



President
Russell Hildebrand
City of Rocklin

Treasurer
Tim Sailsbery
City of Willows

**NCCSIF
EXECUTIVE COMMITTEE SPECIAL MEETING
(TELECONFERENCE)
AGENDA**

Vice President
Bruce Cline
City of Folsom

Secretary
Michelle Pellegrino
City of Dixon

Date: Tuesday, June 30, 2015
Time: 1:30 PM
Location: Teleconference – Multiple Locations

A – Action
I – Information

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

This Meeting Agenda shall be posted at the address of the teleconference locations shown below with access for the public via phone/speaker phone.

1. City of Dixon, 600 East A Street, Dixon, CA 95620
2. City of Elk Grove, 8401 Laguna Palms Way, Elk Grove, CA 95758
3. City of Folsom, 50 Natoma Street, Folsom, CA 95630
4. City of Galt, 380 Civic Drive, Galt, CA 95632
5. City of Jackson, 33 Broadway, Jackson, CA 95642
6. City of Rocklin, 3970 Rocklin Road, CA 95677
7. City of Marysville, 526 C Street, Marysville, CA 95901
8. Alliant Insurance Services, 1792 Tribute Road Ste. 450, Sacramento, CA 95815

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. PUBLIC COMMENTS

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

C. APPROVAL OF AGENDA AS POSTED

A 1

pg. 3 **D. Marysville Request for Quarterly Payments**

A 1

The Committee will be asked to review and approve or provide direction whether to grant an installment payment plan for City of Marysville.

Pg. 6 **E. Cyber Liability Coverage From CJPRMA**

A 1

The Committee will review and respond to CJPRMA's offer to provide Cyber Liability Coverage to its members.



pg. 9

E. Round Table Discussion

I 4

The floor will be open to Executive Committee members for any topics or ideas that members would like to address.

F. ADJOURNMENT

UPCOMING MEETINGS

Police Risk Management Committee Meeting – August 6, 2015

Executive Committee Meeting – September 24, 2015

Claims Committee Meeting – September 24, 2015

Board of Directors Meeting – October 15, 2015

Risk Management Committee Meeting – October 15, 2015

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 Marann at Alliant Insurance at (916) 643-2712.

The Agenda packet will be posted on the NCCSIF website at www.nccsif.org. Documents and material relating to an open session agenda item that are provided to the NCCSIF Executive Committee less than 72 hours prior to a regular meeting will be available for public inspection and copying at 1792 Tribute Road, Suite 450, Sacramento, CA 95815.

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



**Northern California Cities Self Insurance Fund
Special Executive Committee Meeting
June 30, 2015**

Agenda Item D.

MARYSVILLE REQUEST FOR QUARTERLY PAYMENTS

ACTION ITEM

ISSUE: At the last Board meeting the City of Marysville’s request for a quarterly payment plan for their liability funding was referred to the Executive Committee for a decision. The Board did not make a decision in part due to a lack of information regarding the City’s financial condition. The City’s Board member and Finance Director, Satwant Takhar, will be present at this meeting to answer any questions relating to City of Marysville’s cash flow issues.

The Program Administrators were also asked to provide more guidance in referencing policies or procedures that would authorize the granting of the request and any prior actions that may have set a precedent to follow.

Based on feedback at the Board meeting, to the best of our collective memory no member has ever requested a payment plan, so there is no precedent to follow. And while there are no prohibitions against granting Marysville’s request, there are JPA Agreement provisions, Bylaw provisions, and an Administrative Policy and Procedure that taken together support the JPA’s policy of requiring timely payment of premiums.

The JPA Agreement, Article VIII, Responsibilities of the Member Entities, states:

- C. Each Member Entity shall timely pay all premiums, fees, charges and assessments imposed or levied by the Authority.

The JPA Agreement, Article X, establishes the Powers of the Board of Directors, including the ability to delegate to the Executive Committee all powers and duties necessary to conduct all business of the JPA “unless otherwise prohibited by the Bylaws or any other duly executed agreement of the Members or by law.”

The Bylaws support these powers wherein they state: “Subject only to such limitations as are expressly stated in the Agreement, these Bylaws or a resolution of the Board of Directors, the Executive Committee shall have and be entitled to exercise all powers which may be reasonably implied from powers expressly granted and which are reasonably necessary to conduct, direct and supervise the business of the Authority.”

The Bylaws, Section 21, also establish that “Deposits are due and payable immediately upon commencement of the Liability Plan year and quarterly for the Workers' Compensation Plan. Deposits are considered delinquent if not received by the Treasurer within thirty (30) days.”



**Northern California Cities Self Insurance Fund
Special Executive Committee Meeting
June 30, 2015**

Policy and Procedure A-8, Late Payment Charges, establishes an annual payment for Liability Coverage, due August 1, and quarterly payments for Workers' Compensation. Interest is charged at the LAIF rate on any payment once it is overdue by 15 days.

The governing documents and policies of NCCSIF clearly require and support timely payment of premiums on an established schedule, with interest charged on late payments. Marysville could simply late-pay their premiums and be charged interest. Members could take further action to compel payment and perhaps even expel the City from the JPA for late payment, though that requires a 2/3 vote of the membership. It is more likely the members would work with the City to get back on track before expelling them, and that would be consistent with the request being considered.

In short, the JPA has a compelling interest to hold members to a set payment schedule and, while there is nothing to prohibit allowing a member to make an exception to the schedule, members should allow exceptions only if absolutely necessary and make it clear there is no right to such exceptions.

RECOMMENDATION: Review and approve or provide direction.

FISCAL IMPACT: None - quarterly payments not a significant fiscal impact.

BACKGROUND: This is the first request from a member for a payment plan, so there is no precedent applicable. The City of Marysville joined NCCSIF in 1992 and has paid their premiums in full on a timely basis in the past. The City's Finance Director will provide more details and answer questions from the Committee.

ATTACHMENT(S): City of Marysville Request Letter for Quarterly Payments



CITY OF MARYSVILLE

526 "C" Street • P.O. Box 150 • Marysville, CA 95901 • (530)749-3901 • Fax (530)749-3992

June 10, 2015

NCCSIF

701 Howe Ave, Suite E3

Sacramento, CA 95825

RE: Liability Premiums

The City of Marysville would like to request an approval to pay our Liability Premiums on a quarterly basis for Fiscal Year 15/16. The first payment would be paid on September 30, 2015. 2nd on December 31, 2015. 3rd on March 31, 2016 and the final payment on June 15, 2016. If at all possible we will accelerate payments, but unfortunately we are having cash flow issues at this time. Thank you for your consideration of accepting The City's offer for quarterly payments. If you have any questions please feel free to contact me,

Best regards,

Walter Munchheimer, City Manager

Satwant Takhar, Admin Services Director



Agenda Item E.

CYBER LIABILITY COVERAGE FROM CJPRMA

ACTION ITEM

ISSUE: At the last Board meeting of NCCSIF’s Excess Liability Coverage provider, CJPRMA, the members voted to purchase a Cyber Liability Policy for all members with assets from the Excess Liability Fund (ELF). The Board Agenda Item indicated this would be an optional coverage to be selected by members based on their needs. NCCSIF was not represented at the meeting since it occurred on June 18, the same date as the NCCSIF Board meeting.

While the CJPRMA Cyber Policy could be beneficial to NCCSIF members if it provides limits in excess of those provided by the APIP Cyber Liability policy currently in place, at this point it is unclear how the two policies would respond to a loss. Due to the nature of the coverage, and the fact the limit for Privacy Notification is doubled if the Beazley Group is used, NCCSIF members should report claims to the APIP insurer and allow Beazley to respond as needed to mitigate the damages.

However, it is possible the CJPRMA policy would be considered primary coverage and negate the immediate benefits of the APIP coverage. In general, the policy that provides more specific coverage for the loss in question is primary, and that could be considered the case with the CJPRMA “stand alone” policy, since the APIP coverage is part of a package of various coverages.

As a result, the Program Administrators recommend not participating in the CJPRMA program unless and until these issues can be addressed via a review of the coverage forms and discussion with the stand-alone coverage provider.

RECOMMENDATION: Advise CJPRMA that NCCSIF does not wish to be included in the Cyber Liability Coverage at this time.

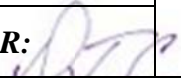
FISCAL IMPACT: TBD. CJPRMA is paying for this from the Excess Liability Fund, consisting of assets that are not currently allocated to specific members.

BACKGROUND: None.

ATTACHMENT(S): CJPRMA Agenda Item Regarding Cyber Liability Coverage

**CALIFORNIA JOINT POWERS
RISK MANAGEMENT AUTHORITY**

AGENDA BILL

ITEM: 5	TITLE: UPDATE ON CASUALTY & PROPERTY PROGRAM RENEWAL 2015-2016 AND APPROVAL OF CYBER LIABILITY PROGRAM
MEETING: 06/18/2015	
GENERAL MANAGER: 	

Recommended Actions:

Staff recommends the Board of Directors approve the proposed Cyber Liability Program as an optional program for CJPRMA Members.

Strategic Direction:

This item addresses two strategic goals: Strategic Goal 1 Core Products and Services Innovation and Strategic Goal 3 Marketing and communication outreach.

Item Explanation:

Dr. William Deeb of Aon provided the Board of Directors with a formal renewal quote for the 2015-2016 program year at the May meeting. Based upon the authority vested with the general manager all of the programs have been renewed as directed. Mr. Robert Lowe, Aon will be present to discuss any final issues associated with the renewal process.

The Board of Directors requested that a Cyber Insurance Program be developed for the membership. Aon Staff marketed the CJPRMA membership to carriers that currently write Cyber Programs. Aon Staff continues to evaluate multiple options for this program and will provide a formal presentation with a quotation for a program to be effective July 1, 2015.

A white paper titled Privacy Claims Scenarios prepared by Ace Insurance has been attached to this agenda bill. The exposures associated with cyber related claims are continuing to grow throughout our nation. Almost daily news programs reveal a cyber issue where personal and confidential data is released to hackers creating a liability for the organization that released the data. A Cyber Program will assist our members by providing a level of fiscal protection in the event of a loss.

Mr. Lowe will be present to update the Board on the costs associated with the implementation of the Cyber Program. The general manager will provide a recommendation on the best cyber product for members to implement for fiscal year 2015-2016.

Fiscal Impact:

1. Unknown. The costs associated for this program will be billed directly to each member participating in the coverage program.

Exhibits:

1. Privacy Claims Scenarios



BACK TO AGENDA

**Northern California Cities Self Insurance Fund
Special Executive Committee Meeting
June 30, 2015**

Agenda Item F.

ROUND TABLE DISCUSSION

INFORMATION ITEM

ISSUE: The floor will be open to the Committee for discussion.

RECOMMENDATION: None.

FISCAL IMPACT: None.

BACKGROUND: The item is to the Executive Committee members for any topics or ideas that members would like to address.

ATTACHMENT(S): None.