



# Yolo County Public Agency Risk Management Insurance Authority

## AGENDA

### YCPARMIA BOARD MEETING

Thursday, March 24, 2011 at 9:30 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 Items
  - A. Liability Claims Audit
  - B. Arden Psychological Services Six-Month Update
  - C. Discussion and Acceptance of the 2010 Actuarial Study
  - D. YCPARMIA Preliminary Budget for FY 2011/2012

7. Information Items

- A. YCPARMIA Financial Report
- B. YCPARMIA Investment Statement
- C. Investment Services
- D. Workers' Compensation Loss Run Summary
- E. Notification of New Claims Received Since the Previous Board Meeting
- F. Closed Liability Files
- G. Certificates Issued
- H. Fidelity Program Renewal
- I. Strategic Planning

# YOLO COUNTY PUBLIC AGENCY RISK MANAGEMENT INSURANCE AUTHORITY

COMMUNICATIONS	
AGENDA ITEM NO. <u>4B</u>	
DATE: <u>March 24, 2011</u>	
<b>SUBJECT:</b>	CEO/Risk Manager's Report
<b>RECOMMENDED ACTION:</b>	Information Only

## **BACKGROUND INFORMATION:**

The CEO/Risk Manager will be reporting on the following items:

1. YCPARMIA's three year excess policy for our Fidelity program expires on 7/1/11; we are currently gathering information for a renewal quote. Preliminary estimates are for a 0% to 10% increase.
2. We recently received property claims that are more than a year old; our loss reporting procedure requires immediate notice of losses to YCPARMIA. Late reporting can jeopardize the excess pool's acceptance of coverage on the loss, and makes a claim on YCPARMIA funds that may have already been rebated to members.
3. With York's office relocation in Roseville there was a disruption of IT services that affected our data gathering. The interruption also adversely impacted the MPN services that Professional Dynamics provides for us. The systems are back to normal, and we are again current.
4. Along with improved class evaluations, our switch to Medic First Aid for CPR/First Aid has resulted in sufficient cost savings to allow us to purchase a flat screen TV that can actually be seen from the back of the room.
5. CAJPA is scheduled for September 7<sup>th</sup> – 9<sup>th</sup> in South Lake Tahoe.

Respectfully submitted,

*Dictated but not Signed*

Jeffrey M. Tonks  
CEO/Risk Manager

# YOLO COUNTY PUBLIC AGENCY RISK MANAGEMENT INSURANCE AUTHORITY

	COMMUNICATIONS
	AGENDA ITEM NO. <u>4C</u>
	DATE: <u>March 24, 2011</u>
<b>SUBJECT:</b>	Next Meeting
<b>RECOMMENDED ACTION:</b>	Information Only

## **BACKGROUND INFORMATION:**

The following is the date of our next Board meeting:

DATE: April 28, 2011

Respectfully submitted,

*Dictated but not Signed*

Jeffrey M. Tonks  
CEO/Risk Manager

# YOLO COUNTY PUBLIC AGENCY RISK MANAGEMENT INSURANCE AUTHORITY

CONSENT CALENDAR  
AGENDA ITEM NO. 5A

DATE: March 24, 2011

**SUBJECT:** Minutes

**RECOMMENDED ACTION:** That the Minutes of the Regular Board Meeting of January 27, 2011 be Approved as Submitted

**BACKGROUND INFORMATION:**

Attached is a copy of the minutes of the YCPARMIA Regular Board Meeting for January 27, 2011 for your review.

Respectfully submitted,

*Dictated but not Signed*

Jeffrey M. Tonks  
CEO/Risk Manager

# YOLO COUNTY PUBLIC AGENCY RISK MANAGEMENT INSURANCE AUTHORITY

	ACTION ITEM
	AGENDA ITEM NO. <u>6A</u>
	DATE: <u>March 24, 2011</u>
<b>SUBJECT:</b>	Liability Claims Audit
<b>RECOMMENDED ACTION:</b>	That the Board review and accept the attached liability claims audit conducted by Aon Risk Services.

## **BACKGROUND INFORMATION:**

The Board has a policy of requiring an annual claims audit rotating between the Liability Program, and the Workers' Compensation Program. Our excess liability pool, CJPRMA, contracts with Aon Risk Services to conduct an annual excess audit; this year we were able to "piggy-back" our primary audit onto the excess audit at a reduced cost. I have asked the excess board to consider making an annual audit, on a rotating bi-annual basis, at the primary level part of their annual audit with the excess pool absorbing the cost.

The audit results can best be summed up by the last paragraph on the first page of the Executive Summary:

*The files reflect excellent communication with the members, good communication with defense counsel and superior management oversight. We conclude that from a casualty claims handling standpoint, YCPARMIA is a very well managed and well organized government entity pool.*

The summary concludes with the statement:

*...In conclusion, we find that YCPARMIA is what we would term a "superior" pool relative to claims related issues.*

The audit did recognize certain deficiencies in the performance of our various defense attorneys. We have had a number of discussions with them on the subject, and have received their commitment to address our concerns. We also recognize that our file reserves sometimes lag behind claim developments; we are confident that this problem will be resolved as part of the improved reporting practices by defense counsel.

## FISCAL IMPACT

The recommended action has no fiscal impact.

Respectfully Submitted,

*Dictated but not Signed*

Jeffrey M. Tonks  
CEO/Risk Manager

# YOLO COUNTY PUBLIC AGENCY RISK MANAGEMENT INSURANCE AUTHORITY

	ACTION ITEM
	AGENDA ITEM NO. <u>6B</u>
	DATE: <u>March 24, 2011</u>
<b>SUBJECT:</b>	Arden Psychological Services Six-Month Update
<b>RECOMMENDED ACTION:</b>	That the Board review and accept the semi-annual report from our safety wellness provider.

## **BACKGROUND INFORMATION:**

Attached is the semi-annual report from Arden Psychological Services. The program appears to be running smoothly, and use of services is increasing. There has been no negative feedback from any of the departments. I have met with Dr. Black and Dr. Foster, and they have no concerns to share. Arden continues to fine tune and adjust their services and contacts to respond to member calls.

The three year contract will be expiring at the end of this fiscal year. We have started negotiating a tentative renewal for a new three year period; we anticipate bringing a proposal to the Board at the May meeting.

## **FISCAL IMPACT**

There is no anticipated fiscal impact from approving the recommended action.

Respectfully submitted,

*Dictated but not Signed*

Jeffrey M. Tonks  
CEO/Risk Manager

# YOLO COUNTY PUBLIC AGENCY RISK MANAGEMENT INSURANCE AUTHORITY

	ACTION ITEM
	AGENDA ITEM NO. <u>6C</u>
	DATE: <u>March 24, 2011</u>
<b>SUBJECT:</b>	Discussion and Acceptance of the 2010 Actuarial Study
<b>RECOMMENDED ACTION:</b>	That the Board Review and accept the attached Actuarial Study for establishing Program Reserves and Cash Payments (premiums) for the Liability and Workers' Compensation programs.

## **BACKGROUND INFORMATION:**

YCPARMIA is required By Board policy, and in the Cash Payment Addendums to the Bylaws, to have an annual Actuarial Audit using December 31<sup>st</sup> figure to project fiscal year-end totals. The annual actuarial study provides us with two basic numbers at various confidence levels for both the Liability and Workers' Compensation programs.

- Program Reserves (Estimated Outstanding Losses) found in Table III – 1B on page 6. This is the actuary's number of what we will need to pay all existing claims at the end of the fiscal year. It is booked, as required by GASB, at "expected" on our balance sheet. By Board policy we set aside additional funds in retained earnings, as set out in the actuary's report, in a Confidence Margin to bring our funding up to an 80% confidence level.
- Anticipated Claims Cost (Annual Premium Component) found in Table III – 3B on page 8. This is the actuary's projection of what our costs will be for claims that occur in the next fiscal year, FY 11-12. This number is found, at the 70% confidence level, on our premium worksheet, and identified as "actuarial determined claim cost."

Attached is the annual Actuarial Study prepared by Mujtaba Dattoo at Aon (formerly ArmTech). The results of the actuary study are generated by applying our claim history and industry data to a mathematical model. YCPARMIA staff has reviewed the report, and finds the projections to be reasonable. We will review the program reserves again during our annual financial audit process in July, and will make adjustments to reflect the additional six months of claim development.

The study can best be described as "mixed." Liability premium, reserves and confidence margin figures are all projected lower. In Workers' Compensation we have a lowered premium figure, but substantial increases in reserves and the confidence margin. This is tied directly to increased file reserves booked by our TPA on older claims that they feel are exposed to adverse development. YCPARMIA staff does not agree with these projections, and is targeting those files for closer review.



## **LIABILITY PROGRAM**

### Program Reserves (funding for existing claims):

- GASB requires us to book the program reserves as a liability at expected (50%) on our monthly balance sheet.
- Board policy calls for a confidence margin in excess of 80%, and is found in the equity portion of the balance sheet, and is broken out in the Quarterly Statement of Revenue, Expenses, and Retained Earnings.
- These figures do not directly affect member costs, but movement does impact retained earnings surplus that might be used for premium rebate credits.
- YCPARMIA uses present value figures for its program reserves.
- The attached actuarial study establishes:

#### Program Reserves at “expected”:

2011	\$3,198,787
Previous studies	
2010	\$3,437,350
2009	3,575,796
2008	2,746,490
2007	2,298,356

#### Confidence Margin 80%+, and shown as a figure in excess of “expected”:

2011	\$831,689
Previous studies	
2010	859,388
2009	920,949
2008	713,987
2007	497,473

This year’s decrease reflects better than anticipated results in concluding claims, and no new major claims being received.

### Premium Component (funding next year’s claims)

- Board policy calls for funding at the 70% confidence level;
- The premium component directly affects next year’s member cost, and can be found under “Actuarial Determined Claims Cost” on our premium worksheet.
- The attached actuarial study, at a 70% confidence level, establishes:

2011	\$1,489,000
Previous studies	
2010	\$1,793,600
2009	1,837,260
2008	1,544,906
2007	1,334,201

The reduction in recommended funding brings us back to our historical norm, and reflects a couple of “good” recent years on new claims received.

The annual swings in the studies reflect the volatility of small numbers, and how the impact of a few serious claims can cause significant movement. The confidence margins and catastrophic funds are designed to minimize the impact of these changes on our members, and to flatten our funding needs.

## **WORKERS' COMPENSATION PROGRAM**

### Program Reserves (funding for existing claims):

- GASB requires us to book the program reserves as a liability at expected (50%) on our monthly balance sheet.
- Board policy calls for a confidence margin in excess of 80%, and is found in the equity portion of the balance sheet, and is broken out in the Quarterly Statement of Revenue, Expenses, and Retained Earnings.
- These figures do not directly affect member cost, but movement directly impacts retained earnings surplus availability for rebate credits; adverse development can also lead to assessments.
- YCPARMIA uses present value figures.
- The attached actuarial study establishes:

#### Program Reserves at expected:

2011	\$8,506,359
Previous studies	
2010	\$8,043,958
2009	7,544,260
2008	6,228,293
2007	6,050,768

#### Confidence Margin 80%+, and shown as a figure in excess of "expected":

2011	\$2,211,653
Previous Studies	
2010	\$1,447,912
2009	1,357,967
2008	1,245,659
2007	1,476,258

The significant increases are tied to adverse claim development on older existing files that could not be offset by recent years of decreasing claims. We will be "attacking" these numbers aggressively between now and the end of the fiscal year.

### Premium Component (funding for next year's claims)

- Board policy calls for funding at the 70% confidence level.
- The premium component directly affects next year's member costs, and can be found on the premium worksheet under "Actuarial Determined Claims Cost."
- The attached actuarial study, at a 70% confidence level, establishes:

2011	\$2,705,000
Previous studies	
2010	\$2,809,450

2009	2,868,100
2008	2,445,182
2007	2,255,063

This year's study shows promise for the future. The Premium Component has been trending down over the last two years. The decrease in YCPARMIA's monthly benefit costs supports this trend. As a result, it would be far to anticipate a trend of reduced program reserves in the future.

### **FISCAL IMPACT**

Adoption of the actuary study, along with approval of the budget, will allow the setting of premiums for the coming fiscal year. Approval of the study will result in changes to:

- "actuarial determined claims costs" on the premium worksheet of:
  - \$304,600 decrease in Liability
  - 104,450 decrease in Workers' Compensation
- Program reserve adjustments resulting in a :
  - \$238,563 decrease in Liability
  - \$462,401 increase in Workers' Comp
- Confidence margin adjustments resulting in a :
  - \$27,699 decrease in Liability
  - \$763,741 increase in Workers' Comp

Respectfully Submitted,

*Dictated but not Signed*

Jeffrey M. Tonks  
CEO/Risk Manager

# YOLO COUNTY PUBLIC AGENCY RISK MANAGEMENT INSURANCE AUTHORITY

	ACTION ITEM
	AGENDA ITEM NO. <u>6D</u>
	DATE: <u>March 24, 2011</u>
<b>SUBJECT:</b>	Preliminary Budget for Fiscal Year 2011-2012
<b>RECOMMENDED ACTION:</b>	That the Board review, discuss and take appropriate action on the preliminary budget for FY 11/12; or in the alternative, to adopt the proposal as the final budget.

## **BACKGROUND INFORMATION:**

YCPARMIA'S JPA Agreement requires that the Board adopt a budget by July 1<sup>st</sup> of each year. The budget is divided into three primary parts:

1. Revenue (which is generated by the application of our premium formulas)
2. Administrative/Service Expense (which is the result of management projections)
3. Insurance Expense (which is largely a combination of excess and claims costs)

Additionally the final budget will include:

- An introductory summary
- A variance report explaining any proposed changes of +/- 5%
- And, an exhibit that breaks down premium allocations.

In summary the proposed budget has a:

- 5%, or \$417,438 increase in Total Revenue (before any rebate credits);
- 1%, or \$8,858, increase in Total Administration/Service Expense;
- 9%, or \$544,613, increase in Total Coverage Expense;

## **Revenue**

As indicated above the program revenue is based on the premium formulas found in our By-laws. The changes reflected in the recommended budget are:

- A reduction of 50%, or \$100,000 in our investment earnings; this is a soft figure as it reflects LAIF returns rather than the anticipated better return on our assets invested with Chandler that we hope to recognize over the remainder of this fiscal year.
- A 3%, or \$89,911, increase in Liability premium – which will be offset by a premium rebate credit.
- An 11%, or \$427,226, increase in Workers' Compensation premium from the figure generated by last year's 5-year average. This WC figure is actually a \$62,224 decrease from the figure that would have been generated last year if we had followed YCPARMIA's premium formula.
  - The WC revenue increase is very important this year. After budgeting for a loss two years ago, and for a five-year average last year (that we exceeded) the adequacy of our program reserves are threatened.

### Expenses

This year's proposed budget will closely mirror the last two years as our members continue to be impacted by the collective public entity fiscal crisis. The significant recommended adjustments are:

- A 12%, or \$13,976, increase in retirement contributions based on PERS audit projections.
- A 1%, or \$1,501, increase in medical insurance for the 6 months covered by this budget.
- A 22%, or \$500,000, increase in Workers' Compensation claims payments to reflect the increases in benefit costs paid over the last two years.
- A 31%, or \$15,252, increase in the State Assessment for workers' compensation.
- A 7%, or \$29,361, increase (and before a \$12,150 reduction for transferred Boiler and Machinery costs) in Excess Property Premium due to a CSAC-EIA rate increase, and due to the combining of Boiler and Machinery into the Property program
- There are a small number of other adjustments that nets a \$6,619 decrease in administrative/service expenses

### **FISCAL IMPACT**

Adoption of the proposed budget will not have a direct fiscal impact; it is the performance of the Authority within those budget limits that will determine any potential impact. It should be noted however that the "Total Administrative/Services Expense" (everything but coverage related expenses) are included as Fixed Costs in our premium worksheet calculations, and will affect premium/cash payment charges for our members based on their percentage share of payroll.

Respectfully submitted,

*Dictated but not Signed*

Jeffrey M. Tonks  
CEO/Risk Manager

# Yolo County Public Agency Risk Management Insurance Authority

	INFORMATION ITEM
	AGENDA ITEM NO. <u>7A</u>
	DATE: <u>March 24, 2011</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 February 28, 2011 for your review.

Respectfully submitted,

*Dictated but not Signed*

Jeffrey M. Tonks  
CEO/Risk Manager

# YOLO COUNTY PUBLIC AGENCY RISK MANAGEMENT INSURANCE AUTHORITY

	INFORMATION ITEM AGENDA ITEM NO. <u>7B</u>
	DATE: <u>March 24, 2011</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 January 31, 2010 for your review.

Investment  
Statement

For your information:

Total as of 1/31/2010:	\$ 15,294,837.24
Total as of 12/31/2010:	\$ 15,813,226.08
<b>Total as of 1/31/2011:</b>	<b>\$ 7,152,116.03</b>
Total as of 2/28/2010:	\$ 15,275,705.78
Total as of 1/31/2011:	\$ 7,152,116.03
<b>Total as of 2/28/2011:</b>	<b>\$ 7,161,457.82</b>

Outstanding  
Reserves

For your information:

Total as of 1/31/2010:	\$ 7,668,404.00
Total as of 12/31/2010:	\$ 7,768,662.00
<b>Total as of 1/31/2011:</b>	<b>\$ 7,734,507.00</b>
Total as of 2/28/2010:	\$ 7,628,852.00
Total as of 1/31/2011:	\$ 7,734,507.00
<b>Total as of 2/28/2011:</b>	<b>\$ 8,007,829.00</b>

Respectfully submitted,

*Dictated but not Signed*

Jeffrey M. Tonks  
CEO/Risk Manager

# YOLO COUNTY PUBLIC AGENCY RISK MANAGEMENT INSURANCE AUTHORITY

INFORMATION ITEM	
AGENDA ITEM NO. <u>7C</u>	
DATE: <u>March 24, 2011</u>	
<b>SUBJECT:</b>	Investment Services
<b>RECOMMENDED ACTION:</b>	Information only; no action required

## **BACKGROUND INFORMATION:**

- YCPARMIA has diversified its investments by placing \$8M with Chandler Asset Management with the intention of improving on the rate of return that we have been receiving from LAIF.
  - For convenience we refer to this account as our “long-term investment account”
- We still use LAIF as an investment mechanism for our funds used to cover our operating expenses.
  - Again for convenience, we refer to this account as our “short-term” or “operating investment account.”

Our Financial is working with Lola Deem of CJPRMA, and our financial auditors, Perry-Smith, to implement reporting and reconciliation procedures for the long term investment account.

Respectfully submitted,

*Dictated but not Signed*

Jeffrey M. Tonks  
CEO/Risk Manager



# YOLO COUNTY PUBLIC AGENCY RISK MANAGEMENT INSURANCE AUTHORITY

INFORMATION ITEM	
AGENDA ITEM NO. <u>7D</u>	
DATE: <u>March 24, 2011</u>	
<b>SUBJECT:</b>	Workers' Compensation Loss Run Summary
<b>RECOMMENDED ACTION:</b>	Information only; no action required

## **BACKGROUND INFORMATION:**

Attached is the loss run summary for the workers' compensation program through February 28, 2011. With the first two thirds of the fiscal year completed we are seeing a small, but positive shift in the program when compared to last year. Claim frequency remains flat, while severity continues to be good.

### Frequency:

- 247 claims were reported to YCPARMIA during the first eight months of our fiscal year.
- This is an average of 30.8 claims per month. Last year we averaged 35.4 claims per month so our average is trending down; it is important to remember how volatile small numbers can be.

### Severity:

- Of the 247 claims, only 32 (12.9%) were coded as indemnity due to reserved exposures for temporary disability and/or permanent disability. **THIS IS A VERY POSITIVE INDICATOR.**
- 4 indemnity claims per month compares favorably with the last year where we averaged 6 claims per month. Indemnity claims are our big cost drivers so reduced numbers should lead to lower actuarial projections.

Benefits: Our average monthly total for total benefits paid thru the second quarter is \$255.030; this is down from \$291,410 per month last year, and has remained constant throughout the year.

- Temporary Disability: This class of benefits has increased over last year.
- Permanent Disability: This class is also up when compared to last year.
- Compromise and Release Settlements: We have seen an increase in these costs which is a positive; a C&R means a closed file, and ends our future medical exposure.
- Medical Costs: This benefit cost has decreased when compared to last year, and has returned to its anticipated range based on previous "good" years. **THIS IS A VERY POSITIVE INDICATOR.**

- Vocational Rehabilitation: This benefit, following the 2004 reforms, has all but disappeared; to date there have been no payments made in this category.
- Legal, Investigative, Sub-rosa, etc: Our legal and sub-rosa costs are trending flat.

Inventory:

- Open indemnity claims ended the quarter at 194 which is better than our goal of 200. This number reflects the reduced number of new claims, while older claims have been closed out. **THIS IS A POSITIVE INDICATOR.**

Reserves:

- Future reserves on open files are at \$7,109,808 or about \$65 lower than they were as the beginning of the fiscal year. The total is still much higher than our benchmark, and supports our actuary's call for higher program reserves. **THIS IS A FACTOR THAT CAUSES CONCERN.**

Program Health:

For an historical view of the Workers' Compensation we are including a Fiscal Year Claim Summary updated through 2/28/11; trends indicated in the report will be discussed at the meeting.

Based on program funding, we would have to average less than \$229K in monthly benefit costs to maintain our start-of-the-year weak-fiscal-position.

- Last year benefit payments averaged \$291,410 per month,
- Through the first two-thirds of this fiscal year we are averaging \$255,030.
  - This projects to a reduction of about \$430K over the fiscal year, but
  - Will still come in \$312K above our goal.

While the trend is positive, it is fragile given the small numbers that we are dealing with. Additionally, the numbers are still higher than were projected them to be. The best tool for continuing the trend would be a stronger commitment to loss prevention by our members.

Board members will be given statistical reports on benefit payments, and loss history at the meeting.

Respectfully submitted,

*Dictated but not Signed*

Jeffrey M. Tonks  
CEO/Risk Manager

# Yolo County Public Agency Risk Management Insurance Authority

	INFORMATION ITEM
	AGENDA ITEM NO. <u>7E</u>
	DATE: <u>March 24, 2011</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 by entity and by type of claim.

Respectfully submitted,

*Dictated but not Signed*

Jeffrey M. Tonks  
CEO/Risk Manager

# Yolo County Public Agency Risk Management Insurance Authority

	INFORMATION ITEM AGENDA ITEM NO. <u>7F</u>
	DATE: <u>March 24, 2011</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,

*Dictated but not Signed*

Jeffrey M. Tonks  
CEO/Risk Manager

# Yolo County Public Agency Risk Management Insurance Authority

INFORMATION ITEM  
AGENDA ITEM NO. 7G

DATE: March 24, 2011

**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,

*Dictated but not Signed*

Jeffrey M. Tonks  
CEO/Risk Manager

# YOLO COUNTY PUBLIC AGENCY RISK MANAGEMENT INSURANCE AUTHORITY

	INFORMATION ITEM AGENDA ITEM NO. <u>7H</u>
	DATE: <u>March 24, 2011</u>
<b>SUBJECT:</b>	Fidelity Program Renewal
<b>RECOMMENDED ACTION:</b>	Information Only; no action required.

As we approach renewal, this is a quick overview of the Fidelity Program.

YCPARMIA offers its members the opportunity to participate in its Fidelity Program. The program is grounded on a commercial crime policy that covers our members for acts of dishonesty by their employees and elected officials. The policy covers employee theft, forgery or alteration, robbery, computer fraud, funds transfer fraud, and counterfeiting. It also satisfies the individual bonding requirements that the State places on certain positions. The limit of coverage is \$2,000,000 per occurrence, with a \$1,000 deductible for the member, and the next \$24,000 pooled at YCPARMIA.

We are currently in the renewal process as the three year coverage period for the previous policy is expiring; we are anticipating renewal at about the same cost as the expiring policy. The premium for this program is made up of the total of the cost of coverage, 1% of the YCPARMIA administrative and service expenses, and a small claims payment fund. The total is divided among the participating members based on their share of the total number of employees reported by the member on their DE3's. For your review we are attaching graphs that give our member's quarterly headcount for the last eleven years.

Respectfully submitted,

*Dictated but not Signed*

Jeffrey M. Tonks  
CEO/Risk Manager

# YOLO COUNTY PUBLIC AGENCY RISK MANAGEMENT INSURANCE AUTHORITY

	INFORMATION ITEM
	AGENDA ITEM NO. <u>71</u>
	DATE: <u>March 24, 2011</u>
<b>SUBJECT:</b>	Strategic Planning: the Board's opportunity to discuss developing issues
<b>RECOMMENDED ACTION:</b>	Information Only; no action required.

Starting on February 28<sup>th</sup>, YCPARMIA has sent out a series of daily e-mails to all members' representative on how an entity's Safety Advisory Committee might be structured using best practices. This agenda item is an opportunity for members to provide feedback, and to discuss what loss prevention steps their entity is taking.

Respectfully submitted,

*Dictated but not Signed*

Jeffrey M. Tonks  
CEO/Risk Manager