

Manager/Supervisor Risk Management

#4– 11/10/11

A twice weekly e-mail training for YCPARMIA members

TOPIC: YCPARMIA

Your employer is a member of YCPARMIA, the Yolo County Public Agency Risk Management Insurance Authority.

- Yolo County: all of our members are located in Yolo County;
- Public Agency: all of our members are public entities;
- Risk Management: the function of YCPARMIA is managing our member's risk;
- Insurance: I don't have a clue why "insurance" is mentioned – we are a self-insurance pool.
- Authority: like our members, YCPARMIA is a separate public entity.

YCPARMIA is a risk sharing pool made up of public entities in Yolo County that have entered into a joint powers agreement. We are governed by a board that is appointed by our six member agencies; there are an additional twenty-two associate member entities.

YCPARMIA – It is important to understand:

- YCPARMIA's board is independent, and not controlled by their member agencies.
- There is no insurance; with few specialized exceptions, our members are covered by programs of self-insurance (funds YCPARMIA has set aside to pay claim costs).
- YCPARMIA, in turn, is a member of various excess pools made up of hundreds of other California public entities that provide coverage above our pooled retentions/limits.
- YCPARMIA's annual revenues come entirely from member premium/cash payments.
- An annual actuary study is used to determine premiums based largely on our member's claim history in liability and workers' compensation.
 - Loss prevention efforts that drive down claim frequency and severity will result in lower premium charges while catastrophic losses will result in increases.
- When we are able to "beat" the actuary's projections of future losses we develop surplus funds.
 - The YCPARMIA board returns these surplus funds to our members in the form of premium rebate credits.
- YCPARMIA is staffed to provide professional risk management and claim services for our members; there are no separate charges for these services.
- YCPARMIA staff has no authority over the risk management efforts of its members; at best we are an outside consultant, albeit with a vested interest representing your agency's risk sharing partners.

Next Topic: Risk Identification