



# Momentum to *Greater* Success



2017/18  
ANNUAL REPORT

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NCCSIF Program Administrators  
Alliant Insurance Services, Inc.  
[www.alliantinsurance.com](http://www.alliantinsurance.com)  
Corporate License No. 0C36861

# LETTER TO OUR MEMBERS

Dear Members,

Northern California is known for its natural beauty and high quality of life. Over the past 38 years, NCCSIF has continually delivered exceptional risk sharing services to help Member cities thrive. NCCSIF is committed to ongoing innovation of its services to address the ever changing risk exposures facing its Members now and into the future.

I am pleased to present the 2017/18 Annual Report and highlight the group's accomplishments over the past year, with improved results due to member dedication to best risk management practices. Over the last five years, NCCSIF has focused on expanding its risk management services and training programs available to Members. In addition to site visits, assessments, and training, Members have continued to track their progress in implementing best practices through a scorecard system that helps prioritize risks and direct scarce resources where they are needed most.

The Police Risk Management Committee continues to increase participation and ideas for training and equipment, including funding for body-worn cameras that have reduced the frequency and severity of claims, paying dividends almost immediately after their use.

These efforts have contributed to NCCSIF's financial stability, and the JPA's overall financial condition continued to improve over the past year. Total Assets increased by \$1 million and Liabilities decreased by \$1 million, resulting in the net position increasing from \$14 to \$16 million. This is in addition to \$2.5 million returned to Members as Dividends last year, over twice the amount in 2015/16, and \$5.1 million over the last three years.

The Workers' Compensation Program continues to improve resulting in members being able to again raise the annual funding Confidence Level, this time from 70% to 75%, *with no increase in the rate*, which is a remarkable achievement during a time when rates are typically increasing 5% to 10%. These results are due to Members' continued focus on risk management techniques, including return to work and ergonomic programs. A renewed focus on claim management has also improved results, with Members working with their claims team, doctors, and employees to minimize lost days and delays in treatment.

The Liability Program also experienced continued improvement over the past year, such as the Shared Risk Layer no longer having a deficit. The program's Net Position increased almost \$2 million, with most of the growth in the Shared Layer, which now has a Net Position of almost \$1.4 million, compared to a deficit of (\$431,114) in the previous year. This turnaround is the result of improved claim results, assessments, and members increasing the annual funding confidence level from 65% to 75% over the past three years, with the increase to 75% in 2017/18 resulting in just a 0.4% increase in premiums.

Members will continue to face challenges in managing their operations, and NCCSIF will continue to be a valuable partner in providing them access to broader coverage, lower rates, and more risk management services than they could find elsewhere. I am proud to serve as NCCSIF President and support the continued success of the group in providing exceptional service and sound risk management practices to our members now and into the future.

Sincerely,



Dave Warren  
NCCSIF President  
Director of Finance - City of Placerville



# HISTORY OF THE JPA

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

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

**In 1981, members formed the Liability Program** to apply the same concepts of pooling coverage for:

- General and Automobile Liability,
- Personal Injury,
- Errors and Omissions, and
- Employment Practices Liability.

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

The same year NCCSIF began to offer group purchase of:

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

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

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

**In 1993**, NCCSIF joined CJPRMA for Excess Liability Coverage.

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

**In 2003**, NCCSIF joined CSAC-EIA for Excess Worker Compensation Pooled Coverage.

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

- Cyber and Pollution Liability Coverage through the Property Program
- Online training and risk management resources through TargetSolutions
- Sewer Operations Risk management through DKF Solutions
- Police Policy updates and training through Lexipol
- Comprehensive Risk Assessments, training and consultation from Bickmore Risk Services
- Body-worn camera grants for police agencies
- Risk Management Best Practices and Scorecard to benchmark and improve member operations

## MISSION STATEMENT

The Northern California Cities Self Insurance Fund (NCCSIF) is an association of municipalities joined together in 1979 to **protect Member resources** by stabilizing risk costs in a reliable, economical and beneficial manner while providing members with broad coverage and quality services in risk management and claims management.

# GOVERNANCE

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

## BOARD OF DIRECTORS

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

Member	Board Director	Alternate
City of Anderson*	Liz Cottrell*	Jeff Kiser
City of Auburn	Nita Wracker	Vacant
City of Colusa	Toni Benson	Vacant
City of Corning*	Kristina Miller*	Tom Watson
City of Dixon	Rachel Ancheta	Kim Stalie
City of Elk Grove	Brad Koehn	Kara Reddig
City of Folsom*	Jim Francis	Kristine Haile
City of Galt*	Cora Hall	Eugene Palazzo
City of Gridley	Vacant*	Elisa Arteaga
City of Ione	Jon Hanken	Lori McGraw
City of Jackson*	Yvonne Kimball	Dalacie Blankenship
City of Lincoln	Astrida Trupovnieks*	Ruthann Codina
City of Marysville	Vacant	Walter Munchheimer
City of Nevada City	Loree McCay	Catrina Olson
City of Oroville	Elizabeth Ehrenstrom*	Vacant
Town of Paradise	Gina Will*	Crystal Peters
City of Placerville*	Dave Warren*	Cleve Morris
City of Red Bluff	Sandy Ryan*	Anita Rice
City of Rio Vista*	Vacant	Robert Hickey
City of Rocklin	Steven Rudolph	Kimberly Sarkovich
City of Willows*	Tim Sailsbery*	Vacant
City of Yuba City	Natalie Springer	Robin Bertagna
<b>*Founding Members</b>	<b>*2018 Executive Committee Members</b>	

## Board of Directors

### Tribute to Mike Daly

In tribute to one of our own who passed away this year, NCCSIF members wish to celebrate the life of Michael Sean Daly. Mike Daly served on the NCCSIF Board of Directors for over 20 years and also as Board President for two terms. He retired in April 2017 as City Manager of the City of Jackson.

Mike was not only a dedicated member, but a friend to all who knew him. We are enormously grateful for his service and will miss him very much.



# GOVERNANCE

## EXECUTIVE COMMITTEE

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



## CLAIMS COMMITTEE

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

## FINANCE COMMITTEE

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

## RISK MANAGEMENT COMMITTEE

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

The Committee's goal is to foster member risk management programs to reduce the frequency and severity of accidents and claims for loss or damage. Recognizing this goal, the Committee annually recommends and administers a Risk Management Budget as approved by the Board of Directors. For FY 17/18 the total budget is \$478,766, 38% of the total program administration expenses.

## POLICE RISK MANAGEMENT COMMITTEE

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

The Committee also reviews major claims for risk management practices that can be shared or improved and evaluates equipment that can prevent or minimize losses. **In the last four years, members have approved a total of \$200,000 in grant funds to purchase body-worn cameras and storage.** Each meeting includes feedback on how effective the cameras have been in **reducing the number of claims and their severity.**

# FY 17/18 MEMBERS PARTICIPATING IN EACH PROGRAM

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

APIP = Alliant Property Insurance Program  
 AMVP = Alliant Mobile Vehicle Program

ACIP = Alliant Crime Insurance Program  
 Special Events serviced by Penny DeWitt in Newport Beach office

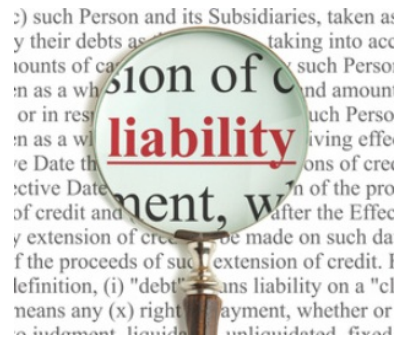


# LIABILITY PROGRAM

## COVERAGE HIGHLIGHTS

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

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



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

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

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

<p style="text-align: center;"><b><u>Excess Layer</u></b></p> <p>Excess Insurance: \$5,000,000 to \$40,000,000                  EPL Coverage Limit: \$10,000,000                  CJPRMA Members: \$500,000 to \$5,000,000</p>
<p style="text-align: center;"><b><u>Shared Risk Layer</u></b></p> <p style="text-align: center;">Banking Layer Limit to \$500,000</p>
<p style="text-align: center;"><b><u>Banking Layer</u></b></p> <p style="text-align: center;">Folsom: \$0 to \$100,000                  All Other Members: \$0 to \$50,000</p>



**CALIFORNIA JOINT POWERS  
RISK MANAGEMENT AUTHORITY**

CJPRMA members pool risk up to \$5,000,000 and purchase excess reinsurance for total limits up to \$40,000,000, inclusive of NCCSIF's retained limit of \$500,000 per occurrence. As a result of sharing risk to \$5,000,000, CJPRMA is largely insulated from fluctuating insurance market conditions. In addition, members share in dividends declared when CJPRMA exceeds its funding goals. In 2017 NCCSIF received dividends from CJPRMA of \$231,952 which were applied to the Shared Risk Layer Fund assessment for FY 17/18.



Folsom



Auburn



# LIABILITY PROGRAM

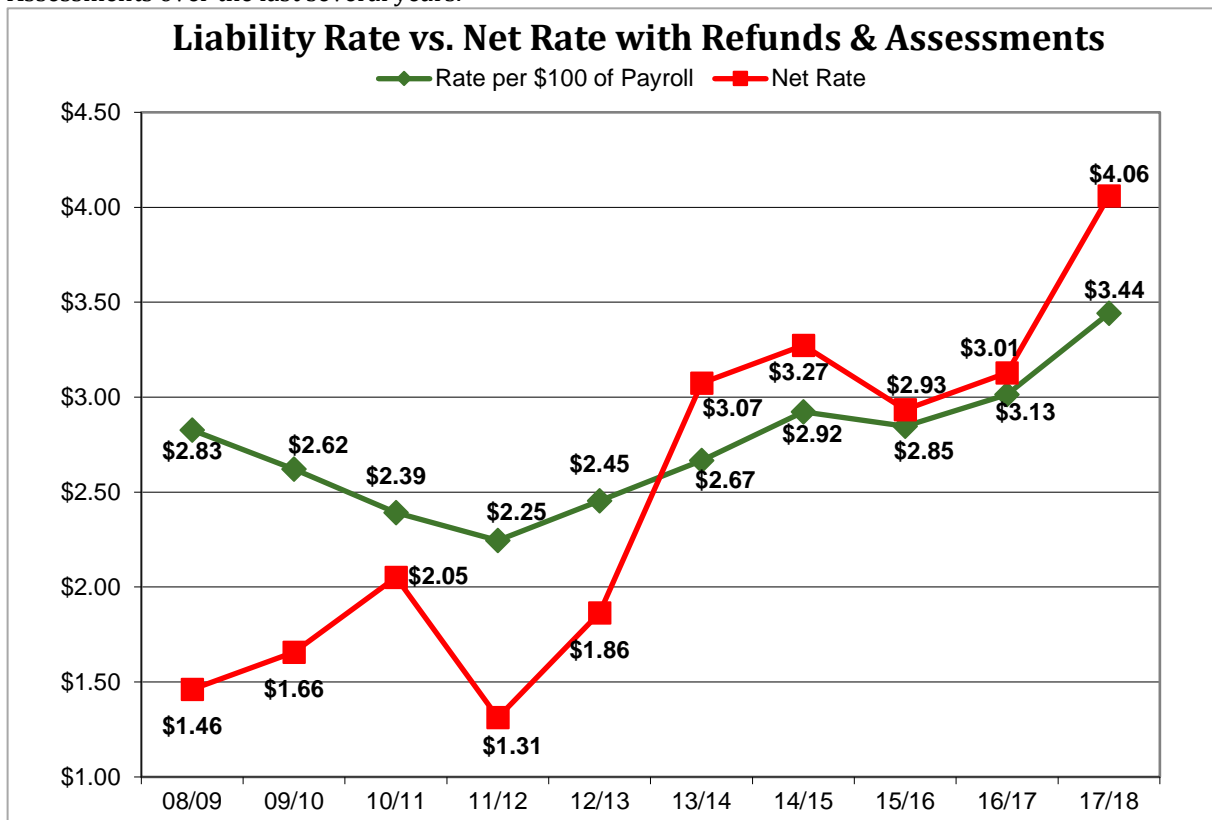
## FINANCIAL HIGHLIGHTS

Total FY 17/18 funding for the Liability Program is \$5,605,674. Members agreed to **increase the funding Confidence Level from 70% to 75%**. This contributed slightly to an increase in the rate but most of the 3.9% increase in total funding from last year was due to a 1% payroll increase and a rate increase in the Banking Layer. Shared Layer losses decreased and contributed to an increase in the Program's Net Position.

## OPERATING HIGHLIGHTS

The Board of Directors annually reviews the Banking and Shared Risk financial status to evaluate the appropriateness of declaring either a refund or an assessment. **The Banking Fund returned \$592,515 to Members** who exceeded their target funding levels. **The Shared Risk Layer Fund was assessed \$368,048** this year after application of the CJPRMA refund. The following chart shows the historical rates with and without the impact of refunds and assessments.

Six years ago the Liability Program net rates reached historic lows due to large dividends that continued for several years. The gross rate hit a low of \$2.25 in 2012 before climbing to \$3.44 in 2018 due to an increase in anticipated losses and decreases in payroll. The increase in the net rate is due to Shared Risk Layer Assessments over the last several years.



# WORKERS' COMPENSATION PROGRAM

## COVERAGE HIGHLIGHTS

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

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



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

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

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



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

## FINANCIAL HIGHLIGHTS

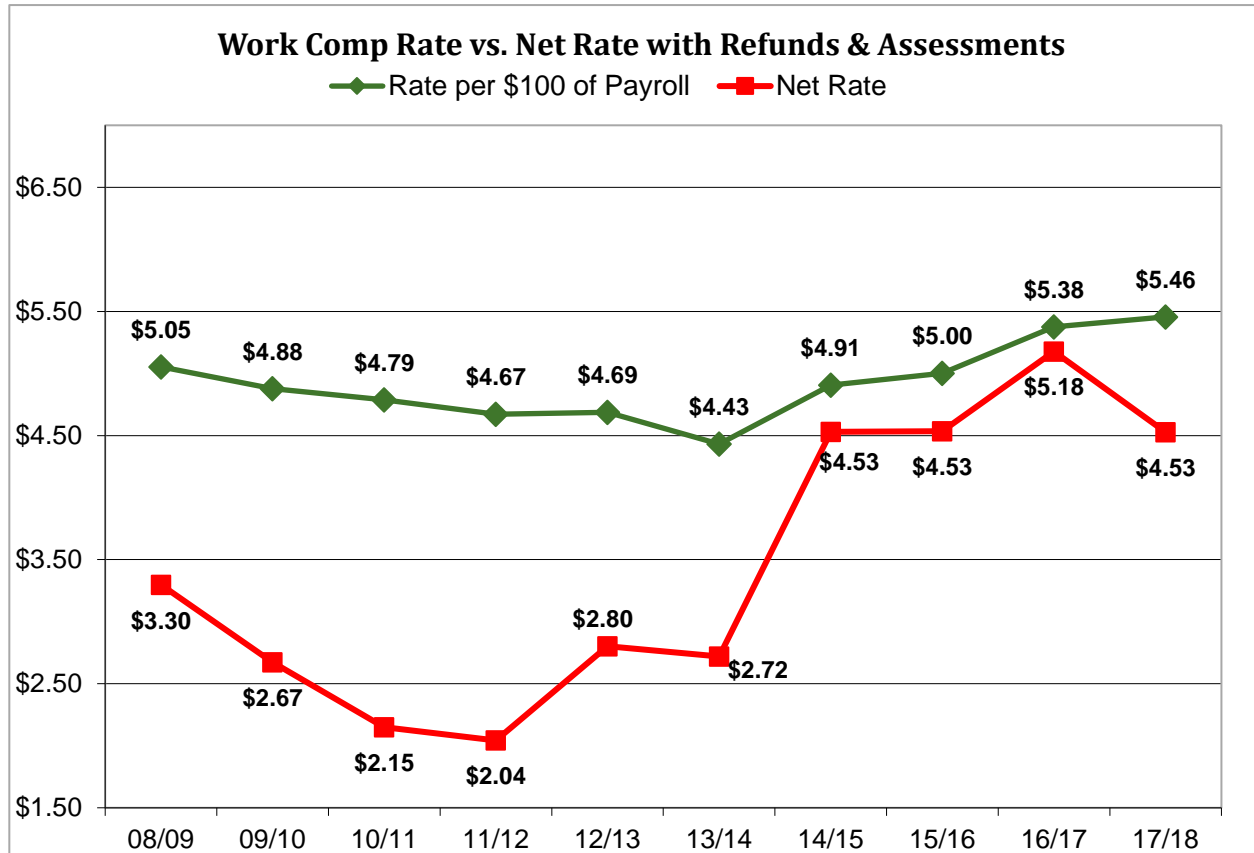
The total cost of the program for FY 17/18 is \$11,573,622, before dividends, an increase of 9.5% over the prior year, mostly due to an 8% increase in payroll. The member's also **increased the funding confidence level from 70% to 75%**. Those increases were offset by a decrease in the Shared Layer claims and rate.

The Board of Directors annually reviews the Program's financial status to evaluate the appropriateness of declaring either a refund or an assessment. In 2017 NCCSIF **returned \$498,000 in Shared Layer dividends** to its members and **\$1,684,823 in dividends in the Banking Layer**.

# WORKERS' COMPENSATION PROGRAM

## OPERATING HIGHLIGHTS

The following chart shows the historical rates with and without the impact of refunds and assessments. The rates steadily declined from 2008 to 2013 and have been increasing since then, though members have also increased the Confidence Level from 60% to 75% over the last few years, increasing the financial stability of the pool. Factoring in the refunds and assessments over the years results in a net rate that has dipped as low as \$2.04 per \$100 of payroll and has remained steady at \$4.53 for three of the last four years.



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

## LOOKING AHEAD

Members will continue to receive hands-on training and assistance regarding Workers' Compensation claims, including Work Comp 101 training and a revised Reporting Manual for guidance in reporting claims. York will also work with members in identifying qualified medical providers closer to member cities.



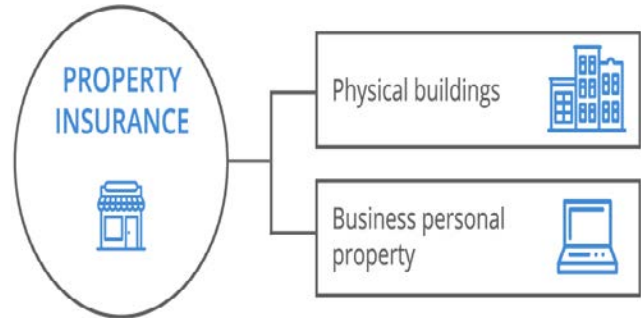
Red Bluff

# PROPERTY PROGRAM

## COVERAGE HIGHLIGHTS

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

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



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

## POLLUTION LIABILITY

- Shared limit of \$2M between all NCCSIF members that participate in APIP
- New Pollution Conditions or Indoor Environmental Conditions Coverage: First-party and third-party coverage for claims arising out of a pollution condition on, at, under or migrating from a covered location, or an indoor environmental condition at a covered location
- Transportation Coverage: First-party and third-party coverage for claims arising out of a pollution condition resulting from transportation
- Non-Owned Disposal Site Coverage: Third-party coverage for claims arising out of a pollution condition on, at, under or migrating from a non-owned disposal site
- Coverage for catastrophe management costs and emergency response costs (first-party remediation costs incurred within seven (7) days following the discovery of a pollution condition) included, provided that the costs are reported to the insurer within fourteen (14) days.

## CYBER LIABILITY

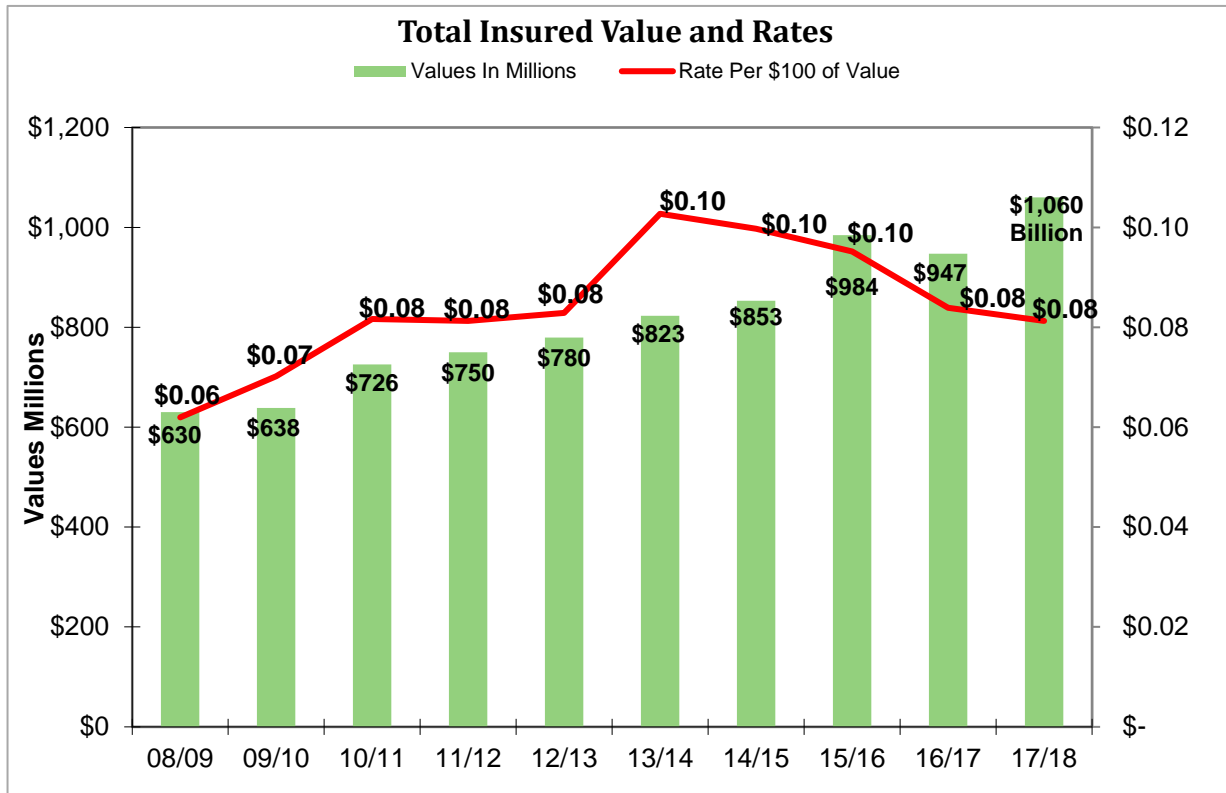
- Information Security & Privacy Liability – each member in APIP has a \$2 Million limit
- Privacy Notification Costs limit of \$500,000 (limit is increased to \$1M if Beazley Vendor Services are used)
- Cyber Extortion Loss
- Data Protection Loss and Business Interruption
- Fraudulent Instruction resulting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



# PROPERTY PROGRAM

## FINANCIAL HIGHLIGHTS

For FY 17/18 NCCSIF total insurable values increased 6.8%, to over \$1 Billion for the first time. The rate increased slightly, from \$0.08 to \$0.081, remaining steady from a high of \$0.10 two to four years ago.



## LOOKING AHEAD

The APIP Program provides Real Property Appraisals based upon Real Property Replacement Cost for scheduled locations (Appraisals do not include Personal Property/Contents). Property Appraisals of scheduled buildings are conducted every five years to maintain accurate valuations for NCCSIF members--the next appraisal is anticipated in FY 18/19. Buildings valued over \$5 Million are appraised at no cost to the member. Appraisals for properties below \$5 million are available at reduced group rates, as indicated in the table below.

Appraisals of all buildings are encouraged since the Underwriters of the APIP Program are expected to require more detailed information to receive a quote for FY 18/19. This is largely due to the increase of extreme weather events nationally and recent fires locally in California. Members are encouraged to work with Program Administration to identify items missing from their property schedule and update vehicle values as needed to ensure NCCSIF receives the lowest rates for renewal.

**APIP Building Appraisal Cost Structure**

Real Property Replacement Value	Fees Per Building	Responsible Party
\$5M and Above	\$ -	Paid by Program
\$1M to \$4.99 M	\$ 250.00	Paid through NCCSIF
\$1M and Below	\$ 150.00	Paid through NCCSIF

# CRIME PROGRAM

## COVERAGE HIGHLIGHTS

The ACIP Crime Program provides coverage for employee theft, robbery, fraud, forgery, and other types of crimes through the National Union Fire Insurance Company, A.M. Best Rated A (XV). The per occurrence limit was increased to \$3,000,000 in FY 16/17, with a \$5,000 deductible.

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

The ACIP Coverage contains the following:

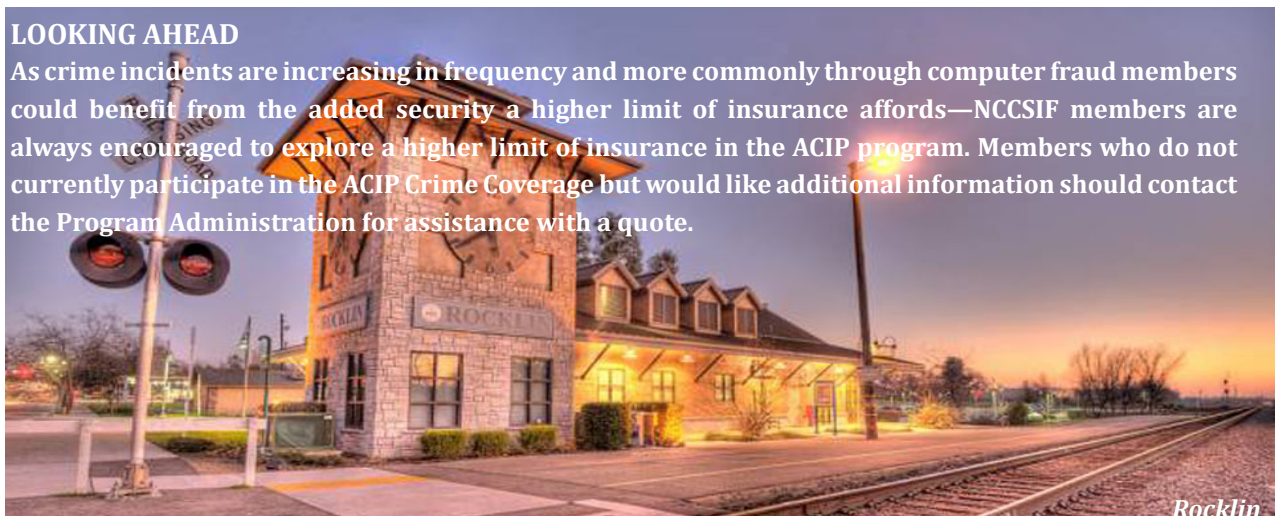
- Employee Theft
- Robbery or Safe Burglary
- Computer Fraud
- Faithful Performance of Duty
- Funds Transfer Fraud
- Investigative Expenses – Sublimit of \$75,000
- Forgery or Alteration including Credit, Debit or Charge Card Forgery
- Includes chairperson and members of committees as employees
- Includes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



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

## LOOKING AHEAD

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



Rocklin

## OTHER PROGRAMS

### **ALLIANT MOBILE VEHICLE PROGRAM (AMVP)**

Select Members of NCCSIF are enrolled in the Alliant Mobile Vehicle Program (AMVP), initially designed specifically for public agencies with a limited number of higher-valued vehicles or special equipment. The program has expanded to include all types of vehicles and mobile equipment. It provides All Risk Equipment



Coverage including earthquake and flood for scheduled equipment. Claims valuation is on a replacement cost basis for vehicles or equipment less than four years old, otherwise the policy pays to repair or replace damaged property on a like kind and quality basis (not new for old). Currently eleven of the twenty-two NCCSIF Members are enrolled in this program. The deductible varies for each member as selected.

### **IDENTITY FRAUD PROTECTION**

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

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



### **EMPLOYEE ASSISTANCE PROGRAM (EAP)**

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



The program features a benefit package which includes:

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

# SERVICES

## PROGRAM ADMINISTRATION

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

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



## CLAIMS MANAGEMENT



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

## RISK MANAGEMENT

NCCSIF hired Bickmore Risk Services in 2012 as their Risk Control Services provider to perform a Hazard and Risk Assessment for each member and recommend policies, procedures, and training to address their individual needs. As a result, members are receiving more direct assistance in managing their operations in ways that reduce the frequency and severity of claims.



Consulting by Bickmore Services includes:

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

## TARGETSOLUTIONS (PROVIDED BY CSAC EIA)



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

## LEXIPOL

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





# SERVICES

## MEMBER TRAINING FUND

Beginning FY 17/18, members are allotted \$4,000 training fund towards risk management related training and/or attendance to annual CAJPA, PARMA, CalPELRA, or other Risk Management Conferences. Attendance at Risk Management Conferences helps educate members on claim reduction strategies and other cost control mechanisms.



## SEMINARS AND REGIONAL WORKSHOPS

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

- Bickmore: on-site sessions covering ergonomics, OSHA compliance, customized training and email communications.
- Regional Workshops: NCCSIF conducts regional workshops on pertinent safety topics. Topics for 2017 consisted of AB 1825: Prevention of Sexual Harassment & Abusive Conduct, AB 1234: General Ethics Principle, Certified Pool Operator Certification Training, Playground Inspections & Maintenance, Forklift Train-the-Trainer Workshop, Understanding Legal Marijuana, and Risk Transfer & Insurance in Public Contracts.
- General Liability and Police Risk Management related trainings provided through CJPRMA on a wide variety of topics.

## WEBSITE

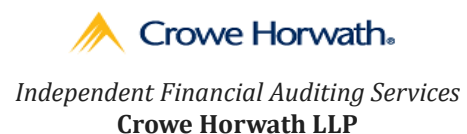
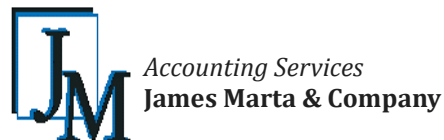
NCCSIF website resources, including a Risk Management tab where members can access Risk Management information, including recommended policies, procedures and best practices. Please take a moment to visit our website at: [www.nccsif.org](http://www.nccsif.org).

## ALLIANTCONNECT



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

## FINANCIAL SERVICE PROVIDERS AND CONSULTANTS



# FINANCIAL STATEMENTS

## STATEMENT OF NET POSITION

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
COMBINING STATEMENT OF NET POSITION  
June 30, 2017

	<u>Liability</u>	<u>Workers' Compensation</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 536,961	\$ 1,967,022	\$ 2,503,983
Investments maturing within one year	930,144	3,408,216	4,338,360
Member receivable	39,020	112,643	151,663
Excess insurance receivable	159,493	326,772	486,265
Interest receivable	52,657	183,982	236,639
Prepaid expenses	51,449	-	51,449
	<u>1,769,724</u>	<u>5,998,635</u>	<u>7,768,359</u>
<b>Total current assets</b>			
Investments, less portion maturing within one year	<u>10,137,121</u>	<u>37,132,865</u>	<u>47,269,986</u>
<b>Total assets</b>	<u>11,906,845</u>	<u>43,131,500</u>	<u>55,038,345</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	45,747	211,455	257,202
Unearned revenue	274,373	501,442	775,815
Current portion of unpaid claims and claim adjustment expenses	<u>2,890,000</u>	<u>4,980,000</u>	<u>7,870,000</u>
<b>Total current liabilities</b>	<u>3,210,120</u>	<u>5,692,897</u>	<u>8,903,017</u>
Unpaid claims and claim adjustment expenses	<u>4,493,303</u>	<u>25,645,946</u>	<u>30,139,249</u>
<b>Total liabilities</b>	<u>7,703,423</u>	<u>31,338,843</u>	<u>39,042,266</u>
<b>NET POSITION</b>			
Unrestricted	<u>\$ 4,203,422</u>	<u>\$ 11,792,657</u>	<u>\$ 15,996,079</u>

## SUMMARY OF RESULTS

- Total assets increased by just under \$1 million, and total liabilities decreased by just over \$1 million, resulting in an **increase in Net Position of almost \$2 million**, or 14%, from \$13,999,557 to \$15,996,079. Without dividends of \$2,534,805 the net position would have increased by \$4,531,327.
- Net cash from operations increased by \$155,872, from \$1,434,871 to \$1,590,743. Results reflect increased cash received from members of \$1.4 million, less increased cash paid for claims of \$800,000 and increased dividends of \$1.4 million. These changes were offset by a decrease of almost \$1 million in amounts paid to vendors and for insurance.
- NCCSIF earned \$2,141,730 in 2017 compared to \$3,053,287 in 2016. This is largely due to a decrease of \$1.7 million in the provision for unpaid claims and claim adjustment expenses.

# FINANCIAL STATEMENTS

## STATEMENT OF REVENUES AND EXPENSES

NORTHERN CALIFORNIA CITIES SELF INSURANCE FUND  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION  
For the Year Ended June 30, 2017

	<u>Liability</u>	<u>Workers' Compensation</u>	<u>Total</u>
<b>Operating revenues:</b>			
Banking layer deposit	\$ 1,869,000	\$ 5,843,000	\$ 7,712,000
Shared risk layer deposit	1,954,000	2,884,000	4,838,000
Other deposits/fees	2,415,491	1,992,942	4,408,433
Banking layer assessment	34,369	215,275	249,644
Shared layer assessment	368,049	-	368,049
Excess insurance rebate	<u>231,952</u>	<u>-</u>	<u>231,952</u>
<b>Total operating revenues</b>	<u><b>6,872,861</b></u>	<u><b>10,935,217</b></u>	<u><b>17,808,078</b></u>
<b>Operating expenses:</b>			
Provision for claims and claim adjustment expenses	1,723,116	6,108,195	7,831,311
Dividends	605,301	1,929,504	2,534,805
Insurance premiums	1,897,995	1,184,691	3,082,686
Claims administration	127,023	1,150,167	1,277,190
Program administration	196,686	167,832	364,518
Administrative fees	47,208	33,240	80,448
Safety services	239,038	234,671	473,709
Other expenses	<u>5,102</u>	<u>16,579</u>	<u>21,681</u>
<b>Total operating expenses</b>	<u><b>4,841,469</b></u>	<u><b>10,824,879</b></u>	<u><b>15,666,348</b></u>
<b>Operating income</b>	<u><b>2,031,392</b></u>	<u><b>110,338</b></u>	<u><b>2,141,730</b></u>
<b>Non-operating (expenses) revenues:</b>			
Net change in the fair value of investments	(270,952)	(751,148)	(1,022,100)
Investment income	<u>209,284</u>	<u>667,608</u>	<u>876,892</u>
<b>Total non-operating (expenses) revenues</b>	<u><b>(61,668)</b></u>	<u><b>(83,540)</b></u>	<u><b>(145,208)</b></u>
<b>Change in net position</b>	<b>1,969,724</b>	<b>26,798</b>	<b>1,996,522</b>
<b>Net position, beginning of year</b>	<u><b>2,233,698</b></u>	<u><b>11,765,859</b></u>	<u><b>13,999,557</b></u>
<b>Net position, end of year</b>	<u><b>\$ 4,203,422</b></u>	<u><b>\$ 11,792,657</b></u>	<u><b>\$ 15,996,079</b></u>

## SUMMARY OF RESULTS

- The change in net position for the FY ended June 30, 2017 was \$1,996,522. Expenses during the year included dividends to members totaling \$2,434,805. Without the dividend to members the program would have shown change in net position of \$4,531,327.
- Total operating revenues for FY 2017 were \$15,273,273, net of refunds, a decrease of 3.6% or \$568,055 as compared to FY 2016. The decrease in operating revenues was driven by an increase in dividends of \$1,413,361 from the prior year, even with an increase in the funding confidence level from 67.5% in FY 2016 to 70% in 2017.

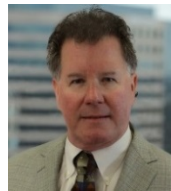
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Northern California Cities Self Insurance Fund  
*A California Joint Powers Authority*