

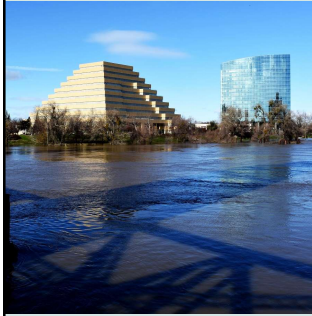


YCPARMIA

Yolo County Public Agency Risk Management Insurance Authority

2021 Orientation STRONGER TOGETHER

Presented by Marilyn Kelley



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YCAPARMIA Orientation Overview

- Mission Statement
- History of YCPARMIA
- Financial Highlights
- Governance
- Membership
- Programs
- Program Administration
- Services

YCPARMIA MISSION

To protect the members' resources from the impact of loss through a program of insurance coverage, prevention, education, training, and service.

OBJECTIVES

- Assess and address the needs of the members;
- Provide the most cost-effective insurance coverage available;
- Provide the most relevant training & education;
- Maintain the organizational strength of YCPARMIA; and
- Provide responsive and comprehensive risk management services.

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History of Joint Powers Insurance Authorities

Similar to other risk sharing JPAs, YCPARMIA was created out of necessity after most commercial insurers abandoned the public entity market in the 1970s.

- Group self-funding of risk in Pools and group purchase of excess coverage emerged as the stabilizing force the public sector needed.

Swedish proverb:

*The best place to find a helping hand is often
at the end of your own arm.*

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YCPARMIA History

- YCPARMIA was first formed in 1979. 42 years ago.
- It is one of the first pooled public entity insurance programs in the State.
- Membership has grown to 32 public entities within Yolo County, California.
- Self-Funded Coverages now extend to liability, workers' compensation, property, and fidelity with many additional coverages provided as a group purchase.
- YCPARMIA provides non-profit risk management, insurance, and safety services to its Members.
- We have been Accredited since 1992 and with Excellence from CAJPA (California Association of Joint Powers Authorities) since 2002.



YCPARMIA Membership

Voting Members

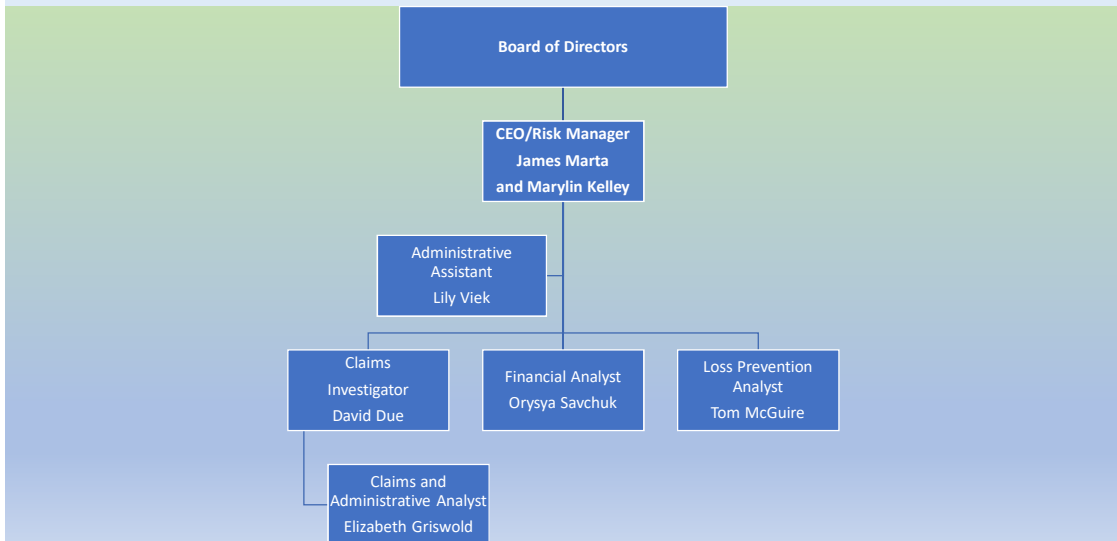
County of Yolo	Esparto Unified School District	City of Woodland
City of Davis	City of West Sacramento	City of Winters

YCPARMIA Associate Membership

Fire Districts	Fire Districts	Cemetery Districts	Yolo County Agencies	Other Districts
<ul style="list-style-type: none"> • Capay Valley Fire Protection District • Clarksburg Fire Protection District • Dunnigan Fire Protection District • East Davis County Fire Protection District • Esparto Fire Protection District • Madison Fire District 	<ul style="list-style-type: none"> • No Man’s Land Fire Protection District • Springlake Fire Protection District • West Plainfield Fire Protection District • Willow Oak Fire Protection District • Winters Fire Protection District 	<ul style="list-style-type: none"> • Cottonwood Cemetery District • Davis Cemetery District • Winters Cemetery District 	<ul style="list-style-type: none"> • California Superior Courts • Emergency Communications Agency • In-Home Supportive Services • Law Library • Local Agency Formation Commission 	<ul style="list-style-type: none"> • Madison Community Services District • Sacramento-Yolo Port District • Valley Clean Energy Alliance, JPA • Woodland-Davis Clean Water Agency, JPA • Yolo Habitat Conservancy, JPA • Yolo-Solano Air Quality Management District • YCPARMIA JPA

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YCPARMIA Organization Chart



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Highlights

- YCPARMIA is Member owned, governed and driven
- Returned over \$10.9 Million to our members
- Preparing for hard market changes
- Working to minimize losses
- Spent just 11% of our budget on operations
- Understanding members' needs
- Assessing structure, programs, services and risk management resources

Dividend Return or Credit to Members	
Program	Total
Workers' Compensation	\$ 6,015,431
Liability	\$ 4,456,000
Property, Boiler & Machinery	\$ 384,500
Fidelity	\$ 100,710
Total	\$ 10,956,641

BUDGETED OPERATIONAL EXPENSES
For Fiscal Year 2021



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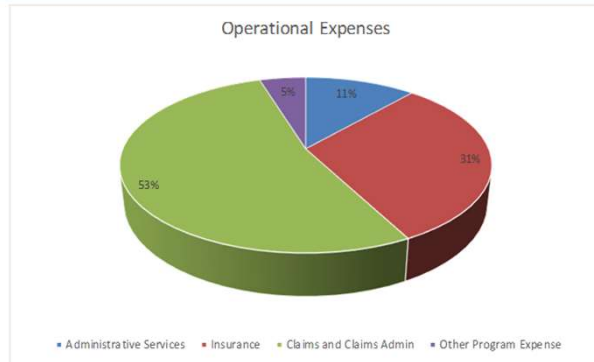
By the Numbers

Coverage Program	FY 2020		Since Inception (thru 6/30/20)	
	# of Claims	Dollars Incurred	# of Claims	Dollars Incurred
Liability	147	\$ 1,628,294	4,953	\$ 44,900,949
WC	361	\$ 2,775,778	15,924	\$ 87,713,217
Property	14	\$ 91,091	492	\$ 2,269,862

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We are Not a Cost Center

- Risk financing
- Reducing your claim costs
 - Safety committees
 - Return to work programs
 - Medical Provider Network (MPN)
 - Provider resources and contracts
- We are an enterprise focusing on risk management and loss control
- Can it be managed by any manager?
 - **No.** Requires a unique skill set (like an engineer):
 - Risk Management
 - Contract
 - Actuarial
 - Risk Financing
- Staffing
 - CEO / Risk Manager
 - Program Administrator
 - Claims Manager
 - Claims investigator/analyst
 - Loss Control
 - Controller



	2020-2021	Budget	
Administrative Services	\$ 1,480,654	11%	
Insurance	\$ 3,964,797	31%	
Claims and Claims Admin	\$ 6,827,086	53%	
Other Program Expense	\$ 616,509	5%	
Total	\$ 12,889,046	100%	

A few percent reduction here can add up.

Governance

- **The Board of Directors**
- Member Participants to the Board are the Voting Members and Alternates
 - Up to Six meetings yearly
 - Each Voting Member has one vote
 - Elect the President, Vice President, Treasurer and Secretary annually

Powers of Board

- Day to day JPA operations, including but not limited to:
 - Annual Budget
 - Approval of Cost Allocations to Members
 - Make & enter into contracts
 - Acquire and maintain property
 - Employ agent and employees
 - Receive, collect invest & disburse monies

Members - Duties & Responsibilities

All Members participate in the liability program in order to maintain their membership and:

- Pay program costs
- Provide data as requested
- Practice risk management to control claims exposures
- Assist with claims
- Ethics training (required every 2 years for current members of the Board of Directors)
- Annual Form 700 filing (Board and Alternate Board Members)

We also advise Members of training available from our partners that provide useful information. We encourage Members to participate in these seminars as they help raise awareness, reduce risk, and minimize claims.

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Programs – 14 lines of coverage

- Liability Program
- Workers' Compensation Program
- Property Program
- Fidelity Program
- Other Programs

Cyber Liability
 Airport Liability
 Aircraft Liability
 Drone Liability
 Landfill Pollution Legal Liability

Marine Hull & Machinery
 Medical Malpractice
 Pollution Legal Liability
 Storage Tanks
 School Buses



Liability Program

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

- General Liability;
- Public Officials Errors & Omissions;
- Automobile Liability; or
- Employment Practices Liability.

Total limit of liability: \$40 million per occurrence.

The program is divided into three separate coverage layers: the Member deductible, YCPARMIA up to \$500,000 per occurrence, and Excess Coverage to \$40 million through CJPRMA. CJPRMA shares risk up to \$5 million per occurrence with four other JPA's and 16 larger individual cities.

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Workers' Compensation Program

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; and
- Death Benefits.

Total limit of liability: Statutory Limits for Workers' Compensation and \$5 million for Employers' Liability

The program is divided into three separate coverage layers: the Members Deductible layer, the YCPARMIA shared risk self-insurance layer to \$1 million per occurrence and Excess Coverage through PRISM to the limits shown above. PRISM shares risk among its 181 Members with over \$31 billion in payroll and purchases reinsurance up to \$50 million and excess to statutory.

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Property Program

YCPARMIA places property coverage through the Public Risk Innovations Solutions and Management (PRISM, formerly CSAC-EIA). PRISM provides replacement cost coverage for all buildings, contents, vehicles, and mobile equipment subject to a \$600 million limit per occurrence. YCPARMIA maintains a shared risk layer over the Members deductibles to a limit of \$10,000 for vehicles under \$250,000 and \$25,000 for buildings, contents and vehicles over \$250,000. Coverages include but are not limited to:

- All Risk Property.
- Comprehensive and Collision for Vehicles and Mobile Equipment, if values are at Replacement Cost then the Deductible for vehicles over \$250,000 increases to \$100,000.
- Boiler and Machinery (also known as Equipment Breakdown) \$100 million sublimit with \$2 million additional sublimits for Ammonia Contamination, Water Damage

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Fidelity Program

YCPARMIA provides fidelity coverage through Fidelity & Deposit Company of Maryland (A Zurich Insurance Company). Sixteen (16) Members participate in this program which provides the following coverages at a limit of \$2 million per occurrence. YCPARMIA shares risk excess of the Members deductible to \$25,000. Coverages include:

- Employee Theft with Faithful Performance.
- Computer Fraud & Funds Transfer Fraud.
- Forgery or Alteration.
- Money Orders & Counterfeit Currency.
- Theft & Robbery Inside & Outside.
- Safe burglary.

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Other Coverage Programs

COVERAGE	LIMITS*
Cyber Liability*	Contact YCPARMIA
Airport Liability*	\$ 25,000,000 Each Occurrence \$ 10,000,000 Non-Owned Aircraft Physical Damage Legal Liability
Aircraft Liability*	\$ 25,000,000 Each Occurrence \$ 15,000,000 Newly Acquired Aircraft
Drone Liability*	\$ 5,000,000 each occurrence
Landfill Pollution Legal Liability*	\$6,000,000 each pollution condition
Marine Hull & Machinery*	Stated Amount
Medical Malpractice*	\$10,000,000 per event inclusive of PRISM \$1,500,000 and Yolo \$10,000 (claims made)
Pollution Legal Liability*	Contact YCPARMIA
Storage Tanks*	\$1,000,000 each pollution incident \$2,000,000 Aggregate

* Other limits may apply. See [Individual Program Coverage Summary](#) or contact YCPARMIA for details.

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Services

- Program Administration
- Claims Administration
- Risk Control Program Consulting
- Program review and development
- Safety training, support and inspections
- Additional YCPARMIA Resources
- Additional PRISM Resources

TRAINING BY THE NUMBERS

79 Ergonomic Evaluations*

450 Fit Tests*

53 Training Classes Serving

520 Attendees*

TargetSolutions

4,821 Courses*

1,456 Users

166 ATR Online Videos Watched*

(often shared
with groups)

* January 1, 2020 through
October 31, 2020

YCPRMIA Program Administration Services

- **Prepare Agendas and Coordinate Meetings;**
- **Develop and Maintain Policies and Procedures**
- **Preparation of Annual Budget and Program Deposits**
- **Issue, Modify and Maintain Memorandums of Coverage for the Shared Risk programs;**
- **Advice on Insurance Requirements in Contracts**
- **Assist with Audits; and**
- **Maintain YCPARMIA Historical Documents and Website**

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YCPRMIA Program Coverage Services

- **Ongoing Review of Coverages, Terms and Conditions**
- **Develop Renewal Marketing Information**
- **Marketing of Renewal Policies**
- **Develop, Issue and Maintain Certificates of Coverage**

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Safety & Risk Control Services

YCPARMIA can assist members with:

- Developing or updating of all required written programs
- Playground/play structure safety inspections
- Providing a wide variety of safety training to members both online and in-person

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Safety Training

The following are examples of safety topics can be scheduled for in-person training:

- First Aid/CPR/AED
- Accident Investigation
- Arc Flash Awareness (NFPA 70E) / Electrical Safety / Lockout/Tagout
- Aerial Lift Platforms (Bucket Trucks and Scissor Lifts)
- Fall Protection
- Crane / Rigging
- Bloodborne Pathogens
- Confined Space Entry / Confined Space Rescue
- Ergonomics
- Portable Fire Extinguisher Use
- Powered Industrial Truck (Forklift) Initial Certification and 3-Year Re-certifications
- Hazard Communication
- Hazardous Waste Operations and Emergency Response (HAZWOPER)
- Hearing Conservation
- Heat Illness Prevention
- Ladder Safety: For all employees that use both fixed and portable ladders
- Personal Protective Equipment
- Respiratory Protection

Training classes can also be developed or modified to meet the unique needs of our members.

Many of these topics are also available online/digitally through TargetSolutions, ATR Online (online Safety Videos), and YCPARMIA's Safety Video DVD Library

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Additional Safety Resources

- **Lexipol:** provides many useful resources to YCPARMIA Member Police and Fire departments and can help with developing manuals and safety policies for these departments.
- **Cordico:** provides psychological services to Public Safety Employees.
- **DMV Employer Pull Notice:** monitors employee driving records through the DMV. Members can use this program as a way to check that prospective employees have clean driving records and to monitor driving records of current employees.
- **DOT Drug/Alcohol Random Testing:** CDT Solutions provides random Drug and Alcohol testing for members with commercial drivers in line with the FMCSA guidelines.
- **Anonymous Reporting Tool:** The YCPARMIA Website has an anonymous reporting tool that can be used by any member to report any risk management concerns they have. This can be done completely anonymously, or the individual can leave their contact information if they wish to receive a follow up.

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In-House Liability & Property Claims Services

- **Liability and Property - Full Claims Adjusting Services, including:**
 - 30 Day Report to Members Including Recommendation for Denial or Acceptance.
 - Establishment of Loss Reserves
 - Monitor Legal Costs and Services
 - Maintenance of Loss Runs
 - Submit Claims to Excess Layers as Needed and Advise Status
 - Status Reports and Make Settlement Recommendations to Board of Directors
 - Claims Review Meetings with Members as Needed

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LWP – Workers' Compensation Claims Administration Services

- Designated Adjusters for YCPARMIA
- Full Claims Adjusting Services and Coordinate with Company Nurse
- Establishment of Loss Reserves
- Monitor Legal Costs and Services
- Maintenance of Loss Runs
- Report and Make Recommendations to CEO and Board of Directors
- Report Claims to Excess Coverage Provider
- Claims Review Meetings with Members as Needed

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Workers' Compensation Claims Services, Cont'd

- **Injury Reporting and Triage:** Beginning shortly, YCPARMIA Members will benefit from the Triage Services provided by Company Nurse.\
 - Claims will be initially reported to Company Nurse
 - A registered nurse will assess the extent of the injury with the employee and supervisor and recommend an appropriate course of action including:
 - minor self-administered first aid or
 - referral to the Designated Medical Facility in our MPN.
 - They are also available to answer employee and supervisor questions about the employee's injury, medical care and follow-up procedures.
- **Medical Provider Network:** YCPARMIA will direct WC claims to specific medical clinics.

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Service Partners

Program Services

LWP Claims Solutions, Inc. - Workers Compensation claim administrators
Company Nurse - Contract nurse care program. Initial WC claims contact and nurse triage
CJPRMA (California Joint Powers Risk Management Authority) - Excess Liability coverage
Alliant Ins. Services and Marsh - Insurance broker and adviser
PRISM (Public Risk Innovation, Solutions and Management) (formerly CSAC-EIA) - Excess Worker's Compensation & Property coverages
Crowe, LLP - External financial auditor
Chandler Asset Management - Investment management and advice.
Aon Risk Consultants - Actuarial services.

Legal Services

General Counsel
 • Kellie Murphy of Johnson, Schacter & Lewis
 Defense Counsel
 • Angelo, Kilday & Kilduff, LLP
 • Lenahan, Slater, Pearse & Majernik LLP
 • Longyear & Lavra, LLP
 • Matheny, Sears, Linkert & Jaime LLP
 • Naylor & Hayes, P.C.

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What Drives Decisions?

Long-term thinking in a short-term environment

- Insurance market is hard – many governments facing 20%-40% increases. Our current expectation is 15%-25%.
- Carriers and pools want good risks
 - You need to show good experience
 - You need to show good practices (not just risk)
- Conservation of resources – Spend on loss prevention and reduction to reduce costs;
 - *Analogy*; Repair and maintain, insulation, roofing, LED lights (these projects save money)
- Biggest costs for you are different from us. You;
 - Salary and benefit (people)
 - Public services
 - Drain – injuries, claims, suits (frictional costs; attorneys)

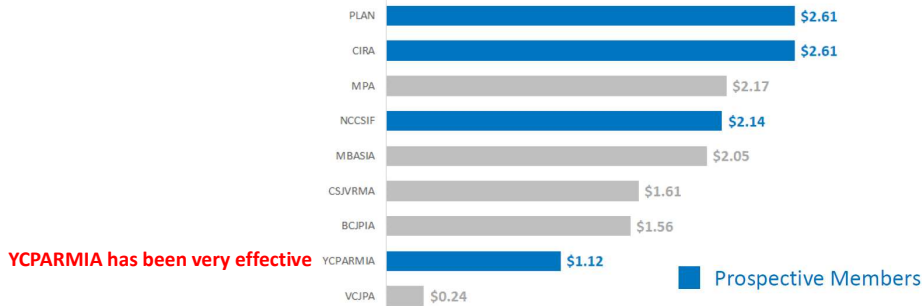
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How does YCPARMIA compare?

Liability program comparison with other California JPA's

Loss Rate

Incurred per \$100 Payroll (FYE 2011-2020)



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Current Initiatives

- How do you reduce costs?
- Decree it in the budget?
- Must put in place tangible actions
 - Risk financing
 - Electing new insurance pool (CARMA)
 - current projected savings is **\$400k.**
 - Return to work program – reviewing service to aid members (propose new contract \$185,000)
 - **Net savings \$315,000; plus member savings on Sec. 4850 costs 20% or about \$45,000.**
 - MPN (Medical Provider Network) – reconfiguring; PPO contracts, addition of providers.
 - Promote member safety committees and provide resources
 - Site inspections
 - Reporting
 - Responses



Drivers of Success

- Reality of operating a government insurance pool
- People, Policies, Procedures
- Active safety committees
- Saving money is like making money

