Yolo County Public Agency Risk Management Insurance Authority

AGENDA

YCPARMIA BOARD MEETING

Thursday, June 22, 2017 at 8:30 a.m.

YCPARMIA
77 W. LINCOLN AVE.
WOODLAND, CA 95695

1. Call to Order

2. Approval of Agenda

3. THIS TIME IS RESERVED FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD ON ANY MATTER WHETHER OR NOT IT IS ON THE AGENDA, BUT STATE LAW PROHIBITS ACTION BY THE BOARD ON NONAGENDA ITEMS

4. Communications
   A. Board Members
   B. CEO/Risk Manager
   C. Next Meeting

5. Consent Calendar
   A. Approval of Minutes

6. Action Item
   A. Year-end Program Projections
   B. Excess Fidelity Coverage
   C. Cash Payment for the General/Auto Liability Program for FY17/18
   D. Cash Payment for the Workers' Compensation Program for FY17/18
   E. Fidelity Cash Payment
   F. Cash Payment for the Property/Boiler Machinery Program for FY17/18
   G. Reinsurance of the Esparto School Bus Fleet
   H. Election of Officers

The meeting room is wheelchair accessible and disabled parking is available. If you are a person with a disability and you need disability-related modifications or accommodations to participate in this meeting, please contact our office at (530) 666-4456 or Fax (530) 666-4491. Requests for such modifications or accommodations must be made at least 48 hours before the start of the meeting.

7. Information Items
    A. YCPARMIA Financial Report
    B. YCPARMIA Investment Statement
    C. Notification of New Claims Received Since the Previous Board Meeting
    D. Closed Liability Files
    E. Workers' Comp Monthly Summary
    F. Certificates Issued
    G. Strategic Planning

The meeting room is wheelchair accessible and disabled parking is available. If you are a person with a disability and you need disability-related modifications or accommodations to participate in this meeting, please contact our office at (530) 666-4456 or Fax (530) 666-4491. Requests for such modifications or accommodations must be made at least 48 hours before the start of the meeting.

Yolo County Public Agency Risk Management Insurance Authority

COMMUNICATIONS
AGENDA ITEM NO. 4B

DATE: June 22, 2017

SUBJECT: CEO/Risk Manager's Report

RECOMMENDED ACTION: Information Only

BACKGROUND INFORMATION:

1. CAJPA is scheduled for September 12th thru the 15th in South Lake Tahoe; please let Charlotte know early if you are planning to attend.
2. PARMA is scheduled for February in Monterey this year.
3. YCPARMIA is interested in developing an e-mail directory for our member's employees to supplement our phone directory. We would share it with LWP and defense counsel.
4. Holly is on maternity leave through early August; she is, with her doctor's permission, doing some work from home, and coordinating with staff on processing payables and receivables. She is scheduled to return a few weeks before the annual financial audit.
5. Just a reminder: drones fall under the aircraft exclusion, but can be endorsed onto excess coverage.
6. LAFCO, on behalf of the city/county managers is proposing that YCPARMIA, along with six other Yolo JPS's participate in a municipal services review process every five years.
7. YCPARMIA will be hosting a government tort claims procedure round table for interested entities in July.
8. There seem to be industry predictions that the public entity liability market in California is hardening; this needs to be watched as it can have an adverse effect on our excess reinsurance rates, and could also impact our annual actuary study.
9. CJPRMA has completed an excess audit of our liability claims files; the oral report is that we are doing things well, and reflect "best practices" in many areas. A formal report will be presented to the Board at a future meeting.

Respectfully submitted,

Jeffrey M. Tonks
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

COMMUNICATIONS
AGENDA ITEM NO. 4C

DATE: June 22, 2017

SUBJECT: Next Meeting

RECOMMENDED ACTION: Information Only

BACKGROUND INFORMATION:
The next Board meeting is scheduled for:

DATE: August 24, 2017

Respectfully submitted,

Jeffrey M. Tonks
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

CONSENT CALENDAR
AGENDA ITEM NO._____5A_______

DATE: June 22, 2017

SUBJECT: Minutes

RECOMMENDED ACTION: That the Minutes of the Regular Board Meeting of May 25, 2017 be Approved as Submitted

BACKGROUND INFORMATION:
Attached is a copy of the minutes of the YCPARMIA Regular Board Meeting for May 25, 2017 for your review.

Respectfully submitted,

Jeffrey M. Tonks
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

	ACTION ITEM
	AGENDA ITEM NO. 6A
	DATE: June 22, 2017
SUBJECT:	Year-end Program Projections
RECOMMENDED ACTION:	Information Only; No Action Required, but this in needed information for action on premiums and rebates.

BACKGROUND INFORMATION:
Part of the annual premium process allows the Board to consider premium rebate/credits to offset member costs for the coming year. There is a Board policy (K-41 in the Blue Binder) that addresses this process.

Attached are our year-end projections found in an estimated Statement of Revenues, Expenses and Retained Earnings for the four applicable programs – these are conservative projections. **Based on our estimate, YCPARMIA will end the year fully funded to Board approved levels in all programs, with funds available in all programs for premium rebate at the Board's discretion.**

Also included, for continuity, is the 3rd quarter, or March report. It shows progression from the December report previously provided to the Board, and acts as justification for the year-end projection report. Of note: the liability claims payment showed no movement in this quarter; that is because a reimbursement from the excess pool for defense costs incurred on Burton v Davis off set our ongoing claims expense.

A quick overview of the year-end projections finds:

Liability: While the year-end projection has an anticipated surplus of $3,000, we are not recommending any premium rebate from this program. The Board has previously instructed staff to allow the Catastrophic Fund to "float up" to a number covering three times our SIR, or $1,500,000. We will be ending the year $150K short of that figure, and hopefully will be able to complete the funding process by the end of the calendar year.

Workers' Compensation: The year is projected to end with fully funded Reserves, Confidence Margin, and Catastrophic Fund, and a surplus in our net position of $857,000. This is not outside the historical norm, and reflects a return to a fully funded position after three years of underfunding premiums starting in 2008. Last year the Board declared a $300,000 rebate out of this program. To keep total premiums flat (not reflecting any individual members movement within the total) when compared to last year's, the Board would need to declare a rebate of $337,000.

Fidelity: This program benefited from the absence of losses again, and has generated an anticipated surplus of $9,700. Normally, with no claims pending, we would recommend rebating the entire amount, but we are currently waiting for a renewal quote on our excess coverage as our three-year policy is expiring.

Property: Despite a recent trend of increased losses, this program is anticipated to end the year with a $44,000 surplus. The excess premium in the property program has enjoyed a flat rate, but increases in declared values has driven up the premium cost. This year's declared values total $1,238,127,700, up from last year's $1,037,640,666, or a 19% increase – this kind of movement impacts the premium where we see a $73K increase. Applying the $44K surplus would bring this increase down to $29K.

YCPARMIA's By-laws do not allow the transferring of funds between the programs. When compared to last year's total paid premiums after rebates, this year's total premiums increase $674,270. Applying a portion of the available surplus of $915,323 to the total increase would result in total premiums being flat with last year, and still leave a surplus to address any unbudgeted retirement or recruitment costs.

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Respectfully submitted,

Jeffrey M. Tonks
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

	ACTION ITEM
	AGENDA ITEM NO. 6B
	DATE: June 22, 2017
SUBJECT:	Excess Fidelity Coverage
RECOMMENDED ACTION:	That the Board direct the CEO/Risk Manager to bind a three year renewal of our existing fidelity coverage at a rate not to exceed 110% of the current figure

BACKGROUND INFORMATION:
YCPARMIA's fidelity program covers participating members for the dishonest act of their employees; it also satisfies State bonding requirements for specified positions. Subject to a $1,000 per occurrence deductible, YCPARMIA pools the first $25,000. Excess takes the coverage limit up to $2M. The acts of all employees and electeds are covered. We are coming off a three-year policy, and the renewal quote is late. The broker assures us that it will be available for the Board meeting, but also promised that it would be here in May.
Renewal is expected to be at about the same cost, and we hope to have the firm quote available at the Board meeting.

FISCAL IMPACT
No fiscal impact is anticipated from the approval of the recommendation; the cost is already included in our approved budget.

Respectfully submitted,

Jeffrey M. Tonks
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

ACTION ITEM

AGENDA ITEM NO. 6C

DATE: June 22, 2017

SUBJECT:	Cash Payment for the General/Auto Liability Program for FY17/18
RECOMMENDED ACTION:	That the Board: **-** Approve the General/Auto Liability Program's cash payment of $3,268,836 for FY 17/18; - That no rebate credit be declared from this program; - Direct the CEO/Risk Manager to bill these cash payments after July 1, 2017

BACKGROUND INFORMATION:

The General/Auto Liability payment is determined by using the Board approved formula found in the YCPARMIA bylaws based on known and projected costs, credits, 2016 calendar year payroll and a three-year incurred loss history ending December 31, 2016. The board has a policy of funding the actuarially determined confidence level of 70%. The Board's approval in March of the 2017/2018 budget and acceptance of the 12/31 Actuary Study, along with the premium charge from our excess pool essentially locks the bottom line generated by the premium formula found in our By-laws in place. By applying that premium formula to program figures we generate a premium/cash payment total of $3,522,325.

Significantly, this figure represents a $253,489 increase when compared to last year's premium. The increase is made up of a number of items:

- Excess costs charged by CJPRMA have increased $45,000.
- The excess rebate has been reduced by $50,000.
- The actuarial claims cost component of our premium has increased $56,000– expected given the catastrophic claims of the past few years.
- Premium caps of about $92,000 have dropped off.

It is important to remember that while the bottom line of the liability premium changes, each member's individual share of the total premium will be affected by their three-year claims history, and how it relates to the performance of other members.

It should also be noted that the Liability program is ending FY 16/17 fully funded; program reserves, confidence margin and catastrophic funds are all at Board approved levels. It also should be remembered that the Board previously directed that the catastrophic fund should be allowed to float up to the industry approved level of three times our SIR, or $1.5M. We are currently $150K short of that, but target reaching that figure by the end of the calendar year.

Under the premium formula found in the By-laws, the shares of the premium/cash payment will be as follows:

City of Davis	$795,239.36
Esparto Unified School District	$55399.50
City of West Sacramento	$818698.86
City of Winters	$28,553.24
City of Woodland	$233,015.91
County of Yolo	$1,474,842.38
YECA	$22,889.21
Yolo-Solano AQMD	$27,652.50
Capay Valley FPD	$5,000.00
IHSS	$5,000.00
Davis Cemetery District	$5,000.00
Madison FPD	$5,000.00
Winters Cemetery District	$5,000.00
Cottonwood Cemetery Dist.	$500.00
Clarksburg FPD	$5,000.00
Winters FPD	$500.00
Dunnigan FPD	$5,000.00
Yolo Co Habitat JPA	$2,500.00
Madison Service District	$5,000.00
Law Library	$500.00
LAFCO	$500.00
No Man's Land FPD	$500.00
East Davis FPD	$500.00
Springlake FPD	$500.00
Port	$8,500.00
Woodland/Davis CWA	$500.00
Willow Oak FPD	$5,000.00
West Plainfield FPD	$5,000.00
	$3,521,290.96

No premium rebate is recommend out of this program as we continue to increase our Catastrophic Fund to the Board approved level.

FISCAL IMPACT:

The recommended funding level is reflected in the approved fiscal year 17/18 budget.

Respectfully Submitted,

Jeffrey M. Tonks
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

ACTION ITEM

AGENDA ITEM NO. 6D

DATE: June 22, 2017

SUBJECT: Cash Payment for the Workers' Compensation Program for FY 17/18

RECOMMENDED ACTION: That the Board:

-Approve the Workers' Compensation Program's cash payment for FY 17/18 in the amount of $5,800,435.

-Approve a rebate credit of between $337,000 and $620,500 to be applied to FY 17/18 WC premiums, and

-Direct the CEO/Risk Manager to bill the member cash payments after July 1, 2017

BACKGROUND INFORMATION:

The Workers' Compensation cash payments are determined by using the Board approved formula found in YCPARMIA's Bylaws. This formula uses known and projected costs, credits, 2016 calendar year payroll, and a three-year paid-to-date history ending December 31, 2016 . Catastrophic claims are capped at $75,000 and deductible payments are rolled into the calculations. The Board, as a matter policy, funds at the actuarially determined 70% confidence level. The premium total, with the Board's approval of our budget and acceptance of the annual actuary study in April, was basically set, but it should be noted that an individual member's share of the total is subject to change based on their three year claim history and its relation to our other participating members (essentially an "ex-mod factor)."

The program will end the year with:

- Fully funded program reserves;
- Fully funded contingency fund;
- Fully funded catastrophic fund; and
- A net surplus estimated at $857,704..

This program has a number of inflationary pressures. The State has legislated benefit inflation that can only be avoided by reducing the number of injuries. We have experienced a small reduction in claim frequency and severity, but not sufficient to offset the increase in benefit costs. We have also experienced a steady increase in excess premium costs which are driven, in part, by payroll increases.

The 17/18 cash payment, generated by the premium formula found in our By-laws, is, $$5,800,435, or $532K more than last year's premium total. Last year the Board declared a $300K rebate for this program, so a $337,000 rebate would result in flat total premiums for the Workers' Compensation Program. This would leave a net surplus of $520,704. That amount can be used to further reduce the program's premium if the Board so desires.

A possible suggestion would be to offset the total impact of all programs by:

- Declaring a $337K rebate in WC to generate a flat premium;
- Declaring an additional $29K rebate in WC to offset the increase in the Property premium;
- Declaring an additional $300 rebate in WC to offset the increase in the Fidelity Premium; and
- Declaring an additional $252,500 rebate in WC to offset the increase in the Liability Premium.

This would mean a total WC rebate credit of $618,500, and would result in flat total premiums for the combined programs (note an individual member's share could change within the total based on their movement within the premium formulas). Further, **it would mean that with flat premiums for the coming year, the Authority would end this year with all of it's programs fully funded**, and a net surplus on the books to pay for any retirement or recruitment costs. The Board might also consider reallocating a portion of the surplus as an expense against retirement medical (while we appear to be fully funded, a cushion might avoid problems in the future.

The premium/cash payment will be as follows:

	Premium
City of Davis	$1,078,388.20
Esparto USD	$112,146.00
City of West Sacramento	$1,017,222.10
City of Winters	$143,425.44
City of Woodland	$695,664.92

County of Yolo	$2,631,986.10
YECA	$47,298.52
Yolo-Solano AQMD	$15,803.85
Capay Valley FPD	$5,000.00
IHSS	$5,000.00
Davis Cemetery District	$5,000.00
Madison FPD	$5,000.00
Winters Cemetery District	$5,000.00
Cottonwood Cemetery Dist.	$500.00
Clarksburg FPD	$5,000.00
Dunnigan FPD	$9,277.53
Yolo Co Habitat JPA	$2,500.00
Madison Service District	$5,000.00
Port	$5,000.00
LAFCO	$500.00
West Plainfield FPD	$5,000.00
Willow Oak FPD	$5,000.00
Esparto FPD	$5,000.00
Valley Clean	$2,500.00
	$5,807,935.13

FISCAL IMPACT:
The recommended funding amount is reflected in the approved budget.

Respectfully Submitted,

Jeffrey M. Tonks
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

	ACTION ITEM
	AGENDA ITEM NO. 6E
	DATE: June 22, 2017
SUBJECT:	Fidelity Cash Payment
RECOMMENDED ACTION:	That the Board: - approve the Fidelity Cash Payment of $28,623 for FY 17/18 - approve a rebate credit of $9,700 to be applied against next year's premium; and - direct the CEO/Risk Manger to bill these cash payments after July 1, 2017

BACKGROUND INFORMATION:

The premium formula for this program is found in YCPARMIA's bylaws. The total premium cost is determined by adding the cost of excess coverage, administrative expenses (1% of the YCPARMIA total) and pooled claim costs; the individual member share of the total is based on the participating member's proportionate share of total employee headcount. Per the attached Premium Worksheet, this year's premium is $28,623, or the same as last year's premium. Note: we are still waiting for the quote on the renewed excess policy; our current three-year policy expires on 6/30/17.

There were no new claims reported for this program, and we are in the last year of a three year excess policy so coverage cost remained unchanged. The absence of claims has led to an excess surplus available for premium rebate. We recommend that the Board declare a $9,700 rebate credit for this program. After the rebate/credit the program will:

- Have a fully funded confidence margin;
- Have a fully funded catastrophic margin; and
- A very small remaining surplus.

The recommended action will result in a net premium of $18,923 or essentially a flat premium when compared to last year.

The premium/cash payment assuming that the rebate is approved, will be as follows:

	Premium	Rebate	Less Rebate
City of Davis	$4,314.53	$1,564.60	$2,749.93
Esparto Unified School District	$1,066.23	$356.05	$710.18
City of West Sacramento	$4,537.69	$1,562.41	$2,975.28
City of Winters	$520.72	$174.48	$346.24
City of Woodland	$3,364.01	$1,101.67	$2,262.34
County of Yolo	$13,208.07	$4,425.35	$8,782.72
YECA	$322.35	$109.48	$212.87
Yolo-Solano AQMD	$181.84	$65.12	$116.72
IHSS	$49.59	$12.79	$36.80
Yolo Courts	$876.13	$294.73	$581.40
Clarksburg FPD	$16.53	$6.87	$9.66
Dunnigan FPD	$49.59	$17.57	$32.02
Madison Service District	$24.80	$8.88	$15.92
Willow Oak FPD	$41.33	$0.00	$41.33
West Plainfield FPD	$49.59	$0.00	$49.59
	$28,623.00	$9,700.00	$18,923.00

FISCAL IMPACT:
The recommended premium is consistent with the approved budget.

Respectfully submitted,

Jeffrey M. Tonks
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

ACTION ITEM

AGENDA ITEM NO. 6F

DATE: June 22, 2017

SUBJECT: Cash Payment for the Property/Boiler & Machinery Program for FY 17/18

RECOMMENDED ACTION: That the Board:

-Approve the Property/Boiler & Machinery cash Payment for FY 17/18 of $615,891;

- Approve a premium rebate out of excess surplus of $44,000 to be applied to FY 17/18 property premiums, and

-Direct the CEO/Risk Manager to bill these cash payments after July 1, 2017

BACKGROUND INFORMATION:

The YCPARMIA Bylaws contain the premium formula for this combined program. The formula calls for adding excess coverage, pooled risk funds, and administrative expenses (3% of the YCPARMIA total) to determine the total premium. This amount is then apportioned among the participating members based on their percentage share of declared property values. The excess insurance group charges a higher rate for the Port, which in turn generates a surcharge over normal member costs that is passed through to them.

There is a unique aspect to this program that needs to be understood. All YCPARMIA members, with the exception of the Port, are underwritten on the same basis. The Port, due to what the excess carrier identifies as heightened risk, is underwritten at a higher rate. YCPARMIA includes the Port in its premium calculations after backing out the higher rate so that their premium paid to YCPARMIA is at the same rate as any other member. The additional amount charged by the excess carrier is then charged to the Port on a pass-thru basis.

We will end the fiscal year with:

- This program does not have actuarially determined program reserves, but the Board does budget for anticipated claims.
- A fully funded confidence margin, and
- A fully funded catastrophic fund.

We are also projecting a net surplus of $44,873, and are recommending a Board rebate credit of $44,000.

Declared values spiked up 19% this year to $1,238,127,700. Since the largest component of the premium is the cost of excess insurance, even with a rate reduction, the higher values triggered a premium increase. Total premium, without rebate, comes in at $615,891, or $73,654 more than last year's premium after rebate. By applying the recommended $44,000 rebate credit the fiscal year 17/18 property premium comes down to $571,891, or a net increase of $29,654.

The premium/cash payment, apportioned by declared values, will be as follows:

	Premium	Rebate	Less Rebate
CITY OF DAVIS	$76,151.27	$6,323.62	$69,827.65
ESPARTO SCHOOL DIST	$15,649.07	$1,228.87	$14,420.20
CITY OF W SACRAMENTO	$98,847.73	$8,289.99	$90,557.74
CITY OF WINTERS	$12,198.07	$1,111.11	$11,086.96
CITY OF WOODLAND	$73,578.45	$6,235.10	$67,343.35
COUNTY OF YOLO	$163,059.08	$13,827.73	$149,231.35
YECA	$3,802.95	$309.46	$3,493.49
YOLO-SOLANO AQMD	$400.53	$33.15	$367.38
CAPAY VALLEY FPD	$1,735.75	$136.90	$1,598.85
IHSS	$44.93	$4.50	$40.43
DAVIS CEMETERY DIST	$926.71	$77.54	$849.17
LAW LIBRARY	$1,286.62	$111.09	$1,175.53
YOLO COURTS	$3,495.54	$263.99	$3,231.55
CLARKSBURG FPD	$1,090.53	$75.15	$1,015.38
MADISON FIRE DIST	$1,510.98	$88.78	$1,422.20
WINTERS CEMETERY DIST	$355.51	$27.88	$327.63
COTTONWOOD CEMETERY	$25.86	$2.16	$23.70
DUNNIGAN FPD	$838.44	$72.17	$766.27
PORT	$60,364.41	$5,775.86	$54,588.55
MADISON SERVICE	$51.61	$4.43	$47.18
Yolo County HCP/NCCP JPA	$10.45	$0.52	$9.93
Willow Oak FPD	$2,322.41	$0.00	$2,322.41
West Plainfield FPD	$818.78	$0.00	$818.78
Woodland-Davis Water Agency	$94,355.84	$0.00	$94,355.84
Esparto FPD	$2,969.70	$0.00	$2,969.70
TOTAL	**$615,891.22**	**$44,000.00**	**$571,891.22**

FISCAL IMPACT:
The recommended funding amount is reflected in the approved budget.

Respectfully Submitted,

Jeffrey M. Tonks
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

ACTION ITEM

AGENDA ITEM NO. 6G

DATE: June 22, 2017

SUBJECT: Reinsurance of the Esparto School Bus Fleet

RECOMMENDED ACTION: That the Board authorize the CEO/Risk Manager to bind coverage reinsuring the Esparto School Bus Fleet for an annual premium of under $29,000

BACKGROUND INFORMATION:
The YCPARMIA Liability Memorandum of Coverage excludes coverage for multi-passenger vehicles with over twenty seats, but endorsement #2 exempts the Esparto School bus fleet from this exclusion. There is a similar endorsement on our excess coverage that is grounded on our agreeing to reinsure the first $5M. In effect, this means that the buses are covered for the first $500K by YCPARMIA and by the excess carrier for amounts above our retention, but this coverage would sit behind the purchased coverage which would be primary on any loss.

In an effort to protect the risk sharing pools from a potentially catastrophic exposure for multiple injuries in a single accident, YCPARMIA has historically re-insured the bus exposure by purchasing separate commercial coverage for the risk. This coverage would be primary, and would satisfy our retention by paying the first $5M of any covered occurrence, with the excess pool attaching above that.

The premium for this coverage is included (with our CJPRMA excess coverage costs) in the budget under Excess Liability Coverage. The last four years have seen flat premiums at under $28,000. This year's quote is currently overdue from our broker, but we are anticipating little, if any, increase – for budgetary purposes we were anticipating less than 2%.

The insurance policy also provides physical damage coverage for the buses; the cost of this coverage is passed back to the District. Subject to a $1,000 deductible, the current premium was about $7,000; this number fluctuates as changes in the makeup of the bus fleet impact insurable values.. The District approves the binding of this coverage prior to placement.

FISCAL IMPACT:
The cost of the reinsurance is already included in the approved budget under Liability Excess Coverage.

Respectfully Submitted,

Jeffrey M. Tonks
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

ACTION ITEM

AGENDA ITEM NO.____6H________

DATE: June 22, 2017

SUBJECT: Election of Officers

RECOMMENDED ACTION: That the Board nominates and elects a President and a Vice-President for FY 17/18

BACKGROUND INFORMATION:
YCPARMIA's bylaws require that the officers of the YCPARMIA Board of Directors be elected on an annual basis prior to the beginning to the new fiscal year. Traditionally the President and Vice-President, while elected annually, serve for two successive terms. President Perry has finished his second year in office; as has Vice-President McShane.

As a matter of information, under our By-laws the other two officer positions for the YCPARMIA Board are:

- Board Secretary: by the By-laws, the position is held by the CEO/Risk Manager; and
- Treasurer: by appointment by the Board, the Yolo County Auditor-Controller, Howard Newens, is our Treasurer.

It should be remembered that President Perry, and Directors Mills and Howard will be retiring during the upcoming office terms.

FISCAL IMPACT:
There is no anticipated cost associated with the recommended action.

Respectfully Submitted,

Jeffrey M. Tonks
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

INFORMATION ITEM
AGENDA ITEM NO._____7A_______

DATE: June 22, 2017

SUBJECT: YCPARMIA Financial Report

RECOMMENDED ACTION: Information only, no action required

BACKGROUND INFORMATION:
Attached are the YCPARMIA's Financial Report through May 31, 2017 for your review.

Respectfully submitted,

Jeffrey M. Tonks
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

	INFORMATION ITEM
	AGENDA ITEM NO. 7B
	DATE: June 22, 2017
SUBJECT:	YCPARMIA Investment Statement
RECOMMENDED ACTION:	Information only, no action required

BACKGROUND INFORMATION:
Attached are the YCPARMIA Investment Statements through May 31, 2017 for your review.

For your information:

	Investment Statement
LAIF	*$ no report*
Chandler as of 5/31/2017:	$

For your information:

	Outstanding Reserves
Total as of 4/30/2016:	$ 6,894,830.00
Total as of 5/31/2017:	**$ 6,940,410.00**

Respectfully submitted,

Jeffrey M. Tonks
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

INFORMATION ITEM
AGENDA ITEM NO. 7C

DATE: June 22, 2017

SUBJECT: Notification of New Claims Received Since the Previous Board Meeting

RECOMMENDED ACTION: Information only, no action required

BACKGROUND INFORMATION:
Attached is a list of new Liability claims that have been received by YCPARMIA since the last Board Meeting. For your convenience, we have also included a list of all open Liability claims.

Respectfully submitted,

Jeffrey M. Tonks
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

INFORMATION ITEM
AGENDA ITEM NO. 7D

DATE: June 22, 2017

SUBJECT: Closed Liability Files

RECOMMENDED ACTION: Information only, no action required

BACKGROUND INFORMATION:
Attached is our report on closed liability files. Recognizing that this agenda is a public document, it should be emphasized that the information provided is general. It is probable during the course of the year, that some files that close with a denial will re-open for litigation.

Respectfully submitted,

Jeffrey M. Tonks
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

INFORMATION ITEM
AGENDA ITEM NO. 7E

DATE: June 22, 2017

SUBJECT: Workers' Comp Loss Run Summary

RECOMMENDED ACTION: Information Only; no action required.

BACKGROUND INFORMATION:
Attached is the May 31, 2017 WC loss run summary reflecting first eleven months of the year's results for the Workers' Compensation Program.

Summary:
- The first 10-month's frequency is trending closely to, but lower than, last year's numbers.
- Severity is flat when measured by indemnity versus medical only claims.
- Benefit costs are a bit lower on average, but vulnerable to a bad month.
- Future reserves on open files are up when compared to last year's February numbers, and flat with the numbers for the start of this fiscal year.
- **When you combine the increase of future reserves with the decrease of benefits paid, you come out to what amounts to $0 – in other words, our financial position in this program is essentially unchanged during this fiscal year.**

Frequency:
We have received 326 new claims during the11 months, or an average of 29.6 claims per month. We averaged 30.3 last year, and 25.5 the year before that. It is important to remember the adage that "frequency breeds severity;" more claims increase the odds of a serious injury/claim.

Severity:
Of the 2326 new claims, only 20 were coded as indemnity, but an additional 35 claims were converted from medical only, meaning that 16.8% of new claims had exposures for temporary disability and/or permanent disability. This is slightly lower than the 17% that we had at this point last year,

Benefits:
Our average monthly benefit payments this year are $227,577. This compares well to last year's average of $232,266. It is important to recognize how one bad month can affect this picture, and May was a bad month driving up our monthly average paid by over

$10K. Year to date we are $151,566 better /lower than last year at the same time, and on a pro rata basis we are $120,852 better.

Temporary Disability: This number continues to trend up significantly, and should be a concern. Claims with TD exposures often trigger Permanent Disability payments down the road. The developing numbers suggest a year that will threaten an historical high for this category.

Permanent Disability: Permanent Disability payments are a bit lower.

Medical Costs: Our biggest benefit exposure is trending substantially lower, but again small number can be impacted by the presence or absence of a few extra surgeries. It is interesting that TD is up and medical is flat; we would expect to see more of a connection where injuries that lead to someone missing work would suggest more expensive medical treatment.

Vocational Rehabilitation: is inconsequential.

Legal, Investigative, Sub-rosa: This area is trending up slightly.

Future Reserves:
Future reserves on existing open files are at $6077828, or $89,234 more than the reserves a year ago, and remain consistent with the projections that our actuary made from 12/31 figures. It has been an internal goal to keep future reserves at about $6M with roughly 300 open files (we are currently at 324).

Respectfully submitted,

Jeffrey M. Tonks
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

INFORMATION ITEM
AGENDA ITEM NO. 7F
DATE: June 22, 2017

SUBJECT: Certificates Issued

RECOMMENDED ACTION: Information Only; no action required.

BACKGROUND INFORMATION:

Attached is a list of the certificates that have been issued since the last Board Meeting.

Respectfully Submitted,

Jeffrey M. Tonks
CEO/Risk Manager

Yolo County Public Agency Risk Management Insurance Authority

INFORMATION ITEM

AGENDA ITEM NO.____7G________

DATE:___ June 22, 2017

SUBJECT: Strategic Planning

RECOMMENDED ACTION: Information Only; No Action Required

BACKGROUND INFORMATION:

This agenda item is intended to allow the Board to discuss trends, actions, future risk management plans, and to direct YCPARMIA staff as needed.

Respectfully submitted,

Jeffrey M. Tonks
CEO/Risk Manager