



# Yolo County Public Agency Risk Management Insurance Authority

## AGENDA

### YCPARMIA BOARD MEETING

Thursday, June 23, 2016 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. GASB 45 Actuarial Study
  - C. Cash Payment for the General/Auto Liability Program for Fy16/17
  - D. Cash Payment for the Workers' Compensation Program for FY 16/17
  - E. Fidelity Cash Payment
  - F. Cash Payment for the Property/Boiler Machinery Program for FY 16/17
  - G. Reinsurance of the Esparto School Bus Fleet
  - H. Election of Officers
  - I. Cordico (Arden Psyche)
  - J. Occu-Med

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. Redevelopment Boards
- H. 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.	<u>4B</u>
	DATE: <u>June 23, 2016</u>
<b>SUBJECT:</b>	CEO/Risk Manager's Report
<b>RECOMMENDED ACTION:</b>	Information Only

## **BACKGROUND INFORMATION:**

1. PARMA is returning to the Disneyland Hotel complex in February of 2017; this is a popular destination, and your early indication of attendance will help us reserve rooms.
2. CAJPA is again being held in South Lake Tahoe between September 13<sup>th</sup> and 16<sup>th</sup>. YCPARMIA has reserved rooms at Harvey's this year.
3. West Plainfield Fire District, approved by the Board for membership at its last meeting, has confirmed that they will be participating in the Fidelity, Property, Workers' Compensation and Liability Programs.
4. Willow Oak Fire District will be postponing participation in our Workers' Compensation program until October due to notice requirements for withdrawal from their current carrier.

Respectfully submitted,

Jeffrey M. Tonks  
CEO/Risk Manager

# Yolo County Public Agency Risk Management Insurance Authority

COMMUNICATIONS  
AGENDA ITEM NO. 4C

DATE: June 23, 2016

**SUBJECT:** Next Meeting

**RECOMMENDED ACTION:** Information Only

**BACKGROUND INFORMATION:**

The next Board meeting is scheduled for:

DATE: August 25, 2016

Respectfully submitted,

Jeffrey M. Tonks  
CEO/Risk Manager

# Yolo County Public Agency Risk Management Insurance Authority

CONSENT CALENDAR  
AGENDA ITEM NO. 5A

DATE: June 23, 2016

**SUBJECT:** Minutes

**RECOMMENDED ACTION:** That the Minutes of the Regular Board Meeting of May 26, 2016 be Approved as Submitted

**BACKGROUND INFORMATION:**

Attached is a copy of the minutes of the YCPARMIA Regular Board Meeting for May 26, 2016 for your review.

Respectfully submitted,

Jeffrey M. Tonks  
CEO/Risk Manager

# Yolo County Public Agency Risk Management Insurance Authority

	ACTION ITEM
	AGENDA ITEM NO. <u>6A</u>
	DATE: <u>June 23, 2016</u>
<b>SUBJECT:</b>	Year-end Program Projections
<b>RECOMMENDED ACTION:</b>	Information Only; No Action Required, but this is 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, and do not include end-of-the-year investment returns. Based on our estimate, the only program that has not created a surplus is Liability, and we have recommended a rebate credit from each of the other three programs.

A quick overview of the year-end projections finds:

Liability: No premium rebate will be recommended in this program. We are projecting that the Liability Program will end the year with full funded program reserves and Confidence Margin, but that the Catastrophic Fund will only be at 53% of the Board approved level. This position is not unexpected. The program was impacted by a series of catastrophic claims over the last two years, but has experienced financial strengthening this fiscal year. Absent adverse claims development we might end FY 16/17 with the program fully funded. It is also important to remember that as recently as FY's 10/11 and 11/12 the Board approved \$1.5M in rebates from this program.

Workers' Compensation: We will be recommending a \$300K rebate. The year is projected to end with fully funded Reserves, Confidence Margin, and Catastrophic Fund. This is a significant improvement from where we started a few years ago with no Confidence Margin or Catastrophic Fund, and a small deficit in the program reserves. The positive movement was triggered by better frequency and severity, improved claims handling, and two actuary studies. As a result, YCPARMIA has fully recovered from the three year period where the Board made the informed decision to underfund the program in response to an ongoing budgetary crisis facing many of our members.

Property: We are recommending a \$25,000 rebate from this program. After what was our worst historical year for property claims frequency and severity, we have returned to a normal claims cycle. The program is fully funded, and has generated a small surplus.

Fidelity: We are recommending a \$10,000 rebate from this program. The program is fully funded with a small surplus that developed because of a claim-free year.

Respectfully submitted,

Jeffrey M. Tonks  
CEO/Risk Manager

# Yolo County Public Agency Risk Management Insurance Authority

		ACTION ITEM
		AGENDA ITEM NO. <u>6B</u>
		DATE: <u>June 23, 2016</u>
<b>SUBJECT:</b>	GASB 45 Actuarial Study	
<b>RECOMMENDED ACTION:</b>	That the Board review and approve the attached GASB 45 actuarial study.	

## **BACKGROUND INFORMATION:**

GASB Statement 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions," require public entities to measure and disclose an amount for annual OPEB costs on an accrual basis. YCPARMIA, due to its size, qualifies for a simplified alternative measurement method with an actuarial valuation at least triennially. Attached is a copy of the actuarial study prepared last month for YCPARMIA by James Marta & Company.

If funding for the benefit liabilities is not placed in an irrevocable trust, it is categorized as "unfunded," and reported as a liability on our Balance Sheet. YCPARMIA has designated funds for this obligation, and maintains them in a separate Certificate of Deposit. Our plan for funding these retirement benefits is:

- Budget and pay current benefits on a "pay-as-you-go" basis.
- Build up sufficient funds to fully fund the obligation on a "going forward" basis.
- Then pay future obligations and benefits, in part, from earnings from the dedicated funds.

Per the Actuary study:

- YCPARMIA's current obligation is \$648,342.
- Dedicated funds in our OPEB CD total \$604,711 (or 93.2%).
- Annual increases to our YCPARMIA's ongoing obligations are currently estimated at \$30,005 for current employees.
- The annual cost of benefits for current retirees is \$15,412 (requiring about a 2.5% annual return to cover our retiree costs).
- We budget \$15,000 a year as a minimum contribution, but direct more funds out of excess surplus when/if available.

## **FISCAL IMPACT**

There is no anticipated fiscal impact from the recommended action.

Respectfully submitted,

Jeffrey M. Tonks  
CEO/Risk Manager



# Yolo County Public Agency Risk Management Insurance Authority

	ACTION ITEM
	AGENDA ITEM NO. <u>6C</u>
	DATE: <u>June 23, 2016</u>
<b>SUBJECT:</b>	Cash Payment for the General/Auto Liability Program for FY16/17
<b>RECOMMENDED ACTION:</b>	That the Board: <ul style="list-style-type: none"><li>- Approve the General/Auto Liability Program's cash payment of \$3,268,836 for FY 16/17;</li><li>- That no rebate credit be declared from this program;</li> <li>- Direct the CEO/Risk Manager to bill these cash payments after July 1, 2016</li></ul>

## **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, 2015 calendar year payroll and a three-year incurred loss history ending December 31, 2015. The board has a policy of funding the actuarially determined confidence level of 70%. The Board's approval in April of the 2016/2017 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 \$3,268,336.

Significantly, this figure represents a \$535,700 increase when compared to last year's premium. The increase is made up of a number of items:

- We have transferred \$70,000 for Lexipol police and fire policy and training updates from our Administrative Services portion of the budget to the liability premium.
- Excess costs charged by CJPRMA have increased \$227,505.
- The actuarial claims cost component of our premium has increased \$153,000 – expected given the catastrophic claims of the past few years.
- The \$85,195 balance is made up of premium caps less an \$18,875 reduction in our administrative/service budget charged to this program.

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 remembered that the last three years have seen increases in our liability premiums. After six years of virtually identical or flat premiums (including a total of \$1.5M in premium rebates in 2011 and 2012), last year we saw a \$24K increase and the year prior an additional \$76K in premium costs. With this recommended billing, the liability program we will start the fiscal year with:

- A fully funded program reserves;
- A fully funded confidence margin;
- And a catastrophic fund funded at 53% of the Board approved level.

The authority is coming off three recent claims that have threatened or exceeded our SIR, and as a result, have depleted our catastrophic fund. We see an improving trend that should, absent adverse claim development, return this program to fully funded by the end of the next fiscal year.

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

City of Davis	\$639,628.04
Esparto Unified School District	\$110,798.52
City of West Sacramento	\$739,758.35
City of Winters	\$51,213.69
City of Woodland	\$280,206.44
County of Yolo	\$1,343,428.01
YECA	\$21,556.70
Yolo-Solano AQMD	\$18,435.18
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	\$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	\$1,311.31
Willow Oak FPD	\$5,000.00
West Plainfield FPD	\$5,000.00
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	\$3,268,836.24

**FISCAL IMPACT:**

The recommended funding level is reflected in the approved fiscal year 16/17 budget.

Respectfully Submitted,

Jeffrey M. Tonks  
CEO/Risk Manager

# Yolo County Public Agency Risk Management Insurance Authority

	ACTION ITEM
	AGENDA ITEM NO. <u>6D</u>
	DATE: <u>June 23, 2016</u>
<b>SUBJECT:</b>	Cash Payment for the Workers' Compensation Program for FY 16/17
<b>RECOMMENDED ACTION:</b>	That the Board: <ul style="list-style-type: none"><li>-Approve the Workers' Compensation Program's cash payment for FY 16/17 in the amount of \$5,763,817</li><li>-Approve a rebate credit of \$300,000 to be applied to FY 16/17 WC premiums, and</li> <li>-Direct the CEO/Risk Manager to bill the member cash payments after July 1, 2016</li></ul>

## **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, 2015 calendar year payroll, and a three-year paid-to-date history ending December 31, 2015. 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)."

After the Boards informed decision to freeze premiums at an artificially low level in 2009 and 2010, this program has finally returned to a fully funded position, and has generated excess funds that are available for rebates – a common feature of the WC program prior to 2009.

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.

On the positive side, an excellent actuary study has resulted in a significant reduction in program reserves. As a result we will be starting the coming fiscal year with:

- Fully funded program reserves,
- A fully funded confidence margin, and
- A fully funded Catastrophic Fund.

The 16/17 cash payment, generated by the premium formula found in our By-laws, is, \$5,768,817, or \$517K more than last year's premium total. The increase is generated by:

- A \$76,200 increase in excess premium costs,
- A \$31,000 increase in our safety wellness program,
- A \$393,000 increase in our actuarially determined claims costs,
- The balance is an off set of premium caps, and a \$31,700 decrease in our administrative/service budget.

It is significant to note that both the actuary and excess premiums are greatly impacted by changes in payroll – essentially a rate is applied to reported payroll. YCPARMIA members reported a \$19M increase (to almost \$211M), or almost 10%, which balances against the almost 10% increase, prior to rebates, in this year's premium figure. Our ability to beat the excess and actuary projections through good risk management practices should develop surplus available for premium rebates that hopefully can continue to counterbalance the impact of increasing payrolls.

To be credited against the proposed premium, after using excess surplus to return the program to a fully funded position, is a recommended rebate of \$300,000 out of remaining excess program surplus, bringing the proposed net premium down to \$5,463,817.

The premium/cash payment will be as follows:

	<u>Premium</u>	<u>Rebate</u>	<u>Premium Less Rebate</u>
City of Davis	\$1,334,354.22	\$61,677.29	\$1,272,676.93
Esparto USD	\$74,763.92	\$8,639.78	\$66,124.14
City of West Sacramento	\$1,134,650.14	\$61,915.48	\$1,072,734.66
City of Winters	\$105,533.95	\$5,220.54	\$100,313.41
City of Woodland	\$936,127.22	\$46,135.91	\$889,991.31
County of Yolo	\$2,052,044.84	\$110,240.99	\$1,941,803.85
YECA	\$52,484.42	\$1,596.18	\$50,888.24

Yolo-Solano AQMD	\$16,081.34	\$938.32	\$15,143.02
Capay Valley FPD	\$5,000.00	\$307.78	\$4,692.22
IHSS	\$5,000.00	\$307.78	\$4,692.22
Davis Cemetery District	\$5,000.00	\$307.78	\$4,692.22
Madison FPD	\$5,000.00	\$307.78	\$4,692.22
Winters Cemetery District	\$5,000.00	\$307.78	\$4,692.22
Cottonwood Cemetery Dist.	\$500.00	\$30.78	\$469.22
Clarksburg FPD	\$5,000.00	\$307.78	\$4,692.22
Dunnigan FPD	\$9,277.53	\$957.82	\$8,319.71
Yolo Co Habitat JPA	\$2,500.00	\$153.89	\$2,346.11
Madison Service District	\$5,000.00	\$307.78	\$4,692.22
Port	\$5,000.00	\$307.78	\$4,692.22
LAFCO	\$500.00	\$30.78	\$469.22
West Plainfield FPD	\$5,000.00	\$0.00	\$5,000.00
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	\$5,251,016.67	\$300,000.00	\$5,463,817.58

**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. <u>6E</u>	
DATE: <u>June 23, 2016</u>	
<b>SUBJECT:</b>	Fidelity Cash Payment
<b>RECOMMENDED ACTION:</b>	<p>That the Board:</p> <ul style="list-style-type: none"> <li>- approve the Fidelity Cash Payment of \$28,632 for FY 16/17</li> <li>- approve a rebate credit of \$10,000 to be applied against next year's premium; and</li> <li>- direct the CEO/Risk Manger to bill these cash payments after July 1, 2016.:</li> </ul>

**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 \$309 less than last year's approved figure.

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 \$10,000 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 small remaining surplus.

The recommended action will result in a net premium of \$18,623, or about \$6K less than last year.

The premium/cash payment will be as follows:

	<u>Premium</u>	<u>Rebate</u>	<u>Less Rebate</u>
City of Davis	4,481.29	\$1,759.01	\$2,722.28
Esparto Unified School District	\$1,027.67	\$373.25	\$654.42
City of West Sacramento	\$4,599.22	\$1,583.51	\$3,015.71

City of Winters	\$522.26	\$193.62	\$328.64
City of Woodland	\$3,285.16	\$1,122.68	\$2,162.48
County of Yolo	\$13,056.40	\$4,424.75	\$8,631.65
YECA	\$320.09	\$115.87	\$204.22
Yolo-Solano AQMD	\$185.32	\$66.69	\$118.63
IHSS	\$42.12	\$12.31	\$29.81
Yolo Courts	\$859.20	\$320.62	\$538.58
Clarksburg FPD	\$25.27	\$7.16	\$18.11
Dunnigan FPD	\$75.81	\$13.32	\$62.49
Madison Service District	\$25.27	\$7.21	\$18.06
Willow Oak FPD	\$33.69	\$0.00	\$33.69
West Plainfield FPD	\$84.23	\$0.00	\$84.23
	\$28,632.00	\$10,000.00	\$18,623.00

**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. <u>6F</u>
	DATE: <u>June 23, 2016</u>
<b>SUBJECT:</b>	Cash Payment for the Property/Boiler & Machinery Program for FY 16/17
<b>RECOMMENDED ACTION:</b>	That the Board: <ul style="list-style-type: none"><li>-Approve the Property/Boiler &amp; Machinery cash Payment for FY 16/17 of \$567,237;</li><li>- Approve a premium rebate out of excess surplus of \$25,000 to be applied to FY 16/17 property premiums, and</li></ul> <p style="text-align: center;">-Direct the CEO/Risk Manager to bill these cash payments after July 1, 2016.</p>

## **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.

Declared values have remained relatively flat at \$1,037,640,666. After an historically high year for property claim frequency and severity, FY 15/16 saw a return to more traditional trends with claims costs coming in under budget. As a result, the program has generated a small surplus available for premium rebate. We are recommending that the Board declare a \$25,000 rebate.

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.

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

	<u>Premium</u>	<u>Rebate</u>	<u>Less Rebate</u>
CITY OF DAVIS	\$83,385.46	\$3,568.17	\$79,817.29
ESPARTO SCHOOL DIST	\$16,761.74	\$669.65	\$16,092.09
CITY OF W SACRAMENTO	\$108,031.84	\$4,684.95	\$103,346.89
CITY OF WINTERS	\$13,398.06	\$657.88	\$12,740.18
CITY OF WOODLAND	\$79,768.52	\$3,500.04	\$76,268.48
COUNTY OF YOLO	\$178,856.25	\$7,639.55	\$171,216.70
YECA	\$4,189.99	\$173.65	\$4,016.34
YOLO-SOLANO AQMD	\$431.03	\$18.94	\$412.09
CAPAY VALLEY FPD	\$2,112.62	\$63.48	\$2,049.14
IHSS	\$49.52	\$3.01	\$46.51
DAVIS CEMETERY DIST	\$1,020.07	\$44.00	\$976.07
LAW LIBRARY	\$1,414.21	\$52.57	\$1,361.64
YOLO COURTS	\$3,849.14	\$147.55	\$3,701.59
CLARKSBURG FPD	\$975.24	\$41.88	\$933.36
MADISON FIRE DIST	\$1,157.11	\$50.28	\$1,106.83
WINTERS CEMETERY DIST	\$359.63	\$15.91	\$343.72
COTTONWOOD CEMETERY	\$28.48	\$1.20	\$27.28
DUNNIGAN FPD	\$921.80	\$40.43	\$881.37
PORT	\$67,058.75	\$3,624.17	\$63,434.58
MADISON SERVICE	\$56.85	\$2.55	\$54.30
Yolo County HCP/NCCP JPA	\$10.93	\$0.14	\$10.79
Willow Oak FPD	\$2,516.69	\$0.00	\$2,516.69
West Plainfield FPD	\$883.40	\$0.00	\$883.40
<b>TOTAL</b>	<b>\$567,237.33</b>	<b>\$25,000.00</b>	<b>\$542,237.33</b>

**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. <u>6G</u>
	DATE: <u>June 23, 2016</u>
<b>SUBJECT:</b>	Reinsurance of the Esparto School Bus Fleet
<b>RECOMMENDED ACTION:</b>	That the Board authorize the CEO/Risk Manager to bind coverage reinsuring the Esparto School Bus Fleet for an annual premium of \$28,710

## **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. 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.

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 three years have seen flat premiums at about \$26,200. 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 \$6,545 or the same as the previous two years. 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. <u>6H</u>
	DATE: <u>June 23, 2016</u>
<b>SUBJECT:</b>	Election of Officers
<b>RECOMMENDED ACTION:</b>	That the Board nominates and elects a President and a Vice-President for FY 16/17

## **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 first 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.

## **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

		ACTION ITEM
		AGENDA ITEM NO. <u>6I</u>
		DATE: <u>June 23, 2016</u>
<b>SUBJECT:</b>	Cordico (Arden Psyche)	
<b>RECOMMENDED ACTION:</b>	That the Board approve the proposed modification to the existing Cordico contract.	

## **BACKGROUND INFORMATION:**

Historically YCPARMIA has provided a wellness program specifically designed for public safety personnel. While a variety of services are included in the program, EAP services are from providers experienced in dealing with the unique exposures growing out of public safety. It is hoped that these services keep employees on the job, and mitigate our workers' compensation and liability exposures by addressing problems before they manifest themselves as claims. Additionally, Cordico provides EAP services for Esparto and YCPARMIA under the current contract.

Attached is a proposal from Dr. Black on expanding the EAP services to include up to 14 counseling sessions, from the current 6, and to provide 24/365 answering services for instant response to crisis situations. Both these elements have been requested by participating agencies. The additional cost would be \$6,150 a month, or a total cost of just under \$20,000 a month, still much lower than the over \$31,000 a month we were paying the previous provider for a smaller head-count, and more limited services.

## **FISCAL IMPACT**

Approval would require a \$73,800 adjustment to our current budget.

Respectfully Submitted,

Jeffrey M. Tonks  
CEO/Risk Manager

# Yolo County Public Agency Risk Management Insurance Authority

ACTION ITEM	
AGENDA ITEM NO. <u>6J</u>	
DATE: <u>June 23, 2016</u>	
<b>SUBJECT:</b>	Occu-Med
<b>RECOMMENDED ACTION:</b>	That the Board consider the proposal for collective Job Analysis, and direct the CEO/Risk Manager accordingly

## **BACKGROUND INFORMATION:**

Previously the Board directed staff to determine the cost of updating our member's current job analysis data. In the past YCPARMIA contracted, and paid, for this service with Occu-Med.

The scope of the proposal is for their staff to visit member locations and create a blended job analysis for positions common among our members with the goal of covering the significant majority of positions. A description of their planning guide is attached.

The proposed cost is \$2,000 per day plus travel expenses with a projected need for 6-7 days, or about \$15,000 in total. YCPARMIA has funds currently available in our loss prevention budget to pay for this service.

YCPARMIA cannot make a recommendation on Board action as the offered services are more internal to each member's needs. The crossover for risk management is having measurable standards to be applied for disability evaluation in both civil liability and workers' compensation claims.

## **FISCAL IMPACT:**

The anticipated cost of this program would be a onetime cost of \$15,000, with possible additional costs for updates in the future. The funds are currently available in our loss prevention budget.

Respectfully Submitted,

Jeffrey M. Tonks  
CEO/Risk Manager

# Yolo County Public Agency Risk Management Insurance Authority

	INFORMATION ITEM
	AGENDA ITEM NO. <u>7A</u>
	DATE: <u>June 23, 2016</u>
<b>SUBJECT:</b>	YCPARMIA Financial Report
<b>RECOMMENDED ACTION:</b>	Information only, no action required

**BACKGROUND INFORMATION:**

Attached are the YCPARMIA's Financial Report through May 31, 2016 for your review.

Respectfully submitted,

Jeffrey M. Tonks  
CEO/Risk Manager

# Yolo County Public Agency Risk Management Insurance Authority

	INFORMATION ITEM
	AGENDA ITEM NO. <u>7B</u>
	DATE: <u>June 23, 2016</u>
<b>SUBJECT:</b>	YCPARMIA Investment Statement
<b>RECOMMENDED ACTION:</b>	Information only, no action required

**BACKGROUND INFORMATION:**

Attached are the YCPARMIA Investment Statements through April 30, 2015 for your review.

Investment  
Statement

For your information:

<i>LAIF</i>	\$ <i>no report</i>
Chandler as of 5/31/2016:	\$ 12,248,393.00

Outstanding  
Reserves

For your information:

Total as of 4/30/2015:	\$ 8,318,374.00
<b>Total as of 4/30/2016:</b>	<b>\$ 6,894,830.00</b>

Respectfully submitted,

Jeffrey M. Tonks  
CEO/Risk Manager



# Yolo County Public Agency Risk Management Insurance Authority

	INFORMATION ITEM
	AGENDA ITEM NO. <u>7C</u>
	DATE: <u>June 23, 2016</u>
<b>SUBJECT:</b>	Notification of New Claims Received Since the Previous Board Meeting
<b>RECOMMENDED ACTION:</b>	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. <u>7D</u>
	DATE: <u>June 23, 2016</u>
<b>SUBJECT:</b>	Closed Liability Files
<b>RECOMMENDED ACTION:</b>	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. <u>7E</u>
	DATE: <u>June 23, 2016</u>
<b>SUBJECT:</b>	Workers' Comp Loss Run Summary
<b>RECOMMENDED ACTION:</b>	Information Only; no action required.

## **BACKGROUND INFORMATION:**

Attached is the April WC loss run summary reflecting results for the first eleven months of the fiscal year.

### Summary:

Claim frequency is up when compared to last year, as is severity. These trends should cause this year to come in as marginally more expensive than last year. Claims payments are trending slightly up, but within the distortion range triggered by a couple of large settlements in the past few months. Most importantly, future reserves are trending flat at a relatively low level.

### Frequency:

Recognizing that we are dealing with small numbers, we have averaged 30.2 claims a month since the start of the fiscal year; last year we averaged 25.5 claims a month. Fortunately the increase appears to be in small claims, and the numbers are small enough that a single month, either way, can have a big impact on the comparison.

### Severity:

Of the 333 new claims received this year, only 23, or 7.8%, have been coded "indemnity," meaning that they start with TD and/or PD reserves. This is essentially unchanged from last year. We have had a net 41 claims converted from medical only to indemnity, so our indemnity exposure is really 64 claims, or 19.2% of our new injuries – virtually identical at the same point last year. Of course not all indemnity claims have the same value. It is not just the number of claims with PD and/or TD, it is how big the reserves/payment are in total.

### Benefits:

Our average monthly benefit payments this year are \$241,355. This compares well to last year's average of \$232,266. Essentially benefit payments are tracking flat when compared to last year, but could be impacted by a single bad month or injury.

Temporary Disability: This number is trending flat when compared to last year, and reflects a continuing commitment to finding modified work for injured workers.

Permanent Disability: Permanent Disability payments are also trending higher, but reflect a recent series of Compromise and Release settlements that caused the PD component to be paid as lump sums, rather than over time.

Medical Costs: Our biggest benefit exposure is trending flat.

Legal, Investigative, Subrosa: And, maintaining the pattern, this area is also trending flat.

Future Reserves:

Future reserves on existing open files are at \$5,988,594, or \$818,550 lower than the reserves a year ago, and is consistent with the projections that our actuary made using 12/31 figures.

Respectfully submitted,

Jeffrey M. Tonks  
CEO/Risk Manager

# Yolo County Public Agency Risk Management Insurance Authority

INFORMATION ITEM  
AGENDA ITEM NO. 7F

DATE: June 23, 2016

**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 23, 2016

**SUBJECT:** Redevelopment Boards

**RECOMMENDED ACTION:** Information Only; No Action Required

## **BACKGROUND INFORMATION:**

Following the State's termination of Redevelopment Agencies, the Board was advised that Development Oversight Boards would function on a short term basis to transfer assets from the Redevelopment Agencies to their successors in interest.

In 2012 the YCPARMIA Board extended coverage to these Oversight Boards for a period "until 2016." This term is obviously ambiguous, but the best argument can be made that coverage terminated 12/31/15. A potentially equally good argument can be made that coverage will expire on 6/30/16 when the current coverage/fiscal year ends.

This termination of coverage should be brought to the attention of any Redevelopment Oversight Boards that are still functioning in your entity.

Respectfully submitted,

Jeffrey M. Tonks  
CEO/Risk Manager

# Yolo County Public Agency Risk Management Insurance Authority

INFORMATION ITEM

AGENDA ITEM NO. 7H

DATE: June 23, 2016

**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.

Past discussions have included the Risk Assessment/audit being conducted by the County. Currently we are on the second extension for submission (YCPARMIA was the only agency to submit their study on time) as only three agencies have complied. Messages continue to be mixed on the purpose of the study, and to date there has been no feedback during this six month process.

Respectfully submitted,

Jeffrey M. Tonks  
CEO/Risk Manager