stated in the applicable declarations, the *limit of coverage* for claims described in this exception will be subject to a sublimit of \$5,000,000.
- (e) This exclusion does not apply to sudden and accidental discharges of *pollutants* occurring during the transportation or deposit of materials as part of garbage collection activities. However, the exclusion does apply after *pollutants* have been deposited at a landfill or garbage dump.
- (f) This exclusion does not apply to *bodily injury* or *property damage* arising from activities of the *covered party* to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize *pollutants*, but this exception will not apply to *bodily injury* or *property damage* caused by *pollutants* on or arising from premises, equipment or locations under the control of the *covered party*.
- (g) This exclusion does not apply to sudden and accidental discharges of *pollutants* from premises owned or controlled by a *Covered Party* as described in Definition 8(a) or (b) if the discharge is discovered within ten (10) days of the *occurrence* and reported to the *Authority* within thirty (30) days of discovery. Notwithstanding what is stated in the applicable declarations, the *limit of coverage* for claims described in this exception will be subject to a sublimit of \$5,000,000.

As used in paragraphs (b), (c), (e) and (g) above, “sudden” means abrupt or immediate, and occurring within a period not exceeding twenty-four (24) hours; “accidental” means causing harm neither expected nor intended by a *covered party*.

Notwithstanding what is stated in the applicable declarations, any liability arising out of the actual, alleged or threatened exposure to asbestos or lead, which is covered by an exception within this exclusion, shall be subject to a sublimit of \$5,000,000.

28) **Pollution Clean Up**

Any loss, cost or expense, including *defense costs*, arising out of any:

- (a) request, demand or order that any *covered party* or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of *pollutants*; ~~or~~
- (b) claim or suit by or on behalf of a governmental authority for *damages* because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of *pollutants*; ~~or~~
- (c) claim or suit brought under the Clean Water Act, including state or federal enforcement actions under 33 U.S. Code sections 1319, et seq.; citizen suits brought under sections 1365, et seq.; or state enforcement actions brought under the California Water Code sections 13385, et seq.; or claims or suits brought under any similar law relating to discharge permit violations.

29) **Property of a Covered Party**

*Property damage* to:

- (a) property owned by the *covered party*;
- (b) property rented to or leased to the *covered party* where it has assumed liability for damage to or destruction of such property, unless the *covered party* would have been liable in the absence of such assumption of liability; or
- (c) *aircraft* or watercraft in the *covered party's* care, custody or control.

Notwithstanding what is stated in the applicable declarations, the *limit of coverage* for any *property damage* not excluded by the language of this exclusion, but which is described in the *care, custody or control hazard*, shall be subject to a general aggregate limit within Pool D only. The designated general aggregate limit of \$5,000,000 is the most the *Authority* will pay from Pool D for all *ultimate net loss*

described in the *care, custody or control hazard* for all *covered parties*, combined, in any program year.

30) **Public Officials Errors & Omissions – Fiduciary Liability**

Under *public officials errors and omissions* coverage, claims (including emotional distress claims) arising from the *covered party's* activities in a fiduciary capacity including but not limited to those with respect to: (a) property, including related operations, in which the *covered party* is acting in a fiduciary or representative capacity; (b) a pension, welfare, profit sharing, mutual or investment trust fund or trust, benefit plan or similar activity in a fiduciary capacity; (c) the issuance, management of proceeds or repayment of bonds, notes or other debt instruments by any insured or any agent acting on behalf of such insured; or (d) the purchase, transfer or sale of any securities by any insured or agent acting on behalf of such insured.

31) **Public Officials Errors & Omissions – Bodily Injury or Property Damage**

Under *public officials errors and omissions* coverage, *bodily injury, personal injury*, or physical injury to tangible property, including all resulting loss of use of that property.

32) **Racing Contests**

Claims arising out of *automobile* or motorcycle drag racing, speed racing, or similar speed contests sponsored, controlled or participated in by a *covered party*.

33) **Reasonable Accommodation**

Any expense or cost incurred by a *covered party* arising from reasonable accommodation of any disabled person, including any *employee*.

34) **Refunds/Restitution**

Refund or restitution of taxes, fees or assessments.

35) **Reimbursement of Money**

Claims for refund, reimbursement or repayment of any monies to which a *covered party* was not legally entitled.

36) **Transit Authorities**

Claims arising out of the operation of vehicles by or on behalf of any transit authority, transit system, or public transportation system owned or operated by a *covered party*, unless the vehicles are owned or leased by the *covered party* and driven, maintained, and supervised by *employees* of the *covered party*. However, this exclusion does not apply to *public officials errors and omissions* coverage

arising from the operation of any transit authority, transit system, or public transportation system.

37) **Tumbling Devices**

Claims arising out of the ownership, maintenance or use of any trampoline or any other rebound tumbling device.

38) **Uninsured/Underinsured Motorists**

Uninsured or underinsured motorist coverage.

39) **Watercraft**

For any motorized watercraft owned, operated, rented, or loaned to a *covered party*, to (1) *bodily injury* or *property damage* arising out of the use of watercraft unless such use is by an entity *employee* acting within the course and scope of employment; and (2) to watercraft being used to carry persons or property for a charge. Charge, as used herein, includes any payment or fee, including a donation. Use includes operation and loading or unloading. Use does not include static displays of watercraft.

40) **Willful Violation of Statute**

Claims arising out of the willful violation of a statute or ordinance committed by the *covered party* or with its consent.

## **SECTION VII - CONDITIONS**

1) **Covered party's Duties in the Event of Occurrence, Claim or Suit**

(a) The *covered party* shall notify the *Authority* within 30 days upon receipt of notice of a claim, or the setting of a reserve on any claim or suit including multiple claims or suits arising out of one *occurrence*, such claim or reserve amounting to fifty percent or more of the *retained limit*, Title 42 USC 1983 cases in which a complaint has been served and the plaintiff is represented by legal counsel or with reserves of twenty-five percent or more of the *retained limit*, or regardless of reserve, any claim involving:

- 1) one or more fatalities;
- 2) loss of a limb;
- 3) loss of use of any sensory organ;
- 4) quadriplegia or paraplegia;
- 5) third degree burns involving ten percent or more of the body;
- 6) serious facial disfigurement;

- 7) paralysis; or
- 8) closed head injuries.

Written notice containing particulars sufficient to identify the *covered party* and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the *covered party* and of available witnesses, shall be given by or for the *covered party* to the *Authority* or any of its authorized agents as soon as possible.

- (b) The *covered party* shall notify the *Authority* within 30 days upon receipt of lawsuit containing allegations involving *employment practices liability*. Where any lawsuit is reported after the 30 day period as required by this provision, all *defense costs* incurred prior to the date of late reporting will not constitute covered *ultimate net loss* eroding the *self insurance retention*. The *covered parties* shall cooperate in an early review of *employment practices liability* claims or suits with counsel appointed by the *Authority* at the expense of the *Authority*.
- (c) If claim is made or suit is brought against the *covered party* and such claim or suit falls within the description in paragraph (a) above, the *covered party* shall be obligated to forward to the *Authority* every demand, notice, summons or other process received by it or its representative.
- (d) The *covered party* shall cooperate with the *Authority* and upon its request assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the *covered party* because of *bodily injury, personal injury, property damage* or *public officials errors and omissions* with respect to which coverage is afforded under this Agreement; and the *covered party* shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.
- (e) The *Authority* shall be entitled to complete access to the *covered party's* claim file, the defense attorney's complete file, and all investigation material and reports, including all evaluations and information on negotiations. The *covered party* shall be responsible to report on the progress of the litigation and any significant developments at least quarterly to the *Authority*, and to provide the *Authority* with simultaneous copies of all correspondence provided to the *covered party* by its defense attorneys and/or agents.

## 2) **Action Against Authority/Subrogation**

- (a) No action shall lie against the *Authority* with respect to the coverages and related provisions defined in the Memorandum of Coverage (Memorandum) for the *Automobile/General Liability Program* unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of the Memorandum, nor until the amount of the *covered party's* obligation to



pay shall have been finally determined either by judgment against the *covered party* after actual trial or by written agreement of the *covered party*, the claimant and the *Authority*. Any person or organization or the representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under said Memorandum to the extent of the coverage afforded by said Memorandum. No person or entity shall have any right under said Memorandum to join the *Authority* as a party to any action against the *covered party* to determine the *covered party's* liability, nor shall the *Authority* be impleaded by the *covered party* or its legal representative.

(b) The *Authority* shall be subrogated to the extent of any payment hereunder (including all *ultimate net loss* incurred) to all the *covered party's* rights of recovery thereof, and the *covered party* shall do nothing after loss to prejudice such right and shall do everything necessary to secure such right. Any amount so recovered shall be apportioned as follows:

- 1) The *Authority* shall be reimbursed first to the extent of its actual payment thereunder. If any balance then remains unpaid, it shall be applied to reimburse the *covered party*.
- 2) The expenses of all such recovery proceedings shall be apportioned in the ratio of respective recoveries. If there is no recovery in proceedings conducted by the *Authority*, it shall bear the expenses thereof.

### 3) **Bankruptcy or Insolvency**

Bankruptcy or insolvency of the *covered party* shall not relieve the *Authority* of any of its obligations hereunder.

### 4) **Other Coverage**

If insurance or any other coverage with any insurer, joint powers authority or other source respectively is available to the *covered party* covering a loss also covered hereunder (whether on primary, excess or contingent basis), the coverage hereunder shall be in excess of, and shall not contribute with, such other insurance or coverage. This coverage shall be in excess of, and shall not contribute with, any insurance or coverage designed to cover the operator of an *automobile* or watercraft. This coverage shall be in excess of, and shall not contribute with, any insurance or coverage which names a *covered party* herein as an additional *covered party* or additional insured party, where coverage is extended to a loss also covered hereunder.

This "other coverage" paragraph shall not operate to increase the *covered party's retained limit* or the *Authority's limit of coverage* under this Memorandum because of any coverage afforded to the *covered party* by the Employment Risk Management Authority.

5) **Severability of Interests**

The term *covered party* is used severally and not collectively, but the inclusion herein of more than one *covered party* shall not operate to increase the limits of the *Authority's* liability or the *retained limit* applicable per *occurrence*.

6) **Accumulation of Limits**

An *occurrence* which extends to a duration of more than one coverage period shall be treated as a single *occurrence* arising during the first coverage period when the *occurrence* begins.

7) **Termination**

This Agreement may be terminated at any time in accordance with the Bylaws of the *Authority*.

8) **Changes**

Notice to any agent or knowledge possessed by any agent of the *Authority* or by any other person shall not affect a waiver or a change in any part of this Memorandum of Coverage, nor shall the terms of this Memorandum of Coverage be waived or changed, except by endorsement issued to form a part of this Memorandum of Coverage.

9) **Reduction of Limits**

In the event of reduction or exhaustion of the *retained limit* applicable to the *covered party* by reason of losses paid thereunder, this coverage shall (a) in the event of reduction pay the excess of the reduced underlying *retained limit*, or (b) in the event of exhaustion continue in force as underlying coverage. In no event shall the coverage apply until the *retained limit* is exhausted through the payment of *defense costs*, judgments and/or settlements to which the *Authority* has agreed.

10) **Coverage Disputes**

The General Manager shall make the initial determination whether to deny coverage on all or part of a claim, or to reserve the *Authority's* right to deny coverage on all or part of a claim, if a loss subsequently exceeds the *retained limit*.

A decision by the General Manager to deny coverage can be appealed to the Board of Directors. Notice of such appeal shall be submitted in writing within thirty (30) calendar days of the date of the General Manager's written notice of decision.

The appeal shall be considered by the Board of Directors at the next regular or special meeting following receipt of the written appeal; if the appeal is received too

late for inclusion in the agenda packet, it can be postponed to the next following Board meeting. The General Manger and the *covered party* will have the right to submit written materials and present oral argument to the Board, subject to reasonable time constraints.

Within sixty (60) days following any denial of coverage by the Board, the *covered party* may request, in writing, that the *Authority* initiate a declaratory relief action in Superior Court for a determination of the coverage matter. The declaratory relief action shall be initiated in the County of the *Authority's* home office, unless the *Authority* and *covered party* agree on a different venue.

Any determination by the Executive Committee, and by the Board of Directors if the matter is appealed to the Board of Directors, whether a Covered Party has breached parts (1)(a) or (b) of these Conditions concerning notice of a claim, and any determination whether the *Authority* has been prejudiced by that breach, so that this coverage does not apply, comes within the sole discretion of the Executive Committee and Board of Directors, respectively. Such determinations shall be conclusive, final and binding and shall not be the subject of any further review, whether by declaratory relief action or otherwise.

Under no circumstances shall the Authority be liable for consequential damages, "bad faith" damages, or any sums beyond the amounts due under Section I – Coverages, plus interest at the same rate as the Authority earned on investments for the time period involved.

## 11) **Arbitration of Coverage Disputes**

### (a) **Coverage Determinations**

Determinations regarding allocation of funds spent in settlement or defense of claims, for purposes of determining satisfaction of the Retained Limit under Definition 25, shall be subject to binding arbitration as set forth below. Additionally, the *Authority* and *covered parties* by mutual agreement may agree to submit any other coverage dispute to binding arbitration in the alternative to the procedure set forth in Section VII(10) above.

#### 1) **Selection of Arbitrators**

If an appeal of a Board decision is submitted to arbitration, each side shall, within ten (10) calendar days, select one (1) arbitrator and submit his or her name in writing to the other side. Within ten (10) calendar days after their selection, these two arbitrators shall select a third independent arbitrator. If the two sides cannot agree on the selection of the third arbitrator within ten (10) calendar days, either side may petition the Alameda County Superior Court for the appointment of the third arbitrator pursuant to the provisions of section 1281.6 of the California Code of Civil Procedure. The third arbitrator shall be an

attorney and preside as the Chairperson of the arbitration panel. No arbitrator shall be employed or affiliated with the *Authority* or the *covered party* or *parties*.

The arbitration hearing shall commence within forty-five (45) calendar days from the date of the selection of the Chairperson, unless both sides agree to an extension.

Each side shall pay the cost of its selected arbitrator and one-half of the cost of the third selected arbitrator. In addition, each side shall be responsible for its own cost and expense of arbitration.

Except for notification of appointment and as provided in the California Code of Civil Procedure, there shall be no communication between the parties and the arbitrator(s) relating to the subject of the arbitration other than at oral hearings.

2) **Discovery**

The procedures set forth in Code of Civil Procedure section 1283.05 relating to depositions and discovery shall apply to any arbitration pursuant to this paragraph (b).

3) **Testimony Under Oath**

The testimony of witnesses shall be given under oath.

4) **Length of Hearing**

The panel will endeavor to confine the length of the hearing to two (2) days. A decision of the panel shall be reported in writing. The written decision of the panel shall be given to both sides within thirty (30) calendar days of the close of the hearing.

5) **Certified Shorthand Reporter**

Either side wishing a certified shorthand reporter record shall make arrangements directly with a certified shorthand reporter and notify the other side of such arrangements in advance of the hearing. The requesting side shall pay the cost of recording the hearing if no transcript is ordered. If a transcript is ordered, the cost of the transcript and of recording the hearing shall be prorated equally among the parties ordering copies.

(b) **Funding of Defense and Payment of Claims Pending Resolution of Dispute**

During the course of the arbitration proceedings provided herein, the *covered party* will be responsible for all fees and expenses for investigation, defense or litigation of a claim or lawsuit. In the event the arbitration panel determines that coverage applies for such *defense costs*, the *Authority* will reimburse the *covered party* as directed by the panel.

(c) **Effects of Arbitration Decisions**

All decisions on appeals, whether by the Board of Directors (after the time to request arbitration has expired) or by the arbitration panel, shall be final and binding upon the parties and shall not be subject to any further appeal or court action, except as provided in Code of Civil Procedures sections 1286.2 and 1286.4 (relating to fraud or corruption, etc.).

(d) **General Law**

Except as provided otherwise above, arbitration shall be conducted as provided in Title 9 of the Code of Civil Procedure (commencing with section 1280).

**CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY**

**PROGRAM YEAR 2016-2017**

**ENDORSEMENT NO. 1**

Exclusions number 25 (Multi-Passenger Vehicles) and 36 (Transit Authorities), set forth in Section VI of the Memorandum of Coverage, are hereby modified by exempting therefrom the *member entity* listed below:

The school bus system operated by the Esparto Unified School District (YCPARMIA).

This endorsement is issued to:

1. **The Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA)**

This endorsement forms a part of the Memorandum of Coverage for the program year indicated above.

**Effective date: July 1, 2016**

July 1, 2016

Date



General Manager

# CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY

## PROGRAM YEAR 2016-2017

### ENDORSEMENT NO. 2

Exclusion number 39 (Watercraft), set forth in Section VI of the Memorandum of Coverage, is hereby modified by exempting therefrom **The City of Lodi**, subject to the following conditions:

- 1) The exemption is applicable to the pontoon boats utilized for the City's camera safari tours.
- 2) Everyone on the boats is required to wear Coast Guard approved floatation devices.
- 3) A Coast Guard "Masters Limited" certification must be completed.

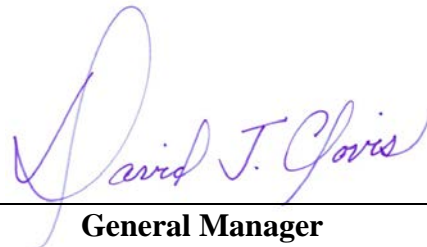
This endorsement is issued to: **The City of Lodi**

This endorsement forms a part of the Memorandum of Coverage for the program year indicated above.

**Effective date: July 1, 2016**

July 1, 2016

Date



General Manager



**CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY**

**PROGRAM YEAR 2016-2017**

**ENDORSEMENT NO. 3**

With respect to any claims arising out of the ownership, maintenance, management, supervision or the condition of port facilities owned or controlled by the parties named below, there shall be no coverage in "Pool C" or "Pool D." Coverage in "Pool B" shall be excess of, and shall not contribute with, any insurance or coverage provided to the parties listed below by the insurer/coverage provider for any contractor (whether public or private) under contract to operate or service the port facilities. But coverage in "Pool B" shall not be excess of any insurance or coverage provided by or through the California Association of Port Authorities, the U.S. Ports & Terminal Operators Risk Purchasing Group, and shall instead apply (in excess of YCPARMIA's coverage) to satisfy part of the \$1 million Self Insured Retention under CAPA coverage.

This endorsement is issued to: **The Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA), and its member, the City of West Sacramento.**

This endorsement forms a part of the Memorandum of Coverage for the program year indicated above.

**Effective date: July 1, 2016**

July 1, 2016  
\_\_\_\_\_  
**Date**

  
\_\_\_\_\_  
**General Manager**

# CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY

## PROGRAM YEAR 2016-2017

### ENDORSEMENT NO. 4

With respect to *bodily injury or property damage* arising out of, and caused by, a "Special Event," the *Retained Limit* stated in the Declarations Page is amended to \$25,000.

For purposes of this Endorsement, "Special Event" means an event described below for which a third party ("Event Sponsor"), by written contract (including by permit agreement executed by the Event Sponsor), agrees to use facilities of the Covered Party for a specified period of time and activity, and agrees by the contract to indemnify and hold harmless the Covered Party from risk of loss arising from the event.

The indemnity and hold harmless agreement must provide that the Event Sponsor "agrees to indemnify and hold harmless [covered party] and its agents and employees from and against any injury, damage, claims, actions or suits arising out of the [Special Event], including those caused by negligence of the parties being indemnified and/or any dangerous condition of property of the parties being indemnified, and further agrees to defend and indemnify [covered party] from and against any injury, damage, claims, actions or suits arising out of or connected with the [special event]."

"Special event" includes:

1. Aerobics – Jazzercise demonstrations
2. Animal Acts/Shows (not Zoos or Circuses)
3. Antique Shows
4. Art Festivals
5. Art Shows
6. Auctions
7. Automobile Shows
8. Awards Presentations
9. Ballets
10. Banquets
11. Bazaars
12. Beauty Pageants
13. Bingo/Casino games
14. Block Parties, including those with Street Closures
15. Boat Shows

16. Body Building Contests
17. Business Meetings
18. Business Shows
19. Carnivals (not including mechanized rides)
20. Casino and Lounge Shows
21. Charity benefits, auctions and sales; fund raisers
22. Civic clubs and group meetings
23. Community Fairs
24. Concerts with total attendance of less than 1500
25. Consumer Shows
26. Conventions in Buildings
27. Craft Shows
28. Dance Shows/Recitals
29. Dances and Parties (except with Rap or Heavy Metal)
30. Debutante Balls
31. Dinner Theater
32. Dog Shows
33. Drill Team exhibitions
34. Educational exhibitions
35. Electronics Conventions
36. Ethnic Fairs or Celebrations
37. Evangelistic meetings
38. Expositions
39. Farmers' Markets
40. Fashion Shows
41. Fishing Shows or contests
42. Flea Markets
43. Flower Shows
44. Food concessions
45. Garden Shows
46. Graduations
47. Harvest Festivals
48. Holiday Shows
49. Home Shows
50. Horse Shows
51. Housing Shows
52. Instructional Classes
53. Job Fairs
54. Ladies Club events
55. Lectures
56. Livestock Shows
57. Luncheon Meetings
58. Mobile Home Shows
59. Musicals
60. Night Club Shows
61. Operas

62. Organized Sight Seeing Tours
63. Pageants
64. Parties with total attendance of less than 500
65. Picnics
66. Plays
67. Political Rallies
68. Proms
69. Quinceaneras
70. RV Shows
71. Religious Assemblies
72. Reunions
73. Rummage Sales
74. Scavenger Hunts
75. Scouting Jamborees
76. Seminars
77. Sidewalk Sales
78. Soap Box Derbies
79. Social Receptions or Gatherings
80. Speaking Engagements
81. Sporting events if non-professional, non-league, non-contact (bicycle races/rallies, equestrian events, golf, gymnastics, tennis, handball or racquetball, roller skating, handball, marathons, fun runs, 10K races, gymnastic competitions, ice skating shows, ski events)
82. Sporting events if non-professional, non-league, limited contact (baseball or softball, soccer, roller hockey, basketball)
83. Street Fairs
84. Swap Meets
85. Symphony Concerts
86. Teleconferences
87. Telethons
88. Theatrical Stage Performances
89. Trade Shows
90. Union Meetings
91. Vacation Shows
92. Voter Registration
93. Walk a Thons
94. Weddings and Receptions

“Special Event” does not include:

1. Aircraft/aviation events (static displays are not excluded)
2. All terrain boarding
3. Ballooning or balloon rides
4. Base jumping
5. Bouldering
6. Bungee Jumping

7. Carnival rides
8. Circuses
9. Concerts over 6 hours
10. Diving
11. Football (except passing camps with no contact drills)
12. Hang gliding/ parachuting/ parasailing
13. Jousting
14. Kayaking, rafting or canoeing in greater than Class 3 rapids
15. Lacrosse and Rugby
16. Mechanical amusement rides or services
17. Motorized sporting equipment including speed or demolition events
18. Mosh Pits
19. Mountain Biking
20. Parades
21. Power Boat Racing
22. Professional Sporting Activities: games, racing, or contest of a professional nature
23. Pyrotechnics or explosives
24. Rap or Heavy Metal concerts
25. Raves
26. Rock Climbing
27. Rodeo or Roping Events
28. Scuba Diving
29. Sporting events if part of a league
30. Sporting events if non-professional, full contact (football, ice hockey, rugby, boxing, wrestling, contact karate, contact martial arts)
31. Tractor or Truck Pulls
32. Trampolines
33. Zoos

**Exclusion for participants.** This endorsement does not apply to “bodily injury” or “property damage” to any person while practicing for or participating in any sports or athletic contest or exhibition, or while performing in any concert, show, or theatrical event.

**Exclusion for sale alcohol.** This endorsement does not apply to “bodily injury” or “property damage” arising from or caused, in whole or in part, by the Covered Party or Event Sponsor furnishing alcoholic beverages for which consumers are specifically charged by a third party vendor or caterer.

This Endorsement does not apply to liability arising from *Public Officials Errors and Omissions*.

This Endorsement does not eliminate the operation of any Exclusion in the Memorandum of Coverage.

This endorsement does not provide drop down coverage or reduce the retained limit under the reinsurance program.

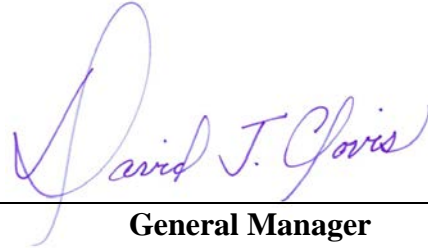
This Endorsement forms a part of the Memorandum of Coverage for the program year indicated above.

**Effective date: July 1, 2016**

July 1, 2016

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**Date**

A handwritten signature in purple ink that reads "David J. Gavis". The signature is written in a cursive style with a large initial "D".

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**General Manager**

**CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY**

**PROGRAM YEAR 2016-2017**

**ENDORSEMENT NO. 5**

With respect to any claims arising out of the ownership, maintenance, management, supervision or the condition of port facilities owned or controlled by the party named below, there shall be no coverage.

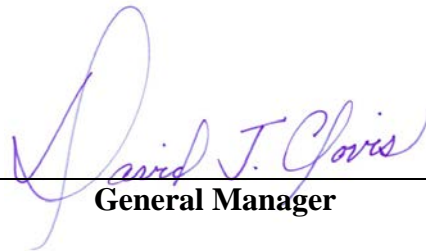
This endorsement is issued to: **The City of Richmond**

This Endorsement forms a part of the Memorandum of Coverage for the program year indicated above.

**Effective date: July 1, 2016**

July 1, 2016

**Date**



Handwritten signature of David J. Glavin in blue ink, written over a horizontal line.

**General Manager**



**CALIFORNIA JOINT POWERS RISK MANAGEMENT AUTHORITY**

**PROGRAM YEAR 2017-2018**

**[PROPOSED] ENDORSEMENT NO. 7**

**Scheduled Unmanned Aerial Vehicle, with Sublimit**

Unmanned Aerial Vehicle (UAV) or “drone” means an *Aircraft* (including its aerial system or control device) that is not controlled directly by a person from within or on the aircraft, and falls within the definition of Small Unmanned Aircraft under 14 Code of Federal Regulations section 107.3.

For UAVs owned or operated by a *Covered Party* that are scheduled for coverage pursuant to this endorsement, Exclusion 1 (Aircraft) is deleted, for *Bodily Injury* and *Property Damage* coverage, only, but subject to the *Retained Limit* and *Limit of Coverage* sublimit stated herein.

With respect to *bodily injury* or *property damage* arising out of, and caused by, the use of a scheduled UAV, the *Retained Limit* shall be as stated in this endorsement.

With respect to *bodily injury* or *property damage* arising out of, and caused by, the use of a scheduled UAV, the Limit of Coverage shall be subject to a Sublimit of \$7,000,000 per *Occurrence*, and further subject to a \$2,000,000 annual aggregate limit collectively in Pool D only, for all *Covered Parties*.

In order to be a scheduled UAV for purposes of this Endorsement, the *Member* must report to CJPRMA the size, weight, type, manufacturer, and value of the UAV, and it must be endorsed for coverage. In the event of a loss involving a UAV not scheduled and endorsed for coverage, there will be no coverage under this Endorsement.

In order for coverage to apply, the Member operating the UAV must be operated by a remote pilot certified with a small UAS rating, pursuant to FAA regulations. Unlicensed operation of a UAV is not covered under this Endorsement.

This Endorsement forms a part of the Memorandum of Coverage for the Program Year indicated above.

**Retained Limit:**     **\$500**    

**Effective date:** July 1, 2017

July 1, 2017  
**Date**

David J. Clovis, General Manager



BACK TO AGENDA

Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 15, 2017

Agenda Item H.1.b.

## FY 17/18 NCCSIF MEMORANDUM OF COVERAGE - WORKERS' COMPENSATION

### ACTION ITEM

**ISSUE:** The Board annually reviews and approves the NCCSIF Workers' Compensation Memorandum of Coverage (MOC). There are no changes for FY 17/18.

Note, NCCSIF does not cover a member's obligation to pay any portion of Labor Code 4850 benefits, including the amount that would be payable for temporary disability if 4850 did not apply. The excess coverage provided by the CSAC-EIA MOC does not cover 4850 benefits except to the extent the member would be obligated to pay temporary disability benefits if 4850 did not apply.

**RECOMMENDATION:** Review and approve the 17/18 NCCSIF Workers' Compensation Memorandum of Coverage.

**FISCAL IMPACT:** None.

**BACKGROUND:** NCCSIF annually reviews and approves the Workers' Compensation Memorandum of Coverage (MOC), including any recommended changes based on member feedback and/or changes made to the excess MOC provided by CSAC-EIA. Each member maintains a Banking Layer to pay the first \$100,000 of any claim, with NCCSIF providing coverage from \$100,000 to \$500,000 in the Shared Layer. CSAC-EIA provides excess coverage for Part One – Workers' Compensation from \$500,000 to Statutory Limits, with a \$5,000,000 limit for Coverage Part Two - Employer's Liability coverage.

**ATTACHMENT(S):** FY 17/18 Workers' Compensation MOC



## **WORKERS' COMPENSATION & EMPLOYER'S LIABILITY**

### **MEMORANDUM OF COVERAGE**

**The Northern California Cities Self Insurance Fund (hereinafter called NCCSIF) is an intergovernmental agency, risk sharing, joint powers authority, duly formed pursuant to California Government Code Sections 6500-6512, and other provisions of law.**

**This Memorandum of Coverage is a contract between the NCCSIF and its Members that sets forth certain duties, responsibilities and obligations of each party. This Memorandum of Coverage is not an insurance policy or document, and is not necessarily subject to the particular rules of law that apply to an insurance policy or to interpretation of insurance policies or insurance related documents.**

#### **INTRODUCTION**

In return for the payment of the premium and subject to all terms and conditions of this agreement, Northern California Cities Self Insurance Fund (NCCSIF) agrees with you (the Member agency named in the Declarations) as follows:

#### **GENERAL SECTION**

##### **A. THE AGREEMENT**

This agreement includes the Declarations and all endorsements and schedules attached to it. It is a coverage agreement between you and us. The only agreements relating to this coverage are stated in this coverage agreement.

The terms of this agreement may not be changed or waived except by endorsement issued by us to be part of this agreement. You are responsible for telling us at once when the information contained in this agreement is no longer accurate for your operations.

This agreement, including the Declarations, endorsements and schedules attached to it, and any specified section of the JPA Agreement or Bylaws constitutes the entire coverage agreement. No condition, provision, agreement or understanding not stated in this coverage agreement will affect any rights, duties or privileges in connection with this coverage agreement.

Under no circumstances shall NCCSIF be liable for consequential damages, "bad faith" damages, or any sums beyond the Limit of Liability shown in the Declarations.



**B. WHO IS COVERED**

The Member Agency named in the Declarations is covered for liability to its employees, subject to the provisions of this agreement.

**C. WORKERS' COMPENSATION LAW**

Workers' compensation law means the Workers' Compensation Laws of the State of California (which include injury by both accident and disease). It includes any amendments to that law that are in effect during the coverage period. It does not include the provisions of any law that provide non-occupational disability benefits. The term "Workers' Compensation Law" shall also include the United States' Longshore and Harbor Workers Compensation Act, also known as LHWCA (33 USC Sections 901-950).

**D. LOCATIONS**

This agreement covers all of your workplaces in California and in other states if listed unless you have other insurance, are self-insured or covered under another Joint Powers Authority for such workplaces.

**E. WHO IS ELIGIBLE FOR BENEFITS**

Your employees (or in the event of their death, their dependents) are eligible for benefits under this agreement, except that employees who are excluded under Workers' Compensation Law are not eligible for benefits under this agreement unless they have been included on the Declarations or by endorsement.

**PART ONE — WORKERS' COMPENSATION COVERAGE**

**A. HOW THIS COVERAGE APPLIES**

This workers' compensation coverage applies to bodily injury by accident or bodily injury by disease, including resulting death, subject to the following conditions:

1. Bodily injury by accident must occur during the coverage period.
2. Bodily injury by disease must be caused or aggravated by the conditions of your employment. Your employee's exposure to those conditions causing or aggravating such bodily injury by disease must occur during the coverage period.

**B. WE WILL PAY**

We will pay promptly when due to those eligible under this agreement the benefits required of you by the workers' compensation law, in excess of the Member Retention specified in Item 3 of the Schedule and subject to the limit specified in Item 5 of the Schedule. As respects the United States



and Longshore and Harbor Workers Compensation Act (33 USC Sections 901-950), coverage for loss shall be limited, by amount and time of payment, to the benefits which would be available under the Workers' Compensation Act of the state where the injured employee is normally employed, if that law applied.

### **C. RIGHT TO ASSOCIATE IN DEFENSE**

We have no duty to investigate, handle, settle or defend any claims, suits or proceedings against you. We have the discretionary right—and shall be given the opportunity by you—to associate with you in the defense, investigation or settlement of any claim, suit or proceeding that appears to involve indemnity by NCCSIF. In such association, you and NCCSIF shall cooperate in all aspects of defense, investigation, or settlement.

### **D. WE WILL ALSO PAY**

Subject to the Member Retention specified in Item 4 and limit specified in Item 6 of the Schedule, we will also pay these costs, in addition to other amounts payable under this coverage as part of any claim, proceeding or suit we defend:

1. Reasonable expenses incurred at our request, but not loss of earnings
2. Premiums for bonds to release attachments and for appeal bonds in bond amounts up to twice the amount payable under this coverage
3. Litigation costs taxed against you
4. Interest on an award or judgment as required by law
5. Expenses we incur

### **E. OTHER INSURANCE**

We will not pay more than our share of benefits and costs covered by this agreement and other insurance or self-insurance. All shares will be equal until the loss is paid.

### **F. LIMIT OF LIABILITY**

Our liability to pay for damages is limited. Our limit of liability is shown in Item 6 of the Schedule of Declarations. It is the most we will pay for all damages covered by this coverage because of bodily injury to one or more employees in any one accident or occurrence, or series of accidents or occurrences, arising out of any one event. We will not pay any claims for damages after we have paid the limit of our liability under this coverage as explained above.



## **G. PAYMENTS YOU MUST MAKE**

You are responsible for any payments of benefits required under the Workers' Compensation Law within the retention and those payments in excess of the benefits regularly provided by the workers' compensation law including, but not limited to, those required because:

1. of your serious and willful misconduct;
2. you knowingly employ an employee in violation of law;
3. you fail to comply with a health or safety law or regulation;
4. you discharge, coerce or otherwise discriminate against any employee in violation of the law;
5. of injury to an employee under the minimum age specified in the workers' compensation law and illegally employed at the time of injury;
6. of your obligation to pay salary in lieu of temporary disability benefits as required under Labor Code Section 4850, including to the extent you would be responsible for temporary disability benefits if Labor code Section 4850 did not apply;
7. of your obligations pursuant to Labor Code Section 4856;
8. of your obligations arising out of operations for which you have rejected any Workers' Compensation Law; or
9. of your obligations for discrimination against any employee for the filing of a claim for Workers' Compensation coverage, or for discrimination of an employee that has agreed to testify in another employee's workers' compensation claim.

## **H. RECOVERY FROM OTHERS**

We may enforce your rights, and the rights of persons entitled to the benefits of this coverage, to recover our payments from anyone liable for the injury. You will do everything necessary to protect those rights for us and to help us enforce them.

## **I. STATUTORY PROVISIONS**

These statements apply where they are required by law:

1. As between an injured worker and us, we have notice of injury when you have notice.
2. We are directly and primarily liable to any person entitled to the benefits payable by this coverage, subject to the provisions, conditions and limitations of this agreement.
3. Jurisdiction over you is jurisdiction over us for purposes of the workers' compensation law. We are bound by decisions against you under that law, subject to the provisions of this agreement that are not in conflict with that law.



4. Terms of this coverage that conflict with the workers' compensation insurance law are changed by this statement to conform to that law.
5. Your employee has a first lien upon any amount that becomes owing to you by us because of this agreement and in the case of your legal incapacity or inability to receive the money and pay it to the claimant; we will pay it directly to the claimant.

Nothing in these paragraphs relieves you of your duties under this agreement.

## **PART TWO — EMPLOYER'S LIABILITY COVERAGE**

### **A. HOW THIS COVERAGE APPLIES**

This employer's liability coverage applies to bodily injury by accident or bodily injury by disease, including resulting death, subject to the following conditions:

1. The bodily injury must arise out of and in the course of the injured employee's employment by you.
2. The employment must be necessary or incidental to your work in the State of California.
3. Bodily injury by accident must occur during the coverage period.
4. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of exposure to the conditions causing or aggravating such bodily injury by disease OR the date upon which the employee first suffered disability and either knew, or in the exercise of reasonable diligence should have known, that such disability was caused by his or her employment which ever comes first and must occur during the coverage period.
5. If you are sued, the suit and any related legal actions for damages for bodily injury by accident or by disease must be brought under the laws of the State of California.

### **B. WE WILL PAY**

We will pay all sums over the amount stated as the Members' Retained Limit in Item 3 of the Schedule you legally must pay as damages because of bodily injury to your employees eligible for benefits under this agreement, provided the bodily injury is covered by this employer's liability coverage and subject to the limit specified in Item 6 of the Schedule.

The damages we will pay over the amount stated as the Members' Retained Limit in Item 3 of the Schedule, where recovery is permitted by law, include damages:

1. for which you are liable to a third party by reason of a claim or suit against you by that third party to recover the damages claimed against such third party as a result of injury to your employee;





2. for care and loss of services; and
3. for consequential bodily injury to a spouse, child, parent, brother or sister of the injured employee;

provided that these damages are the direct consequence or bodily injury that arises out of and in the course of the injured employee's employment by you, and

4. because of bodily injury to your employee that arises out of and in the course of employment claimed against you in a capacity other than as employer.

### **C. EXCLUSIONS**

This agreement does not cover:

1. liability assumed under a contract. This exclusion does not apply to a warranty that your work will be done in a workmanlike manner;
2. punitive or exemplary damages where coverage for such liability is prohibited by law or contrary to public policy;
3. bodily injury to an employee while employed in violation of law with your actual knowledge or the actual knowledge of any of your executive officers;
4. any obligation imposed by a workers' compensation, occupational disease, unemployment compensation or disability benefits law, or any similar law;
5. bodily injury intentionally caused or aggravated by you;
6. damages arising out of the discharge of, coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against, or termination of any employee, or any personnel practices, policies, acts or omissions;
7. damages for discrimination against any employee for the filing of a claim or for discrimination of an employee that has agreed to testify in another employee's workers' compensation claim.

### **D. RIGHT TO ASSOCIATE IN DEFENSE**

We have no duty to investigate, handle, settle or defend any claims, suits or proceedings against you.

We have the discretionary right—and shall be given the opportunity by you—to associate with you in the defenses, investigation, or settlement of any claim, suit or proceeding which appears to involve indemnity by NCCSIF. In such association, you and NCCSIF shall cooperate in all aspects of defense, investigation or settlement.



**E. WE WILL ALSO PAY**

Subject to the Member Retention specified in Item 3 of the Schedule and subject to the limit specified in Item 6 of the Schedule, we will also pay these costs, in addition to other amounts payable under this coverage, as part of any claim, proceeding or suit we defend;

1. reasonable expenses incurred at our request, but not loss of earnings;
2. premiums for bonds to release attachments and for appeal bonds in bond amounts up to twice the limit of our liability under this coverage;
3. litigation costs taxed against you;
4. interest on a judgment as required by law; and
5. expenses we incur.

**F. OTHER INSURANCE**

We will not pay more than our share of damages and costs covered by this coverage and any other insurance, self-insurance or any other employers' liability by a Joint Powers Authority. Subject to any limits of liability that apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance and self insurance will be equal until the loss is paid.

**G. LIMIT OF LIABILITY**

Our liability to pay for damages is limited. Our limit of liability is shown in Item 6 of the Schedule of Declarations. It is the most we will pay for all damages covered by this coverage because of bodily injury to one or more employees in any one accident or occurrence, or series of accidents or occurrences, arising out of any one event.

We will not pay any claims for damages after we have paid the limit of our liability under this coverage as explained above.

**H. RECOVERY FROM OTHERS**

We may enforce your rights to recover our payment from anyone liable for an injury covered by this coverage. You will do everything necessary to protect those rights for us and to help us enforce them.

**I. ACTIONS AGAINST US**

There will be no right of action against us under this coverage unless;

1. you have complied with all the terms of this agreement; and



2. the amount you owe has been determined with our consent or by actual trial and final judgment.

This coverage does not give anyone the right to add us as a defendant in an action against you to determine your liability.

### **PART THREE — COVERAGE OUTSIDE OF CALIFORNIA**

This coverage is identical to Part One (Workers' Compensation Coverage) of this agreement. It applies to your employees who are hired in California and are eligible for benefits under this agreement while they are working anywhere outside of California.

### **PART FOUR — YOUR DUTIES IF INJURY OCCURS**

Tell us at once if injury occurs which may be covered by this agreement. Your other duties are listed here:

1. Provide for immediate medical and other services required by the workers' compensation law.
2. Give us or our representative the names and addresses of the injured persons and of witnesses, and other information we may need.
3. Promptly give us all notices, demands and legal papers related to the injury, claim, proceeding or suit.
4. Cooperate with us and assist us, as we may request, in the investigation, settlement or defense of any claim, proceeding or suit.
5. Do nothing after an injury occurs that would interfere with our right to recover from others.
6. Do not voluntarily make payments, assume obligations or incur expenses within our layer of coverage, except at your own cost.

### **PART FIVE — PREMIUM**

#### **A. PREMIUM**

1. All premiums for this agreement will be determined by the Northern California Cities Self Insurance Fund.
2. Remuneration is part of the premium basis. This premium basis includes payroll and all other remuneration paid or payable during the coverage period for the services of:



- a. all your employees eligible for benefits under this agreement while engaged in work covered by this agreement; and
- b. all other persons engaged in work that could make us liable under Part One (Worker's Compensation Coverage) of this agreement. If you do not have the payroll records for these persons, the contract price for their services and materials may be used as the premium basis. This paragraph will not apply if you give us proof that the employers of these persons lawfully secured their workers' compensation obligations.

## **B. PREMIUM PAYMENTS**

You will pay all premium when due.

## **C. FINAL PREMIUM**

The premium shown on the Declarations and on the schedules and endorsements, if any, is an estimate. The final premium will be determined after this agreement ends by using the actual, not the estimated, premium basis and actual losses. If the final premium is more than the premium you paid to us, you must pay us the balance. If it is less, we will refund the balance to you. The final premium will not be less than the minimum premium for this agreement as determined by the various layer funding formulas.

## **D. RECORDS**

You will keep records of information needed to compute premium. You will provide us with copies of those records when we ask for them.

## **E. AUDIT**

You will let us examine and audit all your records that relate to this agreement. These records include ledgers, journals, registers, vouchers, contracts, tax reports, payroll and disbursement records and programs for storing and retrieving data. We may conduct the audits during regular business hours during the coverage period and within three years after the coverage period ends. Information developed by audit will be used to determine final premium.

## **F. RATE CHANGES**

This agreement is issued by us and accepted by you with the agreement that you will accept any increase in premium or in the rates of premium which may be promulgated under any rating plan approved by the Northern California Cities Self Insurance Fund, and that the effective date of any such increase shall be the effective date thereof fixed in accordance with the provisions of any such rating plan approved by the Executive Committee. Also the rates used to determine the premium are subject to increase during the term of the agreement if an increase in rates applicable to agreements in force is approved by the Executive Committee of Northern California Cities Self



Insurance Fund, and that the effective date of any such increase shall be the date fixed by the Executive Committee.

## **PART SIX — CONDITIONS**

### **A. INSPECTION**

We have the right, but are not obliged, to inspect your workplaces at any reasonable time. Our inspections relate to the workplaces and the premiums to be charged. We may give you reports on the conditions we find. We may also recommend changes. While they may help to reduce losses, we do not undertake to perform the duty of any person to provide for the health and safety of your employees or the public. We do not warrant that your workplaces are safe or healthful or that they comply with laws regulations, codes or standards.

### **B. LONG TERM POLICY**

If this policy is written for a period longer than one year, all the provisions of this agreement shall apply separately to each consecutive twelve month period, or if the first or last period is less than twelve months, in the same manner as if a separate agreement had been written for each consecutive period. Until your policy terminates, your deposit premium will be transferred to each consecutive coverage period to act as a deposit in the same manner as if a separate agreement had been written.

### **C. TRANSFER OF YOUR RIGHTS AND DUTIES**

Your rights or duties under this agreement may not be transferred without our written consent.

### **D. OUR NOTICE TO YOU**

Mailing documents that relate to this agreement to you at the mailing address shown in the Declarations will be sufficient to prove notice to you of that document.

### **E. CANCELLATION AND WITHDRAWAL**

You may withdraw as a party to this agreement and as a participant in the coverage provided you meet the requirements, as specified in the Joint Exercise of Power Agreement, Bylaws and Participation Agreement.

If cancellation by Northern California Cities Self Insurance Fund or you is effective before the end of the coverage year, Northern California Cities Self Insurance Fund will return to you the amount of any unearned premium payment from you for the coverage year. Such amount will be computed on a pro-rata basis from the effective date of cancellation.



**F. ARBITRATION OF COVERAGE DISPUTES**

**1. Coverage Determinations**

The Third Party Administrator or JPA Counsel shall make the initial determination whether to deny coverage on all or part of a claim, or to reserve the Northern California Cities Self Insurance Fund's right to deny coverage on all or part of a claim, if a loss subsequently exceeds the retained limit.

A decision to deny coverage can be appealed to the Board of Directors. Notice of such appeal shall be submitted in writing within thirty (30) calendar days of the date of written notice of decision.

The appeal shall be considered by the Board of Directors at the next regular or special meeting following receipt of the written appeal; if the appeal is received too late for inclusion in the agenda packet, it can be postponed to the next following Board meeting. The Program Administrator and the covered party will have the right to submit written materials and present oral argument to the Board, subject to reasonable time constraints. Any dispute concerning a decision by the Board to deny coverage for all or part of a claim shall not be subject to any court action, but may instead be submitted to binding arbitration in accordance with the procedures set forth below. Notice of a request for binding arbitration by the covered party must be submitted within thirty (30) calendar days from the date of the noticed decision by the Board of Directors.

**(a) Arbitration Procedures for Resolving Disputes**

**1) Selection of Arbitrators**

If an appeal of a Board decision is submitted to arbitration, each side shall, within ten (10) calendar days, select one (1) arbitrator and submit his or her name in writing to the other side. Within ten (10) calendar days after their selection, these two arbitrators shall select a third independent arbitrator. If the two sides cannot agree on the selection of the third arbitrator within ten (10) calendar days, either side may petition the Sacramento County Superior Court for the appointment of the third arbitrator pursuant to the provisions of section 1281.6 of the California Code of Civil Procedure. The third arbitrator shall be an attorney and preside as the Chairperson of the arbitration panel. No arbitrator shall be employed or affiliated with you or NCCSIF.

The arbitration hearing shall commence within forty-five (45) calendar days from the date of the selection of the Chairperson, unless both sides agree to an extension.



Each side shall pay the cost of its selected arbitrator and one-half of the cost of the third selected arbitrator. In addition, each side shall be responsible for its own cost and expense of arbitration.

Except for notification of appointment and as provided in the California Code of Civil Procedure, there shall be no communication between either side and the arbitrator(s) relating to the subject of the arbitration other than at oral hearings.

2) **Discovery**

The procedures set forth in Code of Civil Procedure section 1283.05 relating to depositions and discovery shall apply to any arbitration pursuant to this paragraph (b).

3) **Testimony Under Oath**

The testimony of witnesses shall be given under oath.

4) **Length of Hearing**

The panel will endeavor to confine the length of the hearing to two (2) days. A decision of the panel shall be reported in writing. The written decision of the panel shall be given to both sides within thirty (30) calendar days of the close of the hearing.

5) **Certified Shorthand Reporter**

Either side wishing a certified shorthand reporter record shall arrange directly with a certified shorthand reporter and notify the other side of such arrangements in advance of the hearing. The requesting side shall pay the cost of recording the hearing if no transcript is ordered. If a transcript is ordered, the cost of the transcript and of recording the hearing shall be prorated equally among the parties ordering copies.

(b) **Funding of Defense and Payment of Claims Pending Resolution of Dispute**

During the course of the arbitration proceedings provided herein, the *covered party* will be responsible for all fees and expenses for investigation, defense or litigation of a claim or lawsuit. In the event the arbitration panel determines that coverage applies for such *defense costs*, the *Authority* will reimburse the *covered party* as directed by the panel.





(c) **Effects of Arbitration Decisions**

All decisions on appeals, whether by the Board of Directors (after the time to request arbitration has expired) or by the arbitration panel, shall be final and binding upon the parties and shall not be subject to any further appeal or court action, except as provided in Code of Civil Procedures sections 1286.2 and 1286.4 (relating to fraud or corruption, etc.).

(d) **General Law**

Except as provided otherwise above, arbitration shall be conducted as provided in Title 9 of the Code of Civil Procedure (commencing with section 1280).

July 1, 2017  
Date

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Dave Warren, NCCSIF President



## FY 17/18 PROPERTY PROGRAM RENEWAL PROPOSAL

### ACTION ITEM

**ISSUE:** The Board annually reviews and approves the Property Renewal Proposal. NCCSIF Property Program members are covered through the Alliant Property Insurance Program (APIP) which renews July 1, 2017.

Total Insurable Values (**TIV**) **increased 6.8%**, from \$992,351,869 to \$1,059,819,258, due to various changes throughout the year. The property **rate increased 1.5%** from the prior year, from \$0.08 to \$0.081 per \$100 of TIV for All Risk Primary and Excess coverage. Rates for vehicle and other coverages remain unchanged, except for a 5% increase in Pollution coverage. These changes result in a **total premium increase of 8.36%**, from \$794,983.42 to \$861,481.82.

The attached Executive Summary provides a summary of proposed changes to the coverage for 17/18. Most of the changes are enhancements of coverage, including increased sublimits for certain coverages and the addition of coverage for drones while in storage or transit (not flight), communicable disease, and mold/fungus (though limited and with a higher deductible). New coverages have been added to the Cyber Liability policy and enhancements have been made to the first party computer security coverage.

**RECOMMENDATION:** The Program Administrator recommends approval of the FY 17/18 Property Program Renewal with the Alliant Property Insurance Program (APIP).

**FISCAL IMPACT:** The projected total premium of \$861,481.82 is based on TIV of \$1,059,819,258.

**BACKGROUND:** NCCSIF provides optional property insurance for their members through the Alliant Property Insurance Program. This is a joint purchase insurance program currently providing members up to \$1,000,000,000 in all risk limits. Premiums are based on each member's exposures which are provided via a schedule of insured locations.

#### ATTACHMENT(S):

1. 17/18 NCCSIF Property Deposit Calculations
2. APIP Executive Summary
3. Named Insured List
4. APIP Property Proposal
5. APIP Boiler and Machinery Proposal
6. APIP Cyber Liability Coverage Proposal
7. APIP Pollution Liability Coverage Proposal
8. APIP Proposal Schedule of Carriers
9. APIP TRIA Selection Form
10. APIP Disclosures, Disclaimers and Loss Notification Requirements
11. D1 Form

**FY 17/18 NCCSIF PROPERTY PROGRAM ALLOCATION**

Formula or Allocation		Pulled from Oasys	All Risk TIV x Rate	All Risk TIV x Rate		B&M Value (Less Fine Arts) x Rate	Pulled from Oasys	CE x Rate	Total TIV x Rate	Total TIV x Rate	Total TIV x Rate	
Member Entity	Property Deductible	All Risk (TIV) (Real, Personal, BI/Rent, and Fine Arts, Minus COC)	Primary Property Premium	Excess Property Premium	Course of Construction	Excess Boiler Premium	Contractor's Equipment (CE) Values	Contractor's Equipment Premium	Cyber Liability Premium	Pollution Liability Premium	Terrorism Premium	Estimated ABS Fees
<b>Rate Per \$100/Amount</b>		Values	\$0.0452551	\$0.0113596	\$0.0590729	\$0.0010069	Values	\$0.0621806	\$0.0005128	\$0.0005581	\$0.0004752	\$22,278.00
Anderson	\$5,000	\$31,091,966	\$14,071	\$3,583		\$313	\$453,620	\$282	\$162	\$176	\$150	\$713.43
Auburn	\$5,000	\$27,321,807	\$12,365	\$3,138		\$275	\$51,670	\$32	\$142	\$154	\$131	\$626.92
Colusa	\$5,000	\$36,304,235	\$16,430	\$4,126		\$366	\$14,296	\$9	\$186	\$203	\$173	\$833.03
Corning												
Dixon	\$5,000	\$52,686,753	\$23,843	\$6,055		\$531	\$614,929	\$382	\$273	\$297	\$253	\$1,208.94
Elk Grove												
Folsom	\$5,000	\$186,308,096	\$84,314	\$24,830		\$1,869	\$7,420,934	\$4,614	\$1,121	\$1,220	\$1,039	\$4,275.00
Galt	\$5,000	\$74,136,432	\$33,551	\$8,502		\$746	\$474,957	\$295	\$384	\$418	\$356	\$1,701.12
Gridley	\$5,000	\$25,158,933	\$11,386	\$2,917		\$253	\$516,649	\$321	\$132	\$143	\$122	\$577.29
Ione	\$5,000	\$10,720,818	\$4,852	\$1,780		\$108	\$110,338	\$69	\$80	\$87	\$74	\$246.00
Jackson												
Lincoln	\$5,000	\$161,227,005	\$72,963	\$19,002		\$1,623	\$767,030	\$477	\$858	\$934	\$795	\$3,699.49
Marysville	\$5,000	\$25,538,401	\$11,557	\$2,955		\$257	\$474,084	\$295	\$133	\$145	\$124	\$586.00
Nevada City												
Oroville	\$5,000	\$31,243,373	\$14,139	\$3,617		\$315	\$597,633	\$372	\$163	\$178	\$151	\$716.91
Placerville												
Paradise	\$5,000	\$10,894,456	\$4,930	\$1,304		\$110	\$586,238	\$365	\$59	\$64	\$55	\$249.98
Red Bluff	\$5,000	\$48,886,693	\$22,124	\$6,482	\$1,058	\$492	\$2,081,691	\$1,294	\$293	\$318	\$271	\$1,121.75
Rio Vista												
Rocklin	\$5,000	\$67,311,663	\$30,462	\$8,842		\$678	\$10,529,729	\$6,547	\$399	\$434	\$370	\$1,544.52
Willows												
Yuba City	\$5,000	\$182,063,812	\$82,393	\$23,256		\$1,833	\$4,711,700	\$2,930	\$1,050	\$1,143	\$973	\$4,177.61
<b>TOTAL</b>		<b>\$970,894,443</b>	<b>\$439,379</b>	<b>\$120,391</b>	<b>\$1,058</b>	<b>\$9,769</b>	<b>\$29,405,498</b>	<b>\$18,285</b>	<b>\$5,435</b>	<b>\$5,915</b>	<b>\$5,036</b>	<b>\$22,278</b>

Formula or Allocation													
Member Entity	Estimated Surplus Line Taxes & Fees	2017-18 Total All Risk Property Premium	2016-17 Property Premium	\$ Change	% Change	Total TIV (All Risk TIV + CE + Auto + COC)	Flood Limit	Flood Values	Flood Premium	Vehicle Deductible	Vehicle Values	Vehicle Premium	2017-18 Grand Total All Coverages
Rate Per \$100/Am	\$26,021.82	Value	Value					Value	\$0.0204993			\$0.2628397	
Anderson	\$833	\$20,284	\$20,843	(\$560)	-3%	\$31,545,586							\$20,284
Auburn	\$732	\$17,597	\$17,770	(\$174)	-1%	\$27,628,182	\$17,000,000	\$27,628,182	\$5,664	\$10,000	\$254,705	\$669	\$23,930
Colusa	\$973	\$23,297	\$23,979	(\$682)	-3%	\$36,318,531							\$23,297
Corning													
Dixon	\$1,412	\$34,256	\$22,478	\$11,778	52%	\$53,301,682							\$34,256
Elk Grove													
Folsom	\$4,993	\$128,276	\$132,616	(\$4,340)	-3%	\$218,585,995				\$5,000	\$24,856,965	\$65,334	\$193,610
Galt	\$1,987	\$47,940	\$43,660	\$4,280	10%	\$74,843,672				\$5,000	\$232,283	\$611	\$48,550
Gridley	\$674	\$16,525	\$16,740	(\$215)	-1%	\$25,675,582							\$16,525
Ione	\$287	\$7,584	\$7,648	(\$64)	-1%	\$15,672,033	\$10,000,000	\$15,672,033	\$3,213	\$5,000	\$4,840,877	\$12,724	\$23,521
Jackson													
Lincoln	\$4,321	\$104,673	\$87,119	\$17,554	20%	\$167,280,331				\$7,500	\$5,286,296	\$13,894	\$118,568
Marysville	\$684	\$16,737	\$17,149	(\$412)	-2%	\$26,012,485	\$15,000,000	\$26,012,485	\$5,332				\$22,069
Nevada City													
Oroville	\$837	\$20,489	\$20,411	\$78	0%	\$31,841,006							\$20,489
Placerville													
Paradise	\$292	\$7,428	\$7,589	(\$161)	-2%	\$11,480,694							\$7,428
Red Bluff	\$1,310	\$34,765	\$34,948	(\$183)	-1%	\$57,061,610				\$5,000	\$4,307,296	\$11,321	\$46,086
Rio Vista													
Rocklin	\$1,804	\$51,082	\$50,816	\$266	1%	\$77,841,392							\$51,082
Willows													
Yuba City	\$4,880	\$122,635	\$122,730	(\$95)	0%	\$204,726,012	\$10,000,000	\$204,726,012	\$41,967	\$5,000	\$17,950,500	\$47,181	\$211,783
<b>TOTAL</b>	<b>\$26,022</b>	<b>\$653,567</b>	<b>\$626,496</b>	<b>\$27,071</b>	<b>4%</b>	<b>\$1,000,299,941</b>		<b>\$274,038,712</b>	<b>\$56,176</b>		<b>\$57,728,922</b>	<b>\$151,735</b>	<b>\$861,478</b>

## ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

July 1, 2017 – July 1, 2018

### EXECUTIVE SUMMARY

Attached please find materials associated with the renewal of the Alliant Property Insurance Program for the 2017-2018 period. An overview of the most significant issues concerning this years' renewal are discussed here.

As has been the case for the past few years, the property insurance market continues to be soft with record amounts of financial capacity coming to the market in search of financial return. As such, underwriters are willing to price coverage competitively in spite of deteriorating loss ratios overall. This past year has seen an increase in the number of catastrophe losses throughout the world, and while none of these have been "signature" events such as 9/11, Hurricane Katrina, or Superstorm Sandy, 2016 has been dubbed "the year of the attritional catastrophe" which identifies a higher frequency of smaller events that lead to a higher than average catastrophe loss amount to the market. Consequently, for the 2017-2018 renewal, most insureds will see relatively flat to minor rate decreases over expiring. However, for those insureds that have either experienced significant shock losses, or persistent attritional loss activity, rates may increase to "right size" their rates relative to the risk they present. In keeping with the programs' general history however, we expect rates to remain below that which can be achieved in the market for similar coverage.

The primary \$2,500,000 layer will be renewed with the program's long-term partner, Lexington Insurance Company, A.M. Best Rated Au XV. Lexington will also continue to provide significant capacity in the \$22,500,000 x/s \$2,500,000 layer, sharing that layer with Lloyd's of London, A.M. Best Rated A XV. Excess limits up to \$1,000,000,000 will be placed with London, Bermudian, European, and U.S domestic markets, all A.M. Best Rated of at least A- VII. Members should note several key highlights for this year's renewal:

- Boiler & Machinery cover for participating members of the APIP Boiler Program will be maintained with Hartford Steam Boiler (HSB), who will also continue to perform required jurisdictional inspections.
- Cyber (Privacy Liability) Coverage for both 1st and 3rd parties from the Beazley Syndicate at Lloyd's, A.M. Best Rated A XV, (for those eligible insureds) with coverage as outlined on the following proposal will be maintained. **Please note claims reporting timeframe limitations for this coverage**
- Pollution Coverage for both 1<sup>st</sup> and 3<sup>rd</sup> parties from Illinois Union Insurance Company, A.M. Best Rated A++ XV, (for those eligible insureds) with coverage as outlined on the following proposal will be maintained. **Please note claims reporting timeframe limitations for this coverage**

Alliant Business Services (ABS) will continue to play a significant role not only in providing various types of loss control services, but also in providing appraisal services. For the 2017-2018 policy year, property valuations will continue to be a key focus. As a reminder, it is underwriters' intent to have all buildings with a scheduled value of \$5,000,000 or more appraised once every five to seven years. This service is included in the total program cost. Insureds may also choose to have lower valued buildings appraised. The cost to have all, or specific buildings appraised that are valued on a members schedule between \$25,000 and \$5,000,000 will be quoted at the time the request is made.

Please review important Disclosure and Loss Notification information included in your renewal materials. Your review and acknowledgement of these documents are required via your signature once you authorize a request to bind coverage with your Alliant representative.

**ALLIANT PROPERTY INSURANCE PROGRAM (APIP)**

**July 1, 2017 – July 1, 2018**

**EXECUTIVE SUMMARY**

The following table depicts key financial statistics relative to last year:

**Year-over-Year Rate and Premium Comparison**

<b><u>Northern California Cities Self Insurance Fund</u></b>	<b><u>2016-2017</u> (at 11/13/2016)</b>	<b><u>2017-2018</u></b>	<b><u>Variance</u></b>
Total Insured Values:	\$ 992,351,869	\$ 1,059,819,258	6.79%
Account Rate (per hundred dollars):	0.0801110	0.0812857	1.46%
Earthquake TIV:	\$ 0	\$ 0	N/A
Earthquake Limit:	Not Covered	Not Covered	N/A
*Total Annual Cost:	\$ 794,983.42	\$ 861,481.82	8.36%

\* TOTAL COST includes: all premiums (except Cyber Enhancement option, if purchased), underwriting fees, commissions, loss control expenses, program administration charges, and applicable taxes

The following pages are coverage items currently under review with the APIP markets to be effective on July 1, 2017.

Thank you for your continued support of APIP. We look forward to working with you this next year. Please let us know if you have any questions about your renewal.

**ALLIANT PROPERTY INSURANCE PROGRAM  
SUMMARY OF PROPOSED CHANGES**

**THE FOLLOWING ITEMS ARE PROPOSED CHANGES MADE FOR THE 2017-2018 POLICY TERM**

Coverage	2016-2017	2017-2018 Proposed Changes	Status
Course of Construction and Additions (including New) for projects with project values not exceeding insured's sublimit	Up to \$50,000,000 in Total Project value available. Projects over \$25,000,000 are charged at account rate.	Up to \$100,000,000 in Total Project value available. Projects over \$25,000,000 are charged at account rate. Wood Frame construction is excluded if valued over \$50,000,000. All wood frame construction must have underwriting approval prior to binding	Pending
Communicable Disease	Not Covered	\$500,000 per occurrence and annual aggregate per insured limit subject to an aggregate of \$10,000,000 for all Declarations combined except Hospital Declarations	Pending
Drone "Unmanned Aerial Vehicle"	Not Covered	\$100,000 per occurrence while in Storage and in transit coverage subject to \$10,000 deductible. Not covered while in flight additional restrictions to apply	Pending
Mold / Fungus Resultant Damage	Not Covered	\$100,000 per occurrence, with a \$1,000,000 annual aggregate per Declaration.	Pending
Excess Terrorism	<p>\$500,000,000 Per Named Insured for Terrorism (Excess Layer) subject to:</p> <p>\$1,000,000,000 Per Occurrence, All Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34 for Terrorism (Excess Layer) subject to;</p> <p>\$1,300,000,000 Annual Aggregate shared by all Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34, as respects Property Damage, Business Interruption, Rental Income and Extra Expense combined for Terrorism (Excess Layer)</p>	<p><b>\$600,000,000</b> Per Named Insured for Terrorism (Excess Layer) subject to:</p> <p><b>\$1,100,000,000</b> Per Occurrence, All Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34 for Terrorism (Excess Layer) subject to;</p> <p><b>\$1,400,000,000</b> Annual Aggregate shared by all Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34, as respects Property Damage, Business Interruption, Rental Income and Extra Expense combined for Terrorism (Excess Layer)</p>	Approved
Pollution Coverage: Mold deductible	\$75,000 per occurrence	\$250,000 per occurrence	Approved
Cyber Coverage: Fraudulent Instruction Coverage Endorsement	Not Covered	\$50,000 Limit	Approved
Cyber Coverage: Telecommunication Fraud Endorsement	Not Covered	\$50,000 Limit	Approved



**ALLIANT PROPERTY INSURANCE PROGRAM  
SUMMARY OF PROPOSED CHANGES CONTINUED**

THE FOLLOWING ITEMS ARE PROPOSED CHANGES MADE FOR THE 2017-2018 POLICY TERM

Coverage	2016-2017	2017-2018 Proposed Changes	Status
Cyber Coverage: Consequential Reputational Loss Endorsement	Not Covered	\$50,000 Limit	Approved
Cyber Coverage: First Party Computer Security Covg. Endorsement	<ul style="list-style-type: none"> <li>a. Forensic Expense \$50,000</li> <li>a. Dependent Business Interruption sublimit \$150,000</li> <li>b. Hourly Business Interruption sub-limit</li> <li>c. Not Referenced</li> </ul>	<ul style="list-style-type: none"> <li>a. Forensic Expense limit \$100,000</li> <li>b. Dependent Business Interruption sublimit \$500,000</li> <li>c. Deleted the Hourly Business Interruption sub-limit</li> <li>d. Amended endorsement wording to refer to <u>bitcoins</u></li> </ul>	Approved

**Master Policy Form Wording Proposed Changes**

Coverage	2016-2017	2017-2018 Proposed	Status
Policy Term	July 1, 2016 to July 1, 2017	July 1, 2017 to July 1, 2018	Renewal item
Section I, G. 6.	Library Book table	Updated library book values per US inflation calculator and updated list to Alliant Ins. Services, Inc. Programs' format.	Update
Section I, E. 2.p	p. Increased Cost of Construction <u>due to the enforcement of building codes / ordinance or law.</u> As per policy provisions;	p. Increased Cost of Construction <u>as a consequence of a requirement to comply with building codes / ordinance or law.</u> As per policy provisions;	Requested
Section II, B. 8.	This Policy is extended to include physical damage, business interruption loss, loss of interest and/or extra expense incurred and/or sustained by the Named Insured as a result of physical damage to or destruction of property, by the perils insured against occurring during the policy period and occasioned by <u>the enforcement of any local or state ordinance or law</u> regulating the construction, repair or demolition of buildings or structures, which is in force at the time such a loss occurs, which necessitates the demolition of any portion of the covered building not damaged by the covered peril(s).	This Policy is extended to include physical damage, business interruption loss, loss of interest and/or extra expense incurred and/or sustained by the Named Insured as a result of physical damage to or destruction of property, by the perils insured against occurring during the policy period and occasioned by <u>a requirement to comply with any local or state ordinance or law</u> regulating the construction, repair or demolition of buildings or structures, which is in force at the time such a loss occurs, which necessitates the demolition of any portion of the covered building not damaged by the covered peril(s).	Requested

### Master Policy Form Wording Proposed Changes Continued

Coverage	2016-2017	2017-2018 Proposed	Status
Section II, B. 9.	In the event of physical damage to property insured by a covered peril, this policy is extended to cover the cost of demolishing any undamaged portion of the covered property including the cost of clearing the site thereof, caused by loss from any covered peril(s) under this Policy and resulting from <u>enforcement of any local or state ordinance or law</u> regulating the construction, repair or demolition of buildings or structures and in force at the time of loss which necessitates such demolition.	In the event of physical damage to property insured by a covered peril, this policy is extended to cover the cost of demolishing any undamaged portion of the covered property including the cost of clearing the site thereof, caused by loss from any covered peril(s) under this Policy and resulting from <u>a requirement to comply with any local or state ordinance or law</u> regulating the construction, repair or demolition of buildings or structures and in force at the time of loss which necessitates such demolition.	Requested
Section II, B. 10.	In the event of physical damage to property insured by a covered peril, this Policy is extended to cover the increased cost of repair or replacement occasioned by the <u>enforcement of any local or state ordinance or law</u> including written guidelines used by the department of corrections in any state regulating the construction, repair or demolition of buildings or structures, which is in force at the time such a loss occurs or which comes into force within 6 months after such a loss occurs, which necessitates in repairing or replacing the building covered hereunder which has suffered damage or destruction by the covered peril(s) or which has undergone demolition, limited, however, to the minimum requirements of such ordinance or law.	In the event of physical damage to property insured by a covered peril, this Policy is extended to cover the increased cost of repair or replacement occasioned by <u>a requirement to comply with any local or state ordinance or law</u> including written guidelines used by the department of corrections in any state regulating the construction, repair or demolition of buildings or structures, which is in force at the time such a loss occurs or which comes into force within 6 months after such a loss occurs, which necessitates in repairing or replacing the building covered hereunder which has suffered damage or destruction by the covered peril(s) or which has undergone demolition, limited, however, to the minimum requirements of such ordinance or law.	Requested
Section III, B. 3.	The Company shall, in the case of loss covered under this Policy, be liable also for loss to the interest covered by the Policy, occasioned by the <u>enforcement of any local or state ordinance or law</u> regulating the construction, repair or demolition of buildings or structures and in force at the time such loss occurs, which necessitates the demolition of any portion of the described building(s) not damaged by the covered peril(s). The Company shall also be liable for loss due to the additional period of time required for repair or reconstruction in conformity with the minimum standards of such ordinance or law of the building(s) described in this Policy damaged by a covered peril.	The Company shall, in the case of loss covered under this Policy, be liable also for loss to the interest covered by the Policy, occasioned by <u>a requirement to comply with any local or state ordinance or law</u> regulating the construction, repair or demolition of buildings or structures and in force at the time such loss occurs, which necessitates the demolition of any portion of the described building(s) not damaged by the covered peril(s). The Company shall also be liable for loss due to the additional period of time required for repair or reconstruction in conformity with the minimum standards of such ordinance or law of the building(s) described in this Policy damaged by a covered peril.	Requested

### Master Policy Form Wording Proposed Changes Continued

Coverage	2016-2017	2017-2018 Proposed	Status
Section IV. B. Exclusions 11. e	Not restricted	With the limit increase for COC the following is added to this section:  e. Excluding wood construction valued over USD 50,000,000	Pending
Section IV. AG. Additional Insured's/Loss Payees	It is hereby understood and agreed that the interest of Additional Insured's and/or Loss Payees is automatically included, <u>as per schedule held on file with Alliant Insurance Services, Inc.</u>	It is hereby understood and agreed that the interest of Additional Insured's and/or Loss Payees is automatically included <u>where required by contract.</u>	Requested
Section VIII, 2.(h)	Boiler and Machinery Ordinance or Law item	Replacing "enforcement" with "a requirement to comply with any"	Requested
Section VIII, 8. g (a)	Loss to the Undamaged portion of the building is included in the Limit of Insurance that otherwise applies to the damaged building. But in no event will the amount the Company pay for loss to the building, including the loss in value of the undamaged portion of the building due to <u>enforcement</u> of an ordinance or law to which this coverage applies, exceed:	Loss to the Undamaged portion of the building is included in the Limit of Insurance that otherwise applies to the damaged building. But in no event will the amount the Company pay for loss to the building, including the loss in value of the undamaged portion of the building due to <u>a requirement</u> of an ordinance or law to which this coverage applies, exceed:	Requested
Endorsements	Not provided	Mold /Fungus Resultant Damage coverage added via endorsement to the Policy Form. Sub-limit is added as noted above.	Requested

**ALLIANT PROPERTY INSURANCE PROGRAM  
2017-2018  
NAMED INSURED SCHEDULE  
As of 05/31/2017**

**THE NAMED INSURED IS:**

Northern California Cities Self Insurance Fund  
c/o Alliant Insurance Services, Inc.  
2180 Harvard St., Ste. 460

First Named Insured Member shall be deemed the sole agent of each and every Named Insured for the purpose of:

- (1) Giving notice of cancellation,
- (2) Giving instructions for changes in the Policy and accepting changes in this Policy
- (3) The payment of assessments / premiums or receipt of return assessments / premiums.

Member(s), entity(ies), agency(ies), organization(s), enterprise(s) and/or individual(s) for whom the Named Insured has extended coverage is as follows:

**NAMED INSURED:**

Northern California Cities Self-Insurance Fund	City of Gridley
City of Anderson	City of Ione
City of Auburn	City of Lincoln
City of Colusa	City of Marysville
City of Dixon	City of Oroville
City of Folsom	City of Red Bluff
City of Galt	City of Rocklin
	City of Yuba City
	Town of Paradise

**ALLIANT INSURANCE SERVICES, INC.  
ALLIANT PROPERTY INSURANCE PROGRAM (APIP)**

**PROPERTY PROPOSAL**

**TYPE OF INSURANCE:**     Insurance    Reinsurance

**NAMED INSURED:**       Northern California Cities Self Insurance Fund

**DECLARATION:**         4-Cities 4

**POLICY PERIOD:**       July 1, 2017 to July 1, 2018

**COMPANIES:**            See Attached List of Companies

**TOTAL INSURED  
VALUES:**                 \$ 1,059,819,258 as of June 09, 2017

**ALL RISK  
COVERAGES &  
LIMITS:**

- \$     1,000,000,000    Per Occurrence: all Perils, Coverages (subject to policy exclusions) and all Named Insureds (as defined in the policy) combined, per Declaration, regardless of the number of Named Insureds, coverages, extensions of coverage, or perils insured, subject to the following per occurrence and/or aggregate sub-limits as noted below.
  
- \$            15,000,000    For City of Marysville only; \$10,000,000 For City of Yuba City only; \$17,000,000 For City of Auburn only; \$10,000,000 For City of Ione only Flood Limit - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage).
  
- \$            15,000,000    For City of Marysville only; \$10,000,000 For City of Yuba City only; \$17,000,000 For City of Auburn only; \$10,000,000 For City of Ione only Per Occurrence and in the Annual Aggregate for all locations in Flood Zones A & V (inclusive of all 100 year exposures). This Sub-limit does not increase the specific flood limit of liability for those Named Insured(s) that purchase this optional dedicated coverage.
  
- Not Covered    Earthquake Shock - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage).

**ALL RISK  
COVERAGES &  
LIMITS: (continued)**

\$	100,000,000	Combined Business Interruption, Rental Income and Tax Revenue Interruption and Tuition Income (and related fees). However, if specific values for such coverage have not been reported as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc., this sub-limit amount is limited to \$500,000 per Named Insured subject to maximum of \$2,500,000 Per Occurrence for Business Interruption, Rental Income and Tuition Income combined, and \$5,000,000 per occurrence for Tax Revenue Interruption. Coverage for power generating plants is excluded, unless otherwise specified.
\$	50,000,000	Extra Expense.
\$	25,000,000	Miscellaneous Unnamed Locations for existing Named Insured's Excluding Earthquake coverage for Alaska and California Named Insureds. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.
	180 Days	Extended Period of Indemnity
	See Policy Provisions	\$25,000,000 Automatic Acquisition up to \$100,000,000 or a Named Insured's Policy Limit of Liability if less than \$100,000,000 for 120 days excluding licensed vehicles for which a sub-limit of \$10,000,000 applies per policy Automatic Acquisition and Reporting Condition. Additionally a sub-limit of \$2,500,000 applies for Tier 1 Wind Counties, Parishes and Independent Cities for 60 days for the states of Virginia, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, Texas and/or situated anywhere within the states of Florida and Hawaii. The peril of EQ is excluded for the states of Alaska and California. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.
\$	1,000,000	Unscheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf and further subject to \$25,000 / 25 gallon maximum per item.
\$	5,000,000	or 110% of the scheduled values, whichever is greater, for Scheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf and further subject to \$25,000 / 25 gallon maximum per item.
\$	50,000,000	Errors & Omissions - This extension does not increase any more specific limit stated elsewhere in this policy or Declarations.
\$	25,000,000	Course of Construction and Additions (including new) for projects with completed values not exceeding the sub-limit shown.

	\$	2,500,000	Money & Securities for named perils only as referenced within the policy.
	\$	2,500,000	Unscheduled Fine Arts.
	\$	250,000	Accidental Contamination per occurrence and annual aggregate per Named Insured with \$500,000 annual aggregate for all Named Insureds per Declaration.
	\$	2,000,000	Unscheduled Tunnels, Bridges, Dams, Catwalks (except those not for public use), Roadways, Highways, Streets, Sidewalks, Culverts, Street Lights and Traffic Signals unless a specific value has been declared (excluding coverage for the peril of Earthquake Shock, and excluding Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs).
<b>ALL RISK COVERAGES &amp; LIMITS: (continued)</b>	\$	50,000,000	Increased Cost of Construction due to the enforcement of building codes/ ordinance or law (includes All Risk and Boiler & Machinery).
	\$	25,000,000	Transit.
	\$	2,500,000	Unscheduled Animals; not to exceed \$50,000 per Animal, per Occurrence.
	\$	2,500,000	Unscheduled Watercraft up to 27 feet.
		Included	Per Occurrence for Off Premises Vehicle Physical Damage.
	\$	25,000,000	Off Premises Services Interruption including Extra Expense resulting from a covered peril at non-owned/operated locations.
	\$	5,000,000	Per Occurrence Per Named Insured subject to an Annual Aggregate of \$10,000,000 for Earthquake Shock on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts combined for all Named Insured(s) in this Declaration combined that do not purchase optional dedicated Earthquake Shock coverage, and/or where specific values for such items are not covered for optional dedicated Earthquake Shock coverage as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc..
	\$	5,000,000	Per Occurrence Per Named Insured subject to an Annual Aggregate of \$10,000,000 for Flood on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts combined for all Named Insured(s) in this Declaration combined that do not purchase optional dedicated Flood coverage, and/or where specific values for such items are not covered for optional dedicated Flood coverage as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc..



\$	3,000,000	Contingent Business Interruption, Contingent Extra Expense, Contingent Rental Values and Contingent Tuition Income separately.
\$	500,000	Jewelry, Furs, Precious Metals and Precious Stones Separately.
\$	1,000,000	Claims Preparation Expenses.
\$	50,000,000	Expediting Expenses.
\$	1,000,000	Personal Property Outside of the USA.
	Not Covered	Per Occurrence Per Declaration Upgrade to Green Coverage subject to the lesser of, the cost of upgrade, an additional 25% of the applicable limit of liability shown in the schedule of values or this sub limit.
\$	500,000	Per Occurrence and Annual Aggregate per insured limit for Communicable Disease subject to an APIP Program aggregate of \$10,000,000 for all declarations combined except Hospital declarations.

**VALUATION:**

- Repair or Replacement Cost
- Actual Loss Sustained for Time Element Coverages
- Contractor's Equipment /Vehicles either Replacement Cost or Actual Cash Value (ACV) as declared by each member. If not declared, valuation will default to Actual Cash Value (ACV)

**EXCLUSIONS**

**(Including but not limited to):**

- Seepage & Contamination
- Cost of Clean-up for Pollution
- Mold

**Deductibles: If two or more deductible amounts provided in the Declaration Page apply for a single occurrence the total to be deducted shall not exceed the largest per occurrence deductible amount applicable. (The Deductible amounts set forth below apply Per Occurrence unless indicated otherwise).**

**"ALL RISK"**

**DEDUCTIBLE:**

\$	5,000	Per Occurrence, which will apply in the event a more specific deductible is not applicable to a loss.
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**DEDUCTIBLES FOR SPECIFIC PERILS AND COVERAGES:**

\$	100,000	All Flood Zones Per Occurrence excluding Flood Zones A & V.
\$	250,000	Per Occurrence for Flood Zones A & V (inclusive of all 100 year exposures).
	Not Covered	Earthquake Shock: If the stated deductible is a flat dollar amount, the deductible will apply on a Per Occurrence basis, unless otherwise stated. If the stated deductible is on a percentage basis, the deductible will apply Per Occurrence on a Per Unit basis, as defined in the policy form, subject to the minimum deductible per occurrence.
\$	1,000	Per Occurrence for Specially Trained Animals.

	\$	500,000	Per Occurrence for Unscheduled Tunnels, Bridges, Dams, Catwalks (except those not for public use), Roadways, Highways, Streets, Sidewalks, Culverts, Street Lights and Traffic Signals unless a specific value has been declared (excluding coverage for the peril of Earthquake Shock, and excluding Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters).
	\$	10,000	Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to \$100,000 Maximum Per Occurrence, Per Named Insured for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits.
<b>DEDUCTIBLES FOR SPECIFIC PERILS AND COVERAGES: (continued)</b>	\$	50,000	Per Occurrence Per Named Insured for this Declaration for Fine Arts for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits.
	\$	10,000	Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to \$100,000 Maximum Per Occurrence, Per Named Insured for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits.
	\$	50,000	Per Occurrence Per Named Insured for this Declaration for Fine Arts for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits.
		24 Hour	Waiting Period for Service Interruption for All Perils and Coverages.
		2.5%	of Annual Tax Revenue Value per Location for Tax Interruption.
	\$	5,000	for City of Galt for 2015 Tymco Model 600 Street Sweeper, Yuba City, City of Ione, City of Red Bluff, City of Folsom; \$7,500 for City of Lincoln ONLY; \$10,000 for City of Auburn, Not Covered for all others. Per Occurrence for Off Premises Vehicle Physical Damage. If Off-Premises coverage is included/purchased, the stated deductible will apply to vehicle physical damage both on and off-premises on a Per Occurrence basis, unless otherwise stated. If Off-Premises coverage is not included, On-Premises/In-Yard coverage is subject to the All Risk (Basic) deductible.
		Replacement Cost	Vehicle Valuation Basis
	\$	5,000	Per Occurrence for Contractor's Equipment.

**The following stand-alone coverages are provided by the APIP program but are not covered in the Limit of Liability or the Sub-Limits of Liability above or attached to the Master Policy Form Wording. However, the coverage costs are included in the APIP Total Cost noted below. Carriers providing these coverages are included in the Schedule of Carriers.**

- \$ 100,000,000 Per Named Insured Per Occurrence subject to \$200,000,000 Annual Aggregate of Declarations 1-14, 18-22, 25-30 and 32-34 combined as respects Property Damage, Business Interruption, Rental Income and Extra Expense Combined for Terrorism (Primary Layer).
- \$ 5,000 Per Occurrence Deductible for Primary Terrorism.
- \$ 600,000,000 Per Named Insured for Terrorism (Excess Layer) subject to;
- \$ 1,100,000,000 Per Occurrence, All Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34 for Terrorism (Excess Layer) subject to;
- \$ 1,400,000,000 Annual Aggregate shared by all Named Insureds combined in Declarations 1-9, 11-14, 18-22, 25-30 and 32-34, as respects Property Damage, Business Interruption, Rental Income and Extra Expense combined for Terrorism (Excess Layer).
- \$ 500,000 Per Occurrence Deductible for Excess Terrorism (Applies only if the Primary Terrorism Limit is exhausted).
- Included Information Security & Privacy Insurance with Electronic Media Liability Coverage. See Cyber Coverage Document for details of coverage terms, limits and deductibles
- Included Pollution Liability Insurance Coverage. See attached Pollution Liability Insurance Coverage Document for applicable limits and deductibles.

**TERMS & CONDITIONS:**

25% Minimum Earned Premium and cancellations subject to 10% penalty

Except Cyber Liability Premium is 30% Earned at Inception

Except Pollution Liability Premium is 100% Earned at Inception

**NOTICE OF CANCELLATION:**

90 Days except 10 Days for non-payment of premium

	<b>Annual Cost*</b>
<b>Total Property Premium:</b>	\$ 803,411.00
<b>Excess Boiler:</b>	\$ 9,771.00
<b>ABS Fee:</b>	\$ 22,278.00
<b>SLT&amp;F's (Estimate)</b>	\$ 26,021.82
<b>Broker Fee:</b>	\$ 0.00
<b>TOTAL COST †: (Including Taxes and Fees)</b>	\$ 861,481.82

\*Premiums are based on valid selectable options and the TIV's above. Changes in TIV's will require a premium adjustment.

† TOTAL COST includes: premiums, underwriting fees, commissions, loss control expenses, program administration charges, and applicable taxes (excluding the Cyber Enhancement premium - should you have elected to purchase this coverage)

**PRINT DATE:** June 9, 2017

**PROPOSAL VALID UNTIL:** July 1, 2017

**BROKER:** **ALLIANT INSURANCE SERVICES, INC.**

**License No.** 0C36861

Marcus Beverly, CPCU, AIC, ARM-P  
First Vice President

Raychelle Maranan  
Administration Coordinator

**NOTES:**

- **Major pending and approved changes to the APIP Program are described in the Executive Summary.**
- **Change in Total Insurable Values will result in adjustment in premium**
- **Each line of coverage is rated separately therefore increases in TIV's on highly rated coverages such as Vehicles, CE, EQ or 100 year Flood Zones, etc may increase the member average account rate**
- **Some coverage, sub-limits, terms and conditions could change until negotiations with the insurance carriers have been finalized**
- **This indication is based on the current loss experience and is subject to change if this members loss ratio deteriorates further and/or if the markets suffer a catastrophic event**
- **Coverage outlined in this Proposal is subject to the terms and conditions set forth in the policy. Please refer to Policy for specific terms, conditions and exclusions**
- **The flood zones provided on the Schedule of Values (SOVs) are for rating purposes only. The actual flood zone will be determined at the time of loss.**

**ALLIANT INSURANCE SERVICES, INC.  
ALLIANT PROPERTY INSURANCE PROGRAM (APIP)**

**BOILER & MACHINERY PROPOSAL**

**NAMED INSURED:** Northern California Cities Self Insurance Fund  
**POLICY PERIOD:** July 1, 2017 to July 1, 2018  
**COMPANIES:** See Attached List of Companies  
**TOTAL INSURED VALUES:** \$ 1,059,819,258 as of May 31, 2017  
**STATUS/RATING:** See Attached List of Companies

**COVERAGES & LIMITS:** \$ 100,000,000 Boiler Explosion and Machinery Breakdown, (for those Named Insureds that purchase this optional dedicated coverage) as respects Combined Property Damage and Business Interruption/Extra Expense (Including Bond Revenue Interest Payments where Values Reported and excluding Business Interruption for power generating facilities unless otherwise specified). Limit includes loss adjustment agreement and electronic computer or electronic data processing equipment with the following sub-limits:

- Included Jurisdictional and Inspections.
- \$ 10,000,000 Per Occurrence for Service/Utility/Off Premises Power Interruption.
- Included Per Occurrence for Consequential Damage/Perishable Goods/Spoilage.
- \$ 10,000,000 Per Occurrence for Electronic Data Processing Media and Data Restoration.
- \$ 2,000,000 Per Occurrence, Per Named Insured and in the Annual Aggregate per Declaration for Earthquake Resultant Damage for Members who purchase Dedicated Earthquake Coverage.
- \$ 10,000,000 Per Occurrence for Hazardous Substances/Pollutants/Decontamination.
- Included Per Occurrence for Machine or Apparatus used for Research, Diagnosis, Medication, Surgical, Therapeutic, Dental or Pathological Purposes.

**NEWLY ACQUIRED LOCATIONS:**

\$ 25,000,000 Automatic Acquisition for Boiler & Machinery values at newly acquired locations. Values greater than \$25,000,000 or Power Generating Facilities must be reported within 120 days and must have prior underwriting approval prior to binding

**VALUATION:**

Repair or Replacement except Actual Loss sustained for all Time Element coverages

**EXCLUSIONS (Including but not limited to):**

- Testing
- Explosion, except for steam or centrifugal explosion
- Explosion of gas or unconsumed fuel from furnace of the boiler

**OBJECTS EXCLUDED: (Including but not limited to):**

- Insulating or refractory material
- Buried Vessels or Piping
- Furnace, Oven, Stove, Incinerator, Pot Kiln

**NOTICE OF CANCELLATION:**

90 days except 10 days for non-payment of premium

**DEDUCTIBLES:**

- |                               |  |
|-------------------------------|--|
| \$ 2,500                      | Except as shown for Specific Objects or Perils.  |
| \$ 2,500                      | Electronic Data Processing Media.  |
| \$ 2,500                      | Consequential Damage.  |
| \$ 2,500                      | Objects over 200 hp, 1,000 KW/KVA/Amps or Boilers over 5,000 square feet of heating surface.                 |
| \$ 50,000                     | Objects over 350 hp, 2,500 KW/KVA/Amps or Boilers over 10,000 square feet of heating surface.                |
| \$ 100,000                    | Objects over 500 hp, 5,000 KW/KVA/Amps or Boilers over 25,000 square feet of heating surface.                |
| \$ 250,000                    | Objects over 750 hp, 10,000 KW/KVA/Amps or Boilers over 75,000 square feet of heating surface.               |
| \$ 350,000                    | Objects over 25,000 hp, 25,000 KW/KVA/Amps or Boilers over 250,000 square feet of heating surface.           |
| 10 per foot / \$2,500 Minimum | Deep Water Wells.  |
| 24 Hour Waiting Period        | Utility Interruption.  |
| 24 Hours                      | Business Interruption/Extra Expense Except as noted below.   |
| 30 Days                       | Business Interruption - Revenue Bond.  |
| 5 x 100% of Daily Value       | Business Interruption - All objects over 750 hp or 10,000 KW/KVA/Amps or 10,000 square feet heating surface. |
| 5 x 100% of Daily Value       | Business interruption - All Objects at Waste Water Treatment Facilities and All Utilities.                   |

**Annual Cost**

**COST:** Cost is included on Property Proposal

**PRINT DATE:** May 31, 2017

**PROPOSAL VALID UNTIL:** July 1, 2017

**BROKER:** **ALLIANT INSURANCE SERVICES, INC.**  
**License No.** 0C36861  
Marcus Beverly, CPCU, AIC, ARM-P  
First Vice President  
  
Raychelle Maranan  
Administration Coordinator

**NOTES:**

- *Major pending and approved changes to the APIP Program are described in the Executive Summary.*
- *Change in Total Insurable Values will result in adjustment in premium*
- *Some coverage, sublimits, terms and conditions could change until negotiations with the insurance carriers have been finalized*
- *Coverage outlined in this Proposal is subject to the terms and conditions set forth in the policy. Please refer to Policy for specific terms, conditions and exclusions*



**ALLIANT INSURANCE SERVICES, INC.**  
**ALLIANT PROPERTY INSURANCE PROGRAM (APIP)**  
**CYBER LIABILITY PROPOSAL**

**TYPE OF COVERAGE:** Information Security & Privacy Insurance with Electronic Media Liability Coverage

**PROGRAM:** **Alliant Property Insurance Program (APIP) inclusive of Public Entity Property Insurance Program (PEPIP), and Hospital All Risk Property Program (HARPP)**

**NAMED INSURED:** Any member(s), entity(ies), agency(ies), organizations(s), enterprise(s) and/or individuals(s) attached to each Declaration insured as per schedule on file with Insurer.

**DECLARATION:** Various Declarations as on file with Insurer

**POLICY PERIOD:** July 1, 2017 to July 1, 2018

**POLICY #:** Per Insured's Evidence of Coverage

**TERRITORY:** WORLD-WIDE

**RETROACTIVE DATE:** **APIP/PEPIP**  
*For new members – the retro active date will be the date of addition*  
July 1, 2016 For existing members included on the July 1, 2016/17 policy  
July 1, 2015 For existing members included on the July 1, 2015/16 policy  
July 1, 2014 For existing members included on the July 1, 2014/15 policy  
July 1, 2013 For existing members included on the July 1, 2013/14 policy  
July 1, 2012 For existing members included on the July 1, 2012/13 policy  
July 1, 2011 For existing members included on the July 1, 2011/12 policy  
July 1, 2010 For existing members included on the July 1, 2010/11 policy

**HARPP**  
*For new members – the retro active date will be the date of addition*  
July 1, 2009 For members endorsed onto the July 1, 2009/10 policy at a \$500,000 limit except for those members who did not provide a “No Known Losses Letter” then the retro date is the date that the member was added  
July 1, 2010 For \$1,500,000 excess \$500,000

**CSU**  
July 1, 2008 California State University and CSU Auxiliary Organizations

**INSURER:** Lloyd's of London - Beazley Syndicate:  
Syndicates 2623 - 623 - 100%

**COVERAGES & LIMITS:**

<b>THIRD PARTY LIABILITY</b>	<b>Ai.</b>	\$	25,000,000	<b>Annual Policy and Program Aggregate Limit of Liability</b> (subject to policy exclusions) for all Insured's/Members combined (Aggregate for all coverage's combined, including Claims Expenses), subject to the following sub-limits as noted.
	<b>Aii.</b>	\$	2,000,000	<b>Annual Aggregate Limit of Liability</b> for each Insured/Member for <b>Information Security &amp; Privacy Liability. Each Member of a JPA will have a \$2,000,000 Limit Each</b> (Aggregate for all coverages combined, including Claim Expenses) but sublimited to:
	<b>B.</b>	\$	500,000	<b>Annual Policy Aggregate Limit of Liability</b> for each Insured/Member <b>Privacy Notification Costs</b> coverage. (Limit is increased to \$1,000,000 if Beazley Vendor Services are used)

Insured's with TIV above \$500,000,000 have the option to increase the **Privacy Notification** limit to \$1,000,000 (Limit is increased to \$2,000,000 if Beazley Vendor Services are used) with an additional premium of 10% of their allocated APIP cyber premium.

<b>C.</b>	\$	2,000,000	<b>Annual Policy Aggregate Limit of Liability</b> for each Insured/Member for all Claims Expenses and <b>Penalties for Regulatory Defense and Penalties</b>  <b>PCI Fines and Penalties</b> coverage added with sub-limit of \$100,000.
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<b>D.</b>	\$	2,000,000	<b>Annual Policy Aggregate Limit of Liability</b> for each Insured/Member for all Damages and Claims Expenses for <b>Website Media Content Liability</b> (Occurrence Based)
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<b>FIRST PARTY COMPUTER SECURITY</b>	<b>E.</b>	\$	2,000,000	<b>Policy Aggregate Sublimit of Liability</b> for each Insured/Member for <b>Cyber Extortion Loss</b>
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<b>F.</b>	\$	2,000,000	<b>Policy Aggregate Sublimit of Liability</b> for each Insured/Member for <b>Data Protection Loss and Business Interruption Loss</b>
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<b>G.</b>			<b>First Party Business Interruption Sub-Limits of Liability</b> for each Insured/Member
	\$	100,000	1) Forensic Expense Sublimit
	\$	500,000	2) Dependent Business Interruption Sublimit

The sub-limits of liability displayed above in Items B, C and D are part of, and not in addition to, the overall Annual Aggregate Limit of Liability for each Insured/Member (Item Aii)

<b>COVERAGE ENDORSEMENT(S):</b>	\$	50,000	<b>Policy Aggregate Sublimit of Liability</b> applicable to all loss under Insuring Agreement FI – <b>Fraudulent Instruction</b> . To indemnify the <b>Named Insured</b> for, in excess of the application Retention, resulting directly from an Insured having transferred, paid, or delivered any <b>Money or Securities</b> as a direct result of Fraudulent Instructions.
	\$	50,000	<b>Policy Aggregate Sublimit of Liability</b> applicable to all loss under Insuring Agreement TF – <b>Telecommunications Fraud</b> . To Indemnify the <b>Insured Organization</b> for any <b>Telecommunications Fraud Loss</b> , in excess of the applicable Retention, incurred by the Insured during the Policy Period.
	\$	50,000	<b>Policy Aggregate Sublimit of Liability</b> for all <b>Consequential Reputational Loss</b> . To indemnify the <b>Named Insured</b> for <b>Consequential Reputational Loss</b> , in excess of the applicable Retention, incurred by the <b>Insured Organization</b> during the Notification Period as a direct result of an incident for which Notification Services are provided pursuant to <b>Insuring Agreement B.3</b> .
<b>RETENTION:</b>	\$	25,000	CSU Auxiliary Organizations only
	\$	50,000	Per Occurrence for each Insured/Member with TIV up to \$500,000,000 at the time of loss
		8 Hour	Waiting period for first party claims
	\$	100,000	Per Occurrence for each Insured/Member with TIV greater than \$500,000,000 at time of loss
		8 Hour	Waiting period for first party claims
			Insured's with TIV below \$250,000,000 have the option to buy-down the retention from \$50,000 to \$5,000 with an additional premium of \$5,000 per entity.
<b>NOTICE:</b>			<b>Policy coverage sections I.A - Information Security &amp; Privacy Liability, I.B.- Privacy Notification Costs and I.C.-Regulatory Defense &amp; Penalties of this policy provide coverage on a claims made and reported basis; except as otherwise provided, coverage under these insuring agreements applies only to claims first made against the insured and reported to underwriters during the policy period.</b> Claims expenses shall reduce the applicable limit of liability and are subject to the applicable retention.
<b>EXTENDED REPORTING PERIOD:</b>			For First Named Insured - To be determined at the time of election (additional premium will apply)

**SPECIFIC COVERAGE PROVISIONS:**

- A. Information Security and Privacy Liability** pays on behalf of the Insured/Member damages and claims expenses excess of the retention which the Insured/Member shall become legally obligated to pay because of any claim, including a claim for violation of a privacy law first made against the Insured/Member and reported to underwriters during the policy period for
- theft, loss or unauthorized disclosure of personally identifiable non-public information or third party corporate information that is in the care, custody or control of the Insured/Member, or an independent contractor that is holding, processing or transferring such information on behalf of the Insured/Member.
  - Acts or incidents that directly result from the failure of computer security to prevent a security breach including
    - Alteration, corruption, destruction, deletion, or damage to a data asset stored on computer systems
    - Failure to prevent transmission of malicious code from computer systems to third party computer systems
    - Participation in a denial of service attack directed against a third party computer system
  - The failure to timely disclose any of the above in violation of any breach notice law
  - The failure to comply with a privacy policy involving the disclosure, sharing or selling of personally identifiable non-public information
  - The failure to administer an identity theft prevention program
- B. Privacy Notification Costs** pay the Insured/Member for reasonable and necessary costs to comply with a breach notice law because of an incident that first takes place on or after the retroactive date and before the end of the policy period. Privacy Notification Costs means costs incurred within one year of the reporting of the incident or suspected incident to the Underwriters:
- To hire security experts;
  - Notification provisions,
  - Public relations mitigation up to \$50,000 subject to Nil coinsurance
  - Credit monitoring for the purpose of mitigating potential damages and are subject to Nil coinsurance
    - Credit file monitoring,
    - Mailing and third party administrative costs
- To provide notification to:
- (a) Individuals who are required to be notified by the **Insured Organization** under the applicable **Breach Notice Law**; and
  - (a) In the Underwriters' discretion, to individuals affected by an incident in which their **Personally Identifiable Non-Public Information** has been subject to theft, loss, or Unauthorized Disclosure in a manner which compromises the security or privacy of such individual by posing a significant risk of financial, reputational or other harm to the individual.
- C. Regulatory Defense and Penalties** pays on behalf of the Insured/Member claims expenses and penalties which the Insured/Member shall become legally obligated to pay because of any claim in the form of a regulatory proceeding resulting from a violation of a privacy law and caused by an incident described under certain sections of the information security and privacy liability section of the policy.

**SPECIFIC COVERAGE PROVISIONS:**  
(Continued)

- D. **Website Media Content Liability** (occurrence based) days on behalf of the insured damages and claims expenses resulting from any claim made against the Insured/Member for one or more of the following acts committed in the course of covered media activities:
  - Defamation, libel, slander, trade libel
  - Privacy violation
  - Invasion or interference with publicity
  - Plagiarism, piracy, misappropriation of ideas under implied contract
  - Infringement of copyright
  - Infringement of domain name, trademark
  - Improper deep-linking or framing within electronic content
  
- E. **Cyber Extortion** indemnifies the Insured/Member for costs incurred as a result of an extortion threat by a person other than employees, directors, officers, principals, trustees, governors, managers, members, etc.
  
- F. **First Party Data Protection** indemnifies the Insured/Member for data protection loss as a result of alteration, corruption, destruction, deletion, damage or inability to access data assets.
  
- G. **First Party Network Business Interruption** indemnifies the Insured/Member for business interruption loss as a direct result of the actual and necessary interruption or suspension of computer systems and is directly caused by a failure of computer security to prevent a security breach.

**EXCLUSIONS:**  
(Including but not limited to)

- Coverage does not apply to any claim or loss from
- Bodily Injury or Property Damage
  - Any employer-employee relations, policies, practices
  - Contractual Liability or Obligation
  - Any actual or alleged act, error or omission or breach of duty by any director, officer, manager if claim is brought by principals, officers, directors, stockholders and the like
  - Anti-Trust violations
  - Unfair trade practices
  - Unlawful collection or acquisition of Personally Identifiable Non-Public Information
  - Distribution of unsolicited e-mails, facsimile, audio or video recording
  - Prior knowledge or previously reported incidents
  - Incidents occurring prior to retroactive date/continuity date
  - Any act, error, omission, of computer security if occurred prior to policy inception
  - Collusion
  - Securities Act Violations
  - Fair Labor Act Violations
  - Discrimination
  - Intentional Acts with regard to Privacy and Security Breach
  - Infringement - Patent and Copyright
  - Federal Trade Commission and related state, federal, local and foreign governmental activities
  - Insured vs. Insured
  - Money/Securities/Funds Transfer
  - Broadcasting, Publications and Advertising
  - War and Terrorism
  - Pollution
  - Nuclear Incident
  - Radioactive Contamination

**NOTICE OF CLAIM:**

- **IMMEDIATE NOTICE** must be made to Beazley NY of all potential claims and circumstances (assistance, and cooperation clause applies)
- Claim notification under this policy is to:  
Beazley Group  
Attn: Beth Diamond  
1270 Avenue of the Americas  
New York, NY 10020  
[tmbclaims@beazley.com](mailto:tmbclaims@beazley.com)

**NOTICE OF CANCELLATION:** 10 days for non-payment of premium

**REINSTATEMENT PROVISIONS:** Optional reinstatement at 125% of the annual premium

**CYBER COST:** Cost is included in Total Property Premium  
30% Earned Premium at Inception

**OTHER SERVICES** Unlimited Access to Beazley Breach Solutions

**BROKER:** ALLIANT INSURANCE SERVICES, INC.  
  
License No. 0C36861

**NOTES:** Coverage outlined in this Proposal is subject to the terms and conditions set forth in the policy. Please refer to Policy for specific terms, conditions and exclusions.

**ALLIANT INSURANCE SERVICES, INC.  
ALLIANT PROPERTY INSURANCE PROGRAM (APIP)**

**POLLUTION LIABILITY COVERAGE PROPOSAL**

**TYPE OF INSURANCE:**  Insurance  Reinsurance

**TYPE OF COVERAGE:** Claims Made and Reported Pollution Liability

**PROGRAM:** **Alliant Property Insurance Program (APIP)**

**NAMED INSURED:** Any member(s), entity(ies), agency(ies), organization(s), enterprise(s), pool(s), Joint Powers Authority(ies) and/or individual(s) attached to each Declaration insured as per Named Insured Schedule on file with Insurer, listed below.

**POLICY PERIOD:** July 1, 2017 to July 1, 2018

**RETROACTIVE DATE:** July 1, 2011 for existing insureds included on the 2011-2012 policy at inception; For all other insureds the retroactive date is the date of addition to the Program.

**COMPANY:** Illinois Union Insurance Company

**A.M. BEST INSURANCE RATING::** A++, Superior, Financial Category XV (\$2 Billion or greater)  
Effective June 22, 2016

**STANDARD & POORS RATING:** AA (Very Strong) as of April 18, 2017

**ADMITTED STATUS:** Non-Admitted in all states except Illinois

**COVERAGE LOCATIONS:** Per the following SOVs submitted and on file with carrier:

1. PEEIP DEC 1 – SOVs
2. PEEIP DEC 2 – SOVs
3. PEEIP DEC 3 – SOVs
4. PEEIP DEC 4 – SOVs
5. PEEIP DEC 5 – SOVs
6. PEEIP DEC 8 – SOVs (Excludes SPIP, except as endorsed)
7. PEEIP DEC 11 – SOVs
8. PEEIP DEC 12 – SOVs
9. PEEIP DEC 19 – SOVs
10. PEEIP DEC 20 – SOVs
11. PEEIP DEC 21 – SOVs
12. PEEIP DEC 25 – SOVs
13. PEEIP DEC 26 – SOVs
14. PEEIP DEC 27 – SOVs
15. PEEIP DEC 28 – SOVs
16. PEEIP DEC 30 – SOVs
17. PEEIP DEC 33 – SOVs
18. PEEIP DEC 34 – SOVs



**COVERAGE LOCATIONS: CONTINUED**

Covered locations include any location owned, operated, managed, leased or maintained by the Insured at policy inception. Covered locations also include any subsurface potable water, wastewater or storm water pipes to or from a covered location, that is not a pipe, provided that such pipes are located within a one thousand (1,000) foot radius of such covered location.

**COVERAGES & LIMITS:**

**\$25,000,000 Policy Program Aggregate (all insureds combined)**  
**\$ 2,000,000 Per Pollution Condition or Indoor Environmental Condition**  
**\$ 2,000,000 Per Named Insured Aggregate**  
**\$ 2,000,000 Per JPA/Pool Aggregate**

**SUBLIMITS:**

\$ 500,000 Per Bacteria / Virus Indoor Environmental Condition Insured Aggregate Sublimit\*  
 \$ 250,000 Catastrophe Management Costs Sublimit\*

\*Note: the above sub-limits payable under this coverage do not increase and are not in addition to the applicable limit of liability.

**EXTENDED REPORTING PERIOD:**

For First Named Insured - To be determined at the time of election (additional premium can apply); Ninety (90) day basic extended reporting period available without additional premium

**SPECIFIC COVERAGE PROVISIONS:**

**CLAIMS MADE AND REPORTED**

Coverage A – 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, provided the claim is first made or the Insured first discovers such pollution condition or indoor environmental condition during the policy period.

Coverage B – Transportation Coverage:

First-party and third-party coverage for claims arising out of a pollution condition resulting from transportation, provided the claim is first made or the Insured first discovers such pollution condition during the policy period.

Coverage C – 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, provided the claim is first made during the policy period.

Supplemental coverage for First-party and Third-party claims arising out of pollution conditions and indoor environmental conditions resulting from covered operations is included. Covered operations are defined as any operations within the capacity of a public entity which are performed by or on behalf of a “named insured” outside the physical boundaries of a “covered location”.

**SPECIFIC  
COVERAGE  
PROVISIONS (cont.):**

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 costs are reported to the insurer within fourteen (14) days.

Supplemental coverage for Products Pollution is included for potable, reclaimed and recycled water processed at any covered location that is also a potable water or wastewater treatment plant. This coverage covers Third-party claims arising out of product pollution, provided the claim is first made during the policy period. Coverage of lead contamination of potable water is excluded.

All Named Insureds scheduled on this policy have the same rights as the First Named Insured; this includes any member of a pool or Joint Powers Authority specifically scheduled onto this policy.

Coverage for mid-term transactions for values that are less than \$25,000,000 shall automatically be added as a covered location, upon the closing date of such acquisition, or the effective date of such lease, management, operation or maintenance right or obligation, respectively.

Automatic Acquisition and Due Diligence – Property purchased in the amount of or in excess of \$25,000,000 need to be reported within 120 days, along with a Phase I Environmental Site Assessment, or two (2) years of property insurance loss runs or a completed, signed application.

Illicit Abandonment is included in the definition of pollution condition.

Mold, fungi and legionella pneumophila are included in the definition of an indoor environmental condition.

Defense Costs and Expenses are within Limits of Liability.

The insurance afforded by this Policy shall apply in excess of any other valid, collectible insurance, with the exception of policies specifically written to be in excess of this policy.

**Underground Storage Tanks coverage included, with a self-insured retention of \$750,000. *Note: Does not meet financial assurance requirements.***

Loss covered pursuant to a Federal, State, County or Municipality administered underground storage tank fund, or any functional equivalent to such fund, shall be considered primary insurance, to which the coverage afforded pursuant to this Policy shall only apply in excess. Under such primary insurance policy shall erode the \$750,000 per pollution condition self-insured retention. *This includes storage tank pollution liability insurance.*

Blanket Coverage included for Non-Owned Disposal Sites. Includes Any properly permitted and licensed non-owned disposal sites that has not been identified by the United States EPA National Priorities List, CERCLIS list or any functional equivalent of those listings, and is not undergoing voluntary or regulatory required remediation at the time the waste was received for disposal.

**EXCLUSIONS  
(including but not  
limited to):**

**Coverage does not apply to any claim or loss from:**

- Asbestos and Lead Based Paint. *This exclusion does not apply to Third-party claims for Bodily Injury, Property Damage or any associated legal defense expenses, nor to First-party Remediation Costs arising out of asbestos, asbestos-containing material, or lead-based paint discovered in soil or groundwater. Also does not apply to first-party remediation costs that first commenced during the policy period, do not arise out of or relate to any pollution conditions which existed prior to policy inception, are sudden, unintended and unexpected by the Insured and discovered within seven (7) days of commencement, as long as they are reported to the Insurer within twenty-one (21) days of discovery. This does not include coverage for asbestos or lead-based paint abatement, removal, or disposal resulting from the maintenance, renovation or physical improvement of a covered location.*
- Contractual Liability – *Does not apply to environmental indemnity obligations, or to liability of others that would have attached to the Insured in the absence of a contract or agreement.*
- Divested Property
- Employers Liability
- Criminal Fines and Criminal Penalties
- Fraud or Misrepresentation
- Sewage Backup – *based upon or arising out of the reverse flow of sewage through a subsurface sewer line into any structure, including, but not limited to, 3<sup>rd</sup> party residences and commercial buildings. This exclusion does not apply to your insured locations.*
- First Party Property Damage – *Does not apply to remediation costs, emergency response costs, business interruption costs or catastrophe management costs.*
- Insured's Internal Expenses - *Does not apply to emergency response costs, along with any associated catastrophe management costs.*
- Insured vs. Insured
- Intentional Non-Compliance
- Known Conditions
- Landfills, Recycling Facilities, or Oil and/or Gas Producing or Refining Facilities
- Ports – *Defined as a location on the coast or any other body of water where ships or watercraft can dock and transfer cargo to or from land and engages in the business of importing/exporting of goods.*
- Airports – *Defined as a location whereby enplanement occurs and/or cargo is moved for a fee and the following operations are conducted: storage, transportation and dispensing of fuel and/or de-icing solutions.*
- Material Change in Risk – *Does not apply to covered operations that are performed with respect to uses and operations that are within the capacity of a Public Entity.*
- Professional Liability
- Regulatory Compliance – *Does not apply to any such non-compliance that occurs subsequent to release from a covered underground storage tank.*

**EXCLUSIONS  
(including but not  
limited to, cont.):**

- Work Product
- Workers' Compensation
- Products Liability. *Does not apply to a pollution condition that first commences during transportation, or to pollution conditions resulting from the use of potable, reclaimed or recycled water processed at any covered location that is also a potable water or wastewater treatment plant, if applicable. Also does not apply to coverage afforded for product pollution pursuant to the Products Pollution Coverage Endorsement attached to this policy. Lead contamination of potable water is not covered and is excluded.*
- **Lead Contaminated Water**
- Property damage to any automobile, aircraft, watercraft, railcar or other conveyance utilized for transportation.
- War or Terrorism
- Any subsurface potable water, wastewater or storm water pipes leading to or exiting from a covered location, which is not a pipe, provided that such pipe sections are located beyond a one thousand (1,000) foot radius of such covered location.

**RETENTION:**

- \$ 75,000** Per Pollution Condition or Indoor Environmental Condition except for Mold
- \$250,000** Per Pollution Condition or Indoor Environmental Condition – Mold
- \$375,000 Per Named Insured Aggregate retention applicable to all Pollution Conditions or Indoor Environmental Conditions except for Mold
- \$ 37,500 Per Named Insured maintenance retention applicable to all Pollution Conditions or Indoor Environmental Conditions except for Mold
- \$750,000 Per Named Insured Aggregate retention applicable to Mold
- \$125,000 Per Named Insured maintenance retention applicable to Mold
- \$750,000** **Underground Storage Tanks Specific**
- 10 Days Waiting Period for Business Income and Extra Expense

**CLAIMS REPORTING NOTICE**

PLEASE NOTE THAT POLLUTION LIABILITY POLICIES CONTAIN EXTREMELY STRICT CLAIM REPORTING PROCEDURES. Below please find your policy specific claim reporting requirements - Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

**THIS IS A CLAIMS MADE POLICY**

This claims-made policy contains a requirement stating that this policy applies only to any claim first made against the Insured and reported to the insurer during the policy period or applicable extended reporting period. Claims must be submitted to the insurer during the policy period, or applicable extended reporting period, as required pursuant to the Claims/Loss Notification Clause within the policy in order for coverage to apply. Late reporting or failure to report pursuant to the policy's requirements could result in a disclaimer of coverage by the insurer.

**LOSS REPORTING REQUIREMENTS:**

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

- 1) ACE Environmental Risk Claims Manager  
ACE USA Claims  
P.O. Box 5103  
Scranton, PA 18505-0510  
(888) 310-9553 24 Hour Environmental Emergency Hotline  
(800) 951-4119 (Fax – First Notices Only)  
(866) 635-5687 (Fax – All Other Items)  
[CasualtyRiskEnvironmentalFirstNotice@chubb.com](mailto:CasualtyRiskEnvironmentalFirstNotice@chubb.com)
- 2) ACE Alert Program  
Sign up for ACE Alert at <https://ace.spillcenter.net/>  
24/7 incident reporting via phone, web or mobile device  
App Available on Apple App Store, Google Play and Blackberry App World
- 3) Akbar Sharif  
Alliant Insurance Services, Inc.  
1301 Dove Street, Suite 200  
Newport Beach, CA 92660  
949 260-5088  
415 403-1466 – fax  
[Akbar.Sharif@alliant.com](mailto:Akbar.Sharif@alliant.com)

**NOTICE OF CANCELLATION:**

90 days except 15 days for non-payment of premium

**REINSTATEMENT PROVISIONS:**

Not Provided.

**POLLUTION LIABILITY COST:**

Cost is included in Total Property Premium  
100% Earned Premium at Inception

**OTHER SERVICES:**

- Value-Added Engineering Package:
- Mold Awareness Training
    - ACE will offer a single Mold Awareness Training Presentation, provided by ACE ESIS personnel, for little or no additional cost. Must be held at one central location or online.
  - Due Diligence Program Overview
    - ACE will provide up to 50 First Search Reports of government environmental databases for no additional charge
  - Asbestos-Containing Materials (ACM)/Lead Based Paint (LBP) Plan
    - ACE will assist the insured in the creation of a single ACM/LBP plan for a minimal additional cost
  - Mold Operations & Maintenance (O&M) Plan
    - ACE will assist the insured in the creation of a single Mold O&M plan for a minimal additional cost

**QUOTE VALID UNTIL:** July 1, 2017

**BROKER:**

**ALLIANT INSURANCE SERVICES, INC.**  
**License No. 0C36861**



# ACE ALERT<sup>SM</sup>

## ACE LOGISTICAL ENVIRONMENTAL RESPONSE TECHNOLOGY

Environmental releases can happen unexpectedly and at any moment. When these events occur companies are faced with the responsibility of cleanup and site remediation, not to mention the additional cost factors and regulatory implications that can be involved.

ACE ALERT<sup>SM</sup> is a complimentary program developed to assist ACE Environmental Risk clients find and dispatch qualified incident response contractors, monitor cleanup costs (in real time) and mitigate potential liabilities associated with environmental releases.

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### ACEALERT<sup>SM</sup> Services

- Incident Reporting
- Contractor Referrals
- Response Coordination Assistance
- Incident Documentation
- Invoice Review
- Customized Alerts
- Contractor Registration
- Subject - Relevant E-Marketing communications

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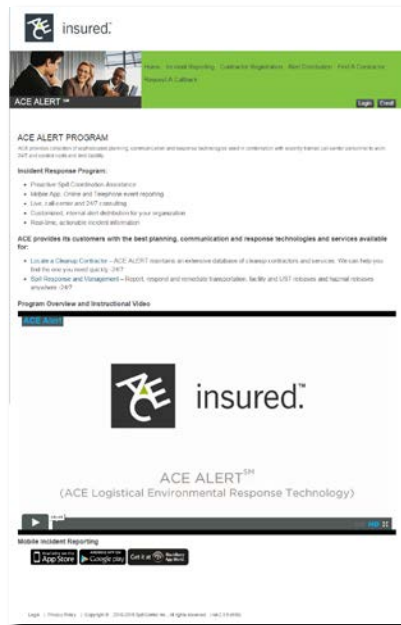
### Key Highlights

- 24/7 incident reporting via phone, web or mobile device
- Access to a database of over 3,500 response contractors that clients can independently engage for services
- Assistance with Federal/State/Local Regulatory reporting (through an ACE vendor)
- Response coordination assistance (multilingual capabilities)
- Capability of establishing customized alerts via email and/or text message when the system is activated
- Complete data package delivered electronically
- Business Continuity – minimize disruption to the clients' business and focus on returning to normal operations

**How to Access**

- Details of the program, including access to where ACE Environmental Risk clients can complete their enrollment, is available online at <https://ace.spillcenter.net>
- Once enrollment is complete, clients can report an environmental incident either online, by telephone or mobile device via the ACE ALERT<sup>SM</sup> application available on iPhone, Android and certain Blackberry models

Visit <https://ace.spillcenter.net> to learn more about ACE ALERT<sup>SM</sup>



**CONTACT US**

**Bob Winterburn**  
215 640-1451  
Robert.Winterburn@esis.com

**Steve Piatkowski**  
215 640-4890  
Steven.Piatkowski@acegroup.com

ACE ALERT<sup>SM</sup> is offered through Spill Center, a North American leader in environmental regulatory reporting and spill support that draws from a database of more than 3,500 environmental cleanup contractors throughout North America who are experienced and equipped to react to particular kinds of spills.

Reporting a spill using Spill Center services does not constitute the reporting of a claim in accordance with the terms and conditions of your policy and nor is it an indication that coverage is available under any such policy. Any communications in connection with your use of Spill Center services are not intended to alter, amend or provide interpretive commentary on any insurance policy contracts. Spill Center is not a subsidiary or affiliate of the ACE Group. ACE Group disclaims all liability, loss, damages and other costs that may arise out of your use of or reliance upon any spill reporting services, other services, communications and representations or warranties made by Spill Center or its affiliates.

ACE USA is the U.S.-based retail operating division of the ACE Group, a global leader in insurance and reinsurance, serving a diverse group of clients. Headed by ACE Limited (NYSE: ACE), a component of the S&P 500 stock index, the ACE Group conducts its business on a worldwide basis with operating subsidiaries in more than 50 countries. Additional information can be found at [www.acegroup.com/us](http://www.acegroup.com/us)

Insurance provided by ACE American Insurance Company, Philadelphia, PA and in some jurisdictions, other insurance companies within the ACE Group. The product information above is a summary only. The insurance policy actually issued contains the terms and conditions of the contract. All products may not be available in all states. Surplus lines insurance sold only through licensed surplus lines producers.





**Alliant Property Insurance Program  
2017-2018 Policy Year  
Schedule of Insurers (Proposed)**

Company	A.M. Best's I.D. #	A.M. Best's Guide Rating	Standard and Poor's	State of California
Arch Specialty Insurance Company	012523	A+, Superior; Financial Size Category 15; \$2,000,000,000 to greater (As of 08/17/16)	A+ (As of 07/29/10)	Non-Admitted
Aspen Insurance UK Limited	084806	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 11/11/16)	A (As of 06/25/02)	Non-Admitted
Atain Specialty Insurance Company	002842	A, Excellent; Financial Size Category 8; \$100,000,000 to \$250,000,000 (As of 11/08/16)	Not Rated (As of 05/16/17) Not Found	Non-Admitted
Chubb European Group Limited	086485	A++ , Superior; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 06/22/16)	AA (As of 05/19/14)	Non-Admitted
Endurance Worldwide Insurance Limited	083234	A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 03/28/17)	A (As of 12/05/06)	Non-Admitted
Evanston Insurance Co.	003759	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 07/01/16)	A (As of 10/14/13)	Non-Admitted
Hallmark Specialty Insurance Co.	010838	A-, Excellent; Financial Size Category 8; \$100,000,000 to \$250,000,000 (As of 06/08/16)	Not Rated (As of 05/16/17) Not Found	Non-Admitted
Homeland Insurance Company of New York	010604	A, Excellent; Financial Size Category 10; \$500,000,000 to \$750,000,000 (As of 05/03/17)	A- (As of 07/02/10)	Non-Admitted
Illinois Union Insurance Company	003510	A++, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 06/22/16)	AA (As of 05/19/14)	Non-Admitted
Interstate Fire & Casualty Company	002267	A+, Superior; Financial Size Category 15; \$2,000,000,000 or greater (As of 08/11/16)	AA (As of 03/17/16)	Non-Admitted
Ironshore Specialty Insurance Company	013866	A, Excellent; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000	A (As of 05/02/17)	Non-Admitted

**Alliant Property Insurance Program  
2017-2018 Policy Year  
Schedule of Insurers (Proposed)**

Company	A.M. Best's I.D. #	A.M. Best's Guide Rating	Standard and Poor's	State of California
		(As of 05/02/17)		
Lancashire Insurance Company (UK) Ltd.	078390	A, Excellent; Financial Size Category 12; \$1,000,000,000 to \$1,250,000,000 (As of 09/02/16)	A- (As of 05/18/10)	Non-Admitted
Landmark American Insurance Co.	012619	A+, Superior; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 08/19/16)	A (As of 04/21/15)	Not Licensed
Lexington Insurance Company	002350	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 01/26/17)	A+ (As of 05/06/13)	Non-Admitted
Liberty Surplus Insurance Corporation	012078	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 03/08/17)	A (As of 07/17/14)	Non-Admitted
Lloyd's of London	085202	A, Excellent; Financial Size Category 15; \$2,000,000,000 or Greater (As of 07/21/16)	A+ (04/23/07)	Non-Admitted
Maxum Indemnity Company	012563	A+, Superior; Financial Size Category 15; \$2,000,000,000 or Greater (As of 01/18/17)	Not Rated (As of 05/16/17)	Non-Admitted
PartnerRe Ireland Insurance Ltd.	088621	A, Excellent Financial Size Category 15; \$2,000,000,000 or Greater (As of 05/13/16)	A+ (As of 02/17/12)	Non-Admitted
Westport Insurance Corporation	000347	A+, Superior; Financial Size Category 15; \$2,000,000,000 or Greater (As of 12/16/16)	AA- (As of 10/28/11)	Admitted
XL Insurance America Inc.	002423	A, Excellent; Financial Size Category 15; \$2,000,000,000 or greater (As of 08/03/16)	A+ (As of 10/30/13)	Admitted

## ALLIANT INSURANCE SERVICES

### POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

May 31, 2017

Named Insured: **Northern California Cities Self Insurance Fund**

We are required to send you this notice pursuant to federal legislation concerning terrorism insurance.

You are hereby notified that under the Terrorism Risk Insurance Act of 2002, as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism, *As defined in Section 102(1) of the Act, as amended*: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Any coverage you purchase for "acts of terrorism" shall expire at 12:00 midnight December 31, 2020, the date on which the TRIA Program is scheduled to terminate, or the expiry date of the policy whichever occurs first, and shall not cover any losses or events which arise after the earlier of these dates.

YOU SHOULD KNOW THAT COVERAGE PROVIDED BY THIS POLICY FOR LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM IS PARTIALLY REIMBURSED BY THE UNITED STATES UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THIS FORMULA, THE UNITED STATES PAYS 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 AND 80% BEGINNING ON JANUARY 1, 2020; OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURER(S) PROVIDING THE COVERAGE. YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A USD100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS USD100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED USD100 BILLION, YOUR COVERAGE MAY BE REDUCED.

THE PREMIUM CHARGED FOR THIS COVERAGE CAN BE REQUESTED BELOW AND WILL NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

**SELECTION OR REJECTION OF THE TERRORISM RISK INSURANCE ACT of 2002 as AMENDED  
(A.K.A.: TRIPRA 2015)**

WHAT YOU NEED TO DO NOW:

THIS COVERAGE IS OUTSIDE OF THE PROGRAM'S TERRORISM COVERAGES AND LIMITS. IT IS PROVIDED AND OVERSEEN BY THE U.S. GOVERNMENT.

THIS COVERAGE IS RESTRICTIVE COMPARED TO APIP TERRORISM LIMITS AND COVERAGES. THIS ACT DOES NOT FOLLOW OUR PROGRAM'S TERRORISM POLICIES.

PLEASE PLACE AN "X" IN ONE OF THE BOXES BELOW AND RETURN THIS FORM TO YOUR INSURANCE REPRESENTATIVE.

	I am interested in receiving a quote for Terrorism Risk Insurance Act coverage as required by law to be offered under the last amended Act. Please provide me with a quote.
	I decline to purchase the Terrorism Risk Insurance Act coverage as required by law to be offered under the last amended Act.

\_\_\_\_\_  
Policyholder/applicant signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

Northern California Cities Self Insurance Fund

## Disclosures / Disclaimers

**This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by your organization. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.**

**Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal, whether or not this offer has already been accepted.**

**This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance.**

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at [www.alliant.com](http://www.alliant.com). For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them via this [AmBest Consumer Web link](#). For additional information regarding insurer financial strength ratings visit Standard and Poor's website at [www.standardandpoors.com](http://www.standardandpoors.com).

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

## NY Regulation 194 and General Broker Compensation Disclosure

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York and other States. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including

the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

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## Other Disclosures / Disclaimers Cont.

### FATCA:

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

### NRRA:

*(Applicable if the insurance company is non-admitted)*

The Non-Admitted and Reinsurance Reform Act (NRRA) went into effect on July 21, 2011. Accordingly, surplus lines tax rates and regulations are subject to change which could result in an increase or decrease of the total surplus lines taxes and/or fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes and/or fees must be promptly remitted to Alliant Insurance Services, Inc.

## Changes and Developments

It is important that we be advised of any changes in your operations, which may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

- Mergers and/or acquisition and any change in business ownership, including percentages.
- Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- Circumstances which may require an increased liability insurance limit.
- Any changes in fire or theft protection such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to the system.
- Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.
- Property of yours that is in transit, unless previously discussed and/or currently insured.

### Loss Notification Requirements:

Your policy will come with specific claim reporting requirements. Please make sure your organization understands these obligations and time limitations which are outlined in the attached Loss Notification documents. Contact your Alliant Service Team with any questions.

## Binding Requirements Recap

Required no later than June 30, 2017:

- Signed and dated Request to Bind Coverage form (below)
- Signed and dated Surplus Lines forms as required by your state and attached to this proposal\*
- Signed and dated APIP Claims Reporting Acknowledgement(s) Receipt Form
- Signed and dated Terrorism Risk Insurance ACT of 2002 as amended (a.k.a. TRIPRA 2015)

\*- only required for coverage in the following states: AR, CA, CT, FL, KS, MA, MT, NE, NY, NC, ND, OH, RI, WV, WY

## Request to Bind Coverage

### **Northern California Cities Self Insurance Fund**

We have reviewed the proposal and agree to the terms and conditions of the coverages presented.

*This Authorization to Bind Coverage also acknowledges receipt and review of all disclaimers, disclosures, and loss notification requirements including exposures used to develop insurance terms, contained within this proposal.*

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**Signature of Authorized Insurance Representative**

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**Date**

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**Title**

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**Printed / Typed Name**

**This proposal does not constitute a binder of insurance. Binding is subject to final carrier approval. *The actual terms and conditions of the policy will prevail.***



## LOSS NOTIFICATION REQUIREMENT

### ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

Claim notifications need to be sent to Robert Frey, Diana Walizada and Sandra Doig. In the event this is a *Cyber* loss please include item III contact, for a *Pollution* loss please include item IV contact in addition to Alliant Insurance Services contacts.

- I. During regular business hours (between 8:30 AM and 5:00 PM PST), First Notice of Claim should be reported to Alliant Insurance Services via telephone, fax, mail or e-mail to our San Francisco Office:

Robert A. Frey, RPA  
Senior Vice President, Regional Claims Director  
Voice: (415) 403-1445 Cell: (415) 518-8490  
Email: [rfrey@alliant.com](mailto:rfrey@alliant.com)

Diana L. Walizada, AIC, CPIW, RPA, AINS  
Vice President, Claims Unit Manager  
Voice: (415) 403-1453  
Email: [dwalizada@alliant.com](mailto:dwalizada@alliant.com)

Address:

Alliant Insurance Services, Inc.  
100 Pine St, 11<sup>th</sup> Floor  
San Francisco CA 94111  
Toll Free Voice: (877) 725-7695 Fax: (415) 403-1466

- II. Please be sure to include APIP's Claim Administrator as a CC on all Claims correspondence:

Sandra Doig  
McLaren's Global Claims Services  
1301 Dove St., Suite 200  
Newport Beach, CA 92660  
Voice: (949) 757-1413 Fax: (949) 757-1692  
Email: [sandra.doig@mclarens.com](mailto:sandra.doig@mclarens.com)

Address:

- III. Cyber Liability Carrier Beazley NY needs to also be provided with Notice of Claim immediately (if purchased):

Beth Diamond  
Beazley Group  
1270 Avenue of the America's, Suite 1200  
New York, NY 10020  
Fax: (546) 378-4039  
Email: [tmbclaims@beazley.com](mailto:tmbclaims@beazley.com)

Address:

Elaine G. Kim, CISR  
Assistant Vice President, Claims Advocate  
100 Pine Street, 11<sup>th</sup> Floor  
San Francisco, CA 94111-5101  
Voice: (415) 403-1458 Fax: (415) 403-1466  
Email: [ekim@alliant.com](mailto:ekim@alliant.com)

Address:

- IV. Pollution Liability Carrier ACE Environmental, Risk Claims Manager (if purchased):

ACE USA Claims  
PO Box 5103  
Scranton, PA 18505-0510  
Environmental Emergency: (888) 310-9553  
Fax: (800) 951-4119  
Email: [CasualtyRiskEnvironmentalFirstNotice@chubb.com](mailto:CasualtyRiskEnvironmentalFirstNotice@chubb.com)

Address:

Akbar Sharif  
Claims Advocate  
1301 Dove St. Ste. 200  
Newport Beach, CA 92646  
Voice: (949) 260-5088 Fax: (415) 403-1466  
Email: [asharif@alliant.com](mailto:asharif@alliant.com)

Address:

Please include the Insured /JPA name along with the following information when reporting claims:

- Time, date and specific location of property damaged
- A description of the incident that caused the damage (such as fire, theft or water damage)
- Estimated amount of loss in dollars
- Contact person for claim including name, title, voice & fax numbers
- Complete and return the Property Loss Notice for processing.
- Mortgagee or Loss Payee name, address, and account number

IN THE EVENT OF A

## PROPERTY LOSS:

- 1) *Follow your organization procedures for reporting and responding to an incident*
- 2) *Alert local emergency authorities, as appropriate*
- 3) *Report the incident to Alliant Insurance Services immediately at:*

# 877-725-7695

**All property losses must be reported as soon as practicable upon knowledge within the risk management or finance division of the insured that a loss has occurred.**

Be prepared to give basic information about the location and nature of the incident, as well as steps which have been taken in response to the incident.

- 4) *Report the incident to McLarens Global Claims Services AND your Alliant representative*

**PROPERTY FIRST NOTICE OF LOSS FORM**

SEND TO: Alliant Insurance Services, Inc.

BY MAIL: 100 Pine Street, 11<sup>th</sup> Floor, San Francisco, CA 94111

BY FAX: (415) 403-1466

BY EMAIL: [rfrey@alliant.com](mailto:rfrey@alliant.com) AND [dwalizada@alliant.com](mailto:dwalizada@alliant.com)

Carbon Copy APIP Claims Administrator: [sandra.doig@mclarens.com](mailto:sandra.doig@mclarens.com) and your Alliant representative

Today's Date: \_\_\_\_\_

Type of Claim: (check all that apply)

- Real Property                       Vehicles  
 Personal Property                       Other

**Insured's Name & Contact Information**

Insured's Name: \_\_\_\_\_ Point of Contact: \_\_\_\_\_

Address: \_\_\_\_\_

Phone #: \_\_\_\_\_

**Broker/Agent's Name & Contact Information**

Company Name: Alliant Insurance Services - Claims      Point of Contact: Robert A. Frey & Diana L. Walizada

Address: 100 Pine Street, 11<sup>th</sup> Floor, San Francisco, CA 94111

Phone #: 1-877-725-7695

Fax #: 415-403-1466

**Policy Information**

Policy Number: \_\_\_\_\_ Policy Period: \_\_\_\_\_

Limits of Liability: \_\_\_\_\_ per \_\_\_\_\_ agg      Self-Insured Retention/Deductible: \_\_\_\_\_

**Loss Information**

Date of Incident/Claim: \_\_\_\_\_ Location: \_\_\_\_\_

Description of Loss:

\_\_\_\_\_  
\_\_\_\_\_

Please list all attached or enclosed documentation:  (check if none provided) \_\_\_\_\_

\_\_\_\_\_

Name of Person Completing This Form: \_\_\_\_\_

Signature: \_\_\_\_\_

**Per the PEPIP USA Form Master Policy Wording, Section IV General Conditions;**

**J. NOTICE OF LOSS**

In the event of loss or damage insured against under this Policy, the Insured shall give notice thereof to ALLIANT INSURANCE SERVICES, INC., 100 Pine Street, 11th Floor, San Francisco, CA 94111-1073. TEL NO. (877) 725-7695, FAX NO. (415) 403-1466 of such loss. Such notice is to be made as soon as practicable upon knowledge within the risk management or finance division of the insured that a loss has occurred.

IN THE EVENT OF A  
**CYBER LOSS:**

- 1) *Follow your organizations procedures for reporting and responding to an incident*
- 2) *Alert authorities, as appropriate*
- 3) *Report the incident to Beazley Group immediately at:*

[tmbclaims@beazley.com](mailto:tmbclaims@beazley.com)

**All Cyber losses must be reported as soon as practicable upon knowledge by the insured that a loss has occurred.**

Be prepared to give basic information about the location and nature of the incident, as well as steps which have been taken in response to the incident.

- 4) *Report the incident to Alliant Claims Department and your Alliant representative*

**SPECIAL NOTE REGARDING PRIVACY NOTIFICATION COSTS:**

The policy provides a \$500,000 Aggregate Limit for Privacy Notification Costs. If you utilize a Beazley vendor, the limit is increased to \$1,000,000.

Please contact Beazley for a list of approved vendors.

**CYBER FIRST NOTICE OF LOSS FORM**

**SEND TO:** Beazley Group

**BY MAIL:** 1270 Avenue of the America's, Suite 1200, New York, NY 10020

**BY FAX:** (546) 378-4039

**BY EMAIL:** [tmbclaims@beazley.com](mailto:tmbclaims@beazley.com)

**CC Alliant Claims Department:**  
[ekim@alliant.com](mailto:ekim@alliant.com) , and your Alliant representative

Today's Date: \_\_\_\_\_

**Insured's Name & Contact Information**

Insured's Name: \_\_\_\_\_ Point of Contact: \_\_\_\_\_

Address: \_\_\_\_\_

Phone #: \_\_\_\_\_

**Broker/Agent's Name & Contact Information**

Company Name: Alliant Insurance Services – Claims Point of Contact: Elaine Kim

Address: 100 Pine Street, 11<sup>th</sup> Floor, San Francisco, CA 94111

Phone #: 877-725-7695 Fax #:415-403-1466

**Policy Information**

Policy Number: \_\_\_\_\_ Policy Period: \_\_\_\_\_

Limits of Liability: \_\_\_\_\_ per \_\_\_\_\_ agg Self-Insured Retention/Deductible \_\_\_\_\_

**Loss Information**

Date of Incident/Claim: \_\_\_\_\_ Location: \_\_\_\_\_

Description of Loss: \_\_\_\_\_

Please list all attached or enclosed documentation:  (check if none provided) \_\_\_\_\_

Name of Person Completing This Form: \_\_\_\_\_

Signature: \_\_\_\_\_

## A. NOTICE OF CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM

1. If any **Claim** is made against the **Insured**, the **Insured** shall, as soon as practicable upon knowledge by the **Insured**, forward to the Underwriters through persons named in Item 9.A. of the Declarations written notice of such **Claim** in the form of a telecopy, or express or certified mail together with every demand, notice, summons or other process received by the **Insured** or the **Insured's** representative; provided that with regard to coverage provided under Insuring Agreements I.A. and I.C., all **Claims** made against any **Insured** must be reported no later than the end of the **Policy Period**, in accordance with the requirements of the **Optional Extension Period** (if applicable), or within thirty (30) days after the expiration date of the **Policy Period** in the case of **Claims** first made against the Insured during the last thirty (30) days of the **Policy Period**.
2. With respect to Insuring Agreement I.B. for a legal obligation to comply with a **Breach Notice Law** because of an incident (or reasonably suspected incident) described in Insuring Clause I.A.1 or I.A.2, such incident or reasonably suspected incident must be reported as soon as practicable during the **Policy Period** after discovery by the Insured. For such incidents or suspected incidents discovered by the **Insured** within 60 days prior to expiration of the Policy, such incident shall be reported as soon as practicable, but in no event later than 60 days after the end the **Policy Period**, provided; if this Policy is renewed by Underwriters and covered **Privacy Notification Costs** are incurred because of such incident or suspected incident reported during the 60 day post **Policy Period** reporting period, then any subsequent **Claim** arising out of such incident or suspected incident is deemed to have been made during the **Policy Period**.
3. With respect to Insuring Agreements I.A. and I.C., if during the **Policy Period**, the **Insured** first becomes aware of any circumstance that could reasonably be the basis for a **Claim** it may give written notice to Underwriters in the form of a telecopy, or express or certified mail through persons named in Item 9.A. of the Declarations as soon as practicable during the **Policy Period** of:
  - a. the specific details of the act, error, omission, or **Security Breach** that could reasonably be the basis for a **Claim**;
  - b. the injury or damage which may result or has resulted from the circumstance; and
  - c. the facts by which the **Insured** first became aware of the act, error, omission or **Security Breach**

Any subsequent **Claim** made against the **Insured** arising out of such circumstance which is the subject of the written notice will be deemed to have been made at the time written notice complying with the above requirements was first given to the Underwriters.
4. A **Claim** or legal obligation under section X.A.1 or X.A.2 above shall be considered to be reported to the Underwriters when written notice is first received by Underwriters in the form of a telecopy, or express or certified mail or email through persons named in Item 9.A. of the Declarations of the **Claim** or legal obligation, or of an act, error, or omission, which could reasonably be expected to give rise to a **Claim** if provided in compliance with sub-paragraph X.A.3. above.

(Cyber)





ACE Environmental Risk

**IN THE EVENT OF AN  
ENVIRONMENTAL EMERGENCY:**

- 1) *Follow your organization procedures for reporting and responding to an incident***
- 2) *Alert local emergency authorities, as appropriate***
- 3) *Report the incident to ACE Environmental Risk immediately at:***

**888-310-9553 or use ACE Alert App**

- 4) *Report the incident to Alliant***

Akbar Sharif  
Claims Advocate  
949-260-5088  
415-403-1466 – fax  
[asharif@alliant.com](mailto:asharif@alliant.com)

Be prepared to give basic information about the location and nature of the incident, as well as steps which have been taken in response to the incident. You will be contacted by a trained representative of ACE to discuss further response steps as soon as possible.

DO follow your organization's detailed response plan  
DO contact your management as well as appropriate authorities  
DO ensure anyone who could come in contact with a spill or release is kept away  
  
DO NOT ignore a potential spill or leak  
DO NOT attempt to respond beyond your level of training or certification



### ACE ENVIRONMENTAL RISK FIRST NOTICE OF LOSS FORM

**SEND TO:** ACE Environmental Risk Claims Manager  
**BY MAIL:** ACE USA Claims, P.O. Box 5103, Scranton, PA 18505-0510  
**BY FAX:** (800) 951-4119  
**BY EMAIL:** [CasualtyRiskEnvironmentalFirstNotice@chubb.com](mailto:CasualtyRiskEnvironmentalFirstNotice@chubb.com)  
**CC Alliant Insurance:** [asharif@alliant.com](mailto:asharif@alliant.com) and your Alliant Representative

Today's Date: \_\_\_\_\_

Notice of: (check all that apply)

- Pollution Incident                       Potential Claim                       Other \_\_\_\_\_  
 Third-Party Claim                       Litigation Initiated

Insured's Name & Contact Information

Company Name: \_\_\_\_\_ Point of Contact: \_\_\_\_\_

Address: \_\_\_\_\_

Phone #: \_\_\_\_\_

Broker/Agent's Name & Contact Information

Company Name: Alliant Insurance Services - Claims Point of Contact: Akbar Sharif

Address: 1301 Dove St. Ste. 200 Newport Beach, CA 92660

Phone #: 1-949-260-5088

Policy Information

Policy Number: \_\_\_\_\_ Policy Period: \_\_\_\_\_

Limits of Liability: \_\_\_\_\_ per \_\_\_\_\_ agg Self-Insured Retention/Deductible \_\_\_\_\_

Loss Information

Date of Incident/Claim: \_\_\_\_\_ Location: \_\_\_\_\_

Claimant Name/Address: \_\_\_\_\_

Description of Loss: \_\_\_\_\_

Please list all attached or enclosed documentation:  (check if none provided) \_\_\_\_\_

Name of Person Completing This Form: \_\_\_\_\_ Signature: \_\_\_\_\_

## VII. REPORTING AND COOPERATION

A. The “insured” must see to it that the Insurer receives written notice of any “claim” or “pollution condition”, as soon as practicable, at the address identified in Item 7.a. of the Declarations to this Policy. Notice should include reasonably detailed information as to:

1. The identity of the “insured”, including contact information for an appropriate person to contact regarding the handling of the “claim” or “pollution condition”;
2. The identity of the “covered location” or “covered operations”;
3. The nature of the “claim” or “pollution condition”; and
4. Any steps undertaken by the “insured” to respond to the “claim” or “pollution condition”. In the event of a “pollution condition”, the “insured” **must also take all reasonable measures to provide immediate verbal notice to the Insurer.**

B. The “insured” must:

1. As soon as practicable, send the Insurer copies of any demands, notices, summonses or legal papers received in connection with any “claim”;
2. Authorize the Insurer to obtain records and other information;
3. Cooperate with the Insurer in the investigation, settlement or defense of the “claim”;
4. Assist the Insurer, upon the Insurer’s request, in the enforcement of any right against any person or organization which may be liable to the “insured” because of “bodily injury”, “property damage”, “remediation costs” or “legal defense expense” to which this Policy may apply; and
5. Provide the Insurer with such information and cooperation as it may reasonably require.

C. No “insured” shall make or authorize an admission of liability or attempt to settle or otherwise dispose of any “claim” without the written consent of the Insurer. **Nor shall any “insured” retain any consultants or incur any “remediation costs” without the prior express written consent of the Insurer, except in the event of an “emergency response”. (Emergency Response coverage is limited to the first 7 days)**

D. Upon the discovery of a “pollution condition”, the “insured” shall make every attempt to mitigate any loss and comply with applicable “environmental law”. The Insurer shall have the right, but not the duty, to mitigate such “pollution conditions” if, in the sole judgment of the Insurer, the “insured” fails to take reasonable steps to do so. In that event, any “remediation costs” incurred by the Insurer shall be deemed incurred by the “insured”, and shall be subject to the “self-insured retention” and Limits of Liability identified in the Declarations to this Policy.



## APIP Pollution: Claim Reporting Fact Sheet

This page outlines the steps that should be taken BY YOUR ORGANIZATION, at the time of an environmental incident, to assure that the Pollution coverage offered with ACE through APIP is not jeopardized. We ask that you review this document and provide copies to all appropriate colleagues in advance of a possible incident.

Coverage under Pollution policies is dependent on specific compliance with claims and loss reporting; *especially* in the case of “Emergency Response” expenses that you may incur to address a pollution loss. For these “Emergency Response” expenses there is a strict seven (7) day window, following discovery of a “Pollution Condition” by the “Insured”, after which reasonable expenses will not be reimbursed unless the carrier has given prior consent. It is **extremely important** pollution exposures be reported **immediately**; and clearly no later than seven (7) days.

Although we ask that you fully review your policy and all its’ Terms and Conditions, we have highlighted some key sections of the ACE policy which address the **Emergency Response** issue and the reporting provisions:

**III. DEFENSE AND SETTLEMENT C.** The “insured” shall have the right and duty to retain a qualified environmental consultant to perform any investigation and/or remediation of any “pollution condition” covered pursuant to this Policy. The “insured” must receive the written consent of the Insurer prior to the selection and retention of such consultant, except in the event of an “emergency response”. Any costs incurred prior to such consent shall not be covered pursuant to this Policy, or credited against the “self-insured retention”, except in the event of an “emergency response”.

### V. DEFINITIONS

**F. “Emergency response”** means actions taken and reasonable “remediation costs” 7 days following the discovery of a “pollution condition” by an “insured” in order to abate or respond to an imminent and substantial threat to human health or the environment arising out of such “pollution condition”.

**T. “Pollution condition”** means: **2.** The discharge, dispersal, release, escape, migration, or seepage of any solid, liquid, gaseous or thermal irritant, contaminant, or pollutant, including smoke, soot, vapors, fumes, acids, alkalis, chemicals, hazardous substances, hazardous materials, or waste materials, on, in, into, or upon land and structures thereupon, the atmosphere, surface water, or groundwater.

**V. “Remediation costs”** means reasonable expenses incurred to investigate, quantify, monitor, mitigate, abate, remove, dispose, treat, neutralize, or immobilize “pollution conditions” to the extent required by “environmental law”.

### VII. REPORTING AND COOPERATION

**A.** The “insured” must see to it that the Insurer receives written notice of any “claim” or “pollution condition”, as soon as practicable, at the address identified in Item **7.a.** of the Declarations to this Policy. Notice should include reasonably detailed information as to: **1.** The identity of the “insured”, including contact information for an appropriate person to contact regarding the handling of the “claim” or “pollution condition”;

**B.** The “insured” must: **1.** As soon as practicable, send the Insurer copies of any demands, notices, summonses or legal papers received in connection with any “claim”;

**C.** No “insured” shall make or authorize an admission of liability or attempt to settle or otherwise dispose of any “claim” without the written consent of the Insurer. Nor shall any “insured” retain any consultants or incur any “remediation costs” without the prior express written consent of the Insurer, except in the event of an “emergency response”. (Emergency Response coverage is limited to the first 7 days)

**D.** Upon the discovery of a “pollution condition”, the “insured” shall make every attempt to mitigate any loss and comply with applicable “environmental law”. The Insurer shall have the right, but not the duty, to mitigate such “pollution conditions” if, in the sole judgment of the Insurer, the “insured” fails to take reasonable steps to do so. In that event, any “remediation costs” incurred by the Insurer shall be deemed incurred by the “insured”, and shall be subject to the “self-insured retention” and Limits of Liability identified in the Declarations to this Policy.

The bottom line is if there is a Pollution event, please contact us **immediately** so that we can report the Incident and properly protect coverage for these unexpected events; please refer to the Claims Reporting form for proper contact information.

**NOTICE:**

**1. THE INSURANCE POLICY THAT YOU ARE APPLYING TO PURCHASE IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED “NONADMITTED” OR “SURPLUS LINE” INSURERS.**

**2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.**

**3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**

**4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR “SURPLUS LINE” BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357 OR INTERNET WEB SITE WWW.INSURANCE.CA.GOV. ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC’S INTERNET WEB SITE AT WWW.NAIC.ORG.**

**5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE’S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.**

**6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED STATES AND SHOULD BE ON THE NAIC’S INTERNATIONAL INSURERS DEPARTMENT (IID) LISTING OF**

**APPROVED NONADMITTED NON-UNITED STATES INSURERS. ASK YOUR AGENT, BROKER, OR “SURPLUS LINE” BROKER TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.**

**7. CALIFORNIA MAINTAINS A LIST OF APPROVED SURPLUS LINE INSURERS. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: WWW.INSURANCE.CA.GOV.**

**8. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER’S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.**

**Date:** \_\_\_\_\_

**Insured:** \_\_\_\_\_

**D-1 (Effective January 1, 2017)**



BACK TO AGENDA

Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 15, 2017

Agenda Item H.2.b.

## **APIP CLAIMS REPORTING ACKNOWLEDGEMENTS**

### **INFORMATION ITEM**

**ISSUE:** Members are asked to review and acknowledge receipt of the Claims Reporting Requirements for the Alliant Property Insurance Program (APIP). It is critical that members and their staff recognize and respond to property claims in a timely manner so as to mitigate the damages and ensure they receive the full benefits of their property coverage.

**RECOMMENDATION:** Review and acknowledge receipt by each Member signing a copy of the attached notice.

**FISCAL IMPACT:** None.

**BACKGROUND:** Given the importance of responding quickly to property claims, and the threat of reduced or denied coverage for late reporting of claims, Alliant has requested that all APIP members understand and acknowledge the claim reporting requirements. Members can sign and return this document at the meeting, or respond to an email that will be sent later in June to those that have not signed.

**ATTACHMENT(S):** APIP Claims Reporting Acknowledgements Receipt Form



## APIP Claims Reporting Acknowledgement(s) Receipt Form

The Claims Reporting Forms are being included with your packet to ensure claims reporting procedures are known and available for future reference. Please review the information. We ask that you share these critical documents with all members of your team (and Pool Members and their staffs where applicable.)

We request that you review the items indicated as attached, then complete the bottom portion, sign and submit to your Alliant Insurance Services representative either by a scanned e-mail or mail to have it be included in your insurance records.

- APIP Property Claims Reporting
- Cyber Claims Reporting (*this is a claims made policy*) if coverage is purchased
- Pollution Liability Claims Reporting (*this is a claims made policy*) if coverage is purchased

### **Acknowledgement for Claims reporting procedures under Alliant Property Insurance Programs In effect: July 1, 2017 until further notice**

I have read and been informed about these separate reporting requirements under the coverage parts that apply to our entity as indicated above and provided through APIP by Alliant.

**Insured Entity Name:** Northern California Cities Self Insurance Fund

**Authorized Signature:** \_\_\_\_\_

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title:



## CYBER LIABILITY OPTIONAL COVERAGE ENHANCEMENT

### INFORMATION ITEM

**ISSUE:** Two excess Cyber coverage options are presented for member review, the APIP Cyber Enhancement Option (CEO) and a new option this year - Alliant Cyber Excess Solutions (ACES).

Both options are meant to enhance the coverage and increase the limits provided by the Cyber liability policy that is part of the APIP program previously discussed. Attached are summaries of both the options, with a request for proposal for the CEO coverage and a proposal for the ACES program.

### OPTIONS

1. Maintain standard cyber coverage and limits provided by the APIP policy.
2. Request quote for the CEO option for the JPA or individual members.
3. Review quotes for the ACES option and determine if members wish to purchase for the JPA as a whole or as individual members.

**RECOMMENDATION:** None - Information Item. Provide direction to Program Administrator to obtain quote or bind order per member interest.

**FISCAL IMPACT:** To be determined

**BACKGROUND:** The JPA's property policy through APIP includes Cyber Liability coverage. Each member of the JPA has its own \$2 million Cyber Liability annual aggregate limit with sublimit of \$1 million for Privacy Notification costs. The Privacy Notification costs erode the annual aggregate. The Cyber Liability program as a whole has a \$25 million annual aggregate for all insureds or members in the program combined.

With the increase in cyber attacks, a Cyber Liability Enhancement Option (CEO) is now available and can be purchased at any time throughout the policy period. The coverage enhancement provides two options:

- **Option #1** would replace the monetary limit with a per person limit for Privacy Notification costs. The per person limit is outside the policy's current dollar limits so that Privacy Notification costs do not erode the Cyber annual aggregate limit. This per person limit provides an unlimited dollar amount for notification services subject to the number of notified individuals that is selected. The additional premium is based on the annual revenue or operating budget and the number of notified individuals that would be covered.



BACK TO AGENDA

**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 15, 2017**

**Agenda Item H.2.c. (*continued*)**

- **Option #2** is available only if Option #1 has been purchased. Option #2 provides Excess Cyber Liability limits up to \$5 million.

This coverage option may be purchased by the JPA as a whole or by individual members of the JPA. An application will need to be completed to obtain a quote.

New for FY 17/18 is the ACES program coverage, with options that include dedicated limits for individual members and aggregate limits for the JPA. Unlike the attached information on the CEO program, members are provided a proposal with quotes for individual and JPA limits to assist in determining their options.

**ATTACHMENT(S):**

1. Cyber Enhancement Option (CEO) Summary
2. Alliant Cyber Excess Solutions (ACES) Insurance Proposal

# APIP CYBER ENHANCEMENT OPTION (CEO)

Insurance for the digital age



Dear valued APIP client:

Beazley Insurance Group has been a trusted partner to the APIP program over the last 5 years, providing cyber coverage to Insureds at a nominal cost.

In the last few years there has been a noted increase in the number of cyber attacks. Due to the current cyber climate, Alliant believes it is important to review the limits and coverages available to our insureds and to provide additional options and services.

Alliant and Beazley working together have created an option to augment your current cyber coverage through a new APIP Cyber Enhancement Option (CEO). Even if you believe the current cyber limits available through APIP are sufficient, it may be worth investing time to have your Alliant broker discuss the benefits of enhanced coverage. Organizations with the most robust software protection are still susceptible to human error, a third party mishandling your information, or a rogue employee.

Currently, APIP insureds have \$2 million in cyber limits to include all services related to a data breach with a sub-limit up to \$1 million for Privacy Notification Costs. There are two options available to enhance your coverage through CEO; however, **you must purchase Option 1 first in order to access Option 2**. The increased coverages and services available include:

## Option 1 –

- Separating breach notifications from the dollar limit and specifying the number of covered notifications so that notifications do not erode the APIP limit
- No monetary cap for credit monitoring and call center services
- Lower deductibles for privacy notification services
- Separate, standalone limits for Legal, Forensics, Crisis Management or Public Relations Firms
- Hands-on pre and post loss consultation from an expert team of cyber risk professionals.
- Extensive risk management resources available for your organizations' stakeholders (Legal, IT, Risk, Compliance, etc.)
- Short form application

## Option 2 – Excess Limits available, up to \$5 Million for:

- Regulatory Defense & Penalties
- Website Media Content Liability
- Cyber Extortion
- Data Protection Loss & Business Interruption
- Increased PCI Fines and Penalties (sub-limited)

A Cyber Enhancement Option indication can be provided in 5-7 business days with little information. Contact your Alliant broker or Account Representative for more information by returning the attached document. Thank you.

# APIP CYBER ENHANCEMENT OPTION (CEO)

Insurance for the digital age



## APIP Cyber Enhancement Option (CEO):

Request:

Our Entity requests a proposal for the APIP Cyber Enhancement Option.

Declination:

Our Entity is not interested in the APIP Cyber Enhancement Option (CEO) that has been offered to us. We understand that Alliant has access to cyber insurance markets and can provide a quote for us in the future if we become interested. We decline to purchase the APIP Cyber Enhancement Option at this time.

Northern California Cities Self Insurance Fund

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Signature

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Date

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Print Name and Title

Please return this page to your Alliant representative.

*Premium for C.E.O. is excluded from the APIP Property Proposal.*

**ALLIANT INSURANCE SERVICES, INC.  
ALLIANT PROPERTY INSURANCE PROGRAM (APIP)**

**ALLIANT CYBER EXCESS SOLUTIONS PROPOSAL**

**TYPE OF COVERAGE:** APIP Cyber Excess Solutions Policy – **Claims Made & Reported**

**PROGRAM:** **Alliant Property Insurance Program (APIP) inclusive of Public Entity Property Insurance Program (PEPIP), and Hospital All Risk Property Program (HARPP)**

**NAMED INSURED:** Northern California Cities Self Insurance Fund (NCCSIF)

**POLICY PERIOD:** July 1, 2017 to July 1, 2018

**INSURER:** AXIS Insurance Company

**A.M. BEST GUIDE RATING:** A+ (Superior), Financial Size Category: XV (\$2 Billion or greater) as of November 3, 2016

**STANDARD & POOR'S RATING:** A+ (Strong) as of February 2, 2009

**STATE STATUS:** Admitted

**RETROACTIVE DATE:** Policy Inception

<b>COVERAGES &amp; LIMITS:</b>	<b>Dedicated Limits</b>	<b>Excess of APIP shared</b>
<b>Option 1:</b>	\$ 2,000,000 Each	\$ 2,000,000 Each
	\$ 2,000,000 Total	\$ 2,000,000 Total
<b>Option 2:</b>	\$ 3,000,000 Each	\$ 2,000,000 Each
	\$ 3,000,000 Total	\$ 2,000,000 Total
<b>Option 3:</b>	\$ 3,000,000 Each	\$ 2,000,000 Each
	\$ 4,000,000 Pool Aggregate	\$ 2,000,000 Total
<b>Option 4:</b>	\$ 3,000,000 Each	\$ 2,000,000 Each
	\$ 10,000,000 Pool Aggregate	\$ 2,000,000 Total

- ENDORSEMENTS & EXCLUSIONS:** (including but not limited to)
- Absolute Pending and Prior Litigation Exclusion Endorsement
  - Follow Sublimited Coverage (1st Excess)
    - Notification Expense \$1M xs \$1M  
(\$500,000 xs \$500,000 if other than Beazley)
    - PCI/DSS \$100,000 xs \$100,000
    - Dependent Business Interruption \$500,000 xs \$500,000
  - State Amendatory Endorsement
  - State Fraud Statements

<b>UNDERLYING INSURANCE:</b>	<b>Layer</b>	<b>Insurer</b>	<b>Limits</b>	<b>Retention</b>	<b>Policy Period</b>
	Primary	Beazley	\$2,000,000	\$100,000	7/1/2017 – 7/1/2018



**ANNUAL PREMIUM:**

<b>Option 1 per member:</b>	\$2,000,000 Limits	\$See Attached	Annual Premium
<b>Option 2 per member:</b>	\$3,000,000 Limits	\$See Attached	Annual Premium
<b>Option 3 entire pool:</b>	\$3,000,000 Limits,\$4M Pool Aggregate	\$ 42,105	Annual Premium
<b>Option 4 entire pool:</b>	\$3,000,000 Limits\$10M Pool Aggregate	\$ 68,714	Annual Premium

**CONDITIONS:**

- Premium must be paid to Alliant within 20 days of binding to meet the Warranty Requirements

**BINDING CONDITIONS:**

- Copy of Underlying Binder Prior to Binding Coverage
- Copy of Underlying Policy Prior to Policy Issuance

**PROPOSAL VALID:**

For 30 days

**BROKER:**

**ALLIANT INSURANCE SERVICES, INC.**  
**License No. 0C36861**

**NOTES:** Coverage outlined in this Proposal is subject to the terms and conditions set forth in the policy. Please refer to Policy for specific terms, conditions and exclusions.



# NCCSIF Pool

## Northern California Cities Self Insurance Fund

Insured	TIV	\$2M x \$2M	\$3M x \$2M
CITY OF ANDERSON	\$ 32,011,572	\$ 3,086	\$ 3,560
CITY OF AUBURN	\$ 27,548,182	\$ 2,876	\$ 3,318
CITY OF COLUSA	\$ 36,639,480	\$ 3,305	\$ 3,813
CITY OF DIXON	\$ 34,527,835	\$ 3,203	\$ 3,696
CITY OF FOLSOM	\$ 211,483,752	\$ 13,726	\$ 15,838
CITY OF GALT	\$ 67,301,199	\$ 4,774	\$ 5,508
CITY OF GRIDLEY	\$ 25,675,582	\$ 2,787	\$ 3,216
CITY OF IONE	\$ 15,672,033	\$ 2,250	\$ 3,000
CITY OF LINCOLN	\$ 165,956,773	\$ 8,502	\$ 9,810
CITY OF MARYSVILLE	\$ 26,012,485	\$ 2,803	\$ 3,234
CITY OF OROVILLE	\$ 30,894,530	\$ 3,033	\$ 3,500
CITY OF RED BLUFF	\$ 56,888,369	\$ 4,274	\$ 4,932
CITY OF ROCKLIN	\$ 76,653,487	\$ 5,221	\$ 6,025
CITY OF YUBA CITY	\$ 198,889,759	\$ 9,443	\$ 10,896
TOWN OF PARADISE	\$ 11,593,309	\$ 2,250	\$ 3,000

## Disclosures

This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal whether or not this offer has already been accepted.

This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance

**This proposal does not constitute a binder of insurance. Binding is subject to final carrier approval. The actual terms and conditions of the policy will prevail.**

In order to complete the underwriting process, we require that you send us any additional information requested. We are not required to bind coverage prior to our receipt and underwriting acceptance of the requested information. However, if we do bind coverage prior to such acceptance, the terms and conditions as indicated may be amended until such receipt and acceptance. Any agreement to bind coverage in connection with this proposal must be in writing from an authorized employee of the Insurer.

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at [www.alliant.com](http://www.alliant.com). For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at [www.ambest.com](http://www.ambest.com). For additional information regarding insurer financial strength ratings visit Standard and Poor's website at [www.standardandpoors.com](http://www.standardandpoors.com).

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

## NY REGULATION 194 DISCLOSURE

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

## Non-Admitted and Reinsurance Reform Act (NRRRA)

The Non-Admitted and Reinsurance Reform Act (NRRRA) was enacted into law July 2010 as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank). The NRRRA reforms the regulation of surplus lines insurance by limiting regulatory authority

over surplus lines transactions to the "home state" of the insured and by setting federal standards for the collection of surplus lines premium taxes, insurer eligibility, and commercial purchaser exemptions. Most of the NRRRA provisions went into effect on July 21, 2011 with the largest change being the home state provision. Only the "home state of the insured" is permitted to require payment of surplus lines premium tax and regulate policy placement.

#### **FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA)**

**IMPORTANT NOTICE:** THE FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA) REQUIRES THE NOTIFICATION OF CERTAIN FINANCIAL ACCOUNTS TO THE UNITED STATES INTERNAL REVENUE SERVICE. ALLIANT DOES NOT PROVIDE TAX ADVICE SO PLEASE CONTACT YOUR TAX CONSULTANT FOR YOUR OBLIGATIONS REGARDING FATCA

#### **Named Insured Disclosure**

**Named Insureds are covered for all operations. Additional Insureds are only covered with respect to their interest in your operations. See each individual policy for details.**

- The first named insured is granted certain rights and responsibilities that do not apply to other policy named insureds and is designated to act on behalf of all insureds for making policy changes, receiving correspondence, distributing claim proceeds, and making premium payments.
- Are ALL entities listed as named insureds? Coverage is not automatically afforded to all entities unless specifically named. Confirm with your producer and service team that all entities to be protected are on the correct policy. Not all entities may be listed on all policies based on coverage line.
- Additional named insured is (1) A person or organization, other than the first named insured, identified as an insured in the policy declarations or an addendum to the policy declarations. (2) A person or organization added to a policy after the policy is written with the status of named insured. This entity would have the same rights and responsibilities as an entity named as an insured in the policy declarations (other than those rights and responsibilities reserved to the first named insured).
- Applies to Professional Liability, Pollution Liability, Directors & Officers Liability, Employment Practices Liability, Fiduciary Liability policies (this list not all inclusive). Check your Policy language for applicability. These policies provide protection to the Named Insured for claims made against it alleging a covered wrongful act. Coverage is not afforded to any other entities (unless specifically added by endorsement or if qualified as a "Subsidiary" pursuant to the policy wording) affiliated by common individual insured ownership or to which indemnification is otherwise contractually owed. If coverage is desired for affiliated entities or for contractual indemnities owed, please contact your Alliant Service Team with a full list of entities for which coverage is requested. With each request, include complete financials and ownership information for submission to the carrier. It should be noted, that the underwriter's acceptance of any proposed amendments to the policy, including expansion of the scope of "Insureds" under the policy could result in a potential diminution of the applicable limits of liability and/or an additional premium charge.

#### **Changes and Developments**

**Please keep your Alliant representative(s) informed so they can assist you in making the right decisions regarding your insurance needs.**

It is important that we be advised of any changes in your operations, which may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

- Changes in any operations such as expansion to another states, new products, or new applications of existing products.
- Travel to any state not previously disclosed.
- Mergers and/or acquisition of new companies and any change in business ownership, including percentages.
- Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- Circumstances which may require an increased liability insurance limit.
- Any changes in fire or theft protection such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to the system.
- Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.
- Property of yours that is in transit, unless previously discussed and/or currently insured.

#### **CLAIMS REPORTING NOTICE**

**Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.**

#### **Pollution Claims Reporting Notice**

**PLEASE NOTE THAT POLLUTION LIABILITY POLICIES CONTAIN EXTREMELY STRICK CLAIM REPORTING PROCEDURES. Attached please find your policy specific claim reporting requirements - Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.**

#### **EPL policy or a D&O with EPL:**

Any Employment Practices Liability (EPL) or Directors & Officers (D&O) with EPL coverage must give notice to the insurer of any charges / complaints brought by any state / federal agency (i.e. EEOC and similar proceedings) involving an employee. To preserve your rights under the policy, it is important that timely notice be given to the insurer, whether or not a right to sue letter has been issued.

#### **CLAIMS MADE**

This claims-made policy contains a requirement stating that this policy applies only to any claim first made against the Insured and reported to the insurer during the policy period or applicable extended reporting period. Claims must be submitted to the insurer during the policy period, or applicable extended reporting period, as required pursuant to the Claims/Loss Notification Clause within the policy in order for coverage to apply. Late reporting or failure to report pursuant to the policy's requirements could result in a disclaimer of coverage by the insurer.

### Property Co-insurance

Most property insurance policies contain a co-insurance clause. In exchange for a reduced rate, the insured agrees to carry at least the stated percentage of insurance to the total insurable value of the property. If, at the time of loss, the amount of insurance carried is less than this percentage, the loss payment will be reduced proportionately.

### Workers' Compensation Coverage

**It is imperative that Alliant and/or the carrier be notified IMMEDIATELY when a policyholder hires employees and/or begins operations in any state not listed in PART 3. A on the INFORMATION PAGE of the policy. Failure to obtain a workers' compensation policy in some states may result in substantial fines levied on the policyholder dating back to the original date of hire. Coverage for other states under PART 3. C. (OTHER STATES INSURANCE) of the workers' compensation policy may not fulfill the coverage verification requirement imposed by some states**

### Certificates / Evidence of Insurance

A certificate is issued as a matter of information only and confers no rights upon the certificate holder. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy. Nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or certificate holder.

You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.

In addition to providing a certificate of insurance, you may be required to name your client or customer on your policy as an additional insured. This is only possible with permission of the insurance company, added by endorsement and, in some cases, an additional premium.

By naming the certificate holder as additional insured, there are consequences to your risks and insurance policy including:

- Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
- Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
- There may be conflicts in defense when your insurer has to defend both you and the additional insured.

### Optional Coverages

The following represents a list of insurance coverages that are not included in this proposal, but are optional and may be available with further underwriting information.

Note some of these coverages may be included with limitations or insured elsewhere. This is a partial listing as you may have additional risks not contemplated here or are unique to your organization.

- |                                  |   |
|----------------------------------|---|
| • Crime / Fidelity Insurance     | • Media and Publishers Liability                                    |
| • Directors & Officers Liability | • Medical Malpractice Liability                                     |
| • Earthquake Insurance           | • Network Security / Privacy Liability and Internet Media Liability |
| • Employed Lawyers               | • Pollution Liability   |
| • Employment Practices Liability | • Owned/Non-Owned Aircraft  |
| • Event Cancellation             | • Owned Watercraft  |
| • Fiduciary Liability            | • Special Events Liability  |
| • Fireworks Liability            | • Student Accident  |
| • Flood Insurance                | • Volunteer Accidental Death & Dismemberment (AD&D)                 |
| • Foreign Insurance              | • Workers' Compensation   |
| • Garage Keepers Liability       | • Workplace Violence  |
| • Kidnap & Ransom                |   |
| • Law Enforcement Liability      |   |

### Glossary of Insurance Terms

Below are a couple of links to assist you in understanding the insurance terms you may find within your insurance coverages:

- <http://insurancecommunityuniversity.com/UniversityResources/InsuranceGlossaryFREE.aspx>
- <http://www.ambest.com/resource/glossary.html>
- <http://www.irmi.com/online/insurance-glossary/default.aspx>



## FY 17/18 CRIME COVERAGE RENEWAL

### ACTION ITEM

**ISSUE:** NCCSIF's Crime coverage program renews July 1, 2017. This program offers coverage for monetary loss due to Employee Dishonesty, including Faithful Performance and fraud exposures. The current coverage is placed through the Alliant Crime Insurance Program (ACIP).

The current premium is \$50,585 for a \$3 million limit. The renewal premium with the same coverage is \$51,449, an increase of \$864 or 1.7%. The program is adding one new member, Rio Vista, but the total number of employees has decreased. Member premium changes will vary based on changes in their number of employees. Options for a \$5 million and \$10 million limit are also presented.

### OPTIONS

1. Renew coverage as expiring with a \$3 million limit.
2. Renew coverage with limits of \$5 or \$10 million.
3. Direct the Program Administrators to take other action.

**RECOMMENDATION:** Renew ACIP coverage with at least a \$3 million limit.

**FISCAL IMPACT:** Annual Installment Premium of \$51,449 for \$3 million limit allocated to participating members based on number of employees.

**BACKGROUND:** The current NCCSIF Crime Policy is with the Alliant Crime Insurance Program (ACIP). The ACIP Crime Program is written with AIG and National Union though it provides numerous enhancements.

### ATTACHMENT(S):

1. ACIP 2017 to 2019 Crime Coverage Proposal (two year policy term 7/1/2017 to 7/1/2019)
2. FY 17/18 Member allocation of premium at \$3M, \$5M and \$10M limits



The title "Northern California Cities Self Insurance Fund (NCCSIF)" is centered in the upper half of the page. It is written in a white, sans-serif font and is enclosed within a thin black rectangular border. The background of this section is a blue-tinted photograph of a modern glass skyscraper with a person walking on a balcony.

2017 – 2019

ALLIANT CRIME INSURANCE PROGRAM (ACIP)  
Government Crime Insurance Proposal

Presented by:

Tom E Corbett, Senior Vice President  
Lisa Meisner, Account Manager

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Newport Beach, CA 92660  
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**2017-2019 Alliant Crime Insurance Program  
Government Crime Insurance Proposal  
Northern California Cities Self Insurance Fund (NCCSIF)**

**Named Insured / Additional Named Insureds**

**First Named Insured(s)**

**Northern California Cities Self Insurance Fund (NCCSIF)**

**Additional Named Insured(s)**

As provided on current application, if any

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**NAMED INSURED DISCLOSURE**

- The first named insured is granted certain rights and responsibilities that do not apply to other policy named insureds and is designated to act on behalf of all insureds for making policy changes, receiving correspondence, distributing claim proceeds, and making premium payments.
- **Are ALL entities listed as named insureds?** Coverage is **not** automatically afforded to all entities unless specifically named. Confirm with your producer and service team that all entities to be protected are on the correct policy. Not all entities may be listed on all policies based on coverage line.
- Additional named insured is (1) A person or organization, other than the first named insured, identified as an insured in the policy declarations or an addendum to the policy declarations. (2) A person or organization added to a policy after the policy is written with the status of named insured. This entity would have the same rights and responsibilities as an entity named as an insured in the policy declarations (other than those rights and responsibilities reserved to the first named insured).
- Applies to Professional Liability, Pollution Liability, Directors & Officers Liability, Employment Practices Liability, Fiduciary Liability policies (this list not all inclusive). Check your Policy language for applicability. These policies provide protection to the Named Insured for claims made against it alleging a covered wrongful act. Coverage is not afforded to any other entities (unless specifically added by endorsement or if qualified as a "Subsidiary" pursuant to the policy wording) affiliated by common individual insured ownership or to which indemnification is otherwise contractually owed. If coverage is desired for affiliated entities or for contractual indemnities owed, please contact your Alliant Service Team with a full list of entities for which coverage is requested. With each request, include complete financials and ownership information for submission to the carrier. It should be noted, that the underwriter's acceptance of any proposed amendments to the policy, including expansion of the scope of "Insureds" under the policy could result in a potential diminution of the applicable limits of liability and/or an additional premium charge.



**2017-2019 Alliant Crime Insurance Program**  
**Government Crime Insurance Proposal**  
**Northern California Cities Self Insurance Fund (NCCSIF)**

**Line of Coverage**  
**Government Crime Coverage**

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<b>INSURANCE COMPANY:</b>	National Union Fire Insurance Company of Pittsburgh, PA (AIG)
<b>A.M. BEST RATING:</b>	A (Excellent); Financial Size Category: XV (\$2 Billion or greater) as of January 26, 2017
<b>STANDARD &amp; POOR'S RATING:</b>	A+, Strong Financial Security as of Publication Date June 28, 2016
<b>STATE STATUS:</b>	Admitted
<b>POLICY/COVERAGE TERM:</b>	July 1, 2017 to July 1, 2019
<b>COVERAGE:</b>	Government Crime Policy on Discovery form including the following coverages: <ul style="list-style-type: none"> <li>• Employee Theft – Per Loss Coverage</li> <li>• Forgery or Alteration</li> <li>• Inside the Premises – Theft of Money and Securities</li> <li>• Inside the Premises – Robbery &amp; Safe Burglary of Other Property</li> <li>• Outside the Premises (Money, Securities and Other Property)</li> <li>• Computer Fraud</li> <li>• Funds Transfer Fraud</li> <li>• Money Orders &amp; Counterfeit Money</li> </ul>

	<u>2016-2017 CURRENT</u>	<u>2017-2019 PROPOSED</u>
<b>LIMITS:</b>	\$3,000,000	\$3,000,000
<b>DEDUCTIBLE:</b>	\$5,000	\$5,000
<b>ANNUAL PREMIUM:</b> <i>(PREMIUM BILLED IN ANNUAL INSTALLMENTS FOR 2-YEAR POLICY)</i>	\$51,449	\$51,449
<b>OPTION 1</b>	<b>LIMIT</b>	\$5,000,000
	<b>PREMIUM:</b>	\$68,585
<b>OPTION 2</b>	<b>LIMIT</b>	\$10,000,000
	<b>PREMIUM:</b>	\$108,425

**2017-2019 Alliant Crime Insurance Program**  
**Government Crime Insurance Proposal**  
**Northern California Cities Self Insurance Fund (NCCSIF)**

**Line of Coverage**  
**Government Crime Coverage - Continued**

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<b>DEFENSE INSIDE/OUTSIDE THE LIMIT:</b>	Outside
<b>WHO HAS THE DUTY TO DEFEND:</b>	Insured
<b>TERRORISM OPTION:</b>	Not Applicable
<b>MINIMUM EARNED PREMIUM:</b>	Not Applicable
<b>POLICY AUDITABLE:</b>	Not Auditable
<b>ENDORSEMENTS</b> (including but not limited to):	<ul style="list-style-type: none"> <li>• State Changes</li> <li>• Additional Named Insured – Identifies individual member limit and deductible</li> <li>• Omnibus Named Insured - Coverage extended to all Agencies, Authorities and Districts (including Special Districts) which are governed directly by the governing body of the Named Insured</li> <li>• Add Faithful Performance of Duty Coverage for Government Employees – Matches Employee Theft Limit chosen</li> <li>• Revision of Discovery and Prior Theft or Dishonesty \$25,000 Sub-Limit</li> <li>• Cancellation of Policy Amended –120 Days</li> <li>• Bonded Employees Exclusion Deleted endorsement</li> <li>• Add Credit, Debit or Charge Card Forgery – Matches Forgery Limit Chosen</li> <li>• Include Specified Non-Compensated Officers as Employees - ALL</li> <li>• Include Chairperson and Members of Specified Committees – ALL</li> <li>• Include Designated Persons or Classes of Persons as Employees – Any Director or Trustees , Any Board Members and any Elected or Appointed Officials as Employees – of any of those named as insured</li> <li>• Include Volunteer Workers as Employees</li> <li>• Include Treasurers or Tax Collectors as Employees</li> <li>• Include Expenses Incurred to Establish Amount of Covered Loss - \$75,000 Sub-limit</li> <li>• Employee Post Termination Coverage – 90 Days</li> <li>• Cancellation Amendatory (Return Pro-Rata)</li> <li>• Include Leased Workers as Employees Endorsement</li> <li>• Notice of Claim Reporting by Email</li> <li>• Economic Sanctions (excludes loss payments in violation of economic or trade sanctions)</li> <li>• Designated Agents as Employees – James Marta and Company</li> </ul>

**2017-2019 Alliant Crime Insurance Program**  
**Government Crime Insurance Proposal**  
**Northern California Cities Self Insurance Fund (NCCSIF)**

**Line of Coverage**  
**Government Crime Coverage - Continued**

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**ENDORSEMENTS** (including but not limited to) Cont.:

- Vendor Theft - \$1,000,000 Limit excess of vendor insurance policy required by contract. If vendor policy is not valid or collectible, this sublimit applies to loss excess of \$500,000. Coverage not applicable if crime insurance is not required in a written agreement
- Conditions Amended - Subrogation of Faithful Performance of Duty Claims - With respect to losses resulting from the failure of any employee to faithfully perform his or her duties as prescribed by law, the company may subrogate only due to actual fraud, corruption, actual malice, or where the employee or a person or entity was unjustly enriched
- Third Party Coverage - \$250,000 Sublimit with \$25,000 Deductible
- Impersonation Fraud Endorsement –Sublimit \$250,000 with \$25,000 Deductible
- CalWorks Employees - Amending the definition of “Employee” to include coverage for individuals that are subject to the Insured’s direction and control while performing services for the Insured as a result of an employment contract or agreement with the State of California "Cal Works Program" or any similar state or county work or welfare program.
- Blanket Joint Loss Payable
- Retroactive Date Endorsement, if applicable

**EXCLUSIONS (Including but not limited to):**

- Unauthorized disclosure of confidential information
- Governmental Action
- Indirect Loss
- Legal Fees and Expenses
- Nuclear Hazard
- Pollution
- War and Military Action
- Inventory Shortages
- Trading losses
- Accounting or Arithmetical Errors or Omissions
- Exchanges or Purchases
- Fire
- Money Operated Devices
- Motor Vehicles or Equipment and Accessories
- Transfer or Surrender or Property
- Vandalism
- Voluntary Parting of Title to Possession of Property

**PROPOSAL VALID UNTIL:**

July 1, 2017

**2017-2019 Alliant Crime Insurance Program  
Government Crime Insurance Proposal  
Northern California Cities Self Insurance Fund (NCCSIF)**

**Line of Coverage  
Government Crime Coverage - Continued**

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**CLAIMS REPORTING PROCEDURE:**

AIG  
Financial Lines Claims  
P.O. Box 25947  
Shawnee Mission, KS 66225  
Phone: 888-602-5246  
Fax: 866-227-1750  
Email: c-claim@aig.com

Also Please forward a copy of the loss to:

Alliant Insurance Services, Inc.  
Attn: Robert Frey  
100 Pine Street, 11th Floor  
San Francisco, CA 94111  
Phone: 415-403-1400  
Fax: 415-403-1466

**SUBJECTIVITIES:**

- Signed and dated "Request to Bind Coverage" Separate document attached for your convenience
- Payment to Alliant within 15 Days of Binding

**BROKER:**

**ALLIANT INSURANCE SERVICES, INC.  
Newport Beach, CA**

Tom E Corbett, Senior Vice President  
Lisa Meisner, Account Manager

**See Disclaimer Page for Important Notices and Acknowledgement**

## 2017-2019 Alliant Crime Insurance Program Government Crime Insurance Proposal Northern California Cities Self Insurance Fund (NCCSIF)

### Disclosures

This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal, whether or not this offer has already been accepted.

This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance.

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at [www.alliant.com](http://www.alliant.com). For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at [www.ambest.com](http://www.ambest.com). For additional information regarding insurer financial strength ratings visit Standard and Poor's website at [www.standardandpoors.com](http://www.standardandpoors.com).

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

## 2017-2019 Alliant Crime Insurance Program Government Crime Insurance Proposal Northern California Cities Self Insurance Fund (NCCSIF)

### NY Regulation 194

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

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### Other Disclosures / Disclaimers

#### FATCA:

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

#### Claims Reporting:

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

#### Claims Made Policy:

This claims-made policy contains a requirement stating that this policy applies only to any claim first made against the Insured and reported to the insurer during the policy period or applicable extended reporting period. Claims must be submitted to the insurer during the policy period, or applicable extended reporting period, as required pursuant to the Claims/Loss Notification Clause within the policy in order for coverage to apply. Late reporting or failure to report pursuant to the policy's requirements could result in a disclaimer of coverage by the insurer.

## 2017-2019 Alliant Crime Insurance Program Government Crime Insurance Proposal Northern California Cities Self Insurance Fund (NCCSIF)

### Other Disclosures / Disclaimers - Continued

#### Changes and Developments

It is important that we be advised of any changes in your operations, which may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

- Changes in any operations such as expansion to another states, new products, or new applications of existing products.
- Travel to any state not previously disclosed.
- Mergers and/or acquisition of new companies and any change in business ownership, including percentages.
- Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- Circumstances which may require an increased liability insurance limit.
- Any changes in fire or theft protection such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to the system.
- Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.
- Property of yours that is in transit, unless previously discussed and/or currently insured.

#### Certificates / Evidence of Insurance

A certificate is issued as a matter of information only and confers no rights upon the certificate holder. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy. Nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or certificate holder.

You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.

In addition to providing a certificate of insurance, you may be required to name your client or customer on your policy as an additional insured. This is only possible with permission of the insurance company, added by endorsement and, in some cases, an additional premium.

By naming the certificate holder as additional insured, there are consequences to your risks and insurance policy including:

- Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
- Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
- There may be conflicts in defense when your insurer has to defend both you and the additional insured.

***See Request to Bind Coverage page for acknowledgment of all disclaimers and disclosures.***



**2017-2019 Alliant Crime Insurance Program  
 Government Crime Insurance Proposal  
 Northern California Cities Self Insurance Fund (NCCSIF)**

**Request to Bind Coverage**

We have reviewed the proposal and agree to the terms and conditions of the coverages presented. We are requesting coverage to be bound as outlined by coverage line below:

Coverage Line	Bind Coverage for:
ACIP Government Crime Policy Period: July 1, 2017 to July 1, 2019 <b>(PREMIUM BILLED IN ANNUAL INSTALLMENTS                      FOR 2-YEAR POLICY)</b>	<input type="checkbox"/> Proposed  <input type="checkbox"/> Option 1 If Applicable  <input type="checkbox"/> Option 2 If Applicable  <input type="checkbox"/> Option 3 If Applicable

*This Authorization to Bind Coverage also acknowledges receipt and review of all disclaimers and disclosures, including exposures used to develop insurance terms, contained within this proposal.*

<b>Signature of Authorized Insurance Representative</b>	<b>Date</b>
<b>Title</b>	
<b>Printed / Typed Name</b>	

**This proposal does not constitute a binder of insurance. Binding is subject to final carrier approval. *The actual terms and conditions of the policy will prevail.***

**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
CRIME PROGRAM  
July 1, 2017 to June 30, 2018**

Renewal Quote 2017-18 (ACIP)						Current Coverage 2016-17 (ACIP)			
	Limit Options:	<b>\$3 MILLION</b>	<b>\$5 MILLION</b>	<b>\$10 MILLION</b>				<b>\$3 MILLION</b>	
	Premium:	\$51,449	\$68,585	\$108,425				\$50,585	
Member Entity	DEDUCTIBLE	# EMPLOYEES	PREMIUM	PREMIUM	PREMIUM		DEDUCTIBLE	# EMPLOYEES	PREMIUM
Anderson	\$5,000	56	\$1,900	\$2,533	\$4,005		\$5,000	55	\$1,716
Auburn	\$5,000	63	\$2,138	\$2,850	\$4,506		\$5,000	73	\$2,278
Colusa	\$5,000	34	\$1,154	\$1,538	\$2,432		\$5,000	34	\$1,061
Corning	\$5,000	41	\$1,391	\$1,855	\$2,932		\$5,000	60	\$1,872
Dixon	\$5,000	92	\$3,122	\$4,162	\$6,580		\$5,000	100	\$3,121
Elk Grove									
Folsom									
Galt	\$5,000	130	\$4,412	\$5,881	\$9,298		\$5,000	160	\$4,993
Gridley	\$5,000	50	\$1,697	\$2,262	\$3,576		\$5,000	60	\$1,872
Ione	\$5,000	16	\$543	\$724	\$1,144		\$5,000	20	\$624
Jackson									
Lincoln	\$5,000	143	\$4,853	\$6,469	\$10,227		\$5,000	150	\$4,681
Marysville	\$5,000	58	\$1,968	\$2,624	\$4,148		\$5,000	64	\$1,997
Nevada City									
Oroville	\$5,000	94	\$3,190	\$4,253	\$6,723		\$5,000	100	\$3,121
Paradise	\$5,000	58	\$1,968	\$2,624	\$4,148		\$5,000	73	\$2,278
Placerville									
Red Bluff	\$5,000	100	\$3,394	\$4,524	\$7,152		\$5,000	160	\$4,993
Rio Vista	\$5,000	45	\$1,527	\$2,036	\$3,218				
Rocklin	\$5,000	232	\$7,873	\$10,496	\$16,593		\$5,000	221	\$6,897
Willows									
Yuba City	\$5,000	304	\$10,317	\$13,753	\$21,742		\$5,000	291	\$9,081
<b>Total:</b>		<b>1516</b>	<b>\$51,449</b>	<b>\$68,585</b>	<b>\$108,425</b>			<b>1621</b>	<b>\$50,585</b>

Don't Participate  
New Member



## FY 17/18 IDENTITY FRAUD EXPENSE REIMBURSEMENT RENEWAL

### ACTION ITEM

**ISSUE:** NCCSIF first purchased ID Fraud coverage for the 15/16 policy year. The coverage renews July 1, 2017. The Board is provided the 17/18 Identity Fraud Reimbursement Proposal for their review and approval.

### OPTIONS

1. Renew coverage as expiring.
2. Decline to renew coverage.
3. Provide different direction to Program Administrators.

**RECOMMENDATION:** The Program Administrator recommends approval of the FY 17/18 Identity Fraud Reimbursement Coverage Renewal with Travelers Excess and Surplus Lines Company.

**FISCAL IMPACT:** Total Cost of \$11,792.66

**BACKGROUND:** The limit of liability is \$25,000 per insured person with \$0 retention per insured person for Identity Fraud Reimbursement Coverage per attached proposal.

ID Fraud Coverage provides all NCCSIF employees with the tools to recover from ID Theft in the event they fall victim to ID Fraud. The coverage provides:

- Expense reimbursement for expenses associated with resolving a fraud event
- Online education resources to help prevent becoming a victim
- 24/7 access to an expert fraud specialist
- Document replacement help (social security card, birth certificate, passport, etc.)
- Assistance through the resolution process

**ATTACHMENT(S):** FY 17/18 Identity Fraud Expense Reimbursement Renewal Proposal

## Line of Coverage

### IDENTITY FRAUD EXPENSE REIMBURSEMENT

<b>INSURANCE COMPANY:</b>	Travelers Excess and Surplus Lines Company
<b>A.M. BEST RATING:</b>	A++ (Superior); Financial Size Category: XV (\$2 Billion or greater) as of 7/22/2016
<b>STANDARD &amp; POOR'S RATING:</b>	AA (Very Strong) pulled as of 6/6/2017
<b>STATE COVERED STATUS:</b>	Non-Admitted
<b>POLICY/COVERAGE TERM:</b>	July 1, 2017 to July 1, 2018
<b>Named Insured:</b>	Members of the Northern California Cities Self Insurance Fund Full Time and Part Time Employees
<b>Limits:</b>	\$25,000 per insured person
<b>Retention:</b>	\$0 per insured person
<b>Coverage:</b>	<ul style="list-style-type: none"> <li>• Identity Fraud Expense Reimbursement for Full Time and Part Time Employees and their spouses, children under 25 years of age or parents residing in the same household.</li> <li>• Reimburses the costs and expenses associated with identity recovery, including lost wages, attorney fees, and document replacement fees.</li> </ul>
<b>Exclusions</b> (including but not limited to):	<ul style="list-style-type: none"> <li>• Fraudulent, dishonest or criminal acts</li> <li>• Loss other than expenses</li> <li>• Former employees</li> <li>• Nuclear</li> <li>• War</li> </ul>
<b>Premium:</b>	<p><b>\$ 11,427.00 Annual Premium</b>  <b>\$ 342.81 Surplus Line Taxes</b>  <b>\$ 22.85 Stamping Fee</b>  <b>\$ 11,792.66 TOTAL</b></p>

**See Disclaimer Page for Important Notices and Acknowledgement**

## Disclosures / Disclaimers

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**Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal, whether or not this offer has already been accepted.**

**This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance.**

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at [www.alliant.com](http://www.alliant.com). For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at [www.ambest.com](http://www.ambest.com). For additional information regarding insurer financial strength ratings visit Standard and Poor's website at [www.standardandpoors.com](http://www.standardandpoors.com).

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

## NY Regulation 194

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

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## Other Disclosures / Disclaimers

### FATCA:

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

### Claims Reporting:

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

### Claims Made Policy:

*(Applicable to any coverage that is identified as claims made)*

This claims-made policy contains a requirement stating that this policy applies only to any claim first made against the Insured and reported to the insurer during the policy period or applicable extended reporting period. Claims must be submitted to the insurer during the policy period, or applicable extended reporting period, as required pursuant to the Claims/Loss Notification Clause within the policy in order for coverage to apply. Late reporting or failure to report pursuant to the policy's requirements could result in a disclaimer of coverage by the insurer.

## Other Disclosures / Disclaimers = Continued

### Claims Made Policy (D&O/EPL)

*(Applicable to any coverage that is identified as claims made)*

This claims-made policy contains a requirement stating that this policy applies only to any claim first made against the Insured and reported to the insurer during the policy period or applicable extended reporting period. Claims must be submitted to the insurer during the policy period, or applicable extended reporting period, as required pursuant to the Claims/Loss Notification Clause within the policy in order for coverage to apply. Late reporting or failure to report pursuant to the policy's requirements could result in a disclaimer of coverage by the insurer.

Any Employment Practices Liability (EPL) or Directors & Officers (D&O) with EPL coverage must give notice to the insurer of any charges / complaints brought by any state / federal agency (i.e. EEOC and similar proceedings) involving an employee. To preserve your rights under the policy, it is important that timely notice be given to the insurer, whether or not a right to sue letter has been issued.

### NRRA:

*(Applicable if the insurance company is non-admitted)*

The Non-Admitted and Reinsurance Reform Act (NRRA) went into effect on July 21, 2011. Accordingly, surplus lines tax rates and regulations are subject to change which could result in an increase or decrease of the total surplus lines taxes and/or fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes and/or fees must be promptly remitted to Alliant Insurance Services, Inc.

### Changes and Developments

It is important that we be advised of any changes in your operations, which may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

- Changes in any operations such as expansion to another states, new products, or new applications of existing products.
- Travel to any state not previously disclosed.
- Mergers and/or acquisition of new companies and any change in business ownership, including percentages.
- Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- Circumstances which may require an increased liability insurance limit.
- Any changes in fire or theft protection such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to the system.
- Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.
- Property of yours that is in transit, unless previously discussed and/or currently insured.



## Other Disclosures / Disclaimers = Continued

### Certificates / Evidence of Insurance

A certificate is issued as a matter of information only and confers no rights upon the certificate holder. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy. Nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or certificate holder.

You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.

In addition to providing a certificate of insurance, you may be required to name your client or customer on your policy as an additional insured. This is only possible with permission of the insurance company, added by endorsement and, in some cases, an additional premium.

By naming the certificate holder as additional insured, there are consequences to your risks and insurance policy including:

- Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
- Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
- There may be conflicts in defense when your insurer has to defend both you and the additional insured.

## Binding Requirements Recap

Below is a recap by Line of Coverage. **ALL** coverage(s) require the following:

- A written request to bind coverage
- A signed and dated Client Notification of Carrier Ratings Policy, Guidelines and Practices letter is required prior to binding (only if the carrier rating is below a B+, or not rated)
- *All Surplus Lines Taxes/Fees are Fully Earned (only applies to a non-admitted carrier)*

Coverage Line and Description of Subjectivity(ies)	Effective Date
<b>Identity Fraud Expense Reimbursement</b> <b>D-1 Form</b>	<b>July 1, 2017</b>

In order to complete the underwriting process, we require that you send us any additional information requested above. We are not required to bind coverage prior to our receipt and underwriting acceptance of the above information. However, if we do bind coverage prior to such acceptance, the terms and conditions as indicated above may be amended until such receipt and acceptance. Any agreement to bind coverage in connection with this proposal must be in writing from an authorized employee of the Insurer

## Request to Bind Coverage

### Northern California Cities Self Insurance Fund

We have reviewed the proposal and agree to the terms and conditions of the coverages presented. We are requesting coverage to be bound as outlined by coverage line below:

Coverage Line	Bind Coverage for:
Identity Fraud Expense Reimbursement	<input type="checkbox"/>

*This Authorization to Bind Coverage also acknowledges receipt and review of all disclaimers and disclosures, including exposures used to develop insurance terms, contained within this proposal.*

_____ <b>Signature of Authorized Insurance Representative</b>	_____ <b>Date</b>
_____ <b>Title</b>	
_____ <b>Printed / Typed Name</b>	

**This proposal does not constitute a binder of insurance. Binding is subject to final carrier approval. *The actual terms and conditions of the policy will prevail.***



**Agenda Item H.5.**

**FY 17/18 NCCSIF ADMINISTRATION BUDGET**

**ACTION ITEM**

**ISSUE:** The Board annually reviews and approves the budget for the next fiscal year. Attached is the administration budget for review and approval. The categories are discussed in more detail below. The budget to actual revenues provided by our accountant are used in creating the FY 17/18 budget.

**Administrative Expenses**

- Claims Audits - Every year either the Liability or Workers' Compensation claims are audited. The Workers' Compensation claims audit was performed in FY 16/17. Budgeted expense of \$7,500 is allocated for a Liability Claims audit in FY 17/18.
- The Financial Audit amount has decreased 1% based on approved proposal.
- Legal Services have increased by \$7,000 based on increased number of coverage opinions.
- Actuarial Services are included at \$7,170 for liability and \$5,170 for WC, including the \$2,000 credit we receive from CSAC EIA for the WC actuarial each year.
- Computer Services has been moved to Accounting Services as it is part of James Marta and Company's contract for the Intacct Accounting System. The annual cost allocated for FY 17/18 is \$3,330, of which \$2,580 is for the accounting system and \$750.00 for e-check delivery. The current budget of \$8,400 included a one-time setup fee.
- The budgeted expense for the CAJPA accreditation is \$4,500 and is due this FY 17/18. This occurs every three years.
- Fidelity Bonds are no longer needed for the Treasurer or Accountant, based on negotiated agreement with James Marta and inclusion of Treasurer and Marta on the NCCSIF coverage at no additional charge.
- Accounting Services are increasing 43%, net of software re-classification.
- Bickmore's services are the same as last year based on the current three-year contract.
- *ACI - Wellness has been eliminated and the current budget has been allocated to the budget for Conferences and PARMA - renamed Member Training and Risk Management, with \$4,000 allocated to each member.*



BACK TO AGENDA

**Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 15, 2017**

**Agenda Item H.5. (continued)**

- State Funding/Fraud Assessment has been estimated to increase by 34%, or 10% from the actual expense for FY 16/17.
- Program Administration costs have been increased 2% based on the fee schedule in the current program administration agreement.

**RECOMMENDATION:** Approve the FY 17/18 NCCSIF Administrative budget as presented.

**FISCAL IMPACT:** Total administrative expenses are estimated to be \$1,251,330, a 4% increase over FY 16/17, not counting the increase in the State Fund Assessment, or 9% with the assessment increase. *The Program Administrators reviewed the possibility of using available admin surplus to offset expenses but have not done so due to current budget to actual results.* Last year's increase was 2%.

**BACKGROUND:** None

**ATTACHMENT(S):** FY 17/18 NCCSIF Administration Budget

**NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND**  
**FINAL PROPOSED ADMIN BUDGET**  
**July 1, 2017 to June 30, 2018**

				2017-18	2016-17		%
<b>EXPENSES:</b>		<b>WORK COMP</b>	<b>LIABILITY</b>	<b>TOTAL</b>	<b>PRIOR YEAR</b>	<b>\$ CHANGE</b>	<b>CHANGE</b>
<b>Administrative Expenses:</b>							
Consultants							
52101	Claims Audit	\$0	\$7,500	\$7,500	\$8,000	(\$500)	-6%
52102	Financial Audit	\$13,311	\$13,311	\$26,622	\$27,000	(\$378)	-1%
52103	Legal Services	\$2,000	\$15,000	\$17,000	\$10,000	\$7,000	70%
52104	Actuarial Review	\$5,170	\$7,170	\$12,340	\$11,800	\$540	5%
52105	Computer Services			\$0	\$8,400	(\$8,400)	n/a
52106	CAJPA Accreditation (2018)			\$4,500	\$0	\$4,500	n/a
52107	Employee Dishonesty Bonds	\$0	\$0	\$0	\$1,100	(\$1,100)	-100%
52109	Misc. Consulting/Contingency	\$2,500	\$2,500	\$5,000	\$5,000	\$0	0%
	<b>Total Consultant Expenses</b>	<b>\$22,981</b>	<b>\$45,481</b>	<b>\$72,962</b>	<b>\$71,300</b>	<b>\$1,662</b>	<b>2%</b>
Safety Services:							
52204	Bickmore Onsite Risk Assessments	\$52,500	\$31,500	\$84,000	\$84,000	\$0	0%
52203	Bickmore Police Risk Mgmt Comm Training	\$3,950	\$3,950	\$7,900	\$7,900	\$0	0%
52204	Bickmore Risk Control Service Days	\$18,230	\$18,230	\$36,460	\$36,460	\$0	0%
52204	Bickmore Phone Consultation	\$9,300	\$9,300	\$18,600	\$18,600	\$0	0%
52204	Bickmore Newsletter	\$2,790	\$2,790	\$5,580	\$5,580	\$0	0%
52204	Bickmore Safety Training Coordination	\$7,440	\$7,440	\$14,880	\$14,880	\$0	0%
52204	Bickmore Meeting Preparation	\$4,650	\$4,650	\$9,300	\$9,300	\$0	0%
52214	OCCUMED Occupational Health Consulting			\$0	\$0	\$0	0%
52215	Online Risk Management Services			\$0	\$0	\$0	0%
52217	ACI - Wellness Optional	\$25,848	0	\$0	\$15,072	(\$15,072)	-100%
52201	Outside Training	\$15,000	\$15,000	\$30,000	\$30,000	\$0	0%
52202	Risk Mgmt Comm Mtg Expense	\$750	\$750	\$1,500	\$1,500	\$0	0%
52207	Member Training and Risk Management	\$50,000	\$38,000	\$88,000	\$72,600	\$15,400	21%
52208	Lexipol Police Manual Updates & DTBs	\$15,903	\$116,643	\$132,546	\$132,546	\$0	0%
52209	Police Risk Management Funds	\$25,000	\$25,000	\$50,000	\$50,000	\$0	0%
	<b>Total Safety Services Expenses</b>	<b>\$231,361</b>	<b>\$273,253</b>	<b>\$478,766</b>	<b>\$478,438</b>	<b>\$328</b>	<b>0%</b>

*Added 6/30 Updates*

*Moved as part of Accounting Services*

*Included in ACIP coverage*

*Will bill direct as needed*

*New - \$4,000 per member for RM*

*RMC recommendation*

				2017-18	2016-17		%	
<b>EXPENSES:</b>		<b>WORK COMP</b>	<b>LIABILITY</b>	<b>TOTAL</b>	<b>PRIOR YEAR</b>	<b>\$ CHANGE</b>	<b>CHANGE</b>	
<b>Administrative Expenses:</b>								
Claims Administration								
52302	Claims Administration Fee (Reports, etc.)	\$29,700	\$20,900	\$50,600	\$48,150	\$2,450	5%	One member added
	Claims Adjustment Fee*							
52303	Fraud Hotline	0	0	\$0	\$0	\$0		
52305	MPN Services	0	0	\$0	\$0	\$0		
52304	State Funding/Fraud Assessment	\$225,667		\$225,667	\$168,000	\$57,667	34%	Actual 16/17 = \$205,152 Est. 10% increase
	<b>Total Claims Administration Expenses</b>	<b>\$255,367</b>	<b>\$20,900</b>	<b>\$276,267</b>	<b>\$216,150</b>	<b>\$60,117</b>	<b>28%</b>	
Program Administration								
52401	Program Administration and Brokerage Fee	\$137,957	\$165,548	\$303,505	\$297,556	\$5,949	2%	Per contract
52403	Accounting Services	\$49,665	\$49,665	\$99,330	\$66,962	\$32,368	48%	Per proposal, including Intacct Software
	<b>Total Program Administration Expenses</b>	<b>\$187,622</b>	<b>\$215,213</b>	<b>\$402,835</b>	<b>\$365,176</b>	<b>\$37,660</b>	<b>10%</b>	
Board Expenses								
52501	Executive Committee	\$1,250	\$1,250	\$2,500	\$3,000	(\$500)	-17%	
52502	Executive Committee Member Travel	\$2,000	\$2,000	\$4,000	\$3,000	\$1,000	33%	
52503	Board of Directors Meetings (includes Travel)	\$4,000	\$4,000	\$8,000	\$6,000	\$2,000	33%	
XXXXX	Board of Directors Long Range Planning Session (@3 y	\$1,000	\$1,000	\$2,000	\$2,000	\$0	0%	
52504	Association Memberships (PARMA, CAJPA, AGRIP)	\$2,000	\$2,000	\$4,000	\$4,000	\$0	0%	
	<b>Total Board Expenses</b>	<b>\$10,250</b>	<b>\$10,250</b>	<b>\$20,500</b>	<b>\$18,000</b>	<b>\$2,500</b>	<b>14%</b>	
Other Administration Expenses - Not identified with above budget line items								
52000	Administrative Expense	\$0	\$0	\$0	\$0	\$0	0%	
52001	Administration Expense - Other	\$0	\$0	\$0	\$0	\$0	0%	
52900	Member Identity Theft Protection**	\$11,500	0	\$11,500	\$11,500	\$0	0%	Pending quote
	<b>Total Other Admin</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>	
						\$0		
<b>Total Admin Expenses</b>		<b>\$707,581</b>	<b>\$565,097</b>	<b>\$1,251,330</b>	<b>\$1,149,064</b>	<b>\$102,266</b>	<b>9%</b>	
Net Loss/Admin Surplus Offset					TBD		0%	Possible offset TBD
						\$44,600	4%	Without State Fund Increase

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





## FY 17/18 DEPOSIT CALCULATIONS - LIABILITY PROGRAM

### ACTION ITEM

**ISSUE:** Each year the Executive Committee reviews the actuary's recommended funding levels for the upcoming fiscal year and recommends a Deposit Premium to the Board. At the last Board meeting members approved preliminary program calculations based on actuarial projections at the 75% Confidence Level (CL).

Total funding at a 75% CL is estimated at \$5,603,424, an increase of 3.9% over FY 16/17 funding at the 70% CL. Individual member increases do not need to be capped at 25% this year, with the largest increase at 24.94% when comparing funding at the 70% CL. Two members exceed 25% when comparing current funding at the 70% CL to the 75% CL.

A breakdown of funding by layer and member is provided in the attached spreadsheet. Also attached is a year-to-year comparison of the changes in the components of each member's funding, including payroll (total 1% increase), Banking Layer losses (6% increase), and Shared Layer losses (25% *decrease*). Member Ex Mod changes are also provided, along with changes in the base rate and excess insurance common to all members.

**RECOMMENDATION:** Approve funding as presented at the 75% CL for FY 17/18.

**FISCAL IMPACT:** Total funding of \$5,603,424 for the Liability Program.

**BACKGROUND:** Members have steadily increased the Confidence Level of annual funding from 60% to 67.5%, and now to the current 70% CL. Over the same period the Discount Factor has decreased from 3% to 1.5%. These changes have contributed to an increase in total funding, in addition to increases in payroll in prior years. In addition, members have been assessed \$600,000 per year for the last several years to increase Shared Layer assets.

### ATTACHMENTS:

1. Final FY 17/18 Liability Deposit Calculations at the 75% CL
2. Liability Program Funding Changes FY 16/17 to FY 17/18

**NCCSIF FY 2017/18 General Liability Funding Allocation FINAL**

**75% Confidence Level**

**Total Administration Expense \$ 565,097**

A	B	C	D	E	F	G	H	I	J	K	L	S
Formula or Allocation	Payroll (P)	Member Weighted Share Last 5 Years 25% Payroll, 75% Losses	Member Share of EX MOD Adjusted Payroll X Total Funding	Member Weighted Share Last 5 Years 75% Payroll, 25% Losses	(Admin/2) X Member % of Total Payroll	(Admin/2) ÷ 19 Equal Shares	C+D+E+F+G				Member % of Total Uncapped Payroll X Capped Amount	
Member Entity	2016 Calendar Year Payroll	BANKING LAYER \$0 to \$50K	SHARED LAYER \$50K to \$500K	CJPRMA EXCESS LAYER \$500k to \$40M	ADMIN EXPENSE 50%	ADMIN EXPENSE 50%	FY 17-18 TOTAL DEPOSIT	FY 16-17 TOTAL DEPOSIT	\$ Change Overall	% Change Overall	Cap 25%*	Payroll Increase From FY 16/17
Rate/Amount	Exposure Base	\$ 1,923,000	\$ 1,954,000	\$ 1,161,327	\$ 282,549	\$ 282,549	75% CL	70% CL			N/A	
Anderson	\$3,564,429	\$ 29,572	\$ 41,086	\$ 21,924	\$6,183	\$14,871	\$ 113,637	\$110,093	\$ 3,544	3.22%		8%
Auburn	\$6,348,787	\$ 112,010	\$ 90,071	\$ 51,384	\$11,012	\$14,871	\$ 279,347	\$266,483	\$ 12,865	4.83%		12%
Colusa	\$2,304,648	\$ 32,415	\$ 29,693	\$ 16,961	\$3,998	\$14,871	\$ 97,938	\$75,158	\$ 22,780	30.31%		10%
Corning	\$3,140,249	\$ 31,551	\$ 37,640	\$ 21,092	\$5,447	\$14,871	\$ 110,601	\$118,039	\$ (7,438)	-6.30%		0%
Dixon	\$7,693,827	\$ 38,499	\$ 67,203	\$ 42,931	\$13,345	\$14,871	\$ 176,849	\$163,197	\$ 13,652	8.37%		1%
Elk Grove												
Folsom*	\$37,958,470	\$ 588,880	\$ 523,830	\$ 314,500	\$65,841	\$14,871	\$ 1,507,923	\$1,383,319	\$ 124,603	9.01%		-3%
Galt	\$9,787,885	\$ 95,430	\$ 106,150	\$ 63,762	\$16,977	\$14,871	\$ 297,191	\$346,417	\$ (49,226)	-14.21%		-4%
Gridley	\$3,599,942	\$ 47,154	\$ 61,133	\$ 32,915	\$6,244	\$14,871	\$ 162,317	\$140,280	\$ 22,037	15.71%		1%
Ione	\$1,273,191	\$ 17,397	\$ 16,346	\$ 9,802	\$2,208	\$14,871	\$ 60,625	\$54,694	\$ 5,931	10.84%		-3%
Jackson	\$2,223,818	\$ 73,665	\$ 38,909	\$ 25,420	\$3,857	\$14,871	\$ 156,723	\$120,428	\$ 36,295	30.14%		3%
Lincoln	\$12,897,112	\$ 110,875	\$ 127,545	\$ 77,944	\$22,371	\$14,871	\$ 353,606	\$421,829	\$ (68,224)	-16.17%		5%
Marysville	\$3,325,857	\$ 113,479	\$ 52,861	\$ 37,816	\$5,769	\$14,871	\$ 224,797	\$215,767	\$ 9,030	4.18%		10%
Nevada City												
Oroville	\$7,008,304	\$ 62,753	\$ 91,791	\$ 49,082	\$12,156	\$14,871	\$ 230,653	\$212,240	\$ 18,414	8.68%		-7%
Paradise	\$4,094,565	\$ 68,806	\$ 62,881	\$ 36,068	\$7,102	\$14,871	\$ 189,728	\$172,776	\$ 16,952	9.81%		-1%
Placerville												
Red Bluff	\$5,798,073	\$ 65,267	\$ 68,922	\$ 37,822	\$10,057	\$14,871	\$ 196,938	\$261,437	\$ (64,499)	-24.67%		12%
Rio Vista	\$3,736,526	\$ 29,353	\$ 34,629	\$ 20,776	\$6,481	\$14,871	\$ 106,110	\$96,538	\$ 9,571	9.91%		0%
Rocklin	\$22,156,572	\$ 203,752	\$ 263,365	\$ 143,744	\$38,431	\$14,871	\$ 664,164	\$619,547	\$ 44,616	7.20%		-2%
Willows	\$1,836,025	\$ 19,497	\$ 24,574	\$ 13,744	\$3,185	\$14,871	\$ 75,870	\$67,222	\$ 8,648	12.86%		-9%
Yuba City	\$24,146,931	\$ 182,645	\$ 215,369	\$ 143,640	\$41,884	\$14,871	\$ 598,409	\$547,459	\$ 50,950	9.31%		6%
<b>Total:</b>	<b>\$162,895,212</b>	<b>\$ 1,923,000</b>	<b>\$ 1,954,000</b>	<b>\$ 1,161,327</b>	<b>\$ 282,549</b>	<b>\$ 282,549</b>	<b>\$ 5,603,424</b>	<b>\$5,392,923</b>	<b>\$ 210,501</b>	<b>3.90%</b>		<b>1%</b>
Verification/Actuary		\$ 1,923,000	\$ 1,954,000	\$ 1,161,327			\$ 5,603,424					
Don't Participate In GL Program												

Under 25% Cap at 70% CL

NCCSIF Liability Program Funding Changes 2016/17 to 2017/18

	2017/18	2016/17	Difference
Base Rate*	\$ 2.38	\$ 2.37	0.4%

\*Confidence Level Increased from 70% to 75%

	2017/18	2016/17	Difference
Excess Insurance	\$ 1,161,327	\$ 1,042,606	11%
Represents 56% of the total increase of \$210,501			\$ 118,721

Member Entity	Deposit Premium Change			Payroll			Banking Layer Losses \$0-\$50K (\$100K)			Shared Layer Losses \$5K-\$80K			Experience Mod		
	Current Year 2017/18	Prior Year 2016/17	% Change	2016 Calendar Year Payroll	2015 Calendar Year Payroll	% Change	5-Year Avg FYE 2012-16	5-Year Avg FYE 2011-15	% Change	2017/18 Shared Layer Totals (FYE 2012-16)	2016/17 Shared Layer Totals (FYE 2011-15)	% Change	2017/18	2016/17	% Change
Anderson	\$113,637	\$110,093	3%	\$3,564,429	\$3,305,222	8%	\$21,290	\$21,300	0%	\$ 120,001	\$ 141,500	-15%	0.99	0.97	2%
Auburn	\$279,347	\$266,483	5%	\$6,348,787	\$5,653,881	12%	\$101,931	\$94,286	8%	\$ 422,073	\$ 512,265	-18%	1.20	1.16	4%
Colusa	\$97,938	\$75,158	30%	\$2,304,648	\$2,097,489	10%	\$28,093	\$31,400	-11%	\$ 157,259	\$ 217,000	-28%	1.09	1.09	0%
Corning	\$110,601	\$118,039	-6%	\$3,140,249	\$3,143,603	0%	\$24,260	\$29,180	-17%	\$ 104,045	\$ 205,900	-49%	0.98	1.04	-6%
Dixon	\$176,849	\$163,197	8%	\$7,693,827	\$7,587,776	1%	\$18,038	\$6,400	182%	\$ 24,798	\$ 32,001	-23%	0.73	0.73	0%
Elk Grove															
Folsom	\$1,507,923	\$1,383,319	9%	\$37,958,470	\$39,004,513	-3%	\$506,061	\$439,736	15%	\$ 1,668,381	\$ 1,998,679	-17%	1.03	0.95	8%
Galt	\$297,191	\$346,417	-14%	\$9,787,885	\$10,165,171	-4%	\$73,403	\$94,914	-23%	\$ 274,174	\$ 619,276	-56%	0.91	1.10	-17%
Gridley	\$162,317	\$140,280	16%	\$3,599,942	\$3,546,767	1%	\$35,322	\$20,000	77%	\$ 193,235	\$ 110,710	75%	1.00	0.89	12%
Ione	\$60,625	\$54,694	11%	\$1,273,191	\$1,314,753	-3%	\$14,606	\$10,236	43%	\$ 47,932	\$ 51,178	-6%	0.99	0.98	1%
Jackson	\$156,723	\$120,428	30%	\$2,223,818	\$2,153,191	3%	\$72,669	\$61,807	18%	\$ 408,316	\$ 405,847	1%	1.41	1.27	11%
Lincoln	\$353,606	\$421,829	-16%	\$12,897,112	\$12,244,823	5%	\$82,684	\$114,229	-28%	\$ 317,567	\$ 751,146	-58%	0.88	1.09	-19%
Marysville	\$224,797	\$215,767	4%	\$3,325,857	\$3,018,124	10%	\$112,848	\$109,846	3%	\$ 413,908	\$ 609,229	-32%	1.35	1.40	-4%
Nevada City															
Oroville	\$230,653	\$212,240	9%	\$7,008,304	\$7,573,439	-7%	\$43,456	\$35,853	21%	\$ 265,267	\$ 269,267	-1%	0.97	0.91	6%
Paradise	\$189,728	\$172,776	10%	\$4,094,565	\$4,151,985	-1%	\$59,585	\$54,546	9%	\$ 257,794	\$ 307,730	-16%	1.09	1.04	5%
Placerville															
Red Bluff	\$196,938	\$261,437	-25%	\$5,798,073	\$5,197,790	12%	\$54,094	\$98,654	-45%	\$ 266,635	\$ 645,004	-59%	1.07	1.31	-19%
Rio Vista	\$106,110	\$96,538	10%	\$3,736,526	\$3,740,217	0%	\$21,794	\$11,893	83%	\$ 34,437	\$ 59,463	-42%	0.89	0.92	-2%
Rocklin	\$664,164	\$619,547	7%	\$22,156,572	\$22,504,609	-2%	\$151,605	\$136,008	11%	\$ 818,172	\$ 876,991	-7%	0.98	0.88	12%
Willows	\$75,870	\$67,222	13%	\$1,836,025	\$2,021,558	-9%	\$14,514	\$6,507	123%	\$ 49,250	\$ 32,534	51%	0.96	0.93	3%
Yuba City	\$598,409	\$547,459	9%	\$24,146,931	\$22,850,858	6%	\$125,954	\$98,798	27%	\$ 519,893	\$ 603,993	-14%	0.77	0.74	4%
<b>Total</b>	<b>\$5,603,424</b>	<b>\$5,392,923</b>	<b>4%</b>	<b>\$162,895,212</b>	<b>\$161,275,769</b>	<b>1%</b>	<b>\$1,562,208</b>	<b>\$1,475,593</b>	<b>6%</b>	<b>\$ 6,363,139</b>	<b>\$ 8,449,714</b>	<b>-25%</b>			



Agenda Item H.6.b.

**FY 17/18 DEPOSIT CALCULATIONS - WORKERS' COMPENSATION PROGRAM**

**ACTION ITEM**

**ISSUE:** Each year the Executive Committee reviews the actuary's recommended funding levels for the upcoming fiscal year and recommends a Deposit Premium to the Board. At the last Board meeting members approved preliminary program calculations based on actuarial projections at the 75% Confidence Level (CL).

Total funding at a 75% CL is estimated at \$11,573,622, an increase of 9.5% over current funding. The individual member increase cap of 40% is not applicable this year, with the largest member's increase at almost 30% at the 70% CL and 34% at the 75% CL.

A breakdown of funding by layer and member is provided in the attached spreadsheet. Also attached is a year-to-year comparison of the changes in the components of each member's funding, including payroll (total 8% increase), Banking Layer losses (2% increase), and Shared Layer losses (38% decrease). Members' Ex Mod changes are also provided, along with changes in the base rate and excess insurance common to all members.

**RECOMMENDATION:** Approve funding as presented at the 75% CL for FY 17/18.

**FISCAL IMPACT:** Total funding of \$11,573,622 for the Workers' Compensation Program.

**BACKGROUND:** Members have steadily increased the Confidence Level of annual funding from 60% to 67.5% to the current 70% CL. Over the same period the Discount Factor has decreased from 3% to 1.5%. Both of these changes have contributed to an increase in total funding, in addition to increases in payroll in prior years.

**ATTACHMENTS:**

1. Final FY 17/18 Workers' Compensation Deposit Calculations at the 75% CL.
2. Workers' Compensation Program Funding Changes FY 16/17 to FY 17/18

NCCSIF FY 2017/18 Workers' Compensation Allocation FINAL

75% Confidence Level

Total Admin = \$707,581

A	B	C	D	E	F	G	H	I	J	K		
Formula/Allocation		Member Share of: Last 5 Years Average Losses, Weighted 75%; FY17-18 WCIRB Loss Rate Premium, Weighted 25%	Member Share of EX MOD Adjusted Payroll	Member Share of: Last 5 Years Average Losses, Weighted 25%; FY17-18 WCIRB Loss Rate Premium, Weighted 75%	Member Share of Banking, Shared & Excess Premium	22 Equal Shares	C+D+E+F+G				Member % of Total Payroll Without Capped Members x Capped Amount	
Member	2017/18 Estimated PAYROLL (P)	BANKING LAYER \$0 to \$100K	SHARED LAYER \$100K to \$500K	CSAC-EIA EXCESS LAYER \$500K TO STATUTORY	Variable ADMIN EXPENSE 65%	Fixed ADMIN EXPENSE 35%	FY 17-18 DEPOSIT 75% CL	FY 16-17 DEPOSIT 70% CL	% Change DEPOSIT	Cap 40% Increase	Payroll Increase From FY 16/17	
Rate/Amount	Exposure Base	\$ 6,162,000	\$ 3,233,000	\$ 1,471,041	\$ 459,928	\$ 247,653	75% CL	70% CL	Not Applic.			
Anderson	\$ 3,354,498	\$ 182,837	\$ 73,196	\$ 29,553	\$ 12,088	\$ 11,257	\$ 308,932	\$ 282,379	9.4%		-2.0%	
Auburn	\$ 7,916,837	\$ 221,035	\$ 108,048	\$ 59,817	\$ 16,461	\$ 11,257	\$ 416,618	\$ 353,841	17.7%		48.0%	
Colusa	\$ 1,966,977	\$ 65,089	\$ 35,194	\$ 18,294	\$ 5,019	\$ 11,257	\$ 134,854	\$ 139,781	-3.5%		-1.4%	
Corning	\$ 2,388,300	\$ 51,672	\$ 50,946	\$ 14,264	\$ 4,947	\$ 11,257	\$ 133,086	\$ 149,217	-10.8%		-10.3%	
Dixon	\$ 8,982,975	\$ 312,987	\$ 162,055	\$ 75,203	\$ 23,290	\$ 11,257	\$ 584,792	\$ 528,488	10.7%		39.2%	
Elk Grove	\$ 36,710,148	\$ 671,632	\$ 429,582	\$ 175,479	\$ 54,039	\$ 11,257	\$ 1,341,989	\$ 1,330,045	0.9%		7.0%	
Folsom	\$ 40,270,106	\$ 1,041,037	\$ 519,154	\$ 285,679	\$ 78,130	\$ 11,257	\$ 1,935,257	\$ 1,868,779	3.6%		7.7%	
Galt	\$ 11,314,378	\$ 297,383	\$ 165,895	\$ 67,801	\$ 22,479	\$ 11,257	\$ 564,815	\$ 467,040	20.9%		13.1%	
Gridley	\$ 3,801,769	\$ 69,235	\$ 59,362	\$ 22,060	\$ 6,377	\$ 11,257	\$ 168,291	\$ 150,330	11.9%		10.2%	
Ione	\$ 1,130,943	\$ 9,537	\$ 19,090	\$ 5,963	\$ 1,464	\$ 11,257	\$ 47,310	\$ 44,058	7.4%		-8.8%	
Jackson	\$ 2,101,191	\$ 71,944	\$ 33,888	\$ 16,727	\$ 5,188	\$ 11,257	\$ 139,004	\$ 128,017	8.6%		8.1%	
Lincoln	\$ 12,464,564	\$ 310,854	\$ 183,689	\$ 83,495	\$ 24,467	\$ 11,257	\$ 613,761	\$ 631,798	-2.9%		-8.6%	
Marysville	\$ 3,244,568	\$ 150,639	\$ 58,962	\$ 26,751	\$ 10,004	\$ 11,257	\$ 257,613	\$ 257,463	0.1%		5.8%	
Nevada City	\$ 2,522,165	\$ 85,236	\$ 37,098	\$ 19,228	\$ 5,992	\$ 11,257	\$ 158,811	\$ 128,132	23.9%		11.7%	
Oroville	\$ 7,060,401	\$ 189,469	\$ 113,346	\$ 49,040	\$ 14,893	\$ 11,257	\$ 378,004	\$ 325,820	16.0%		-3.7%	
Paradise	\$ 3,917,312	\$ 241,952	\$ 97,828	\$ 36,568	\$ 15,930	\$ 11,257	\$ 403,534	\$ 300,992	34.1%		-0.7%	
Placerville	\$ 6,321,107	\$ 138,663	\$ 84,562	\$ 41,224	\$ 11,193	\$ 11,257	\$ 286,899	\$ 281,616	1.9%		1.0%	
Red Bluff	\$ 6,066,197	\$ 404,798	\$ 144,409	\$ 62,914	\$ 25,909	\$ 11,257	\$ 649,288	\$ 584,340	11.1%		5.8%	
Rio Vista	\$ 3,833,651	\$ 80,452	\$ 50,937	\$ 27,349	\$ 6,719	\$ 11,257	\$ 176,714	\$ 146,968	20.2%		1.4%	
Rocklin	\$ 22,258,058	\$ 529,246	\$ 268,918	\$ 139,807	\$ 39,702	\$ 11,257	\$ 988,930	\$ 874,990	13.0%		13.3%	
Willows	\$ 1,804,372	\$ 118,586	\$ 40,439	\$ 17,508	\$ 7,472	\$ 11,257	\$ 195,263	\$ 186,713	4.6%		-6.1%	
Yuba City	\$ 22,467,222	\$ 917,716	\$ 496,402	\$ 196,316	\$ 68,165	\$ 11,257	\$ 1,689,857	\$ 1,409,941	19.9%		7.1%	
<b>Total:</b>	<b>\$ 211,897,739</b>	<b>\$ 6,162,000</b>	<b>\$ 3,233,000</b>	<b>\$ 1,471,041</b>	<b>\$ 459,928</b>	<b>\$ 247,653</b>	<b>\$ 11,573,622</b>	<b>\$ 10,570,747</b>	<b>9.5%</b>		<b>7.7%</b>	

Actuary/Verification \$ 6,162,000 \$ 3,233,000

**NCCSIF Workers' Compensation Program Funding Changes 2016/17 to 2017/18**

	2017/18	2016/17	Difference
<b>Base Rate*</b>	<b>4.43</b>	<b>\$4.43</b>	<b>0%</b>
<i>*Confidence Level Increased from 70% to 75%</i>			

	2017/18	2016/17	Difference
<b>Excess Insurance</b>	<b>\$ 1,471,041</b>	<b>\$ 1,222,000</b>	<b>20%</b>
<i>Represents 25% of the total increase of \$1,002,875</i>			<b>\$ 249,041</b>

Member Entity	Deposit Premium Change			Payroll			Banking Layer Losses \$0-\$100K			Shared Layer Losses \$20-\$120K			Experience Mod		
	Current Year 2017/18 75% CL	Prior Year 2016/17 70% CL	% Change	Estimated WC 2017/2018 Payroll	Estimated WC 2016/17 Payroll	% Change	5-Year Avg FYE 2012-16	5-Year Avg FYE 2011-15	% Change	2017/18 Shared Layer Totals (FYE 2012-16)	2016/17 Shared Layer Totals (FYE 2011-15)	% Change	2017/18	2016/17	% Change
Anderson	\$308,932	\$282,379	9.4%	\$ 3,354,498	\$3,421,849	-2%	\$126,327	\$120,966	4%	\$456,729	\$638,733	-28%	1.22	1.16	5%
Auburn	\$416,618	\$353,841	17.7%	\$ 7,916,837	\$5,350,303	48%	\$122,704	\$126,767	-3%	\$326,753	\$560,558	-42%	0.96	1.00	-3%
Colusa	\$134,854	\$139,781	-3.5%	\$ 1,966,977	\$1,995,302	-1%	\$35,287	\$45,393	-22%	\$99,606	\$209,287	-52%	0.98	1.01	-3%
Corning	\$133,086	\$149,217	-10.8%	\$ 2,388,300	\$2,661,307	-10%	\$28,335	\$43,456	-35%	\$75,233	\$189,870	-60%	0.90	0.95	-6%
Dixon	\$584,792	\$528,488	10.7%	\$ 8,982,975	\$6,453,021	39%	\$185,586	\$217,836	-15%	\$750,942	\$1,047,874	-28%	1.22	1.16	5%
Elk Grove	\$1,341,989	\$1,330,045	0.9%	\$ 36,710,148	\$34,306,335	7%	\$380,671	\$315,951	20%	\$1,214,836	\$3,525,040	-66%	0.77	1.14	-33%
Folsom	\$1,935,257	\$1,868,779	3.6%	\$ 40,270,106	\$37,383,759	8%	\$572,996	\$632,635	-9%	\$1,532,146	\$2,638,206	-42%	0.78	0.80	-2%
Galt	\$564,815	\$467,040	20.9%	\$ 11,314,378	\$10,000,000	13%	\$180,884	\$152,847	18%	\$497,286	\$596,720	-17%	0.94	0.87	8%
Gridley	\$168,291	\$150,330	11.9%	\$ 3,801,769	\$3,449,882	10%	\$34,295	\$31,286	10%	\$62,892	\$109,827	-43%	0.86	0.86	0%
Ione	\$47,310	\$44,058	7.4%	\$ 1,130,943	\$1,240,720	-9%	\$1,080	\$239	353%	\$0	\$0	0%	0.93	0.93	0%
Jackson	\$139,004	\$128,017	8.6%	\$ 2,101,191	\$1,943,950	8%	\$43,356	\$44,585	-3%	\$129,226	\$216,850	-40%	1.02	1.02	-1%
Lincoln	\$613,761	\$631,798	-2.9%	\$ 12,464,564	\$13,634,854	-9%	\$173,351	\$196,757	-12%	\$534,566	\$909,862	-41%	0.92	0.90	1%
Marysville	\$257,613	\$257,463	0.1%	\$ 3,244,568	\$3,067,166	6%	\$101,088	\$108,812	-7%	\$322,501	\$507,748	-36%	1.13	1.12	1%
Nevada City	\$158,811	\$128,132	23.9%	\$ 2,522,165	\$2,257,901	12%	\$52,101	\$40,568	28%	\$119,016	\$189,921	-37%	0.99	1.00	0%
Oroville	\$378,004	\$325,820	16.0%	\$ 7,060,401	\$7,330,628	-4%	\$107,966	\$91,341	18%	\$289,128	\$384,473	-25%	0.91	0.87	4%
Paradise	\$403,534	\$300,992	34.1%	\$ 3,917,312	\$3,943,744	-1%	\$170,336	\$144,379	18%	\$568,202	\$665,678	-15%	1.25	1.10	14%
Placerville	\$286,899	\$281,616	1.9%	\$ 6,321,107	\$6,257,702	1%	\$72,369	\$82,477	-12%	\$168,898	\$343,844	-51%	0.88	0.92	-5%
Red Bluff	\$649,288	\$584,340	11.1%	\$ 6,066,197	\$5,733,593	6%	\$282,821	\$276,431	2%	\$989,753	\$1,320,131	-25%	1.53	1.40	9%
Rio Vista	\$176,714	\$146,968	20.2%	\$ 3,833,651	\$3,781,426	1%	\$37,714	\$31,298	21%	\$96,295	\$93,784	3%	0.92	0.90	2%
Rocklin	\$988,930	\$874,990	13.0%	\$ 22,258,058	\$19,651,915	13%	\$298,064	\$279,317	7%	\$733,303	\$1,185,950	-38%	0.83	0.84	-2%
Willows	\$195,263	\$186,713	4.6%	\$ 1,804,372	\$1,920,986	-6%	\$84,002	\$82,191	2%	\$331,896	\$399,993	-17%	1.21	1.12	7%
Yuba City	\$1,689,857	\$1,409,941	19.9%	\$ 22,467,222	\$20,975,994	7%	\$574,295	\$524,146	10%	\$2,019,696	\$2,411,249	-16%	1.37	1.12	22%
<b>Total</b>	<b>\$ 11,573,622</b>	<b>\$ 10,570,747</b>	<b>9.5%</b>	<b>\$ 211,897,739</b>	<b>\$196,762,337</b>	<b>8%</b>	<b>\$3,665,625</b>	<b>\$3,589,676</b>	<b>2%</b>	<b>\$11,318,905</b>	<b>\$18,145,598</b>	<b>-38%</b>			



BACK TO AGENDA

Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 15, 2017

Agenda Item H.7.a.

**CLAIMS SETTLEMENT AUTHORITY  
SETTLEMENT OF CORYELL VS. CITY OF OROVILLE**

**ACTION ITEM**

**ISSUE:** The Board is being asked to ratify settlement of a claim as approved by the Executive Committee at their meeting of May 18, 2017. The Executive Committee approved the settlement based on their authority to exercise powers “reasonably necessary to conduct, direct and supervise the business of the Authority” due to the limited time constraints placed on the settlement by the plaintiff.

The Program Administrators will provide more details of the claim and settlement at the meeting.

**RECOMMENDATION:** Ratify by giving formal consent to settlement approved by Executive Committee.

**FISCAL IMPACT:** To be provided at the meeting.

**BACKGROUND:** The claim is brought by the wife of Victor Coleman for his wrongful death as a result of the Oroville Police attempting to remove him from a motel room after making threats of suicide. As officers entered the room Coleman assaulted one officer with a liquor bottle and raised a knife to continue the assault when he was shot by officers and pronounced dead at the scene.

**ATTACHMENT(S):** None





**Agenda Item H.7.b.**

**CLAIMS SETTLEMENT AUTHORITY  
EXECUTIVE COMMITTEE AUTHORITY**

**ACTION ITEM**

**ISSUE:** The Claims Committee is a subset of the Executive Committee and has up to \$250,000 in authority to settle claims, with as few as three members for a quorum. The additional authority needed of \$150,000 is not enough to justify having the full Board involved. If at some time NCCSIF again raises their Shared Layer retention to \$1,000,000 perhaps the Board would like to reassert its authority to approve settlements above the Executive Committee's authority. All settlements and claims of interest for risk management purposes will be reported to the Board at least annually.

Consideration should be given to grant the Executive Committee the explicit authority to settle claims within the Shared Layer, up to \$400,000. This would allow the Program and Claims Administrators greater ability to obtain settlement authority as needed from the Executive Committee, with at least five members for a quorum, rather than assembling at least ten members of the Board to approve settlement. Most of the settlements are approved via teleconference meetings due to the sporadic nature of their timing and the relative infrequency of in-person meetings.

The Program Administrators have drafted suggested revisions to the applicable policy, as seen in the attached red-line version of P&P #A-6 a. Some cleanup language is suggested in addition to the authority changes, including deleting the definition of damages in the CJPRMA policy, since it has changed over time and any recommended settlement will have taken coverage into account before presentation.

**OPTIONS FOR CONSIDERATION**

1. Approve recommended changes as presented.
2. Approved changes as revised.
3. Direct the Program Administrators to take other action.

**RECOMMENDATION:** Review and approve changes as recommended or amended.

**FISCAL IMPACT:** None.

**BACKGROUND:** The Liability Shared Risk Layer Claims Handling Policy and Settlement Authority was first effective September 17, 1993 and has been revised seven time since then. It confirms the member's authority to settle claims within their Banking Layer and lays out a process for approving claims within the Shared Layer.

**ATTACHMENT(S):** DRAFT Red-Line version of P&P A-6a



## ADMINISTRATIVE POLICY AND PROCEDURE #A-6 a

### **SUBJECT: LIABILITY SHARED RISK LAYER CLAIMS HANDLING POLICY AND SETTLEMENT AUTHORITY**

#### Policy Statement:

In accordance with the Liability Underlying Memorandum of Coverage, NCCSIF shall assume charge of the investigation, settlement or defense of any claims made, suits brought or proceedings instituted against the Member City, which in the opinion of NCCSIF may create liability on the part of NCCSIF under the terms of this Memorandum of Coverage. The Member shall not, except at its own cost, voluntarily make any payment, assume any obligation or incur any expense in excess of the Member's Retained Limit or Banking Layer. Note: The Authority provides liability coverage only for damages as defined in the CJPRMA Memorandum of Coverage.

~~“Damages means compensation in money recovered by a party for loss or detriment it has suffered through the acts of a covered party. Damages include (1) attorney fees not based on contract awarded against the covered party, (2) interest on judgments, or (3) costs for which the covered party is liable either by adjudication or by compromise with the written consent of the Authority, if the fees, interest or costs arise from an occurrence to which this coverage applies. Damages also include reasonable attorney fees and necessary litigation expenses incurred by or for a party other than the covered party, which are assumed by the covered party in a covered indemnity contract where such attorney fees or costs are attributable to a claim for damages covered by this Memorandum.”~~

The claims administrator has authority to settle claims within the Member's Retained Limit in an amount agreed between the Member and the claims administrator, ~~but not less than \$2,500~~. Payments ~~in excess of the authorized amount but~~ within the Retained Limit are the responsibility of the Member. However, in the event that an ultimate net loss is likely to be in excess of the Retained Limit either through court judgment or agreement between the claimant and the Authority, then the Authority will, for that portion which is in excess of the Retained Limit, make such payment to the claimant on behalf of the Member.

Claims shall be submitted to the Claims Administrator in accordance with the provisions of the Claims Administration Agreements.

It shall be the policy of the Northern California Cities Self Insurance Fund to grant the authority to the Executive Committee to act as or appoint members of the Claims Committee.

The functions and responsibilities of the Claims Committee shall be:

1. Meet as necessary to review all open reported claims likely to involve the Authority's shared risk portion of the Liability.
2. Resolve claims as outlined in procedure below.

Procedure:

1. The claims administrator shall notify the Program Administrator of a need to review potential losses which are likely to involve the shared risk layers.
2. The NCCSIF claims administration firm shall make recommendations to the Claims Committee.
3. The NCCSIF claims administration firm shall review any recommendations for the Claims Committee with the member City's Board Representative and either get the written approval of the Board Representative for the proposed action, or invite the Board Representative to attend or send representation for the City to the Claims Committee meeting to discuss any objections to the action being recommended.
4. Claims Settlement Authority:

Various levels of shared risk layer settlement authority are hereby established as NCCSIF policy. These levels are as follows:

- a. President and/or the Claims Committee Chairperson

The President and/or the Claims Committee Chairperson of the Authority is authorized to approve settlements not to exceed \$25,000 of the Authority's shared risk layer funds either in excess of the Member's Retained Limit or in excess of an already approved settlement amount.

If a claim or suit involves the President's city, then this authority will pass to the Claims Committee Chairperson. If a claim or suit involves the Claims Committee Chairperson, then this authority will pass to the President.

- b. Claims Committee

The Claims Committee shall have the Authority to approve settlements in an amount not to exceed \$250,000 of the Authority's shared risk layer funds excess of the Members' banking layer.

c. Board of Directors Executive Committee

Claims settlement recommendations in excess of the Claims Committee's Authority shall be presented by the Claims Committee to be approved by the Board of Directors Executive Committee prior to final settlement. A report of claims settlements will be made to the Board of Directors at each meeting, or at least annually.

5. Claims Denial Authority

The Claims Committee is granted Authority to deny claims and also to refer claims to Coverage Counsel for opinions of coverage.

The NCCSIF claims administrator is granted Authority to develop correspondence of the denial and obtain approval of the written correspondence from Coverage Counsel prior to forwarding the correspondence denying the claim to the Member.

All of the foregoing notwithstanding, if time is of the essence in a specific litigation matter, the President and Claims Committee Chairperson on the advice of the Third Party Administrator shall have the authority to determine terms of emergency settlement, subject to \$100,000 limitation within the shared risk layer, excess of the Members' retained limit. If however, the President or Claims Committee Chairperson's City is involved in the claim, then the authority is delegated to two non-involved Members of the Committee.

<b>Effective Date:</b>	September 17, 1993
First Revision Date:	March 22, 1994
Second Revision Date:	June 19, 1998
Third Revision Date:	September 18, 1998
Fourth Revision Date:	December 17, 1999
Fifth Revision Date:	June 15, 2007
Sixth Revision Date:	October 16, 2009
Seventh Revision Date;	December 15, 2010
<u>Eighth Revision Date:</u>	<u>June 15, 2017</u>



BACK TO AGENDA

Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 15, 2017

Agenda Item H.8.a.

**YORK RISK SERVICES WORKERS' COMPENSATION  
CLAIMS ADMINISTRATION - QUARTERLY REPORT**

**INFORMATION ITEM**

**ISSUE:** York has provided the attached Quarterly Report to update members on their recent activities and progress to date in meeting claims management benchmarks. The Report is one aspect of the attached Performance Plan that was agreed-upon with York as a result of feedback from the members.

**RECOMMENDATION:** Review and comment on report contents.

**FISCAL IMPACT:** None.

**BACKGROUND:** NCCSIF's regular Service Provider Survey revealed concerns with the Workers' Compensation (WC) claims management provided by York. A subsequent survey and Board discussion regarding the WC claims administration led to a meeting with York and select Executive Committee members to agree on a Performance Plan to address member concerns. Part of that plan is a quarterly report that York will prepare for the Board to update members on progress in reaching the goals set out in the Plan.

**ATTACHMENT(S):** York Quarterly Report

## **Workers' Compensation Program Highlights for the Quarter:**

- File reviews conducted with City of Elk Grove, City of Folsom, City of Galt, City of Oroville, and City of Yuba City and meetings with City of Lone, City of Jackson, and City of Rio Vista.
- Workers' Compensation 101 trainings available. Please contact Dori Zumwalt to schedule Workers' Compensation 101 with your city!
- Fiscal Year 2016-2017 Trending Reports available after July 1<sup>st</sup>. Please contact Dori Zumwalt if you would like one prepared for your city!
- York Annual Fall Into Education conference in Rocklin is scheduled for October 10, 2017. Mark your calendars as it is a free conference designed for all levels of risk management expertise.
- Exciting new case law from the City of Jackson!

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### Workers' Compensation Program Results:

Item	Measurement	Feb-17	Mar-17	Apr-17	May-17
	<b>Total Open Claims</b>	486	504	512	504
<b>1.</b>	<b>Closing Ratio</b>	156.3%	64.3%	76.7%	125.0%
	<b>a. Cases Entered During the Period</b>				
i.	Medical Only	8	27	16	18
ii.	Indemnity	7	12	16	9
iv.	<b>Total opened</b>	15	39	32	27
	<b>b. Cases Closed During the Period</b>				
i.	Medical Only	12	17	17	15
ii.	Indemnity	13	10	16	25
iv.	<b>Total closed</b>	25	27	33	40
	<b>c. Reopened Claims</b>				
i.	Medical Only	-	-	1	-
ii.	Indemnity	1	3	10	5
iii.	<b>Total Reopened Claims</b>	1	3	11	5
iv.	Reopened Claims as % of Open Inventory for period	0.2%	0.6%	2.1%	1.0%
<b>2.</b>	<b>Conversions</b>				
a.	MO to Indemnity	4	2	4	4
b.	Indemnity to Future Medical	-	-	-	-
<b>3.</b>	<b>Open Claims Inventory</b>				
a.	Medical Only	41	50	46	46
b.	Indemnity	230	229	241	231
c.	Future Medical	215	223	225	227
d.	<b>Total</b>	486	502	512	504
e.	First Aid	-	2	-	-



### Workers' Compensation Program Results:

Item	Measurement	Feb-17	Mar-17	Apr-17	May-17
<b>4.</b>	<b>Settlements/Closures in Period</b>				
a.	via Compromise & Release	1	9	2	-
b.	via Stipulated Awards	2	4	2	6
c.	Avg. Incurred Value of Indemnity Closures	\$18,092	\$32,861	\$42,104	\$12,449
<b>5.</b>	<b>Litigation</b>				
a.	Number of open litigated cases	199	199	206	212
b.	Percentage of OPEN Litigation/ OPEN Indemnity	45%	44%	44%	46%
c.	Newly Litigated Cases	7	4	8	9
d.	Total Cumulative Litigated Cases	1,636	1,640	1,648	1,657
e.	Percentage of OPEN Litigation/ TOTAL Litigation	12%	12%	13%	13%
f.	Average incurred per litigated claim	\$80,443	\$80,789	\$80,961	\$80,973
<b>6.</b>	<b>Late Reported Cases</b>				
a.	New Claims reported >5 days from DOI	5	18	11	12
b.	as % of total new reported claims	33.3%	46.2%	34.4%	44.4%
<b>7.</b>	<b>Paid this Period</b>				
a.	Medical	\$246,142	\$294,983	\$179,886	\$215,112
b.	Indemnity	\$161,103	\$283,504	\$210,833	\$305,286
c.	Expense	\$93,339	\$96,628	\$85,097	\$100,729
d.	Total	\$500,584	\$675,114	\$475,816	\$621,127
	Medical as % of total	49.2%	43.7%	37.8%	34.6%
<b>8.</b>	<b>Medical Control</b>				
a.	Open Claims treating in MPN	230	254	256	252
b.	Claims Treating in MPN as % of Total Open Claims	47%	50%	50%	50%



## Goals and Objectives

Focus	Measurement	Objective
Inventory Reduction	Files closed from Critical Listing *	2 per month
Settlements	Number of Settlements	5 per month
Salvage	Salvage as % of incurred on Closed Files	10% on prior incurred value
Temporary Disability	Average Duration of TD on active TD files	24 weeks of TD on current TD files
Litigation	Newly Litigated Files as % of Newly Opened files	12% of newly opened claim files
Reserve Development	Annualized development of reserves on files DOI > 1 year	10% Annual Development

\* Critical Listing claims have the following criteria:

Total Incurred > \$100k, and/or DOI prior to 1/1/2010, and/or Initially denied and currently litigated, and/or Litigated with \$0 in indemnity reserves

# NCCSIF Quarterly Workers' Compensation Report: June 2017



<b>Performance vs Objectives</b>	<u>2/28/2017</u>	<u>3/31/2017</u>	<u>4/30/2017</u>	<u>5/31/2017</u>
<b>Inventory Reduction</b>				
Claims Closed from Critical Listing	2	3	5	3
<b>Settlements</b>				
Compromise and Release	1	9	2	-
Stipulations	2	4	2	6
New Settlements in Period	3	13	4	6
<b>Salvage on Closures</b>				
Incurred Value of Closed Ind Files	\$235,198	\$328,610	\$673,671	\$311,229
Salvage on Closed Files	\$225,546	\$177,079	\$396,754	\$322,035
Salvage as % of Incurred Value	49.0%	35.0%	37.1%	50.9%
<b>Average Duration of Active TD Files</b>				
Num of Claims Paying TD in Period	27	30	29	34
Average Duration of TD (weeks)	25.11	23.42	21.43	22.95
<b>Litigated Inventory</b>				
Newly Litigated Files	7	4	8	9
Open Litigated Files	199	199	206	212
Newly Litigated Files, 6 Months Rolling	27	29	32	36
Newly Opened Files, 6 Months Rolling	180	173	173	168
Newly Litigated as % of Newly Opened	15.0%	16.8%	18.5%	21.4%



Agenda Item H.8.b.

**YORK RISK SERVICES WORKERS' COMPENSATION  
CLAIM TPA SURVEY AND FOLLOW UP**

**INFORMATION ITEM**

**ISSUE:** Members are advised that a follow up survey regarding York's Workers' Compensation (WC) claims management services will be delivered in September, to gauge York's performance and whether or not members wish to obtain competing proposals for claims services. There have been many discussions over the last year about this, and the Board expressed a desire to take final action on the necessity and timing of issuing a Request for Proposals (RFP).

Given the extensive process of a vendor RFP, and participation required of members, a suggested timeline for soliciting and evaluating proposals, if needed, and making a change in service providers, if necessary, is provided to inform the members of the steps necessary.

**RECOMMENDATION:** None - Information Item. All members are asked to have the person most knowledgeable about York's WC claims management respond to the survey in September.

**FISCAL IMPACT:** TBD.

**BACKGROUND:** NCCSIF regularly surveys members regarding service provider performance and the Board uses that feedback to make changes as needed when working with service providers or considering contract renewal terms. The results of NCCSIF's regular Service Provider Survey conducted in December 2015 revealed some concerns with York Risk Services Workers' Compensation Claims Management. A follow-up survey was conducted in May 2016 with additional questions to gather more feedback to address the comments received during the April 2016 Board meeting. As a result, York Risk Services and NCCSIF developed a Performance Plan to address members concerns.

A follow up survey was sent to the members in March 2017 to gauge York's progress. The survey showed positive results though only 15 of the members responded and they may not represent the underlying concerns of some members. The Board provided direction at the last meeting to send a follow-up survey to which all members must respond in order to get feedback of the entire membership.

**ATTACHMENT(S):** Draft RFP Timeline, if applicable

## **NCCSIF Claims TPA Follow Up Survey & RFP Process Timeline, If Applicable**

**September 6** - Email link to TPA follow up survey

**September 20** - Survey responses due

**September 21** – Update provided at EC meeting, follow up to obtain 100% response rate

**October 19** - Board reviews survey results and decides *if RFP needed and when*

**If applicable**

**Nov/Dec** - Program Administrators draft RFP and submit to Board on December 14 for review

**December 14** - Board approves issuing RFP and establishes Ad Hoc committee to oversee

**December 20** - RFP posted to various websites (PARMA/CAJPA/etc.) and sent to known providers

**December 28** - Questions DUE

**January 4** - Questions Answered

**January 12** - RFP Responses DUE 5pm Electronically

**January 19** - Ad Hoc 1<sup>st</sup> meeting telephonically to review Program Administrators evaluation and RFP responses

**January 30** - Ad Hoc 2<sup>nd</sup> meeting telephonically to determine finalist for interviews

**February 6** - Interviews (Rocklin 9am to noon) by Ad Hoc members

**February 20** - Special EC or Board meeting to select TPA and authority to negotiate/execute contract

**March 2** - Negotiations concluded and Agreement signed

**March/April** -Transition meeting(s) as needed

**May 1** - Effective Date of new Agreement (if change in provider) to provide 60 day cross-processing (new contract will be a three-year Agreement with 2, one-year optional extensions)

**July 1** - Transition to new TPA, if applicable, complete



BACK TO AGENDA

Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 15, 2017

Agenda Item H.9.

## LONG RANGE PLANNING DATE AND TOPICS

### ACTION ITEM

**ISSUE:** Due to the conflict with CalPELRA Annual Conference this year (December 4 - 8, 2017), the Executive Committee recommends changing the Long Range Planning meeting scheduled for December 7, 2017 to December 14, 2017. The Board is also asked to make suggestions for the long range planning topics to be presented at the meeting.

Topics suggested at the last Executive Committee meeting include long-term risk financing in light of increased claim severity, brainstorming on lack of infrastructure maintenance leading to bigger claims, and review/revision of key governing documents. A review of NCCSIF's Mission and updating the Strategic Plan is also suggested.

**RECOMMENDATION:** Approve meeting date change to December 14th and provide direction on meeting topics.

**FISCAL IMPACT:** The cost of the meeting is included in the current NCCSIF Administration budget for meetings.

**BACKGROUND:** Historically the Board meeting in December alternates between a Training Day and a Long Range Planning session. The planning session must be done at least every three years to meet CAJPA accreditation standards. The last meeting in December 2016 was a Training Day in combination with the Board of Directors meeting. The last planning session was in December 2014 (rain delayed to January 2015), so the meeting in December 2017 should be a planning session.

**ATTACHMENT(S):** None





BACK TO AGENDA

Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 15, 2017

Agenda Item I.

**ROUND TABLE DISCUSSION**  
**INFORMATION ITEM**

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

**RECOMMENDATION:** None.

**FISCAL IMPACT:** None.

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

**ATTACHMENT(S):** None.



BACK TO AGENDA

Northern California Cities Self Insurance Fund  
Board of Directors Meeting  
June 15, 2017

Agenda Item J.

## INFORMATION ITEMS

### INFORMATION ITEM

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

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

**FISCAL IMPACT:** None.

**BACKGROUND:** None

#### ATTACHMENT(S):

1. Glossary of Terms
2. NCCSIF Organizational Chart
3. NCCSIF 2017 Meeting Calendar
4. NCCSIF Vendor Services Matrix
5. NCCSIF Resource Contact Guide
6. NCCSIF Travel Reimbursement

# GLOSSARY OF TERMS

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

## GLOSSARY OF TERMS

<b>ALCM</b> (Associate in Loss Control Management)	A professional designation earned after the successful completion of five national examinations given by the Insurance Institute of America (IIA).
<b>ARM</b> (Associate in Risk Management)	A nationally recognized educational program for dedicated risk management professionals, developed by the Insurance Institute of America.
Attachment Point	The dollar amount of a loss where the next layer of insurance begins to pay for the loss.
Automobile Liability	Designed to afford bodily injury and property damage liability coverage associated with owned, non-owned and hired vehicles. May include medical payments, uninsured/underinsured motorists' liability coverages.
Automobile Physical Damage	Usually a first party coverage; however, some entities have "Bailment" or "care, custody and control" liability exposures such as garages, maintenance facilities that service vehicles of others, and parking lots
Best's Rating	A rating system that indicates the operating and financial condition of insurance companies. Information is developed and published annually by the A. M. Best company. Generally one looks for a company with a rating of A VII or better.
<b>BOD/BD</b> (Board of Directors)	Body of elected or appointed members who jointly oversee the activities of a company or organization.
<b>BI</b> (Business Interruption)	A form of insurance coverage that replaces business income lost as a result of an event that interrupts the operations of the business, such as fire or a natural disaster.
<b>CAJPA</b> (California Association of Joint Powers Authorities)	Performs regulatory and legislative lobbying as well as accreditation of Joint Powers Authorities to promote the financial stability of JPAs.
<b>CIPRA</b> (California Institute for Public Risk Analysis)	Organized to develop, analyze and disseminate information on risk management in California's public sector, especially self-insured entities and Joint Powers Authorities
<b>CJPRMA</b> (California Joint Powers Risk Management Authority)	CJPRMA provides the excess coverage to NCCSIF's Liability Program
<b>CSAC</b> (California State Association of Governments)	CSAC is a lobbying, advocacy and service organization representing the state's 58 counties at the state and federal level. Areas of focus include the state budget, health-care reform, corrections reform, transportation funding, water and climate change
<b>CSAC-EIA</b> (California State Association of Governments - Excess Insurance Authority)	CSAC-EIA is a member directed insurance risk sharing pool. The EIA has developed effective risk management solutions to help California public entities proactively control losses and prepare for different exposures.  CSAC-EIA provides excess coverage to NCCSIF's workers' compensation pool.
<b>CalTIP</b> (California Transit Insurance Pool)	In 1986 the California Transit Association formed an insurance committee and authorized the preparation of a study of alternative methods of providing liability insurance coverage and began providing liability coverage in 1987.
Catastrophic Loss Reserve	A separate JPIA reserve account designated to pay losses without additional premium assessments to members.
<b>CIC</b> (Certified Insurance Counselor)	An insurance agent professional certification designation

## GLOSSARY OF TERMS

<b>CIH</b> (Certified Industrial Hygienist)	CIH is a professional whose job it is to protect the health of workers and the general public. A CIH is educated, trained and certified to recognize health hazards, test the environment for those hazards and determine when they pose a risk to those who might be exposed to them.
<b>CPCU</b> (Chartered Property Casualty Underwriter)	CPCU is a professional designation in property-casualty insurance and risk management
Claim	A demand of a right. In general a demand for compensatory damages, resulting from the actions of another.
Claims Made	A provision of an insurance policy that requires it to pay only for claims presented during the policy period with no regard for when the action causing the claim took place. Typically, a claims-made form also includes a retroactive date setting the earliest date for which a covered occurrence can happen. (Also see "Occurrence")
<b>C&amp;R</b> (Compromise and Release)	A type of settlement in which you receive a lump sum payment and become responsible for paying for your future medical care. A settlement like this must be approved by a workers' compensation judge.
Conditional	An insurance policy includes a number of conditions that both the insured and the insurer must comply with. (i.e. a covered loss occurs, the insured must notify the insurer about the loss and the insurer must use the valuation methods specified in the policy to settle the loss- thus the contract is conditional)
Conditions	Describe the responsibilities and the obligations of both the insured and the insurance company.
<b>CL</b> (Confidence Level)	An estimated probability that a given level of funding will be sufficient to pay actual claim costs. The higher a CL the greater the certainty the actuary has that losses will not exceed the dollar value used to attain the CL.
Contract	A legal agreement between two competent parties that promises a certain performance in exchange for a certain consideration.
Contract of Utmost Good Faith	As the insurance company relies on the truthfulness and integrity of the applicant when issuing a policy. In return, the insured relies on the company's promise and ability to provide coverage and pay claims.
<b>CSP</b> (Certified Safety Professional)	CSP's are qualified persons that are competent and trained to detect and appraise hazardous materials, procedures and activities of workers, materials and work environments. They are highly educated, trained and experienced in the field of safety.
Cumis Counsel	Cumis refers to a lawsuit against the Cumis Insurance Society in which they were found to have controlled the defense attorney to the detriment of their insured. The court determined that the Society should have assigned separate counsel to represent the exclusive interests of the insured. The need for <i>cumis counsel</i> arises in situations where there are significant coverage issues and defense counsel is conflicted between his duty to his client and the obligations to the insurance carrier.
DE9	Quarterly Contribution Return and Report of Wages
Declarations	Contain information such as the name of the insured, the address, the amount of coverage provided, a description of property, and the cost of the policy
Deductible	It is that portion of each claim that is paid by the member at the time of loss. It is in addition to any premium already paid
Defense	A defendant's denial to a complaint or cause of action

## GLOSSARY OF TERMS

Definitions	Clarify the meaning of certain terms used in the policy
Deposit Premium	Premium required at the beginning of a policy period based on estimated costs
<b>DIC</b> (Difference In Conditions)	A specialized property insurance policy written to provide coverage for perils not covered in a standard property policy or in the JPIA's Memorandum of Property Coverage. In particular, it is most often used to provide coverage for earthquake and/or flood losses.
<b>D&amp;O</b> (Directors and Officers)	Liability insurance payable to the directors and officers of a company, or to the organization(s) itself, as indemnification (reimbursement) for losses or advancement of defense costs in the event an insured suffers such a loss as a result of a legal action brought for alleged wrongful acts in their capacity as directors and officers.
Directors, Officers and Trustees Liability	Intended to protect nonprofit board members, officers, and directors for faulty decisions, which imperil the entity. Usually written to include entity reimbursement for legal actions and personal liability of specific wrongdoers
<b>DOL</b> (Date of Loss)	Regarding property claims this is usually the date of occurrence of physical damage to property. In WC claims this is usually the date a physical injury occurred to an employee.
Doctrine of reasonable expectations	a policy includes coverages that an average person would reasonably expect it to include regardless of what the policy actually provides
<b>EQ</b> (Earthquake)	a sudden and violent shaking of the ground, sometimes causing great destruction, as a result of movements within the earth's crust or volcanic action
Employers' Liability	Included as part of a worker's compensation insurance policy. Covers liability for losses arising out of injuries to employees that are not covered by statutory workers' compensation benefits
<b>EPL</b> (Employment Practices Liability)	Written to protect an entity from liabilities arising from allegations of discrimination, failure to promote or hire, harassment, ADA responsibilities, wrongful termination, etc.
Endorsement	Any change to the original policy (attached to the policy itself)
Environmental Impairment Liability	Also referred to as "Pollution" and "Pollution Legal" Liability; can be written to protect an entity from actions resulting from contamination of air, water, property. First party (damage to owned property) and third party (liability for damage to others) protections are often provided on the same policy
<b>E&amp;O</b> (Errors and Omissions Insurance)	Professional liability insurance that protects companies and individuals against claims made by clients for inadequate work or negligent actions, usually includes both court costs and any settlements up to the amount specified on the insurance contract.
Errors and Omissions Liability	Excludes bodily injury and property damage; intended to afford protection for the "misfeasance, malfeasance or non-feasance" of public officials, employees and volunteers. May also include incidental medical personnel (paramedics), police and fire personnel, architects and plan checkers, engineers, and on-staff attorneys
Excess Insurance	Insurance that is purchased to provide higher limits than the primary policy or coverage provides
Excess Loss	The portion of a loss that is allocated to, or paid by, excess coverage
Exclusions	Describe the losses for which the insured is not covered
<b>EC</b> (Executive Committee)	Committee within that organization which has the authority to make decisions and ensures that these decisions are carried out.

## GLOSSARY OF TERMS

Expected liabilities	Outstanding reserves plus Incurred But Not Reported (IBNR) and Loss Adjustment Expense, discounted at the “Expected” Confidence Level (CL).
Exposure	A condition or situation that presents a possibility of loss (i.e. home built on flood plain is exposed to the possibility of flood damage).
<b>FASB</b> (Financial Accounting Standards Board)	FASB standards, known as generally accepted accounting principles (GAAP), govern the preparation of corporate financial reports and are recognized as authoritative by the Securities and Exchange Commission.
Fidelity Bonds	Written as financial guarantees of employees’ honesty. Personnel with money-handling responsibilities are considered exposures to loss.
Fiduciary Liability	Covers board members, executives and other decision-making personnel with responsibilities for pension funds, retirement plans and employee benefit monies for negligent decisions that result in losses to such funds.
<b>GAAP</b> (Generally Accepted Accounting Principles)	GAAP refers to the standard framework of guidelines for financial accounting used in any given jurisdiction; generally known as accounting standards or standard accounting practice
<b>GASB</b> (Governmental Accounting Standards Board)	GASB is the source of generally accepted accounting principles (GAAP) used by State and Local governments in the United States. As with most of the entities involved in creating GAAP in the United States, it is a private, non- governmental organization.
General Liability	Written to protect the member's assets against liability for property damage of or bodily injury to third parties (see definition of parties).
Hazard	Anything that increases the chance of loss (also see Physical Hazard, Morale Hazard and Moral Hazard).
<b>HIPAA</b> (Health Insurance Portability and Accountability Act)	A federal law enacted in 1996 that protects continuity of health coverage when a person changes or loses a job, that limits health-plan exclusions for preexisting medical conditions, that requires that patient medical information be kept private and
<b>IBNR</b> (Incurred But Not Reported)	It is that part of the total claims that is unknown at any point in time. At any time, NCCSIF has claims that have not been reported or recognized by NCCSIF or has claims recognized by NCCSIF but without knowledge of the cost when such claim is finally closed. NCCSIF uses an actuary to project the costs of these unknown liabilities to NCCSIF - the estimate of funds needed to pay for covered losses that have occurred but have not been reported to the member and/or NCCSIF and expected future development on claims already reported
Incurred Loss	This is the ultimate expected total value of any claim. It includes the amount already paid, plus the estimated amount yet to be paid (reserves)
<b>IIPP</b> (Injury Illness Prevention Program)	Proactive process of assessing workplace hazards prior to an injury being reported
Insurable Interest	Before you can benefit from insurance; you must have a chance of financial loss or a financial interest in the property
Insurance	A contract or device for transferring risk from a person, business, or organization to an insurance company that agrees, in exchange for a premium, to pay for losses through an accumulation of premiums
<b>IRIC</b> (Insurance Requirements in Contracts)	In insurance, the insurance policy is a contract (generally a standard form contract) between the insurer and the insured, known as the policyholder, which determines the claims which the insurer is legally required to pay.



## GLOSSARY OF TERMS

<b>ISO</b> (Insurance Services Office, Inc.)	An insurance industry association that collects statistical data for rate making and develops standard insurance policy forms. ISO is the organization that drafted the standard commercial general liability (CGL) commonly used by insurers
Insuring agreements	State in general what is to be covered, also includes a description of what type of property is covered and the perils against which it is insured (i.e. the losses for which the insured will be indemnified)
Inverse Condemnation	Both the United States Constitution and the California Constitution require that a private citizen be compensated if property is "taken" by a public entity. When the property is taken proactively it is called eminent domain. When the property is taken "accidentally," without due course, it is called inverse condemnation. Negligence need not be proven. The claimant's legal expenses are payable in addition to actual damages.
Limit	The most that will be paid in a loss
<b>LRP</b> (Long Range Planning)	Exercise aimed at formulating a long-term plan, to meet future needs estimated usually by extrapolation of present or known needs. It begins with the current status and charts out a path to the projected status, and generally includes short-term (operational or tactical plans) for achieving interim goals.
<b>LAE</b> (Loss Adjustment Expense)	Administrative expense to manage a claim to conclusion - Allocated LAE (ALEA) are expenses attributable to a specific claim such as attorney fees - Unallocated LAE (ULAE) are overhead expenses not attributable to a specific claim such as salaries or office rental.
Loss Ratio	The amount of loss divided by the amount of premium, contributions, payroll or property values.
Master Plan Documents	A document issued by a JPA defining the structure, rights and obligations of the participants and procedures of an insurance or self-funded program
<b>MMI</b> (Maximum Medical Improvement)	When an injured employee's condition is well stabilized and unlikely to change substantially in the next year, with or without medical treatment. Once an employee reaches MMI, a doctor can assess how much, if any, permanent disability resulted from the work injury. See also P&S
<b>MOC</b> (Memorandum of Coverage)	A document issued by a JPA defining the coverage provided to the members
Moral Hazard	A person might create a loss situation on purpose just to collect from the insurance company (i.e. a pre-arranged faked theft of an older vehicle so the owner could collect insurance money and buy something new).
Morale Hazard	An individual, through carelessness or by irresponsible actions, can increase the possibility for a loss (i.e. a person who drives a car carelessly because he knows a loss will be insured if an accident occurs).
Mutual interest company	The insureds are also owners of the company and so they can vote to elect the management of the company (profits are returned to the insureds in the form of dividends or reductions in future premiums)
Named Insured	Any person, firm, or corporation, or any of its members specifically designated by name as insured(s) in the policy as distinguished from others who, although unnamed, are protected by the policy definition. A named insured under the policy has rights and responsibilities not attributed to additional insureds, such as premium payment, premium return, notice of cancellation, and dividend participation

## GLOSSARY OF TERMS

Net Assets	(Equity, surplus or Net Position) Total assets less Expected liabilities- the amount of funds remaining after subtracting liabilities at the actuarially determined "Expected" Confidence Level (approx. 50% CL)
Net Contribution	A total contribution for losses less excess insurance costs
Non Vacant land	Refers to land that is occupied and used, and/or has structures on it (i.e. shack, building, park with benches).
Obligee	Is an individual, partnership, corporation, or a government entity which requires the guarantee that an action or service will be performed. If not properly performed, the surety pays the obligee for any damages or fulfills the obligation.
Occurrence	A) In order for NCCSIF to pay a liability claim, it must arise out of an occurrence. This is an accident, event, act or omission to act which results in "damages," "bodily injury," or "property damage" neither expected nor intended from the covered parties' conduct. B) A provision of an insurance policy that requires it to pay for a claim caused during the policy period regardless of when it is presented.
Passive Negligence	The party that was negligent did not take part in the action that caused the damage, but was responsible for somehow allowing it to take place. For example, a city allowed a contractor to dig a hole on city property and someone fell in.
Peril	Cause of a loss
<b>P&amp;S</b> (Permanent and Stationary)	When an employee's medical condition has reached maximum medical improvement. Once an employee is declared P&S, a doctor can assess how much, if any, permanent disability resulted from the work injury. If the disability is rated under the 2005 schedule you will see the term maximal medical improvement (MMI) used in place of P&S. See also MMI
<b>PD</b> (Permanent Disability)	Any lasting disability that results in a reduced earning capacity after maximum medical improvement is reached.
<b>PPE</b> (Personal Protective Equipment)	PPE refers to protective clothing, helmets, goggles, or other garments or equipment designed to protect the wearer's body from injury.
Physical Hazard	A hazard that arises from the condition, occupancy, or use of the property itself (i.e. skateboard left on the porch steps).
Plaintiff	The party who complains or sues in a personal action. A claimant becomes a plaintiff by filing suit.
Pooled Loss	The portion of a loss that is allocated to, or paid by, the self-insured pool. NCCSIF's Liability Program pools, or self-insures, the first \$500,000 of each occurrence. Loss costs exceeding this amount are paid by excess insurance.
Principal	Is an individual, partnership, or corporation who offers an action or service and is required to post a bond. Once bonded, the surety guarantees that he will perform as promised.
Principle of Indemnity	When a loss occurs an individual should be restored to the approximate financial condition he was in before the loss no more and no less.
Property Insurance	This covers the member for damage to its own property, sometimes called first- party coverage.
<b>PARMA</b> (Public Agency Risk Managers Association)	A statewide association for risk managers in the public sector. Educational and lobbying activities.

## GLOSSARY OF TERMS

<b>PRIMA</b> (Public Risk Management Association)	A national association for risk managers in the public sector. Formed for educational, information gathering and political lobbying purposes.
Pure Risk	Involves only the possibility of loss
<b>QME</b> (Qualified Medical Examiner)	A medical provider who has been certified by the Division of Workers' Compensation by passing an administrative exam.
Reciprocal company	(to give/take), a member of a reciprocal agrees to share the insurance responsibilities with all other members of the unincorporated group (all members insure each other and share the losses with each other) NOTE: managed by an attorney-in-fact who is empowered to handle all of the business of the reciprocal.
<b>RC</b> (Replacement Cost)	The cost to replace damaged property with like kind and quality, with no deduction for depreciation, but still subject to a "limit"
Reserve	In order to budget for its expected costs and to know when a claim must be reported to the excess coverage, NCCSIF estimates the ultimate expected total value of each claim and "reserves" part of the not paid. As moneys are paid out for a claim, the reserve amount is decreased
Retrospective Premium Adjustment	At the beginning of each policy period, NCCSIF collects a deposit premium representing the estimated costs for that year. Each year a calculation of expenses associated with the policy period are subtracted from the deposit premium. At some point the excess funds will be returned, or shortage of funds will be charged. This process is repeated annually for each coverage year until all claims for that year are closed out and there is no IBNR allocated to that policy year.
Risk	The chance or uncertainty of loss (also see Speculative Risks and Pure Risks)
<b>RIMS</b> (Risk and Insurance Management Society)	National professional organization to promote principles of risk management and assist risk managers in their daily activities
Risk Control	Those risk management techniques designed to minimize the frequency and/or severity of claims. Risk control techniques include exposure avoidance, loss prevention, loss reduction, segregation of loss exposures, and contractual transfer to shift losses to others
Risk Financing	Techniques for generating funds to pay for losses that risk control methods do not entirely eliminate. There are two types of risk financing techniques -- retention and transfer. Retention involves paying for losses using an organization's own assets; transfer involves covering losses by an unrelated entity for a consideration (such as a payment of a premium)
Risk Management	One of the specialties within the general field of management, the process of managing an organization's activities to minimize the adverse effects of accidental losses on a cost-effective basis. Risk management has two components -- risk control and risk financing.
Self-Insured	Coverage of losses from the insured's own funds, rather than an insurance policy. Generally refers to a planned program for financing or otherwise recognizing losses
<b>SIR</b> (Self-Insured Retention)	The maximum amount of exposure to a single loss retained by NCCSIF

## GLOSSARY OF TERMS

Severability of Interests Clause	An insurance policy provision clarifying that the word “insured,” as it appears within various parts of a policy, applies severally and not collectively. When there is more than one insured, the effect is as though a separate policy is issued to each insured. Thus, a policy containing such a clause will cover a cross liability claim – a claim made by one insured against another insured. The one exception to the separate application to each insured of a policy containing a severability of interest clause is that the limits are not cumulative; that is, one set of limits applies to all insureds collectively
Special Events	Designed to cover your sponsorship of events, such as fireworks shows, festivals, community/entity celebrations; often written to protect other policies’ loss integrity. Another type of special event coverage, known as a “tenants and permittees” policy, can be issued for third parties who rent or use your owned facilities.
Speculative Risk	Risks in which there exists both the possibility of gain and the possibility of loss (i.e. poker game)
Spread of Risk	The greater the spread of risk the less likely that there will be a catastrophic loss for the insurance company (i.e. NOT insuring every person in a single town that could be hit by a fire which destroys the town= catastrophic loss for the insurance company vs. insuring several people in MANY towns to spread out the risk of a catastrophic loss)
Stock company	Sells stock to stockholders to raise the money necessary to operate the business (profits attributed to the operation of the company are returned as dividends to the stockholders, not the insureds)
Subrogation	The insurer’s right to proceed against a third person if that third person was responsible for a claim paid by the insurer. Employee dishonesty can be subrogated by the insurance company against a dishonest employee
Surety	Is usually a corporation which determines if an applicant (principal) is qualified to be bonded for the performance of some act or service. If so, the surety issues the bond. If the bonded individual does not perform as promised, the surety performs the obligation or pays for any damages.
<b>TD</b> (Temporary Disability Benefits)	Payments an employee receives if they lose wages because of a work related injury which prevents them from doing their usual job while recovering.
<b>TPA</b> (Third Party Administrator)	TPA is a person or organization that processes claims and performs other administrative services in accordance with a service contract, usually in the field of employee benefits.
<b>TIV</b> (Total Insured Values)	The values shown on a member city’s schedule or appraisal for property coverage. Only those items shown on the schedule are covered for loss.
<b>TRIA</b> (Terrorism Risk Insurance Act)	TRIA is a United States federal law signed into law by President George W. Bush on November 26, 2002. The Act created a federal “backstop” for insurance claims related to acts of terrorism.
Vacant land	Refers to land that is unoccupied and unused, and/or has no structures on it.
<b>VIN</b> (Vehicle Identification Number)	Unique code including a serial number, used by the automotive industry to identify individual motor vehicles, towed vehicles, motorcycles, scooters and mopeds as defined in ISO 3833.

## 2017 NCCSIF Organizational Chart

MEMBER ENTITY	BOARD OF DIRECTORS	BOARD ALTERNATES	RISK MANAGEMENT COMMITTEE	POLICE RISK MANAGEMENT COMMITTEE
City of ANDERSON	<b>EC / CC</b> Liz Cottrell	Jeff Kiser	Liz Cottrell	Chief Michael L. Johnson
City of AUBURN	Nita Wracker	<i>Vacant</i>	Shari Harris	Chief John Ruffcorn ( <b>Chair</b> )
City of COLUSA	<b>EC</b> Toni Benson	<i>Vacant</i>	<i>Vacant</i>	Chief Josh Fitch
City of CORNING	<b>EC</b> Kristina Miller	Tom Watson	Tom Watson	Chief Jeremiah Fears
City of DIXON	<i>Vacant</i>	Kim Stalie	Kim Stalie	Chief Robert Thompson
City of ELK GROVE	Brad Koehn	Kara Reddig	Jim Ramsey	Lieutenant Jeff Scott
City of FOLSOM	Jim Francis	Kristine Haile	Kristine Haile	Chief Cynthia Renaud
City of GALT	Cora Hall	Eugene Palazzo	Cora Hall	Chief Tod Sockman
City of GRIDLEY	Matt Michaelis	Elisa Arteaga	Matt Michaelis	Chief Dean Price
City of IONE	Jon Hanken	<i>Vacant</i>	Jon Hanken	Chief Tracy Busby
City of JACKSON	<i>Vacant</i>	Dalacie Blankenship	Dalacie Blankenship	Chief Scott Morrison
City of LINCOLN	<b>EC / CJPRMA Rep.</b> Astrida Trupovnieks	Ruthann Codina	Astrida Trupovnieks	Sergeant Brent Craft
City of MARYSVILLE	<b>EC</b> <i>Vacant</i>	Walter Munchheimer	<i>Vacant</i>	Chief Aaron W. Easton
City of NEVADA CITY	<b>S / EC</b> Corey Shaver	Catrina Olson	Corey Shaver	Chief Tim Foley
City of OROVILLE	<b>VP / EC / CC</b> Liz Ehrenstrom ( <b>Vice-Chair</b> )	<i>Vacant</i>	Liz Ehrenstrom ( <b>Chair</b> )	Asst. Chief Allen Byers
Town of PARADISE	Gina Will	Crystal Peters	Crystal Peters	Lieutenant Eric Reinbold
City of PLACERVILLE	<b>P / EC / CC</b> Dave Warren ( <b>Chair</b> )	Cleve Morris	Dave Warren	Commander Kim Nida
City of RED BLUFF	<b>EC</b> Sandy Ryan	Anita Rice	Sandy Ryan	Chief Kyle Sanders ( <b>Vice-Chair</b> )
City of RIO VISTA	Donna Lee	Robert Hickey	Donna Lee	Chief Dan Ruden
City of ROCKLIN	Kimberly Sarkovich	Jason Johnson	Kimberly Sarkovich	Chief Chad Butler
City of WILLOWS	<b>T / EC / CC</b> Tim Sailsbery	<i>Vacant</i>	Wayne Peabody	Chief Jason Dahl
City of YUBA CITY	<b>EC / CC</b> Natalie Springer	Robin Bertagna	Natalie Springer	Chief Robert Landon

**OFFICERS**

**P = President**      **VP = Vice President**  
**S = Secretary**      **T = Treasurer**  
**CJPRMA Representative**

**EC = Executive Committee**  
**CC = Claims Committee**

PROGRAM ADMINISTRATORS (Alliant Insurance Services)
Marcus Beverly
Michael Simmons
Raychelle Maranan
Michelle Minnick
Joan Crossley

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

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

ADVISORS
Byrne Conley (Legal)
James Marta (Accounting)
Alana Theiss (Accounting)



**2017 MEETING CALENDAR**

- February 2, 2017..... **Police Risk Management Committee** - 10:00 a.m.
  
- March 23, 2017..... *Executive Committee* - 10:00 a.m.  
**Claims Committee** - 11:30 a.m.
  
- April 27, 2017..... **Risk Management Committee** - 10:00 a.m.  
**Board of Directors** - 12 noon
  
- May 4, 2017..... **Police Risk Management Committee** - 10:00 a.m. (*Canceled*)
  
- May 18, 2017..... **Claims Committee** - 10:00 a.m.  
*Executive Committee* - 11:30 a.m.
  
- June 15, 2017..... **Risk Management Committee** - 10:00 a.m.  
**Board of Directors** - 12 noon
  
- August 3, 2017 ..... **Police Risk Management Committee** - 10:00 a.m.
  
- September 21, 2017 ..... **Claims Committee** - 10:00 a.m.  
*Executive Committee* - 11:30 a.m.
  
- Thursday, October 19, 2017 ..... **Risk Management Committee** Expanded Meeting- 10:00 a.m.  
(Claims Analysis)  
**Board of Directors** - 12:30 p.m.  
(Finance Focus)
  
- November 2, 2017 ..... **Police Risk Management Committee** - 10:00 a.m.
  
- December 7, 2017..... **Board of Directors** - 10:00 a.m. - 3:00 p.m.  
(Long Range Planning)

MEETING LOCATION: Rocklin Event Center - Garden Room  
 2650 Sunset Boulevard, Rocklin, CA 95677

NOTE: All meetings are scheduled on Thursdays and will be held at the Rocklin Event Center, Garden Room, except for February and March, in the Ballroom.



# RISK MANAGEMENT VENDOR SERVICES MATRIX

As a member of NCCSIF, your City/Town has many risk management resources available. This Vendor Services Matrix is designed to assist you with identifying and locating these resources. Vendor names and service categories are hyperlinked, so you can easily navigate through the matrix for specific resources and contact information. The **BACK** button will bring you back to this home page. If you have any questions, contact Henri Castro at Bickmore Risk Services, 800.541.4591, ext. 4614, or [hcastro@brsrisk.com](mailto:hcastro@brsrisk.com).

SERVICE CATEGORY*		BRS	CSAC-EIA	TARGET SOLUTIONS	OCCU - MED	APIP	LEXIPOL	ACI WELLNESS	CAL-TIP	DKF SOLUTIONS GROUP
Page:										
1	Telephone Hotline - Questions & Guidance	X								
1	Hazard & Safety Assessment	X								X
2	Program/Policy Development	X	X				X			X
	Safety Materials/Web-based Courses/Videos	X	X	X						X
2	On-Site Training	X	X							X
3	Ergonomic Evaluations	X								
3	Risk Management Webinars	X	X			X				
3	Employer Pull Notice Program		X							
4	Pre-Employment Medical Services				X					
5	Employee Assistance Program - Health & Wellness							X		
5	Transit Resources (available to CalTIP members)								X	

\* Services and resources are available at no additional cost unless specifically noted.





# RISK MANAGEMENT VENDOR SERVICES MATRIX

## Vendor Contact Information

Vendor Name	Contact Information	Services Provided
<b>BRS - Bickmore Risk Services</b> Risk Management Services Provider	Enriqueta Castro (Henri) Office: 800.541.4591, ext. 4614 Email: <a href="mailto:hcastro@brsrisk.com">hcastro@brsrisk.com</a> Website: <a href="http://riskcontrol.brsrisk.com/">http://riskcontrol.brsrisk.com/</a>	<ul style="list-style-type: none"> <li>▪ Telephone Hotline - Questions &amp; Guidance</li> <li>▪ Hazard &amp; Safety Assessment</li> <li>▪ Program/Policy Development</li> <li>▪ Ergonomic Evaluations</li> <li>▪ On-site Training</li> <li>▪ Safety Materials</li> <li>▪ On-line Streaming Videos</li> <li>▪ Webinars - WC and Liability Risk Management Topics</li> </ul>
<b>CSAC-EIA</b> Excess Workers' Compensation Coverage  <b>Target Solutions</b> Web-based Resources available through CSAC-EIA	Travis Clemmer Kristen Calderon (video library) Office: 916.850.7300 Email: <a href="mailto:tclemmer@csac-eia.org">tclemmer@csac-eia.org</a> Website: <a href="http://www.CSAC-EIA-eia.org">www.CSAC-EIA-eia.org</a>  Website: <a href="http://www.targetolutions.com/eia/">http://www.targetolutions.com/eia/</a>	<ul style="list-style-type: none"> <li>▪ Program/Policy Development (additional member cost)</li> <li>▪ On-site Training</li> <li>▪ Safety Materials</li> <li>▪ Video Library</li> <li>▪ Webinars - WC Risk Management Topics</li> <li>▪ Web-based Courses*</li> <li>▪ Records Management</li> </ul> <p><i>*EIA members are able to access the standard course library at no cost. However, there is a cost to the member for the premium content listed under "Additional Courses"</i></p>
<b>CJPRMA - California Joint Powers Risk Management Authority</b> Excess Liability Coverage	David Clovis - General Manager Office: 925.290.1316 Email: <a href="mailto:david@cjprma.org">david@cjprma.org</a> Website: <a href="http://www.cjprma.org/">http://www.cjprma.org/</a>	<ul style="list-style-type: none"> <li>▪ Regional Training provided on a variety of Liability-related Topics</li> </ul>





# RISK MANAGEMENT VENDOR SERVICES MATRIX

## Vendor Contact Information

Vendor Name	Contact Information	Services Provided
<b>Occu-Med</b> Pre-employment Medical Services	Bill Vogeler Office: 559.435.2800, ext. 101 Email: <a href="mailto:bvogeler@occu-med.com">bvogeler@occu-med.com</a> Website: <a href="http://www.occu-med.com">www.occu-med.com</a>	<ul style="list-style-type: none"> <li>Review of Pre-placement Medical Exams</li> <li>Job Analysis</li> <li>Additional cost to Member</li> </ul>
<b>APIP - Alliant Property Insurance Program</b>	Contact Marcus Beverly, Alliant Insurance Services, for questions.	<ul style="list-style-type: none"> <li>Webinars - Property Risk Management Topics</li> </ul>
<b>Lexipol</b> Police risk management policies	Contact Marcus Beverly, Alliant Insurance Services, for policy updates.	<ul style="list-style-type: none"> <li>Police Risk Management Policies and Procedures</li> </ul>
<b>ACI Wellness</b> Employee assistance program	Kathryn Mullis, Account Manager Office: 800.932.0034 Website: <a href="http://www.acieap.com">www.acieap.com</a>	<ul style="list-style-type: none"> <li>Wellness Resources</li> <li>Employee Assistance Program provided at an Additional Cost</li> </ul>
<b>CalTIP - California Transit Insurance Pool</b> Self-insurance program for public transit operators	Lee Sorenson, Bickmore Risk Services Office: 800.541.4516. ext. 1168 Email: <a href="mailto:lsorenson@brsrisk.com">lsorenson@brsrisk.com</a> Website: <a href="http://www.caltiponline.org/">http://www.caltiponline.org/</a>	<ul style="list-style-type: none"> <li>Transit Specific Risk Management Resources for Member Cities (Auburn, Dixon, and Folsom)</li> </ul>
<b>DKF Solutions Group, LLC</b>	David Patzer Office: 707.373.9709 Email: <a href="mailto:dpatzer@dkfsolutions.com">dpatzer@dkfsolutions.com</a> Website: <a href="http://www.dkfsolutions.com">http://www.dkfsolutions.com</a>	<ul style="list-style-type: none"> <li>Sewer Risk Management</li> <li>Additional cost to member</li> </ul>



# RISK MANAGEMENT VENDOR SERVICES MATRIX

## Vendor Contact Information

Vendor Name	Contact Information	Services Provided
<b>Total Aquatic Management</b>	Jim Wheeler Office: 510.523.3155 Email: <a href="mailto:jim@totalaquaticmanagement.com">jim@totalaquaticmanagement.com</a> <a href="mailto:swimnjim@hotmail.com">swimnjim@hotmail.com</a> Website: <a href="http://www.totalaquaticmanagement.webs.com">http://www.totalaquaticmanagement.webs.com</a>	<ul style="list-style-type: none"><li>▪ Aquatic Safety services</li><li>▪ Certified Pool Operator (CPO) Trainings</li><li>▪ Additional cost to member</li></ul>





# RISK MANAGEMENT VENDOR SERVICES MATRIX

<p><b>Telephone Hot Line Questions/Guidance</b></p>	<p><b>BICKMORE RISK SERVICES</b>          BRS is NCCSIF’s risk control services provider. Henri is your point of contact for your risk management questions and guidance.</p> <p>Enriqueta Castro, CSP (Henri)          800.541.4591, ext. 4614          Email: <a href="mailto:hcastro@brsrisk.com">hcastro@brsrisk.com</a></p>
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<p><b>Hazard &amp; Safety Assessment</b></p>	<p><b>BICKMORE RISK SERVICES</b>          A comprehensive Hazard &amp; Safety Assessment is completed for each city to help identify risk management strengths and improvement opportunities. The assessment is used as a tool to help prioritize risk management efforts. It includes best practices in the following areas:</p> <table border="0"> <tr> <td>1. Risk Management Program Overview</td> <td>12. Emergency Response &amp; Management</td> <td>23. Lockout-Tagout</td> </tr> <tr> <td>2. Aerial Lift Operations</td> <td>13. Employment Practices Liability</td> <td>24. Parks &amp; Recreation Operations</td> </tr> <tr> <td>3. Aerosol Transmissible Diseases (ATD) Control</td> <td>14. Ergonomic Injury Management</td> <td>25. Personal Protection Equipment</td> </tr> <tr> <td>4. ADA Compliance</td> <td>15. Fire Department Operations</td> <td>26. Police Department Operations</td> </tr> <tr> <td>5. Animal Control Services</td> <td>16. Fire Prevention Program</td> <td>27. Respiratory Protection Program</td> </tr> <tr> <td>6. Automobile &amp; Fleet Liability</td> <td>17. Forklifts &amp; Powered Industrial Trucks</td> <td>28. Return-to-Work &amp; Transitional Duty</td> </tr> <tr> <td>7. Blood Borne Pathogens ECP</td> <td>18. Hazard Communication Program</td> <td>29. Sewers Liability Management</td> </tr> <tr> <td>8. Business Continuity Plan</td> <td>19. Hearing Conservation Program</td> <td>30. Sidewalks Liability Management</td> </tr> <tr> <td>9. Confined Space Entry Program</td> <td>20. Heat Illness Prevention Program</td> <td>31. Traffic Engineering</td> </tr> <tr> <td>10. Contractor Selection &amp; Control</td> <td>21. Information Technology</td> <td>32. Trenching &amp; Excavation Operations</td> </tr> <tr> <td>11. Contractual Transfer of Risk</td> <td>22. Injury &amp; Illness Prevention Program</td> <td>33. Urban Forest Management</td> </tr> <tr> <td></td> <td></td> <td>34. Work Zone Safety</td> </tr> </table>	1. Risk Management Program Overview	12. Emergency Response & Management	23. Lockout-Tagout	2. Aerial Lift Operations	13. Employment Practices Liability	24. Parks & Recreation Operations	3. Aerosol Transmissible Diseases (ATD) Control	14. Ergonomic Injury Management	25. Personal Protection Equipment	4. ADA Compliance	15. Fire Department Operations	26. Police Department Operations	5. Animal Control Services	16. Fire Prevention Program	27. Respiratory Protection Program	6. Automobile & Fleet Liability	17. Forklifts & Powered Industrial Trucks	28. Return-to-Work & Transitional Duty	7. Blood Borne Pathogens ECP	18. Hazard Communication Program	29. Sewers Liability Management	8. Business Continuity Plan	19. Hearing Conservation Program	30. Sidewalks Liability Management	9. Confined Space Entry Program	20. Heat Illness Prevention Program	31. Traffic Engineering	10. Contractor Selection & Control	21. Information Technology	32. Trenching & Excavation Operations	11. Contractual Transfer of Risk	22. Injury & Illness Prevention Program	33. Urban Forest Management			34. Work Zone Safety
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# RISK MANAGEMENT VENDOR SERVICES MATRIX

<b>Program &amp; Policy Development</b>	<p><b>BICKMORE RISK SERVICES</b> Our risk control service includes assistance with the development and implementation of Cal/OSHA required written programs such as Injury &amp; Illness Prevention Program, Hazard Communication Program, Aerosol Transmissible Diseases Procedures for fire and police, Bloodborne Pathogens Exposure Control Plan, etc. Our website also includes sample programs and guides.</p> <p><b>CSAC-EIA (Additional Cost)</b> CSAC-EIA loss prevention specialists are available to provide assistance with program development at an additional cost to NCCSIF members. Contact CSAC-EIA directly for assistance.</p> <p><b>LXIPOL</b> NCCSIF members have access to the police risk management policies offered through Lexipol.</p>
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<b>On-Site Training</b>	<p><b>BRS</b> On-site training is available to members on a variety of workers' compensation, liability, and EPL exposures. Training topics include, but are not limited to, Cal/OSHA program requirements, hazard inspections, accident investigation, forklift certification, driver training, sexual harassment, CPR certification, various workplace safety topics, and more. Contact Henri Castro to discuss and schedule on-site training.</p> <p><b>CSAC-EIA</b> CSAC-EIA is available to conduct a variety of workers' compensation related safety training at an additional cost to members. Contact Travis Clemmer to discuss available topics and scheduling.</p> <p><b>CJPRMA</b> Every year CJPRMA conducts up to five regional training workshops throughout California. In the past, topics have included contractual risk transfer, police liability, parks and recreation liability, and sidewalk liability controls. CJPRMA will send the training announcement to Alliant, who will then forward to all NCCSIF members.</p>
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# RISK MANAGEMENT VENDOR SERVICES MATRIX

<b>Ergonomic Evaluations</b>	<p><b>BRS</b> BRS is available to conduct office and industrial ergonomic evaluations for all members. Contact Henri Castro to discuss and schedule ergonomic evaluations.</p>
<b>Risk Management Webinars</b>	<p><b>BRS</b> Throughout the year, BRS risk control staff conducts webinars on a wide range of safety topics such as heat illness prevention, scaffold safety, disaster management, and new safety regulations. Our goal is to communicate relevant safety information in an all-inclusive and cost-effective way. NCCSIF members will receive webinar announcements via email. The one-hour webinars are recorded and available to view at any time on the BRS Risk Control website.</p> <p><b>CSAC-EIA</b> CSAC-EIA conducts several workers' compensation related webinars throughout the year, which are available to all NCCSIF members. Contact Travis Clemmer to ensure your city is included in the announcement distribution.</p> <p><b>APIP</b> NCCSIF members have access to all APIP property related webinars. Contact Marcus Beverly to ensure your city is included in the announcement distribution. Recorded webinars are also available on the BRS Risk Control website.</p>
<b>Employer Pull Notice Program</b>	<p><b>CSAC-EIA &amp; TARGET SOLUTIONS (Additional cost to members)</b> CSAC-EIA and Target Solutions have partnered with A-Check America to automate your Employer Pull Notice (EPN) program. Using this program, you can electronically monitor your employees' driving records and receive notification within hours of a reportable incident.</p> <p>You can access your driver roster and key data from a dashboard within Target Solutions. This data is accessible only to you and A-Check America and features a summary of the number of drivers added and removed from the system, an overview of the violations and accidents that have occurred, and a breakdown of your employees' license renewal status. For additional information go to <a href="http://www.CSAC-EIA-eia.org">www.CSAC-EIA-eia.org</a>, Services/Loss Prevention/Target Solutions Platform.</p>



# RISK MANAGEMENT VENDOR SERVICES MATRIX

## Pre-Employment Medical Services

### OCCU-MED

#### Services offered at an additional cost:

- Review of Pre-Placement Medical Exams
- Job Analysis
- Maintaining a network of qualified and trained medical providers and medical specialists for necessary exams
- Conducting job analyses and preparing job profiles and medical examination profiles
- Providing orientation of client staff in the legal/medical/risk management and human resources aspects of our service
- Scheduling and harvesting of pre-placement medical exams
- Organizing and managing return-to-work and fitness-for-duty exams
- Evaluating medical information in relation to the essential duties of jobs in a legally defensible manner (EXAMQA®)
- Communicating directly with applicants to obtain the confidential medical information that is needed for clearance for a particular job (RDQA)
- Developing “Occu-Panels” with a national laboratory that allows for the selection of only those tests for the blood chemistry panel that are compliant with state law for each job class
- Performing bill review for the medical exams performed by clinics
- Providing customized services such as OSHA Respirator Questionnaire Evaluations, Bloodborne Pathogen Programs, and clinic trainings





# RISK MANAGEMENT VENDOR SERVICES MATRIX

<p><b>Employee Assistance &amp; Wellness Program</b></p>	<p><b>ACI WELLNESS</b>  <b>Services offered at no additional cost:</b></p> <ul style="list-style-type: none"> <li>– <b>Wellness</b>            The Core Platform wellness program is available to employees. It includes wellness workshops, personalized meal and exercise plans, healthy articles, healthy logs, healthy recipes, exercise tracker and log, and wellness blogs. The annual walking challenge is also available to employees and their families.</li> </ul> <p><b>Services offered at an additional cost:</b></p> <ul style="list-style-type: none"> <li>– <b>Employee Assistance Program (Additional cost to members)</b>            Employees and their family members can receive up to three counseling visits per year. The family members do not need to be within the same residence. The visits are considered short-term resolution. If the person needs additional counseling, ACI will help them transition into their private insurance plan.</li> <li>– <b>Legal and Financial Services (Additional cost to members)</b>            Employees and their family members have unlimited access to telephonic legal and financial services.</li> </ul>
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<p><b>Transit Resources</b></p>	<p><b>CalTIP - California Transit Insurance Pool</b>            Self-insurance program for public transit operators. Member cities include Auburn, Dixon, and Folsom.</p> <p><b>Programs and Safety Materials</b></p> <ul style="list-style-type: none"> <li>– System Safety Program Plan (SSPP) Development</li> <li>– SSPP Implementation Assessment &amp; Follow-up Process</li> <li>– SAMPA Fleet Watch Paperless DMV EPN Program</li> <li>– Bus Operator Selection Survey (BOSS)</li> <li>– CalTIP Risk Profile</li> <li>– APTA Membership</li> <li>– Bus Stop Location &amp; Design Evaluation Program</li> <li>– Digital Video Event Recorder System</li> <li>– Mobility Device Marking &amp; Tethering Program</li> <li>– APTA Safety Standards</li> <li>– Best Practices</li> <li>– Bus Stop Toolkit</li> <li>– Pedestrian Safety Guide for Transit Agencies</li> <li>– Safety Posters and Flyers</li> </ul>
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# NCCSIF RESOURCE CONTACT GUIDE

<p><b><u>PROGRAM ADMINISTRATION</u></b>  <b>Alliant Insurance Services, Inc.</b>                  2180 Harvard Street, Suite 460                  Sacramento, CA 95815                  Main: (916) 643-2700 Fax: (916) 643-2750  <a href="http://www.alliant.com">www.alliant.com</a></p>	
SUBJECT	MAIN CONTACT
<p><b>JPA MANAGEMENT ISSUES</b></p> <ul style="list-style-type: none"> <li>➤ <b>Governance</b> - policies and procedures, program budget/funding, financial analysis, program management, personnel, contracts, consultants.</li> <li>➤ <b>Coverage</b> - coverage questions, quotations, new members, development of shared risk program coverage agreements, RFPs for services, actuary liaison, excess insurance/additional coverage marketing (Crime coverage, etc.), program development.</li> <li>➤ <b>Risk Management</b> - Insurance Requirements in Contracts (IRIC), third party contract review, hold harmless and indemnification clauses, risk management program planning, RFPs for JPA payment approval of budgeted funds.</li> </ul>	<p><b>Marcus Beverly</b>                  Michael Simmons                  Raychelle Maranan                  Michelle Minnick                  Joan Crossley</p>
<p><b>JPA ADMINISTRATIVE ISSUES</b></p> <ul style="list-style-type: none"> <li>➤ <b>Meetings &amp; Compliance</b> - agendas; minutes; development/maintenance of governing documents, development/interpretation of policies &amp; procedures, JPA state compliance, Form 700, changes in Board members, website updates.</li> <li>➤ <b>Certificates</b> - certificates of coverage, additions/deletions of coverages, special events liability coverage, automobile identification cards, auto/mobile equipment physical damage programs.</li> </ul>	<p><b>Raychelle Maranan</b>                  Michelle Minnick                  Marcus Beverly                  Joan Crossley</p>
<p>Michael Simmons (415) 403-1425 / (925) 708-3374 cell                  Marcus Beverly (916) 643-2704 / (916) 660-2725 cell                  Raychelle Maranan (916) 643-2712                  Michelle Minnick (916) 643-2715                  Joan Crossley (916) 643-2708</p>	<p><a href="mailto:msimmons@alliant.com">msimmons@alliant.com</a>  <a href="mailto:Marcus.Beverly@alliant.com">Marcus.Beverly@alliant.com</a>  <a href="mailto:Raychelle.Maranan@alliant.com">Raychelle.Maranan@alliant.com</a>  <a href="mailto:Michelle.Minnick@alliant.com">Michelle.Minnick@alliant.com</a>  <a href="mailto:jcrossley@alliant.com">jcrossley@alliant.com</a></p>
<p style="text-align: center;"><b><u>ACCOUNTING SERVICES</u></b>  <b>James Marta &amp; Company CPAs</b>                  701 Howe Avenue, Suite E3                  Sacramento, CA 95825                  Main: (916) 993-9494 · Fax: (916) 993-9489  <a href="http://www.jpmpca.com">www.jpmpca.com</a></p> <p><b>Jim Marta</b> - <a href="mailto:jmarta@jpmpca.com">jmarta@jpmpca.com</a>  <b>Alana Theiss</b> - <a href="mailto:atheiss@jpmpca.com">atheiss@jpmpca.com</a></p>	<p style="text-align: center;"><b><u>SAFETY &amp; RISK CONTROL SERVICES</u></b>  <b>Bickmore</b>                  1750 Creekside Oaks Drive, Suite 200                  Sacramento, CA 95833                  Main: (800) 541-4591 Fax: (855) 242-8919  <a href="http://www.bickmore.net">www.bickmore.net</a></p> <p><b>Henri Castro</b> - <a href="mailto:hcastro@bickmore.net">hcastro@bickmore.net</a> - (916) 244-1107                  Police Risk Management  <b>Tom Kline</b> - <a href="mailto:tkline@bickmore.net">tkline@bickmore.net</a> - (916) 244-1121</p>

# NCCSIF RESOURCE CONTACT GUIDE

<p><u>CLAIMS ADMINISTRATION</u>  <b>York Risk Services Group, Inc.</b>                  P.O. Box 619079                  Roseville, CA 95661-9058                  Main: (916) 783-0100 · Fax (866) 548-2637  <a href="http://www.yorkrsg.com">www.yorkrsg.com</a></p>	<p><u>EMPLOYEE ASSISTANCE PROGRAM</u>  <b>ACI Specialty Benefits Corporation</b>                  6480 Weathers Place, Suite 300                  San Diego, CA 92121                  Main: (858) 452-1254 · Fax: (858) 452-7819  <a href="http://www.acispecialtybenefits.com">www.acispecialtybenefits.com</a>                  Kathryn Mullis - <a href="mailto:kmullis@acispecialtybenefits.com">kmullis@acispecialtybenefits.com</a></p>		
<p><b>CLAIMS LIABILITY CONTACTS</b>                  Report Claims To: <a href="mailto:NCalYorkLiabilityClaims@yorkrsg.com">NCalYorkLiabilityClaims@yorkrsg.com</a></p>	<p><b>CLAIMS WORKERS' COMPENSATION CONTACTS</b></p>		
<p><b>Alex Davis</b>, Claims Analyst                  (925) 349-3890  <a href="mailto:alex.davis@yorkrsg.com">alex.davis@yorkrsg.com</a>  <i>Handles All Cities As Needed</i></p> <p><b>Gianna Polli</b>, Subrogation Specialist                  (916) 580-2452  <a href="mailto:gianna.polli@yorkrsg.com">gianna.polli@yorkrsg.com</a>  <i>Handles All Cities As Needed</i></p> <p><b>John Tucker</b>, Senior Adjuster                  (209) 320-0804  <a href="mailto:john.tucker@yorkrsg.com">john.tucker@yorkrsg.com</a>  <i>Dixon, Galt, Ione, Rio Vista</i></p> <p><b>Kelley Winters</b>, Senior Adjuster                  (916) 960-1024  <a href="mailto:kelley.winters@yorkrsg.com">kelley.winters@yorkrsg.com</a>  <i>Auburn, Lincoln, All Cities As Needed</i></p> <p><b>Erica Nichols</b>, Adjuster                  (916) 960-1026  <a href="mailto:erica.nichols@yorkrsg.com">erica.nichols@yorkrsg.com</a>  <i>Folsom, Rocklin, All Cities As Needed</i></p> <p><b>Dan Lamb</b>, Senior Adjuster                  (209) 795-0742  <a href="mailto:dan.lamb@yorkrsg.com">dan.lamb@yorkrsg.com</a>  <i>Jackson</i></p> <p style="text-align: center;"><b>Cameron Dewey</b>, AIC, PCLA, Unit Manager                  (530) 243-3249  <a href="mailto:cameron.dewey@yorkrsg.com">cameron.dewey@yorkrsg.com</a></p> <p style="text-align: center;"><u>RESOURCES</u></p> <p><b>Mike Berndt</b>                  Assistant Vice President                  Liability                  (925) 349-3891  <a href="mailto:mike.berndt@yorkrsg.com">mike.berndt@yorkrsg.com</a></p>	<p><b>Irina Ganchenko</b>, Adjuster                  (916) 746-8856  <a href="mailto:irina.ganchenko@yorkrsg.com">irina.ganchenko@yorkrsg.com</a>  <i>Handles All Cities As Needed</i></p> <p><b>Sarah Briasco</b>, Recovery Specialist                  (916) 960-0920  <a href="mailto:sarah.briasco@yorkrsg.com">sarah.briasco@yorkrsg.com</a>  <i>Handles All Cities As Needed</i></p> <p><b>Kenneth Sloan</b>, Senior Adjuster                  (916) 960-0927  <a href="mailto:ken.sloan@yorkrsg.com">ken.sloan@yorkrsg.com</a>  <i>Galt, Rio Vista</i></p> <p><b>Craig Nunn</b>                  (530) 768-4801  <a href="mailto:craig.nunn@yorkrsg.com">craig.nunn@yorkrsg.com</a>  <i>Red Bluff, All Cities As Needed</i></p> <p><b>D'Ana Seivert</b>, Adjuster/Subro Unit Mgr                  (916) 960-0980  <a href="mailto:dana.seivert@yorkrsg.com">dana.seivert@yorkrsg.com</a>  <i>Handles All Cities As Needed</i></p> <p><b>Shawn Millar</b>, Senior Adjuster                  (530) 345-5998  <a href="mailto:shawn.millar@yorkrsg.com">shawn.millar@yorkrsg.com</a>  <i>Colusa, Gridley, Marysville, Oroville, Paradise, Willows, Yuba City</i></p>	<p><b>Kara Kennedy</b>                  Senior Claims Examiner                  (916) 742-3100  <a href="mailto:kara.kennedy@yorkrsg.com">kara.kennedy@yorkrsg.com</a></p> <p><b>Rachelle Duesing</b>                  Senior Claims Examiner                  (916) 960-0982  <a href="mailto:rachelle.deusing@yorkrsg.com">rachelle.deusing@yorkrsg.com</a></p> <p><b>Andrew Frederickson</b>                  Associate Claims Examiner                  (916) 960-1029  <a href="mailto:andrew.frederickson@yorkrsg.com">andrew.frederickson@yorkrsg.com</a></p> <p><b>Kristin Maddox</b>                  Future Medical Examiner                  (916) 580-1835  <a href="mailto:kristin.maddox@yorkrsg.com">kristin.maddox@yorkrsg.com</a></p> <p style="text-align: center;"><b>Steven Scott</b>                  Unit Manager                  (916) 960-0946  <a href="mailto:steven.scott@yorkrsg.com">steven.scott@yorkrsg.com</a></p> <p style="text-align: center;"><u>RESOURCES</u></p> <p><b>Jeff Ponta</b>                  Vice President                  Workers' Compensation                  (916) 960-0965  <a href="mailto:jeff.ponta@yorkrsg.com">jeff.ponta@yorkrsg.com</a></p>	<p><b>Cristal Rhea</b>                  Senior Claims Examiner                  (916) 746-6307  <a href="mailto:crystal.rhea@yorkrsg.com">crystal.rhea@yorkrsg.com</a></p> <p><b>Jennifer Gorgen</b>                  Senior Claims Examiner                  (916) 960-0962  <a href="mailto:jennifer.gorgen@yorkrsg.com">jennifer.gorgen@yorkrsg.com</a></p> <p><b>Catherine Clark</b>                  Associate Claims Examiner                  (916) 960-0902  <a href="mailto:catherine.clark@yorkrsg.com">catherine.clark@yorkrsg.com</a></p> <p><b>Dori Zumwalt</b>                  Senior Account Manager                  Client Services                  (916) 960-1017  <a href="mailto:dorienne.zumwalt@yorkrsg.com">dorienne.zumwalt@yorkrsg.com</a></p>

# Northern California Cities Self Insurance Fund

## Travel Reimbursement Expense Form

Member Representative: \_\_\_\_\_

Entity: \_\_\_\_\_

Payee Address: \_\_\_\_\_

Meeting or Committee: \_\_\_\_\_

Date of Meeting: \_\_\_\_\_

Location of Meeting: \_\_\_\_\_

Total Mileage: \_\_\_\_\_

Payment Made to: 


 \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_