



**MINUTES OF THE
NCCSIF EXECUTIVE COMMITTEE MEETING
WEB CONFERENCE, JANUARY 9, 2013**

MEMBERS PRESENT

John Brewer, City of Corning
Karin Helvey, City of Gridley
Liz Ehrenstrom, City of Oroville
Sandy Ryan, City of Red Bluff
Tim Sailsbery, City of Willows
Steve Kroeger, City of Yuba City
Gina Will, Town of Paradise

MEMBERS ABSENT

Jeff Kiser, City of Anderson

GUESTS & CONSULTANTS

Paula Islas, City of Galt
Michael Simmons, Alliant Insurance Services
Susan Adams, Alliant Insurance Services
Johnny Yang, Alliant Insurance Services
Laurence Voiculescu, Alliant Insurance Services
Jim Marta, James Marta & Company
Marcus Beverly, York Risk Services
Ben Burg, York Risk Services
Kelli Vitale-Carson, York Risk Services

A. CALL TO ORDER

The meeting was called to order at 10:32 a.m.

B. PUBLIC COMMENTS

There were no public comments made.

C. APPROVAL OF AGENDA AS POSTED

A motion was made to approve the Agenda as posted.

MOTION: Tim Sailsbery **SECOND:** Karin Helvey **MOTION CARRIED**



D. CONSENT CALENDAR

1. Executive Committee Teleconference Meeting Draft Minutes –November 15, 2012
2. Long Range Planning Draft Minutes – December 13, 2012

A motion was made to approve the Consent Calendar.

MOTION: Gina Will **SECOND:** Karin Helvey **MOTION CARRIED**

E. ADMINISTRATIVE REPORTS

E1. President's Report

Ms. Liz Ehrenstrom advised that she did not have any items to report on.

E2. Program Administrator's Report

Ms. Susan Adams advised the Committee that a Police Risk Management Committee meeting was held in Yuba City on January 10, 2013 explaining that during the meeting.

She then reminded the Committee that the upcoming Board of Directors meeting has been rescheduled to January 24th, 2013 and will be held at the Peach Tree Golf and Country Club in Marysville, CA.

She also reminded members of the upcoming PARMA Conference scheduled to be held on February 3 – 6, 2013 at Rancho Mirage.

Ms. Adams also explained that York has requested a Claims Committee meeting for settlement authority that is needed. The committee requested for staff to send out an e-mail to the claims committee on possible dates to hold a Claims Committee Web Conference.

F. JPA BUSINESS

F1. Review of Items Discussed During the Long Range Planning Meeting

F.1.A. Workers' Compensation Program

1. Workers' Compensation Claims Administration

Ms. Adams advised that at the Long Range Planning Session, Marcus Beverley and Kelli Vitale-Carson provided the Board with a presentation on Best Risk Practices for Workers' Compensation claims handling. At the LRP Session they also addressed the Board's concerns regarding the decline in claims handling services to members. They introduced two new Workers' Compensation claims adjusters who were recently hired to replace the prior



adjusters who left for personal reasons. Each of the new adjusters have made contact via phone with the members and are in the process of scheduling visits with member cities for introductions and claims review. Members expressed that they are currently satisfied with York Risk Services and will inquire on the issues at upcoming Board of Directors and Claims Committee meeting. Ms. Adams then advised the Committee that a Workers' Compensation Claims Audit has been performed by North Bay Associates in November 2012 and are usually performed every two years.

Mr. Marcus Beverly advised the Committee that York will be more proactive in their claims handling services and a number of claims review are currently being set up. Mr. Beverly also encouraged members to reach out to York with any questions, concerns or feedback regarding their services.

Mr. Ben Burg advised that York has drafted a response letter to the Audit regarding the overall satisfaction percentage on 90.5% which still remains in the excellence range, but there are a couple of items that York would like to respond to with respects the Claims Audit. Ms. Kelli Vitale-Carson noted that for NCCSIF the overall claims audit rating was 91.6% and the previous year it was 94.5%.

The Committee asked that this audit be added as an item on the upcoming Board of Directors Meeting Agenda. Ms. Adams advised that the auditor will not be present at the meeting and York's Response letter will be included in the Agenda packet.

The Committee asked that the deadline of "Ongoing" be amended to reflect "Quarterly Review by the Claims Committee.

2. Workers' Compensation Self Insured Retention (SIR) Analysis

Ms. Adams explained that after the Analysis was provided at the Long Range Planning Session, members reviewed the information provided and decided not to consider increasing the Workers' Compensation Self Insured Retention of \$500,000 at this time. The current pricing is more attractive to purchase excess coverage at the current SIR than to fund an additional \$500,000 per occurrence of loss.

3. Financial Impact of Confidence Levels and Discounting Rates used in Determining Funding of Losses

Ms. Adams explained the Confidence Level funding analysis showing the additional funding required at a 70% Confidence Level. She recommended lowering the discounting rate to 1.5%. Upon further discussion the Committee wishes to recommend to the Board of Directors a 70% Confidence level and a discounting rate of 1.5%. Mr. Jim Marta expressed that he is comfortable with the proposed Confidence Level and Discounting Rate but advised that the Liability Shared Risk Layer Deficit should be recovered. Ms. Gina Will mentioned



the possible of retaining Equity from the Workers' Compensation Shared Risk Layer to offset the deficit in the Liability Shared Layer Program.

The Committee has asked staff to provide deposit calculations using 06/30/12 information at both 60 and 70 percent Confidence Levels at a 1.5% Discounting Rate with possible options of Equity Transferring between the Workers' Compensation and Liability Shared Risk Layer Programs.

4. Excess Pooling Partners

Ms. Adams advised that members expressed that they are currently satisfied with the coverage and services provided by CSAC EIA. NCCSIF receives a \$7,500 credit annually from CSAC EIA due to CAJPA Accreditation with Excellence. CSAC EIA also provides a \$1,000 annual loss control subsidiary for members to use for loss control services.

She then reminded the committee of the upcoming Wastewater Training Sessions which will be held at Yuba City and Redding in February.

5. Retrospective Rating Dividends Program

Ms. Adams advised that staff was asked to determine if NCCSIF should consider revising Policies and Procedures A-1 and A-12 with respects to the Banking and Shared Risk Layers Retrospective Rating Program. She then explained that staff has recommended changes to the NCCSIF Bylaws and the Policies and Procedures as follows:

NCCSIF Bylaws amended to reflect that if a member were to leave the program, their portion of the Shared Risk Equity stays in the program until the Organization dissolves or distributions are approved.

NCCSIF P&P A-1 amended to reflect the "Banking Layer" Plan Fund Adjustments

NCCSIF P&P A-12 amended to reflect calculation of refunds from positive years will be used to offset refunds in negative years for the Shared Risk Programs.

F.1.B. Liability Program

1. Liability Self Insured Retention (SIR) Analysis

Ms. Adams advised that staff has submitted a Notice of NCCSIF Reducing SIR to \$500,000 to CJPRMA. CJPRMA's Board of Directors approved NCCSIF to join Pool B, the \$500,000 excess \$500,000 layer at an additional premium of roughly \$312,000 for 3 years. She noted that a draft actuarial report is expected in late February. She also mentioned an option for NCCSIF to market the \$500,000 xs \$500,000 layer as she expects to see an increase in the



Liability Expected Losses. Another option would be to look at purchasing reinsurance for this layer.

2. Financial Impact of Confidence Levels and Discounting Rates used in Determining Funding of Losses

During the Workers' Compensation discussion regarding Confidence Levels and Discounting Rates the Committee also discussed options for the Liability Program. Ms. Adams recommended increasing the Confidence Level Funding for the Liability program. She noted that NCCSIF will be receiving a refund of \$400,000 which is normally applied to the upcoming year's deposit calculations. Mr. Marta mentioned that a lower Self Insured Retention would result in a lower Target Equity Ratios.

Staff was asked to provide deposit calculations at discounting rates of 1.5% and 2.0% with Confidence Level Funding Rates of 60%, 70% and 75% at a Self Insured Retention of \$500,000.

3. Excess Pooling Partners

Ms. Adams explained that at the Long Range Planning Session members felt that their relationship with CJPRMA is working well and no changes need to be considered.

4. Retrospective Rating Dividends Program

There was no discussion on this item as it was previously addressed during the Workers' Compensation Program discussion.

G. REVIEW OF JANUARY 24, 2013 BOARD OF DIRECTORS MEETING "DRAFT" AGENDA

Ms. Adams explained that staff wishes to provide a copy of the Draft Board of Directors Meeting Agenda for the Executive Committee to review prior to the Board of Directors meeting.

Mr. Tim Sailsbery expressed that this item should be presented as information only as he does not wish for non-action items to hold up meetings. This item will be presented as an information item going forward. Ms. Adams also advised that future Executive Committee meetings will be held at the City of Lincoln City Hall.

The meeting was adjourned at 11:50 a.m.