



**EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)  
BOARD OF DIRECTORS MEETING  
AMENDED AGENDA**

**Tuesday, May 1, 2018  
9:00 a.m.**

**Bickmore  
1750 Creekside Oaks Drive, Suite 200  
Sacramento, CA 95833**

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In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation to participate in this meeting, please contact Jennifer Jobe at (916) 244-1141 or (916) 244-1199 (fax). Requests must be made as early as possible, and at least one full business day before the start of the meeting.

Documents and materials relating to an open session agenda item that are provided to the ERMA Board of Directors less than 72 hours prior to a regular meeting will be available for public inspection at 1750 Creekside Oaks Dr., Suite 200, Sacramento, CA 95833.

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**Page    1.    CALL TO ORDER**

**2.    INTRODUCTIONS**

**3.    APPROVAL OF AGENDA AS POSTED (OR AMENDED)**

- 4.    PUBLIC COMMENTS** - This time is reserved for members of the public to address the Board relative to matters of ERMA not on the agenda. No action may be taken on non-agenda items unless authorized by law. Comments will be limited to five minutes per person and twenty minutes in total.

**5.    CONSENT CALENDAR**

If a Board member would like to discuss any item listed, it may be pulled from the Consent Calendar.

- |           |   |
|-----------|---|
| <b>6</b>  | *A. Minutes of February 9, 2018, Board of Directors Meeting and Summary of Action Items |
| <b>15</b> | *B. General Warrants from January 1, 2018, through April 15, 2018                       |
| <b>16</b> | *C. Claims Payments from January 1, 2018, through April 15, 2018                        |
| <b>18</b> | *D. Petty Cash Statement from January 1, 2018, through April 15, 2018                   |
| <b>19</b> | *E. Treasurer's Report as of March 31, 2018   |
| <b>45</b> | *F. Internal Financial Statements as of March 31, 2018                                  |

- 48        \*G. Master Program Document for the Pooled Employment Practices Liability  
Program As Amended, Effective February 10, 2017
- 79        \*H. Rescission of City of Walnut Creek SIR Increase for the 2018/19 Program Year  
*Recommendation: Approval of the Consent Calendar.*

**6. ADMINISTRATIVE MATTERS**

- 80        A. ERMA Nineteenth Annual Workshop  
*Recommendation: Provide direction to staff.*
- 81        \*B. Draft Resolution Establishing Meeting Dates for the 2018/19 Program Year  
*Recommendation: Staff recommends the Board of Directors consider the  
Resolution Establishing Meeting Dates for the 2018/19 Program Year.*
- 83        \*C. Draft Resolution No. 2017-7 Requiring Members to Provide Proof of  
Compliance with Training Mandated by State Law  
*Recommendation: Staff recommends the Board of Directors approve  
Resolution No. 2017-7 Requiring Members to Provide Proof of  
Compliance with Training Mandated by State Law, as presented.*
- 86        \*D. Proposed Revisions to the Financial Stability Plan  
*Recommendation: Staff recommends the Board of Directors approve the  
proposed revisions to the Financial Stability Plan.*
- 92        \*E. Consideration of Board Member Attendance at AGRiP Conferences  
*Recommendation: Staff recommends the Board of Directors consider the  
estimated costs associated with AGRiP conferences and provide direction  
to staff.*
- 94        \*F. Excess Coverage Marketing Update for the 2018/19 Program Year  
*Recommendation: None.*

**7. TRAINING/LOSS PREVENTION MATTERS**

- 97        \*A. City of Adelanto (PERMA) Risk Assessment Update  
*Recommendation: None.*
- 98        \*B. Review of Training Program for 2018/19 Program Year  
*Recommendation: Staff recommends the Board of Directors approve a  
slate of training workshop topics for the 2018/19 Program Year and  
provide direction to staff.*
- 103       C. Ad Hoc Training Committee Update  
*Recommendation: None.*

**8. COVERAGE MATTERS**

- 104**      A.    Review of the City of Adelanto's (PERMA) Self-Insured Retention  
              *Recommendation: Staff recommends the Board of Directors review and consider an increase of the City of Adelanto's self-insured retention from \$100,000 to \$250,000, effective July 1, 2018.*
- 105**      \*B.   Request from the City of Murrieta (PERMA) to Reduce Self-Insured Retention  
              *Recommendation: Staff recommends the Board of Directors approve the request from the City of Murrieta to reduce their self-insured retention from \$250,000 to \$100,000, effective July 1, 2018.*
- 107**      \*C.   Amendment to Endorsement #1 of the Memorandum of Coverage for Program Years 2016/17 and 2017/18  
              *Recommendation: Staff recommends the Board of Directors approve revisions to Endorsement #1 of ERMA's Memorandum of Coverage for Program Years 2016/17 and 2017/18, to accurately reflect the City of Farmersville's retained limit of \$75,000.*

**9. FINANCIAL MATTERS**

- 110**      \*A.   Actuarial Study and Rates for the 2018/19 Program Year  
              *Recommendation: Staff recommends the Board of Directors accept and file the actuarial study as presented.*
- 200**      \*B.   Review and Approval of Administrative and Operating Budget for the 2018/19 Program Year  
              *Recommendation: Staff recommends the Board of Directors approve the 2018/19 Proposed Operating Budget at the 80% Confidence Level.*
- 224**      \*C.   Review of Annual Retrospective Adjustment Calculation  
              *Recommendation: Staff recommends the Board of Directors approve a dividend release in the amount of \$3,000,000, in conjunction with a contribution to the Capital Contribution Fund in the amount of \$150,000, which would be netted from the cash dividend. Staff further recommends that program years 2009/10 and 2010/11 be formally closed.*

**10. LITIGATION MATTERS**

- 227**      A.    Report from Kathy Maylin, Litigation Manager  
              *Recommendation: None.*

**11. CLAIMS MATTERS**

**228**

A. Pursuant to Government Code Section 54956.95(a), the Board of Directors will recess to closed session to discuss the following claims:

- Jones/Hice v. City of Rialto
- Minor v. City of Coalinga
- Nekooee v. City of Rialto
- Sibbit/Terwilliger v. City of Pittsburg

B. Report from Closed Session

Pursuant to Government Code 54957.1, the Board of Directors must report in open session any action, or lack thereof, taken in closed session.

**12. CLOSING COMMENTS**

This time is reserved for comments by the Board of Directors members and staff and to identify matters for future Board of Directors business.

A. Board of Directors

B. Staff

**13. ADJOURNMENT**

**NOTICES:**

- The next Board of Directors meeting will be held on Tuesday, June 12, 2018, 9:00 a.m. at the Bickmore office in Sacramento, CA.

**CONSENT CALENDAR**

**SUBJECT:   Consent Calendar**

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**BACKGROUND AND STATUS:**

The Consent Calendar consists of items that require approval or acceptance but are self-explanatory and require no discussion. If the Board would like to discuss any item listed, it may be pulled from the Consent Calendar.

**RECOMMENDATION:**

*Approval of the Consent Calendar.*

**REFERENCE MATERIALS ATTACHED:**

- A.   Minutes of February 9, 2018, Board of Directors Meeting and Summary of Action Items
- B.   General Warrants from January 1, 2018, through April 15, 2018
- C.   Claims Payments from January 1, 2018, through April 15, 2018
- D.   Petty Cash Statement from January 1, 2018 through April 15, 2018
- E.   Treasurer's Report as of March 31, 2018
- F.   Internal Financial Statements as of March 31, 2018
- G.   Master Program Document for the Pooled Employment Practices Liability Program As Amended, Effective February 10, 2017
- H.   Rescission of City of Walnut Creek SIR Increase for the 2018/19 Program Year

# **EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)**

## **MINUTES OF THE BOARD OF DIRECTORS MEETING OF FEBRUARY 9, 2018**

A regular meeting of the Board of Directors of ERMA was held on February 9, 2018, at the Dream Inn in Santa Cruz, CA.

**BOARD MEMBERS PRESENT:** Scott Ellerbrock, President, PERMA  
John Gillison, Treasurer, PARSAC  
Stuart Schillinger, BCJPIA  
Robert Thompson, CalTIP  
Sean Scully, CSJVRMA  
Don White, ERMAC  
Jamie Goldstein, MBASIA  
Linda Cox, MPA  
John Duckett, SCORE  
Truc Dever, VCJPA  
Charlene Calica, HACCC  
Artesia Dupree, OHA

**BOARD MEMBERS ABSENT:** None

**ALTERNATE MEMBERS PRESENT:** Shannon Esenwein, CSJVRMA  
Brett Miller, MBSIA  
Joanne Rennie, PARSAC

**ALTERNATE MEMBERS ABSENT:** Kerry Trost, PERMA  
David Glasser, BCJPIA  
George Fink, CalTIP  
Tracy Robinson, MPA  
Roger Carroll, SCORE  
Jamie Scott, VCJPA  
Joseph Villarreal, HACCC  
Drew Felder, OHA

**OTHERS PRESENT:** Jennifer Jobe, Executive Director  
Nancy Broadhurst, Finance Manager  
Kristina Johnson, Board Secretary  
Kathy Maylin, Litigation Manager  
Julia Byrd, Legal Analyst  
Greg O'Dea, General Counsel  
Will Portello, Bickmore  
Rob Kramer, Bickmore  
Jaesa McCulligan, BCJPIA  
Jeanette Workman, CSJVRMA  
Chrissy Mack, CSJVRMA/VCJPA  
Lesley Murphy, Public Financial Management, Inc.  
Suzanne Soloman, Liebert Cassidy Whitmore  
Mike Simmons, Alliant Insurance Services

1. CALL TO ORDER

The February 9, 2018, Board of Directors meeting was called to order at 10:00 a.m., by President Scott Ellerbrock.

2. INTRODUCTIONS

All of the members were present constituting a quorum.

3. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

**John Gillison moved to approve the Agenda as posted; seconded by Truc Dever. The motion passed unanimously.**

4. PUBLIC COMMENTS

None

5. CONSENT CALENDAR

**John Gillison moved to approve the Consent Calendar; seconded by Sean Scully. The motion passed unanimously.**

6. ELECTION OF OFFICERS FOR THE 2017/18 AND 2018/19 PROGRAM YEARS

A. Nomination and Election of Vice President – Term Expires June 30, 2019

President Scott Ellerbrock reported with the vacancy of the Vice President position, Mr. John Gillison, PARSAC, accepted the nomination to serve the remainder of the current term, which will expire June 30, 2019.

B. Nomination and Election of Treasurer – Term Expires June 30, 2019

President Ellerbrock stated with Mr. Gillison accepting the nomination of Vice President, the position of Treasurer is vacant. Mr. Ellerbrock reported Ms. Truc Dever, Greater Los Angeles Vector Control District, accepted the nomination to serve the remainder of the current term, which will expire June 30, 2019.

**Jamie Goldstein moved to elect John Gillison as Vice President and Truc Dever as Treasurer for the remainder of the current term, effective February 9, 2018, through June 30, 2019; seconded by John Duckett. The motion passed unanimously.**

7. GOALS AND OBJECTIVES

A. Review and Approval of ERMA Goals and Objectives Established at the 2018 Annual Workshop

Ms. Jennifer Jobe, Executive Director, directed the Board's attention to the list of Goals and Objectives determined by the Board at the February 8<sup>th</sup> Workshop. The four listed goals and objectives identified as priorities for the 2018/19 Program Year are; 1) Develop budgetary control point policy; 2) Identify anonymous reporting application options; 3) Identify targeted human resources training; and 4) Develop and implement Phase II; Policy Review initiative.

**Truc Dever moved to approve the 2018 Goals and Objectives as presented; seconded by Artesia Dupree. The motion passed unanimously.**

8. LITIGATION MANAGEMENT

A. Report from Kathy Maylin, Litigation Manager

Ms. Kathy Maylin, Litigation Manager, provided an update regarding litigation management matters. Ms. Maylin stated of particular note is the increase in the number of harassment claims. Ms. Maylin noted since the November 2017 meeting there are 38 new claims and of those claims, approximately 60% are harassment-based. Ms. Maylin stated this is the largest number of harassment claims she has seen in her tenure with ERMA.

Ms. Maylin expressed ERMA's most effective tool in decreasing harassment claims are the live trainings presented by ERMA's partner attorney firms, Jackson Lewis and Liebert Cassidy Whitmore. Ms. Maylin encouraged the Board to ensure their member's managers are receiving proper training and support.

9. ADMINISTRATIVE MATTERS

A. Bickmore Agreement for Administrative, Litigation Management and Financial Services

Mr. Rob Kramer, Bickmore, stated ERMA's current contract with Bickmore is for five years, expiring on June 30, 2018. Mr. Kramer noted at the November 2017 meeting, the Board requested Bickmore work with President Ellerbrock to negotiate a new five year contract. Mr. Kramer stated he reviewed the agreement and the associated contract fees over the course of the past five years with President Ellerbrock, noting a standard 2% increase year over year.

Discussion ensued regarding the value of services provided by Bickmore. It was expressed that members of the Board believe Bickmore's value is worthy of a 2% increase. The Board also expressed their desire that the agreement reflect staff's intent to disseminate meeting agendas two weeks prior to all scheduled meetings.

Mr. Kramer stated Bickmore would include in the agreement the intent to disseminate meeting agendas two weeks prior to all scheduled meetings.



**Truc Dever moved to approve the Bickmore Agreement for Administrative, Litigation Management and Financial Services with the amendment adding staff will strive to disseminate meeting agendas two weeks prior to all scheduled meetings; seconded by Linda Cox. The motion passed unanimously.**

B. Alliant Insurance Brokerage and Consulting Agreement

Mr. Mike Simmons, Alliant Insurance Services, noted the Alliant Insurance Brokerage and Consulting Agreement did not reflect changes other than grammatical or typographical “clean-up” items.

**Don White moved to approve the three-year renewal agreement with Alliant Insurance Services for the term of July 1, 2018, through June 30, 2021, as presented; seconded by Artesia Dupree. The motion passed unanimously.**

C. Sampson, Sampson & Patterson, LLP Financial Audit Contract

Ms. Jobe noted Sampson, Sampson & Patterson, has conducted ERMA’s financial audit for over ten years. The proposed renewal agreement includes an increase of less than 3% over the three-year term.

**Jamie Goldstein moved to approve the three-year renewal agreement with Sampson, Sampson, & Patterson, LLP, for years ending June 30, 2019, 2020, and 2021, as presented; seconded by John Gillison. The motion passed unanimously.**

D. Draft Resolution 2017-5, Establishing Guidelines Regarding Member Self-Insured Retentions

Ms. Jobe reported the Board identified a need for an established set of guidelines regarding member self-insured retentions (SIR). The proposed policy outlined instances wherein the Board of Directors may consider and elect to impose an increased SIR for existing members based upon factors such as, extraordinarily poor loss history or failure to comply with loss control services, training or auditing programs adopted by ERMA.

Ms. Jobe noted the draft resolution was reviewed and approved by General Counsel.

**Artesia Dupree moved to approve Resolution 2017-5, Establishing Guidelines Regarding Member Self-Insured Retentions, as presented; seconded by Truc Dever. The motion passed unanimously.**

E. Draft Resolution 2017-4, Establishing a Policy for Reimbursement of Travel Expenses

Ms. Jobe reported Resolution 2017-4 was revised following the Board’s direction at the November 2017 meeting. Ms. Jobe noted internet charges were included as an approved expenditure relative to travel. Ms. Jobe also noted the revised resolution was reviewed and approved by General Counsel.

**Linda Cox moved to approve Resolution 2017-4, Establishing a Policy for Reimbursement of Travel Expenses, as presented; seconded by John Gillison. The motion passed unanimously.**

F. Consideration of Membership in the Association of Governmental Risk Pools (AGRiP)

Ms. Jobe reported the Association of Governmental Risk Pools (AGRiP) is comprised of JPAs across the nation and membership in AGRiP allows greater access to a variety of resources. Ms. Jobe further reported that if approved by the Board, ERMA will apply under a Pool-Affiliate Membership, as a member of the California Association of Joint Powers Authorities (CAJPA).

Discussion ensued regarding the overall cost of attendance and participation in AGRiP's conferences. The Board directed staff to present an estimate of associated costs and as well, determine general interest in conference attendance, so that any necessary updates may be included in the 2018/19 Program Year budget.

**Artesia Dupree moved to approve ERMA's membership and participation in AGRiP; seconded by Truc Dever. The motion passed unanimously.**

G. Review of ERMA Website

Ms. Jobe advised additional research was conducted to better determine the public or member-portal placement of agenda packets. Ms. Jobe advised that Mr. Greg O'Dea, General Counsel, reviewed various sections of the Government Code and opined that ERMA would be in compliance with open meeting laws should the agenda packet be placed within the member portal.

Ms. Jobe stated opinions from other Board Counsels were sought and a consensus was reached that the agenda itself must be placed on the public facing website, but packets may be placed within a member portal.

Following additional discussion, it was determined ERMA's full agenda packets should be placed within the public facing website.

**Jamie Goldstein moved to release the updated ERMA website to include full agenda packets posted to the public facing site; seconded by John Gillison. The motion passed unanimously.**

10. COVERAGE MATTERS

A. Excess Coverage and Marketing Strategy for 2018/19

Mr. Simmons encouraged members to consider coverage limit increases for the coming program year. Mr. Simmons stated Alliant will present options of increased coverage limits to the members in May.

Ms. Jobe reported Alliant will market the program for the first time in several years. As such,

staff has begun the process of collecting the required data and will continue to work with Alliant in order for preliminary pricing and rates to be presented at the May 1, 2018, Board of Directors meeting.

Mr. Simmons reported the aggregate should be adjusted as more members join the program. Under the existing policy, there is a \$1 million dollar limit for each member with a \$2 million dollar member aggregate and \$10 million dollar policy aggregate.

**B. Recommended Self-Insured Retention Increases**

Ms. Jobe reported that pursuant to the Board's established 2017 goal to conduct an internal analysis of existing member's self-insured retentions (SIR), staff conducted an analysis by comparing current budget data to member's target equity ratios. The analysis was then expanded to consider loss history, current and/or prior recommendations for risk assessments and information provided by ERMA's Litigation Manager regarding overall Agency management organization, cause of claims, etc.

In conducting the analysis, staff identified nine members recommended for an SIR increase. Following further review, staff recommended only one member, the City of West Hollywood, to increase their SIR from \$100,000 to \$250,000. Staff recommended the other eight identified members be monitored throughout the 2017/18 program year.

A separate piece of the analysis included a review of members who fail to comply with ERMA programs, such as the Policy Review Survey. Ms. Jobe noted that adherence to the Board's request to complete the Policy Review Survey was mandatory. Ms. Jobe stated notifications would be issued to those members not in compliance with ERMA's programs, notifying them of the Board's decision to impose an incremental increase to their SIR, effective July 1, 2018. It was also noted that should a Member complete the survey by March 31, 2018, a rescission of the imposed increase would be issued.

**Truc Dever moved to approve SIR increases for the Following Members: City of West Hollywood to \$250,000; City of Pacifica to \$75,000; and the City of Walnut Creek to \$75,000, effective July 1, 2018. The recommendations for SIR increases due to "Failure to Comply with ERMA Programs" for the City of Pacifica and the City of Walnut Creek may be rescinded if the Member complies with the Board of Director's request to complete the Policy Review Survey by March 31, 2018; seconded by Artesia Dupree. The motion passed by Scott Ellerbrock, Truc Dever, Stuart Schillinger, Robert Thompson, Sean Scully, Don White, Jamie Goldstein, Linda Cox, John Duckett, Charlene Calica, and Artesia Dupree, with one abstention, John Gillison.**

**C. City of Susanville Appeal of Denials of Coverage and Late Reporting Penalties**

Ms. Maylin reported the City of Susanville appealed the denial of coverage for Wood v. City of Susanville; Bollinger v. City of Susanville; and Jones v. City of Susanville. Ms. Maylin reviewed the Memorandum of Coverage with the Board and the guidelines for accepting claims and the late reporting clause. Ms. Maylin stated the claims are within the 90 day reporting period. Ms. Maylin noted the City submitted a letter stating there was a change in personnel and the new Small Cities Organized Risk Effort (SCORE) representative was not aware claims were

to be submitted to ERMA within a 30-day time period. It was noted the City of Susanville has not incurred a claim in 15 years.

Mr. John Duckett, SCORE, noted the City of Susanville is an extremely small city and losing staff often has a detrimental effect on operations. It was also noted the importance of reporting timely to ERMA is stated at each SCORE Board meeting.

**Jaime Goldstein moved to grant the City of Susanville's coverage appeal of Wood v. City of Susanville; Bollinger v. City of Susanville; and Jones v. City of Susanville with a late reporting penalty of \$6,250 per claim; seconded by Truc Dever. The motion passed unanimously.**

11. FINANCIAL MATTERS

A. Investment Performance Review Presented by Public Financial Management, Inc.

Ms. Lesley Murphy, Senior Managing Consultant, Public Financial Management, Inc. (PFM) was in attendance to provide an update on ERMA's investment portfolio's investment activities. Ms. Murphy discussed market conditions as of the quarter ended December 31, 2017.

Ms. Murphy noted the trajectory of the two-year treasury yields in 2017 was very similar to that of 2016. Ms. Murphy stated all investments for ERMA are fixed income securities.

Ms. Murphy discussed portfolio values, allocations, credit quality, maturity distributions, municipalities, total returns, income, sector allocation over time, bench mark comparisons, duration distribution, issuers, portfolio transactions, and portfolio management going forward. Ms. Murphy noted the portfolio continues to deliver a strong return versus the benchmark, and since inception it is outperforming the benchmark by 50 basis points.

Ms. Murphy explained PFM has been moving away from Federal Agencies due to how expensive they are and has been investing in supranationals as an alternative because they are AAA rated and the US Government is the largest member of all three supranational obligations that have been purchased.

Ms. Murphy noted ERMA's portfolio is in compliance with both California Government Code and ERMA's Investment Policy.

B. Annual Review and Approval of Investment Policy

Ms. Murphy reviewed the Investment Policy and stated it is in compliance with the California Government Code that mandates the investment of public funds. Ms. Murphy recommended two minor changes to the Investment Policy. The first adjusts the language under the Eligible Securities and Criteria section with regards to local Government Investment Pools, making sure the language matches that of Code. Second, Ms. Murphy recommended deleting the phrase "and seek to maintain a constant net asset value of \$1.00 per share" in the Glossary, since certain types of money market funds are no longer required to maintain a net asset value of \$1.00 per share.

**John Gillison moved to approve the Annual Investment Policy as revised; seconded by Don White. The motion passed unanimously.**

C. Review of Target Equity Ratios

President Ellerbrock advised that Ms. Broadhurst provided an in-depth presentation to the Board at the 18<sup>th</sup> Annual Workshop. Ms. Broadhurst noted that next year, staff will incorporate additional ratios to include net amounts of declared dividends.

**Jamie Gillison moved to approve the Target Equity Benchmarking Ratio calculation as of June 30, 2017; seconded by John Gillison. The motion passed unanimously.**

12. CLAIMS MATTERS

A. Closed Session Pursuant to Government Code Section 54956.95(a) to Discuss Claims

Pursuant to Government Code Section 54956.95(a), the Board recessed to closed session at 11:27 a.m. to discuss the following claims:

- Salehi v. West Hollywood
- Anderson v. Rialto
- Nekooee v. Rialto
- Teater v. Atwater

B. Report from Closed Session

The Board reconvened to open session at 11:41 a.m. The Board met to discuss the claims listed above. With respect to Salehi v. West Hollywood, Anderson v. Rialto, Nekooee v. Rialto, and Teater v. Atwater, no action was taken.

13. CLOSING COMMENTS

A. Board

None

B. Staff

None

14. ADJOURNMENT

The February 9, 2018, ERMA Board of Directors meeting adjourned at 11:43 a.m. by general consent.



Kristina Johnson, Board Secretary

**EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)**  
**SUMMARY OF ACTION ITEMS**  
**BOARD OF DIRECTORS MEETING OF FEBRUARY 9, 2018**

- ❖ The following consent calendar items were approved by the Board:
  - A. Minutes of November 6, 2017, Board of Directors Meeting and Summary of Action Items
  - B. General Warrants from November 1, 2017, through December 31, 2017
  - C. Claims Payments from November 1, 2017, through December 31, 2017
  - D. Petty Cash Statement from November 1, 2017, through December 31, 2017
  - E. CAJPA Re-Accreditation
  - F. Treasurer's Report as of December 31, 2017
  - G. Internal Financial Statements for the Quarter Ended December 31, 2017
- ❖ The Board elected Mr. John Gillison as Vice President and Ms. Truc Dever as Treasurer for the term through June 30, 2019.
- ❖ The Board adopted the goals and objectives established for 2018.
- ❖ The Board approved the agreement from Bickmore for Administrative, Litigation Management and Financial Services for July 1, 2018, through June 30, 2023.
- ❖ The Board approved the agreement from Alliant Insurance Services, for Brokerage and Consulting services for July 1, 2018, through June 30, 2021.
- ❖ The Board approved the agreement from Sampson, Sampson, & Patterson, LLP for financial audit services for the periods ending June 30, 2019, 2020, and 2021.
- ❖ The Board approved Resolution 2017-5; Establishing Guidelines Regarding Member Self-Insured Retentions.
- ❖ The Board approved Resolution 2017-4; Establishing a Policy for Reimbursement of Travel Expenses.
- ❖ The Board approved membership in Association of Governmental Risk Pools (AGRiP).
- ❖ The Board approved the new website.
- ❖ The Board approved an increase of the City of West Hollywood's Self-Insured Retention from \$100,000 to \$250,000.
- ❖ The Board approved an increase for the City of Pacifica and the City of Walnut Creek's self-insured retention from \$50,000 to \$75,000, with the caveat the imposed retentions may be rescinded upon compliance with the Board's request to complete the Policy Review Survey by March 31, 2018.
- ❖ The Board granted coverage appeals for the City of Susanville for Wood v. City of Susanville; Bollinger v. City of Susanville; and Jones v. City of Susanville with a late reporting penalty of \$6,250 per claim.
- ❖ The Board approved the Annual Investment Policy.
- ❖ The Board approved the Target Equity Benchmarking Ratio calculation.

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Employment Risk Management Aut  
VENDOR CHECK REGISTER REPORT  
Payables Management

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User ID: cxiong

Ranges:	From:	To:	Check Date	From:	To:
Check Number	First	Last	1/1/2018	1/1/2018	4/15/2018
Vendor ID	First	Last	Checkbook ID	CBT GENERAL	CBT GENERAL
Vendor Name	First	Last			

Sorted By: Check Number

\* Voided Checks

Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
EFT000024	BI100	Bickmore	1/12/2018	CBT GENERAL	PMCHK00000549	\$4,678.55
EFT000025	LO120	Longyear, O'Dea, & Lavra, LLP	1/12/2018	CBT GENERAL	PMCHK00000549	\$928.80
EFT000026	SA160	Santa Cruz Dream Inn	1/12/2018	CBT GENERAL	PMCHK00000549	\$6,473.66
EFT000028	BI100	Bickmore	2/15/2018	CBT GENERAL	PMCHK00000555	\$19,300.00
EFT000029	LO120	Longyear, O'Dea, & Lavra, LLP	2/15/2018	CBT GENERAL	PMCHK00000555	\$5,264.20
EFT000030	PC100	Administration	2/15/2018	CBT GENERAL	PMCHK00000555	\$3,189.22
EFT000032	AG100	in2vate, LLC	3/14/2018	CBT GENERAL	PMCHK00000557	\$5,415.00
EFT000033	BI100	Bickmore	3/14/2018	CBT GENERAL	PMCHK00000557	\$178,580.25
EFT000034	LO120	Longyear, O'Dea, & Lavra, LLP	3/14/2018	CBT GENERAL	PMCHK00000557	\$4,936.22
EFT000035	SA160	Santa Cruz Dream Inn	3/14/2018	CBT GENERAL	PMCHK00000557	\$5,009.11
G 003120	LI100	Liebert Cassidy Whitmore	1/12/2018	CBT GENERAL	PMCHK00000550	\$4,300.00
G 003121	AG105	AGRIp	2/15/2018	CBT GENERAL	PMCHK00000554	\$1,147.92
G 003122	ES120	Shannon Esenwein	2/15/2018	CBT GENERAL	PMCHK00000554	\$141.70
G 003123	LA140	City of Laguna Hills	2/15/2018	CBT GENERAL	PMCHK00000554	\$358.99
G 003124	LI100	Liebert Cassidy Whitmore	2/15/2018	CBT GENERAL	PMCHK00000554	\$2,595.50
G 003125	EL100	Scott Ellerbrock	3/14/2018	CBT GENERAL	PMCHK00000558	\$785.88
G 003126	GR105	Greater LA County VCD	3/14/2018	CBT GENERAL	PMCHK00000558	\$384.90
G 003127	JO110	Joanne Rennie	3/14/2018	CBT GENERAL	PMCHK00000558	\$202.20
G 003128	LI100	Liebert Cassidy Whitmore	3/14/2018	CBT GENERAL	PMCHK00000558	\$2,150.00
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Total Checks:	19					Total Amount of Checks: \$245,842.10
						=====

Ranges:	From:	To:	From:	To:
Check Number	First	Last	1/1/2018	4/15/2018
Vendor ID	First	Last	CBT CLAIMS	CBT CLAIMS
Vendor Name	First	Last		

Sorted By: Check Number

\* Voided Checks

Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
L 006851	AD105	Adams Ferrone & Ferrone	1/4/2018	CBT CLAIMS	PMCHK00000546	\$140,400.00
L 006852	LI100	Liebert Cassidy Whitmore	1/4/2018	CBT CLAIMS	PMCHK00000546	\$6,347.00
L 006853	LI100	Liebert Cassidy Whitmore	1/4/2018	CBT CLAIMS	PMCHK00000546	\$1,230.00
L 006854	LO100	Lozano Smith, LLP	1/4/2018	CBT CLAIMS	PMCHK00000546	\$2,419.36
* L 006855	SH130	Shegerian and Associates's Att	1/4/2018	CBT CLAIMS	PMCHK00000546	\$700,000.00
* L 006856	ST135	Steve Hobb	1/4/2018	CBT CLAIMS	PMCHK00000546	\$124,600.00
* L 006857	SH130	Shegerian and Associates's Att	1/4/2018	CBT CLAIMS	PMCHK00000547	\$700,000.00
L 006858	ST135	Steve Hobb	1/4/2018	CBT CLAIMS	PMCHK00000547	\$124,600.00
L 006859	SH130	Shegerian and Associates's Att	1/4/2018	CBT CLAIMS	PMCHK00000548	\$700,000.00
L 006860	BE100	Best Best and Krieger LLP	1/24/2018	CBT CLAIMS	PMCHK00000551	\$9,057.01
L 006861	BE100	Best Best and Krieger LLP	1/24/2018	CBT CLAIMS	PMCHK00000551	\$1,519.75
L 006862	BE100	Best Best and Krieger LLP	1/24/2018	CBT CLAIMS	PMCHK00000551	\$6,229.76
L 006863	BE100	Best Best and Krieger LLP	1/24/2018	CBT CLAIMS	PMCHK00000551	\$9,522.58
L 006864	BE100	Best Best and Krieger LLP	1/24/2018	CBT CLAIMS	PMCHK00000551	\$1,134.49
L 006865	BE100	Best Best and Krieger LLP	1/24/2018	CBT CLAIMS	PMCHK00000551	\$3,095.95
L 006866	BE100	Best Best and Krieger LLP	1/24/2018	CBT CLAIMS	PMCHK00000551	\$8,431.74
* L 006867	CA170	Carpenter Rothans & Dumont LLP	1/24/2018	CBT CLAIMS	PMCHK00000551	\$9,058.18
L 006868	CA170	Carpenter Rothans & Dumont LLP	1/24/2018	CBT CLAIMS	PMCHK00000551	\$216.00
L 006869	CA170	Carpenter Rothans & Dumont LLP	1/24/2018	CBT CLAIMS	PMCHK00000551	\$32,736.22
L 006870	CA170	Carpenter Rothans & Dumont LLP	1/24/2018	CBT CLAIMS	PMCHK00000551	\$325.87
* L 006871	CR120	Creason & Aarvig, LLP	1/24/2018	CBT CLAIMS	PMCHK00000551	\$5,000.30
* L 006872	CR120	Creason & Aarvig, LLP	1/24/2018	CBT CLAIMS	PMCHK00000551	\$7,740.00
* L 006873	CR120	Creason & Aarvig, LLP	1/24/2018	CBT CLAIMS	PMCHK00000551	\$780.00
L 006874	JA100	Jackson Lewis P.C.	1/24/2018	CBT CLAIMS	PMCHK00000551	\$8,229.50
L 006875	JA100	Jackson Lewis P.C.	1/24/2018	CBT CLAIMS	PMCHK00000551	\$28,486.48
L 006876	JA100	Jackson Lewis P.C.	1/24/2018	CBT CLAIMS	PMCHK00000551	\$6,070.50
L 006877	LI100	Liebert Cassidy Whitmore	1/24/2018	CBT CLAIMS	PMCHK00000551	\$7,772.07
L 006878	LI100	Liebert Cassidy Whitmore	1/24/2018	CBT CLAIMS	PMCHK00000551	\$1,480.20
L 006879	LI100	Liebert Cassidy Whitmore	1/24/2018	CBT CLAIMS	PMCHK00000551	\$90.00
L 006880	LI100	Liebert Cassidy Whitmore	1/24/2018	CBT CLAIMS	PMCHK00000551	\$13,051.87
L 006881	LI100	Liebert Cassidy Whitmore	1/24/2018	CBT CLAIMS	PMCHK00000551	\$1,326.00
L 006882	LI100	Liebert Cassidy Whitmore	1/24/2018	CBT CLAIMS	PMCHK00000551	\$402.00
L 006883	LI100	Liebert Cassidy Whitmore	1/24/2018	CBT CLAIMS	PMCHK00000551	\$1,425.00
L 006884	LI100	Liebert Cassidy Whitmore	1/24/2018	CBT CLAIMS	PMCHK00000551	\$12,033.95
L 006885	LO100	Lozano Smith, LLP	1/24/2018	CBT CLAIMS	PMCHK00000551	\$2,437.03
L 006886	LO100	Lozano Smith, LLP	1/24/2018	CBT CLAIMS	PMCHK00000551	\$907.63
L 006887	CR120	Creason & Aarvig, LLP	1/25/2018	CBT CLAIMS	PMCHK00000552	\$5,000.30
L 006888	CR120	Creason & Aarvig, LLP	1/25/2018	CBT CLAIMS	PMCHK00000552	\$7,740.00
L 006889	CR120	Creason & Aarvig, LLP	1/25/2018	CBT CLAIMS	PMCHK00000552	\$780.00
L 006890	CA170	Carpenter Rothans & Dumont LLP	1/29/2018	CBT CLAIMS	PMCHK00000553	\$9,058.12
L 006891	BE100	Best Best and Krieger LLP	3/2/2018	CBT CLAIMS	PMCHK00000556	\$1,154.03
L 006892	BE100	Best Best and Krieger LLP	3/2/2018	CBT CLAIMS	PMCHK00000556	\$1,068.54
L 006893	BE100	Best Best and Krieger LLP	3/2/2018	CBT CLAIMS	PMCHK00000556	\$1,503.00
L 006894	CA170	Carpenter Rothans & Dumont LLP	3/2/2018	CBT CLAIMS	PMCHK00000556	\$906.20
L 006895	JA100	Jackson Lewis P.C.	3/2/2018	CBT CLAIMS	PMCHK00000556	\$14,010.25
L 006896	JA100	Jackson Lewis P.C.	3/2/2018	CBT CLAIMS	PMCHK00000556	\$11,479.92
L 006897	JA100	Jackson Lewis P.C.	3/2/2018	CBT CLAIMS	PMCHK00000556	\$1,396.50
L 006898	JA100	Jackson Lewis P.C.	3/2/2018	CBT CLAIMS	PMCHK00000556	\$15,829.50
L 006899	JA100	Jackson Lewis P.C.	3/2/2018	CBT CLAIMS	PMCHK00000556	\$1,563.00
L 006900	JA100	Jackson Lewis P.C.	3/2/2018	CBT CLAIMS	PMCHK00000556	\$7,188.00
L 006901	LI100	Liebert Cassidy Whitmore	3/2/2018	CBT CLAIMS	PMCHK00000556	\$1,393.95
L 006902	LI100	Liebert Cassidy Whitmore	3/2/2018	CBT CLAIMS	PMCHK00000556	\$4,360.50
L 006903	LI100	Liebert Cassidy Whitmore	3/2/2018	CBT CLAIMS	PMCHK00000556	\$427.50
L 006904	LI100	Liebert Cassidy Whitmore	3/2/2018	CBT CLAIMS	PMCHK00000556	\$276.42
L 006905	LI100	Liebert Cassidy Whitmore	3/2/2018	CBT CLAIMS	PMCHK00000556	\$769.50
L 006906	LI100	Liebert Cassidy Whitmore	3/2/2018	CBT CLAIMS	PMCHK00000556	\$1,437.00
L 006907	LI100	Liebert Cassidy Whitmore	3/2/2018	CBT CLAIMS	PMCHK00000556	\$1,105.95
L 006908	LI100	Liebert Cassidy Whitmore	3/2/2018	CBT CLAIMS	PMCHK00000556	\$192.54



\* Voided Checks

Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
L 006909	LI100	Liebert Cassidy Whitmore	3/2/2018	CBT CLAIMS	PMCHK00000556	\$2,361.00
L 006910	LI100	Liebert Cassidy Whitmore	3/2/2018	CBT CLAIMS	PMCHK00000556	\$238.90
L 006911	LI100	Liebert Cassidy Whitmore	3/2/2018	CBT CLAIMS	PMCHK00000556	\$2,530.50
L 006912	LA155	Law Offices of Paul P. Cheng &	3/19/2018	CBT CLAIMS	PMCHK00000559	\$25,000.00
L 006913	BE100	Best Best and Krieger LLP	4/12/2018	CBT CLAIMS	PMCHK00000560	\$9,830.73
L 006914	BE100	Best Best and Krieger LLP	4/12/2018	CBT CLAIMS	PMCHK00000560	\$3,477.15
L 006915	BE100	Best Best and Krieger LLP	4/12/2018	CBT CLAIMS	PMCHK00000560	\$2,909.06
L 006916	JA100	Jackson Lewis P.C.	4/12/2018	CBT CLAIMS	PMCHK00000560	\$975.68
L 006917	JA100	Jackson Lewis P.C.	4/12/2018	CBT CLAIMS	PMCHK00000560	\$310.50
L 006918	JA100	Jackson Lewis P.C.	4/12/2018	CBT CLAIMS	PMCHK00000560	\$2,433.00
L 006919	JA100	Jackson Lewis P.C.	4/12/2018	CBT CLAIMS	PMCHK00000560	\$13,234.50
L 006920	LI100	Liebert Cassidy Whitmore	4/12/2018	CBT CLAIMS	PMCHK00000560	\$157.50
L 006921	LI100	Liebert Cassidy Whitmore	4/12/2018	CBT CLAIMS	PMCHK00000560	\$400.86
L 006922	LI100	Liebert Cassidy Whitmore	4/12/2018	CBT CLAIMS	PMCHK00000560	\$22.50
L 006923	LI100	Liebert Cassidy Whitmore	4/12/2018	CBT CLAIMS	PMCHK00000560	\$9,346.20
L 006924	LO100	Lozano Smith, LLP	4/12/2018	CBT CLAIMS	PMCHK00000560	\$2,387.38

Total Checks: 74

Total Amount of Checks: \$1,295,234.14

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System: 4/18/2018 2:42:42 PM  
User Date: 4/18/2018

Employment Risk Management Aut  
VENDOR CHECK REGISTER REPORT  
Payables Management

Page: 1  
User ID: cxiong

Ranges:	From:	To:	From:	To:
Check Number	First	Last	Check Date	1/1/2018
Vendor ID	First	Last	Checkbook ID	CBT PETTY
Vendor Name	First	Last		CBT PETTY

Sorted By: Check Number

\* Voided Checks

Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
1267	DE105	City of Delano	1/11/2018	CBT PETTY	PMTRX00000697	\$195.13
1268	TI105	Town of Tiburon	2/5/2018	CBT PETTY	PMTRX00000699	\$251.13
1269	LE095	City of Lemoore	2/27/2018	CBT PETTY	PMTRX00000699	\$82.42
1270	YR100	City of Yreka	3/8/2018	CBT PETTY	PMTRX00000703	\$100.17
1271	PO115	City of Porterville	3/9/2018	CBT PETTY	PMTRX00000703	\$77.54
1272	RE100	City of Reedley	3/15/2018	CBT PETTY	PMTRX00000703	\$196.54
1273	HU100	City of Hughson	3/27/2018	CBT PETTY	PMTRX00000703	\$147.44
1274	ST140	Sutter-Yuba MVCD	4/13/2018	CBT PETTY	PMTRX00000707	\$73.42
1275	TE095	City of Tehachapi	4/13/2018	CBT PETTY	PMTRX00000707	\$33.58

Total Checks:	9			Total Amount of Checks:	\$1,157.37
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# Employment Risk Management Authority

## Cash & Investment Report

March 31, 2018

Accounts	Book Value	Market Value *	% of Total	Effective Yield
California Bank & Trust - Administration <sup>1</sup>	\$ 4,396	\$ 4,396	0.02%	0.00%
California Bank & Trust - General Operating <sup>1</sup>	14,555	14,555	0.05%	0.00%
California Bank & Trust - Claims Payment <sup>2</sup>	0	0	0.00%	0.00%
Local Agency Investment Fund	3,752,070	3,742,832	13.11%	1.51%
CAMP - Money Market	451,787	451,787	1.58%	1.62%
CAMP - Investments managed by PFM	24,719,675	24,330,595	85.24%	1.80%
<b>Total</b>	<b>\$ 28,942,483</b>	<b>\$ 28,544,165</b>		<b>1.76%</b>

\* Yield to Maturity at Cost

### Notes:

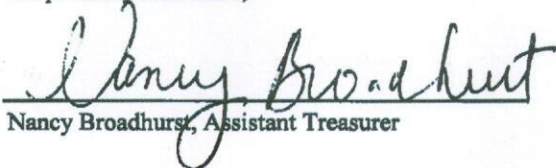
<sup>1</sup> These accounts are non-interest bearing analysis checking accounts in which the earning credit offsets a portion of the banking service charges.

<sup>2</sup> Beginning on February 2, 2016, ERMA's claims account was converted to a zero-balance account with a sweep arrangement to the general operating account. The negative balance represents the total outstanding checks as of the end of the quarter.

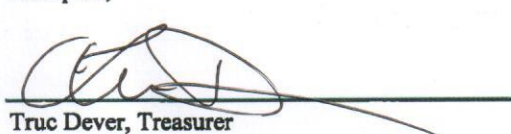
Attached are the PFM Asset Management (PFM) and Local Agency Investment Fund (LAIF) statements detailing all investment transactions. Market prices are derived from closing bid prices as of the last business day of the month from either Interactive Data, Bloomberg, Telerate, and other widely-used third party pricing vendors.

This report reflects all cash and investments and is in conformity with the investment policy of the Authority. The investment program shown herein is sufficient to meet the Authority's expenditure requirements over the next six months.

Respectfully submitted,

  
Nancy Broadhurst, Assistant Treasurer

Accepted,

  
Truc Dever, Treasurer

Local Agency Investment Fund  
P.O. Box 942809  
Sacramento, CA 94209-0001  
(916) 653-3001

[www.treasurer.ca.gov/pmia-laif/laif.asp](http://www.treasurer.ca.gov/pmia-laif/laif.asp)

April 03, 2018

EMPLOYMENT RISK MANAGEMENT AUTHORITY

ASSISTANT TREASURER  
1750 CREEKSIDE OAKS DRIVE  
SACRAMENTO, CA 95833

[PMIA Average Monthly Yields](#)

Account Number:  
35-34-011

[Tran Type Definitions](#)

March 2018 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
3/14/2018	3/13/2018	RW	1564295	NANCY BROADHURST	-70,000.00
3/16/2018	3/15/2018	RW	1564510	NANCY BROADHURST	-200,000.00
3/20/2018	3/19/2018	RW	1564681	NANCY BROADHURST	-25,000.00

**Account Summary**

Total Deposit:	0.00	Beginning Balance:	4,047,069.67
Total Withdrawal:	-295,000.00	Ending Balance:	3,752,069.67

**ERMA  
LAIF Market Value  
3/31/2018**

<b>Adjustment for Market Value</b>
------------------------------------

LAIF Statement Balance	\$ 3,752,069.67
Fair Value Factor per LAIF Performance Report	<u>0.997538001</u>
Adjusted Market Value	<u><u>\$ 3,742,832.08</u></u>



**JOHN CHIANG  
TREASURER  
STATE OF CALIFORNIA**



**PMIA Performance Report**

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
03/13/18	1.51	1.40	177
03/14/18	1.51	1.40	176
03/15/18	1.52	1.40	176
03/16/18	1.53	1.40	176
03/17/18	1.53	1.41	176
03/18/18	1.53	1.41	176
03/19/18	1.53	1.41	176
03/20/18	1.54	1.41	175
03/21/18	1.54	1.41	174
03/22/18	1.55	1.41	178
03/23/18	1.56	1.42	180
03/24/18	1.56	1.42	180
03/25/18	1.56	1.42	180
03/26/18	1.56	1.42	176
03/27/18	1.57	1.42	175
03/28/18	1.57	1.42	177
03/29/18	1.58	1.43	179
03/30/18	1.59	1.43	183
03/31/18	1.59	1.43	183
04/01/18	1.59	1.59	183
04/02/18	1.60	1.60	190
04/03/18	1.60	1.60	190
04/04/18	1.61	1.60	188
04/05/18	1.61	1.60	187
04/06/18	1.62	1.61	185
04/07/18	1.62	1.61	185
04/08/18	1.62	1.61	185
04/09/18	1.62	1.61	186
04/10/18	1.63	1.61	184
04/11/18	1.63	1.61	183
04/12/18	1.65	1.62	183

\*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

**LAIF Performance Report**

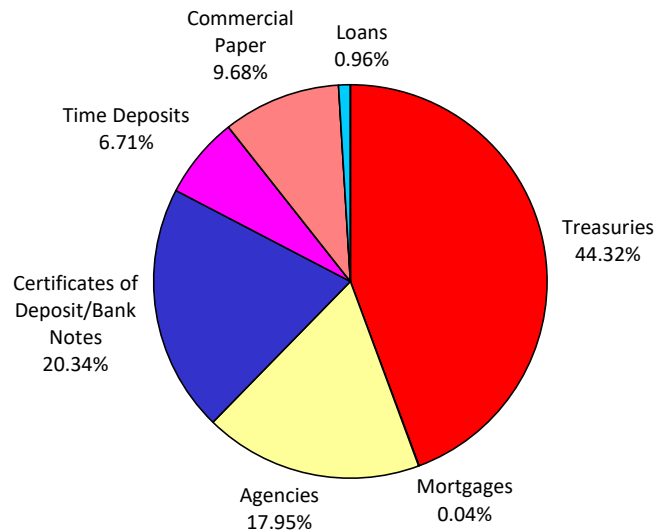
**Quarter Ending 03/31/18**

Apportionment Rate: 1.51%  
 Earnings Ratio: 0.00004135534904993  
 Fair Value Factor: 0.997538001  
 Daily: 1.59%  
 Quarter to Date: 1.43%  
 Average Life: 183

**PMIA Average Monthly  
Effective Yields**

**Mar 2018 1.524**  
 Feb 2018 1.412  
 Jan 2018 1.350

**Pooled Money Investment Account  
Portfolio Composition  
03/31/18  
\$75.0 billion**



Based on data available as of 4/13/2018

Local Agency Investment Fund  
P.O. Box 942809  
Sacramento, CA 94209-0001  
(916) 653-3001

[www.treasurer.ca.gov/pmia-laif/laif.asp](http://www.treasurer.ca.gov/pmia-laif/laif.asp)

March 01, 2018

EMPLOYMENT RISK MANAGEMENT AUTHORITY

ASSISTANT TREASURER  
1750 CREEKSIDE OAKS DRIVE  
SACRAMENTO, CA 95833

[PMIA Average Monthly Yields](#)

Account Number:

35-34-011

[Tran Type Definitions](#)

February 2018 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
2/20/2018	2/16/2018	RW	1562875	NANCY BROADHURST	-35,000.00

**Account Summary**

Total Deposit:	0.00	Beginning Balance:	4,082,069.67
Total Withdrawal:	-35,000.00	Ending Balance:	4,047,069.67

Local Agency Investment Fund  
P.O. Box 942809  
Sacramento, CA 94209-0001  
(916) 653-3001

[www.treasurer.ca.gov/pmia-laif/laif.asp](http://www.treasurer.ca.gov/pmia-laif/laif.asp)  
February 06,  
2018

EMPLOYMENT RISK MANAGEMENT AUTHORITY

ASSISTANT TREASURER  
1750 CREEKSIDE OAKS DRIVE  
SACRAMENTO, CA 95833

[PMIA Average Monthly Yields](#)

Account Number:

35-34-011

[Tran Type Definitions](#)

January 2018 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
1/5/2018	1/4/2018	RW	1557650	NANCY BROADHURST	-990,000.00
1/12/2018	1/11/2018	QRD	1559819	SYSTEM	17,133.84
1/26/2018	1/25/2018	RW	1561390	NANCY BROADHURST	-180,000.00

**Account Summary**

Total Deposit:	17,133.84	Beginning Balance:	5,234,935.83
Total Withdrawal:	-1,170,000.00	Ending Balance:	4,082,069.67





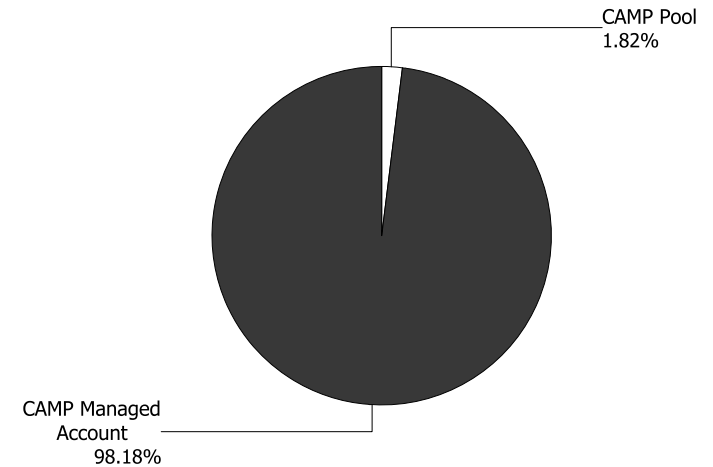
## Account Statement - Transaction Summary

For the Month Ending **March 31, 2018**

### EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00

<b>CAMP Pool</b>	
Opening Market Value	109,309.44
Purchases	599,240.75
Redemptions	(256,763.20)
Unsettled Trades	0.00
Change in Value	0.00
<b>Closing Market Value</b>	<b>\$451,786.99</b>
Cash Dividends and Income	508.27
<b>CAMP Managed Account</b>	
Opening Market Value	24,651,002.37
Purchases	250,000.00
Redemptions	(576,984.71)
Unsettled Trades	0.00
Change in Value	6,577.26
<b>Closing Market Value</b>	<b>\$24,330,594.92</b>
Cash Dividends and Income	16,882.52

<b>Asset Summary</b>		
	<b>March 31, 2018</b>	<b>February 28, 2018</b>
<b>CAMP Pool</b>	451,786.99	109,309.44
<b>CAMP Managed Account</b>	24,330,594.92	24,651,002.37
<b>Total</b>	<b>\$24,782,381.91</b>	<b>\$24,760,311.81</b>
<b>Asset Allocation</b>		





## Managed Account Detail of Securities Held

For the Month Ending **March 31, 2018**

### EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00 - (12510475)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>U.S. Treasury Bond / Note</b>											
US TREASURY NOTES DTD 11/15/2010 2.625% 11/15/2020	912828PC8	35,000.00	AA+	Aaa	05/03/16	05/06/16	37,171.09	1.21	347.70	36,272.24	35,218.75
US TREASURY NOTES DTD 05/31/2016 1.375% 05/31/2021	912828R77	650,000.00	AA+	Aaa	03/15/17	03/17/17	633,115.24	2.02	2,995.54	637,169.27	629,129.15
US TREASURY NOTES DTD 06/02/2014 2.000% 05/31/2021	912828WN6	850,000.00	AA+	Aaa	09/01/16	09/02/16	880,546.88	1.22	5,697.80	870,578.97	838,943.20
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	485,000.00	AA+	Aaa	10/03/16	10/05/16	503,206.45	1.21	843.48	497,787.13	477,706.09
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	675,000.00	AA+	Aaa	12/01/16	12/05/16	677,003.91	1.93	1,173.91	676,468.51	664,848.68
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	900,000.00	AA+	Aaa	07/06/17	07/11/17	905,449.22	1.85	1,565.22	904,530.10	886,464.90
US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	1,100,000.00	AA+	Aaa	06/27/17	06/29/17	1,111,988.28	1.73	1,913.04	1,109,880.70	1,083,457.10
US TREASURY NOTES DTD 10/31/2016 1.250% 10/31/2021	912828T67	550,000.00	AA+	Aaa	08/30/17	08/31/17	541,320.31	1.64	2,886.74	542,508.36	527,118.90
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	350,000.00	AA+	Aaa	12/04/17	12/06/17	346,363.28	2.12	2,755.52	346,619.07	341,345.55
US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	425,000.00	AA+	Aaa	01/03/18	01/04/18	419,604.49	2.18	3,345.99	419,895.23	414,491.03
<b>Security Type Sub-Total</b>		<b>6,020,000.00</b>					<b>6,055,769.15</b>	<b>1.73</b>	<b>23,524.94</b>	<b>6,041,709.58</b>	<b>5,898,723.35</b>
<b>Supra-National Agency Bond / Note</b>											
INTER-AMERICAN DEVELOPMENT BANK DTD 04/12/2016 1.000% 05/13/2019	458182DX7	350,000.00	AAA	Aaa	04/05/16	04/12/16	348,950.00	1.10	1,341.67	349,615.80	345,193.45
INTER-AMERICAN DEVEL BK NOTE DTD 04/12/2017 1.625% 05/12/2020	4581X0CX4	400,000.00	AAA	Aaa	04/05/17	04/12/17	399,052.00	1.70	2,509.72	399,343.53	394,139.20



## Managed Account Detail of Securities Held

For the Month Ending **March 31, 2018**

### EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00 - (12510475)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Supra-National Agency Bond / Note</b>											
INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 09/19/2017 1.561% 09/12/2020	45905UP32	625,000.00	AAA	Aaa	09/12/17	09/19/17	623,500.00	1.64	514.91	623,762.54	609,546.88
INTER-AMERICAN DEVELOPMENT BANK DTD 11/08/2013 2.125% 11/09/2020	4581X0CD8	500,000.00	AAA	Aaa	10/02/17	10/10/17	504,634.55	1.81	4,190.97	503,938.85	495,805.00
<b>Security Type Sub-Total</b>		<b>1,875,000.00</b>					<b>1,876,136.55</b>	<b>1.60</b>	<b>8,557.27</b>	<b>1,876,660.72</b>	<b>1,844,684.53</b>
<b>Municipal Bond / Note</b>											
CT ST TXBL GO BONDS DTD 08/17/2016 1.300% 08/15/2019	20772J3D2	275,000.00	A+	A1	08/03/16	08/17/16	275,594.00	1.23	456.81	275,274.82	270,226.00
<b>Security Type Sub-Total</b>		<b>275,000.00</b>					<b>275,594.00</b>	<b>1.23</b>	<b>456.81</b>	<b>275,274.82</b>	<b>270,226.00</b>
<b>Federal Agency Collateralized Mortgage Obligation</b>											
FNMA SERIES 2015-M15 ASQ2 DTD 11/01/2015 1.898% 01/01/2019	3136AOSW1	33,575.54	AA+	Aaa	11/06/15	11/30/15	33,911.28	1.20	53.11	33,616.48	33,445.31
FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AOD00	88,281.66	AA+	Aaa	10/07/15	10/30/15	89,165.71	1.08	121.09	88,527.51	87,733.59
<b>Security Type Sub-Total</b>		<b>121,857.20</b>					<b>123,076.99</b>	<b>1.12</b>	<b>174.20</b>	<b>122,143.99</b>	<b>121,178.90</b>
<b>Federal Agency Bond / Note</b>											
FEDERAL HOME LOAN BANK AGENCY NOTES DTD 05/12/2017 1.375% 05/28/2019	3130ABF92	100,000.00	AA+	Aaa	05/11/17	05/12/17	99,811.00	1.47	469.79	99,892.14	99,079.70
FNMA BENCHMARK NOTE DTD 08/02/2016 0.875% 08/02/2019	3135G0N33	80,000.00	AA+	Aaa	07/29/16	08/02/16	79,865.60	0.93	114.72	79,939.69	78,561.28
FHLB GLOBAL NOTE DTD 08/04/2016 0.875% 08/05/2019	3130A8Y72	375,000.00	AA+	Aaa	08/03/16	08/04/16	374,280.00	0.94	510.42	374,675.18	368,259.38
FNMA NOTES DTD 09/02/2016 1.000% 08/28/2019	3135G0P49	150,000.00	AA+	Aaa	08/31/16	09/02/16	149,766.00	1.05	137.50	149,888.82	147,511.20



## Managed Account Detail of Securities Held

For the Month Ending **March 31, 2018**

### EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00 - (12510475)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Federal Agency Bond / Note</b>											
FHLB NOTES DTD 11/17/2016 1.375% 11/15/2019	3130AA3R7	600,000.00	AA+	Aaa	11/16/16	11/17/16	599,862.00	1.38	3,116.67	599,924.46	591,465.60
FNMA NOTES DTD 02/28/2017 1.500% 02/28/2020	3135G0T29	150,000.00	AA+	Aaa	02/24/17	02/28/17	149,904.00	1.52	206.25	149,938.44	147,735.90
FHLB GLOBAL NOTE DTD 07/14/2016 1.125% 07/14/2021	3130A8QS5	625,000.00	AA+	Aaa	07/14/16	07/15/16	621,199.38	1.25	1,503.91	622,474.51	598,802.50
<b>Security Type Sub-Total</b>		<b>2,080,000.00</b>					<b>2,074,687.98</b>	<b>1.24</b>	<b>6,059.26</b>	<b>2,076,733.24</b>	<b>2,031,415.56</b>
<b>Corporate Note</b>											
BANK OF NEW YORK MELLON CORP (CALLABLE) DTD 05/29/2015 1.600% 05/22/2018	06406HDB2	275,000.00	A	A1	05/22/15	05/29/15	274,975.25	1.60	1,576.67	274,998.78	274,594.65
CISCO SYSTEMS INC CORP NOTE DTD 06/17/2015 1.650% 06/15/2018	17275RAU6	450,000.00	AA-	A1	06/10/15	06/17/15	449,923.50	1.66	2,186.25	449,994.63	449,653.05
TOYOTA MOTOR CREDIT CORP DTD 07/13/2015 1.550% 07/13/2018	89236TCP8	85,000.00	AA-	Aa3	07/08/15	07/13/15	84,927.75	1.58	285.46	84,993.04	84,853.38
AMERICAN EXPRESS CRD CRP NT (CALLABLE) DTD 07/31/2015 1.800% 07/31/2018	0258M0DV8	70,000.00	A-	A2	10/05/15	10/08/15	70,270.90	1.66	213.50	70,025.06	69,838.16
BERKSHIRE HATHAWAY INC NOTES DTD 03/15/2016 1.700% 03/15/2019	084664CG4	35,000.00	AA	Aa2	03/08/16	03/15/16	34,973.40	1.73	26.44	34,991.38	34,761.20
WELLS FARGO & COMPANY CORP NOTE DTD 04/22/2014 2.125% 04/22/2019	94974BFU9	250,000.00	A-	A2	03/10/16	03/15/16	251,022.50	1.99	2,346.35	250,356.51	248,503.00
GOLDMAN SACHS GRP INC CORP NT (CALLABLE) DTD 04/25/2016 2.000% 04/25/2019	38141GVT8	35,000.00	BBB+	A3	04/20/16	04/25/16	34,902.70	2.10	303.33	34,964.71	34,717.03
GOLDMAN SACHS GRP INC CORP NT (CALLABLE) DTD 04/25/2016 2.000% 04/25/2019	38141GVT8	200,000.00	BBB+	A3	04/21/16	04/26/16	199,872.00	2.02	1,733.33	199,953.59	198,383.00



## Managed Account Detail of Securities Held

For the Month Ending **March 31, 2018**

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Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Corporate Note</b>											
CITIGROUP INC CORP NOTES DTD 06/09/2016 2.050% 06/07/2019	172967KS9	100,000.00	BBB+	Baa1	06/02/16	06/09/16	99,948.00	2.07	649.17	99,979.06	99,080.00
BURLINGTON NRTH CORP DTD 09/24/2009 4.700% 10/01/2019	12189TBC7	125,000.00	A+	A3	06/03/16	06/08/16	137,987.50	1.48	2,937.50	130,958.25	128,500.25
CITIGROUP INC (CALLABLE) CORP NOTE DTD 01/10/2017 2.450% 01/10/2020	172967LF6	250,000.00	BBB+	Baa1	01/04/17	01/10/17	249,900.00	2.46	1,378.13	249,939.97	247,676.75
MICROSOFT CORP NOTES DTD 02/06/2017 1.850% 02/06/2020	594918BV5	225,000.00	AAA	Aaa	01/30/17	02/06/17	224,849.25	1.87	635.94	224,906.21	222,756.30
AMERICAN EXPRESS CREDIT (CALLABLE) NOTE DTD 03/03/2017 2.200% 03/03/2020	0258M0EE5	180,000.00	A-	A2	02/28/17	03/03/17	179,812.80	2.24	308.00	179,878.64	177,480.54
WALT DISNEY COMPANY CORP NOTES DTD 03/06/2017 1.950% 03/04/2020	25468PDP8	100,000.00	A+	A2	03/01/17	03/06/17	99,974.00	1.96	146.25	99,983.08	98,589.10
TOYOTA MOTOR CREDIT CORP (CALLABLE) DTD 04/17/2017 1.950% 04/17/2020	89236TDU6	350,000.00	AA-	Aa3	04/11/17	04/17/17	349,839.00	1.97	3,109.17	349,889.27	344,237.25
APPLE INC BONDS DTD 05/11/2017 1.800% 05/11/2020	037833CS7	200,000.00	AA+	Aa1	05/04/17	05/11/17	199,796.00	1.84	1,400.00	199,855.31	196,781.00
HOME DEPOT INC CORP NOTES DTD 06/05/2017 1.800% 06/05/2020	437076BQ4	125,000.00	A	A2	05/24/17	06/05/17	124,927.50	1.82	725.00	124,946.99	122,791.88
JP MORGAN CHASE & CO CORP NT (CALLABLE) DTD 06/23/2015 2.750% 06/23/2020	46625HLW8	250,000.00	A-	A3	04/01/16	04/04/16	256,172.50	2.13	1,871.53	253,270.09	248,604.00
AMERICAN HONDA FINANCE CORP NOTES DTD 07/20/2017 1.950% 07/20/2020	02665WBT7	100,000.00	A+	A2	07/17/17	07/20/17	99,899.00	1.98	384.58	99,921.96	97,861.20
CATERPILLAR FINL SERVICE NOTE DTD 09/07/2017 1.850% 09/04/2020	14913Q2A6	185,000.00	A	A3	09/05/17	09/07/17	184,844.60	1.88	256.69	184,873.28	180,612.36
PACCAR FINANCIAL CORP NOTES DTD 11/13/2017 2.050% 11/13/2020	69371RN85	125,000.00	A+	A1	11/06/17	11/13/17	124,988.75	2.05	982.29	124,990.15	122,498.75



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For the Month Ending **March 31, 2018**

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Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Corporate Note</b>											
WAL-MART STORES INC CORP NOTE DTD 10/20/2017 1.900% 12/15/2020	931142EA7	250,000.00	AA	Aa2	10/11/17	10/20/17	249,637.50	1.95	2,124.31	249,690.17	245,127.25
BRANCH BANKING & TRUST (CALLABLE) NOTES DTD 10/26/2017 2.150% 02/01/2021	05531FAZ6	65,000.00	A-	A2	10/23/17	10/26/17	64,970.10	2.17	232.92	64,973.12	63,356.54
IBM CORP CORP NOTES DTD 02/06/2018 2.650% 02/05/2021	44932HAG8	250,000.00	A+	A1	02/01/18	02/06/18	249,877.50	2.67	1,012.15	249,883.51	248,689.75
AMERICAN HONDA FINANCE DTD 02/15/2018 2.650% 02/12/2021	02665WCD1	125,000.00	A+	A2	02/12/18	02/15/18	124,825.00	2.70	423.26	124,832.19	124,366.13
NATIONAL RURAL UTIL COOP DTD 02/26/2018 2.900% 03/15/2021	63743HER9	100,000.00	A	A2	02/21/18	02/26/18	99,889.00	2.94	281.94	99,892.58	99,724.30
PEPSICO INC CORP (CALLABLE) NOTE DTD 10/10/2017 2.000% 04/15/2021	713448DX3	165,000.00	A+	A1	10/05/17	10/10/17	164,967.00	2.01	1,567.50	164,971.51	160,901.57
BANK OF AMERICA CORP NOTE DTD 04/19/2016 2.625% 04/19/2021	06051GFW4	75,000.00	A-	A3	11/01/17	11/03/17	75,582.00	2.39	885.94	75,515.63	73,878.38
MORGAN STANLEY CORP NOTES DTD 04/21/2016 2.500% 04/21/2021	61746BEA0	250,000.00	BBB+	A3	11/01/17	11/03/17	250,810.00	2.40	2,777.78	250,718.24	244,958.50
BANK OF NEW YORK MELLON (CALLABLE) NOTES DTD 05/02/2016 2.050% 05/03/2021	06406FAB9	250,000.00	A	A1	05/17/16	05/20/16	250,532.50	2.00	2,106.94	250,336.06	242,698.50
AMERICAN EXPRESS CREDIT (CALLABLE) NOTES DTD 05/05/2016 2.250% 05/05/2021	0258M0EB1	150,000.00	A-	A2	05/25/16	05/31/16	149,721.00	2.29	1,368.75	149,821.95	146,116.50
BRANCH BANKING & TRUST (CALLABLE) NOTE DTD 05/10/2016 2.050% 05/10/2021	05531FAV5	125,000.00	A-	A2	05/10/16	05/16/16	124,917.50	2.06	1,003.65	124,947.70	121,012.50
STATE STREET CORP NOTES DTD 05/19/2016 1.950% 05/19/2021	857477AV5	70,000.00	A	A1	05/19/16	05/24/16	69,735.40	2.03	500.50	69,830.71	67,920.58
BANK OF AMERICA CORP (CALLABLE) DTD 09/18/2017 2.328% 10/01/2021	06051GGS2	175,000.00	A-	A3	09/13/17	09/18/17	175,000.00	2.33	2,184.12	175,000.00	171,129.53



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### EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00 - (12510475)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Corporate Note</b>											
JOHN DEERE CAPITAL CORP NOTES DTD 01/06/2017 2.650% 01/06/2022	24422ETL3	225,000.00	A	A2	03/10/17	03/15/17	224,007.75	2.75	1,407.81	224,216.33	221,627.70
<b>Security Type Sub-Total</b>		<b>5,990,000.00</b>					<b>6,008,279.15</b>	<b>2.07</b>	<b>41,333.15</b>	<b>5,998,299.66</b>	<b>5,914,280.58</b>
<b>Commercial Paper</b>											
BANK OF TOKYO MITS UFJ LTD COMM PAPER DTD 10/24/2017 0.000% 07/20/2018	06538CGL9	500,000.00	A-1	P-1	10/23/17	10/24/17	493,872.78	1.66	0.00	497,494.45	496,323.00
<b>Security Type Sub-Total</b>		<b>500,000.00</b>					<b>493,872.78</b>	<b>1.66</b>	<b>0.00</b>	<b>497,494.45</b>	<b>496,323.00</b>
<b>Certificate of Deposit</b>											
CANADIAN IMPERIAL BANK NY CD DTD 12/05/2016 1.760% 11/30/2018	13606A5Z7	500,000.00	A-1	P-1	12/01/16	12/05/16	499,610.00	1.78	2,957.78	499,869.29	498,605.00
NORDEA BANK FINLAND NY CD DTD 12/05/2016 1.760% 11/30/2018	65558LWA6	500,000.00	A-1+	P-1	12/01/16	12/05/16	500,000.00	1.74	2,982.22	500,000.00	499,601.00
SVENSKA HANDELSBANKEN NY LT CD DTD 01/12/2017 1.890% 01/10/2019	86958JHB8	500,000.00	A-1+	P-1	01/10/17	01/12/17	500,000.00	1.91	2,126.25	500,000.00	497,542.00
BANK OF MONTREAL CHICAGO CERT DEPOS DTD 02/09/2017 1.880% 02/07/2019	06427KRC3	500,000.00	A-1	P-1	02/08/17	02/09/17	500,000.00	1.90	1,410.00	500,000.00	499,531.00
BANK OF NOVA SCOTIA HOUSTON LT CD DTD 04/06/2017 1.910% 04/05/2019	06417GUE6	500,000.00	A+	A1	04/05/17	04/06/17	500,000.00	1.91	4,721.94	500,000.00	497,202.00
SUMITOMO MITSUI BANK NY CD DTD 05/04/2017 2.050% 05/03/2019	86563YVNO	500,000.00	A	A1	05/03/17	05/04/17	500,000.00	2.05	4,242.36	500,000.00	498,351.50
SKANDINAV ENSKILDA BANKEN NY CD DTD 08/04/2017 1.840% 08/02/2019	83050FXT3	500,000.00	A+	Aa3	08/03/17	08/04/17	499,805.00	1.85	1,482.22	499,869.29	484,854.71
BANK OF TOKYO-MITSUBISHI NY CD DTD 09/27/2017 2.070% 09/25/2019	06539RGM3	250,000.00	A	A1	09/25/17	09/27/17	250,000.00	2.07	2,673.75	250,000.00	247,665.25
CREDIT SUISSE NEW YORK CERT DEPOS DTD 02/08/2018 2.670% 02/07/2020	22549LFR1	250,000.00	A	A1	02/07/18	02/08/18	250,000.00	2.67	982.71	250,000.00	250,828.50



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<b>Certificate of Deposit</b>											
UBS AG STAMFORD CT LT CD DTD 03/06/2018 2.900% 03/02/2020	90275DHG8	250,000.00	A+	Aa3	03/02/18	03/06/18	250,000.00	2.93	523.61	250,000.00	251,805.25
WESTPAC BANKING CORP NY CD DTD 08/07/2017 2.050% 08/03/2020	96121T4A3	450,000.00	AA-	Aa3	08/03/17	08/07/17	450,000.00	2.05	1,383.75	450,000.00	444,569.40
SWEDBANK (NEW YORK) CERT DEPOS DTD 11/17/2017 2.270% 11/16/2020	87019U6D6	500,000.00	AA-	Aa3	11/16/17	11/17/17	500,000.00	2.30	4,256.25	500,000.00	491,915.00
<b>Security Type Sub-Total</b>		<b>5,200,000.00</b>					<b>5,199,415.00</b>	<b>2.03</b>	<b>29,742.84</b>	<b>5,199,738.58</b>	<b>5,162,470.61</b>
<b>Asset-Backed Security / Collateralized Mortgage Obligation</b>											
CARMAX ABS 2016-4 A2 DTD 10/26/2016 1.210% 11/15/2019	14312QAB2	59,410.62	NR	Aaa	10/19/16	10/26/16	59,407.40	1.21	31.95	59,408.98	59,274.05
HONDA ABS 2016-1 A3 DTD 02/25/2016 1.220% 12/18/2019	43814NAC9	34,793.43	AAA	NR	02/16/16	02/25/16	34,788.48	1.23	15.33	34,791.50	34,597.40
FORD ABS 2015-C A3 DTD 09/22/2015 1.410% 02/15/2020	34530YAD5	50,562.58	AAA	Aaa	09/15/15	09/22/15	50,552.74	1.42	31.69	50,558.92	50,373.15
NISSAN ABS 2015-B A3 DTD 07/22/2015 1.340% 03/15/2020	65475WAD0	115,551.75	NR	Aaa	07/15/15	07/22/15	115,542.57	1.34	68.82	115,548.45	114,982.40
TOYOTA ABS 2016-A A3 DTD 03/02/2016 1.250% 03/15/2020	89237KAD5	117,017.74	AAA	Aaa	02/23/16	03/02/16	117,011.10	1.25	65.01	117,014.90	116,381.77
JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	53,925.16	NR	Aaa	07/19/16	07/27/16	53,920.87	1.25	29.96	53,922.97	53,523.65
FORD ABS 2016-A A3 DTD 01/26/2016 1.390% 07/15/2020	34531PAD3	75,048.60	AAA	NR	01/20/16	01/26/16	75,047.01	1.39	46.36	75,047.88	74,631.86
ALLY ABS 2016-3 A3 DTD 05/31/2016 1.440% 08/15/2020	02007LAC6	66,516.88	AAA	Aaa	05/24/16	05/31/16	66,510.42	1.44	42.57	66,513.40	66,179.03
HYUNDAI ABS 2016-A A3 DTD 03/30/2016 1.560% 09/15/2020	44930UAD8	50,000.00	AAA	Aaa	03/22/16	03/30/16	49,990.30	1.57	34.67	49,995.07	49,717.71





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Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
<b>Asset-Backed Security / Collateralized Mortgage Obligation</b>											
BANK OF AMERICA ABS 2015-A2 A DTD 04/29/2015 1.360% 09/15/2020	05522RCU0	175,000.00	AAA	NR	10/28/15	10/29/15	175,252.93	1.30	105.78	175,131.44	174,934.59
HONDA ABS 2016-4 A3 DTD 10/25/2016 1.210% 12/18/2020	43814RAC0	225,000.00	AAA	NR	10/18/16	10/25/16	224,985.40	1.04	98.31	224,991.20	222,051.76
CITIBANK ABS 2017-A2 A2 DTD 01/26/2017 1.740% 01/17/2021	17305EGA7	380,000.00	AAA	Aaa	01/19/17	01/26/17	379,927.23	1.75	1,359.13	380,000.00	377,838.67
TOYOTA ABS 2017-A A3 DTD 03/15/2017 1.730% 02/15/2021	89238MAD0	125,000.00	AAA	Aaa	03/07/17	03/15/17	124,985.29	1.74	96.11	124,986.90	123,688.76
HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	130,000.00	AAA	Aaa	09/14/16	09/21/16	129,982.50	1.30	74.53	129,988.96	127,852.44
ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	100,000.00	NR	Aaa	01/24/17	01/31/17	99,991.26	1.70	75.56	99,993.72	99,003.71
FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	330,000.00	NR	Aaa	01/18/17	01/25/17	329,998.78	1.67	244.93	329,999.21	326,434.48
ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	360,000.00	NR	Aaa	03/21/17	03/29/17	359,957.56	1.79	284.80	359,967.79	356,501.70
HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	65,000.00	AAA	NR	09/25/17	09/29/17	64,992.96	1.94	42.02	64,993.80	64,032.87
TAOT 2018-A A3 DTD 01/31/2018 2.350% 05/16/2022	89238BAD4	100,000.00	AAA	Aaa	01/23/18	01/31/18	99,998.85	2.35	104.44	99,998.95	99,292.39
<b>Security Type Sub-Total</b>		<b>2,612,826.76</b>					<b>2,612,843.65</b>	<b>1.56</b>	<b>2,851.97</b>	<b>2,612,854.04</b>	<b>2,591,292.39</b>
<b>Managed Account Sub-Total</b>		<b>24,674,683.96</b>					<b>24,719,675.25</b>	<b>1.80</b>	<b>112,700.44</b>	<b>24,700,909.08</b>	<b>24,330,594.92</b>
<b>Money Market Mutual Fund</b>											
CAMP Pool		451,786.99	AAAm	NR			451,786.99		0.00	451,786.99	451,786.99
<b>Money Market Sub-Total</b>		<b>451,786.99</b>					<b>451,786.99</b>		<b>0.00</b>	<b>451,786.99</b>	<b>451,786.99</b>



## Managed Account Detail of Securities Held

For the Month Ending **March 31, 2018**

EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00 - (12510475)

Securities Sub-Total	\$25,126,470.95	\$25,171,462.24	1.80%	\$112,700.44	\$25,152,696.07	\$24,782,381.91
Accrued Interest						\$112,700.44
Total Investments						\$24,895,082.35



## Managed Account Security Transactions & Interest

For the Month Ending **March 31, 2018**

### EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00 - (12510475)

Transaction Type		Security Description	CUSIP	Par	Principal	Accrued	Total	Realized G/L	Realized G/L	Sale
Trade	Settle				Proceeds	Interest		Cost	Amort Cost	
BUY										
03/02/18	03/06/18	UBS AG STAMFORD CT LT CD DTD 03/06/2018 2.900% 03/02/2020	90275DHG8	250,000.00	(250,000.00)	0.00	(250,000.00)			
Transaction Type Sub-Total				250,000.00	(250,000.00)	0.00	(250,000.00)			
INTEREST										
03/01/18	03/25/18	FNMA SERIES 2015-M15 ASQ2 DTD 11/01/2015 1.898% 01/01/2019	3136AOSW1	37,732.17	0.00	59.68	59.68			
03/01/18	03/25/18	FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AQDQ0	102,630.76	0.00	169.60	169.60			
03/03/18	03/03/18	AMERICAN EXPRESS CREDIT (CALLABLE) NOTE DTD 03/03/2017 2.200% 03/03/2020	0258M0EE5	180,000.00	0.00	1,980.00	1,980.00			
03/04/18	03/04/18	CATERPILLAR FINL SERVICE NOTE DTD 09/07/2017 1.850% 09/04/2020	14913Q2A6	185,000.00	0.00	1,682.73	1,682.73			
03/04/18	03/04/18	WALT DISNEY COMPANY CORP NOTES DTD 03/06/2017 1.950% 03/04/2020	25468PDP8	100,000.00	0.00	975.00	975.00			
03/12/18	03/12/18	INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 09/19/2017 1.561% 09/12/2020	45905UP32	625,000.00	0.00	4,687.50	4,687.50			
03/15/18	03/15/18	HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	130,000.00	0.00	139.75	139.75			
03/15/18	03/15/18	JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	55,000.00	0.00	57.29	57.29			
03/15/18	03/15/18	FORD ABS 2016-A A3 DTD 01/26/2016 1.390% 07/15/2020	34531PAD3	81,448.99	0.00	94.35	94.35			
03/15/18	03/15/18	HYUNDAI ABS 2016-A A3 DTD 03/30/2016 1.560% 09/15/2020	44930UAD8	50,000.00	0.00	65.00	65.00			
03/15/18	03/15/18	NISSAN ABS 2015-B A3 DTD 07/22/2015 1.340% 03/15/2020	65475WAD0	127,697.13	0.00	142.60	142.60			
03/15/18	03/15/18	FORD ABS 2015-C A3 DTD 09/22/2015 1.410% 02/15/2020	34530YAD5	57,260.85	0.00	67.28	67.28			
03/15/18	03/15/18	TOYOTA ABS 2016-A A3 DTD 03/02/2016 1.250% 03/15/2020	89237KAD5	127,756.62	0.00	133.08	133.08			



## Managed Account Security Transactions & Interest

For the Month Ending **March 31, 2018**

### EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00 - (12510475)

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L	Realized G/L	Sale Method
Trade	Settle							Cost	Amort Cost	
INTEREST										
03/15/18	03/15/18	TAOT 2018-A A3 DTD 01/31/2018 2.350% 05/16/2022	89238BAD4	100,000.00	0.00	293.75	293.75			
03/15/18	03/15/18	ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	100,000.00	0.00	141.67	141.67			
03/15/18	03/15/18	BANK OF AMERICA ABS 2015-A2 A DTD 04/29/2015 1.360% 09/15/2020	05522RCU0	175,000.00	0.00	198.33	198.33			
03/15/18	03/15/18	ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	360,000.00	0.00	534.00	534.00			
03/15/18	03/15/18	ALLY ABS 2016-3 A3 DTD 05/31/2016 1.440% 08/15/2020	02007LAC6	72,010.75	0.00	86.41	86.41			
03/15/18	03/15/18	CARMAX ABS 2016-4 A2 DTD 10/26/2016 1.210% 11/15/2019	14312QAB2	71,738.62	0.00	72.34	72.34			
03/15/18	03/15/18	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	330,000.00	0.00	459.25	459.25			
03/15/18	03/15/18	BERKSHIRE HATHAWAY INC NOTES DTD 03/15/2016 1.700% 03/15/2019	084664CG4	35,000.00	0.00	297.50	297.50			
03/15/18	03/15/18	TOYOTA ABS 2017-A A3 DTD 03/15/2017 1.730% 02/15/2021	89238MAD0	125,000.00	0.00	180.21	180.21			
03/18/18	03/18/18	HONDA ABS 2016-4 A3 DTD 10/25/2016 1.210% 12/18/2020	43814RAC0	225,000.00	0.00	226.87	226.87			
03/18/18	03/18/18	HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	65,000.00	0.00	96.96	96.96			
03/18/18	03/18/18	HONDA ABS 2016-1 A3 DTD 02/25/2016 1.220% 12/18/2019	43814NAC9	38,389.16	0.00	39.03	39.03			
Transaction Type Sub-Total				3,556,665.05	0.00	12,880.18	12,880.18			
PAYDOWNS										
03/01/18	03/25/18	FNMA SERIES 2015-M15 ASQ2 DTD 11/01/2015 1.898% 01/01/2019	3136AQSW1	4,156.63	4,156.63	0.00	4,156.63	(41.57)	0.00	
03/01/18	03/25/18	FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AQDO0	14,349.10	14,349.10	0.00	14,349.10	(143.69)	0.00	
03/15/18	03/15/18	JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	1,074.84	1,074.84	0.00	1,074.84	0.09	0.00	



## Managed Account Security Transactions & Interest

For the Month Ending **March 31, 2018**

EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00 - (12510475)

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
Trade	Settle									
PAYDOWNS										
03/15/18	03/15/18	CARMAX ABS 2016-4 A2 DTD 10/26/2016 1.210% 11/15/2019	14312QAB2	12,328.00	12,328.00	0.00	12,328.00	0.67	0.00	
03/15/18	03/15/18	NISSAN ABS 2015-B A3 DTD 07/22/2015 1.340% 03/15/2020	65475WAD0	12,145.38	12,145.38	0.00	12,145.38	0.97	0.00	
03/15/18	03/15/18	FORD ABS 2016-A A3 DTD 01/26/2016 1.390% 07/15/2020	34531PAD3	6,400.39	6,400.39	0.00	6,400.39	0.14	0.00	
03/15/18	03/15/18	TOYOTA ABS 2016-A A3 DTD 03/02/2016 1.250% 03/15/2020	89237KAD5	10,738.88	10,738.88	0.00	10,738.88	0.61	0.00	
03/15/18	03/15/18	FORD ABS 2015-C A3 DTD 09/22/2015 1.410% 02/15/2020	34530YAD5	6,698.27	6,698.27	0.00	6,698.27	1.30	0.00	
03/15/18	03/15/18	ALLY ABS 2016-3 A3 DTD 05/31/2016 1.440% 08/15/2020	02007LAC6	5,493.87	5,493.87	0.00	5,493.87	0.53	0.00	
03/18/18	03/18/18	HONDA ABS 2016-1 A3 DTD 02/25/2016 1.220% 12/18/2019	43814NAC9	3,595.74	3,595.74	0.00	3,595.74	0.51	0.00	
Transaction Type Sub-Total				76,981.10	76,981.10	0.00	76,981.10	(180.44)	0.00	
SELL										
03/02/18	03/06/18	ROYAL BANK OF CANADA NY CD DTD 03/15/2016 1.700% 03/09/2018	78009NZZ2	500,000.00	500,003.61	4,179.17	504,182.78	3.61	3.61	FIFO
Transaction Type Sub-Total				500,000.00	500,003.61	4,179.17	504,182.78	3.61	3.61	
Managed Account Sub-Total					326,984.71	17,059.35	344,044.06	(176.83)	3.61	
Total Security Transactions					\$326,984.71	\$17,059.35	\$344,044.06	(\$176.83)	\$3.61	



## Managed Account Security Transactions & Interest

For the Month Ending February 28, 2018

### EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00 - (12510475)

Transaction Type		Security Description	CUSIP	Par	Principal	Accrued	Total	Realized G/L	Realized G/L	Sale	
Trade	Settle				Proceeds	Interest		Cost	Amort Cost		Method
BUY											
02/01/18	02/06/18	IBM CORP CORP NOTES DTD 02/06/2018 2.650% 02/05/2021	44932HAG8	250,000.00	(249,877.50)	0.00	(249,877.50)				
02/07/18	02/08/18	CREDIT SUISSE NEW YORK CERT DEPOS DTD 02/08/2018 2.670% 02/07/2020	22549LFR1	250,000.00	(250,000.00)	0.00	(250,000.00)				
02/12/18	02/15/18	AMERICAN HONDA FINANCE DTD 02/15/2018 2.650% 02/12/2021	02665WCD1	125,000.00	(124,825.00)	0.00	(124,825.00)				
02/21/18	02/26/18	NATIONAL RURAL UTIL COOP DTD 02/26/2018 2.900% 03/15/2021	63743HER9	100,000.00	(99,889.00)	0.00	(99,889.00)				

<b>Transaction Type Sub-Total</b>				<b>725,000.00</b>	<b>(724,591.50)</b>	<b>0.00</b>	<b>(724,591.50)</b>			
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<b>INTEREST</b>										
02/01/18	02/01/18	BRANCH BANKING & TRUST (CALLABLE) NOTES DTD 10/26/2017 2.150% 02/01/2021	05531FAZ6	65,000.00	0.00	368.78	368.78			
02/01/18	02/25/18	FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AODO0	109,882.13	0.00	178.36	178.36			
02/01/18	02/25/18	FNMA SERIES 2015-M15 ASQ2 DTD 11/01/2015 1.898% 01/01/2019	3136AQSW1	37,792.16	0.00	59.78	59.78			
02/02/18	02/02/18	SKANDINAV ENSKILDA BANKEN NY CD DTD 08/04/2017 1.840% 08/02/2019	83050FXT3	500,000.00	0.00	4,651.11	4,651.11			
02/02/18	02/02/18	FNMA BENCHMARK NOTE DTD 08/02/2016 0.875% 08/02/2019	3135G0N33	240,000.00	0.00	1,050.00	1,050.00			
02/05/18	02/05/18	FHLB GLOBAL NOTE DTD 08/04/2016 0.875% 08/05/2019	3130A8Y72	375,000.00	0.00	1,640.63	1,640.63			
02/06/18	02/06/18	MICROSOFT CORP NOTES DTD 02/06/2017 1.850% 02/06/2020	594918BV5	225,000.00	0.00	2,081.25	2,081.25			
02/07/18	02/07/18	WESTPAC BANKING CORP NY CD DTD 08/07/2017 2.050% 08/03/2020	96121T4A3	450,000.00	0.00	4,612.50	4,612.50			
02/07/18	02/07/18	BANK OF MONTREAL CHICAGO CERT DEPOS DTD 02/09/2017 1.880% 02/07/2019	06427KRC3	500,000.00	0.00	4,700.00	4,700.00			
02/15/18	02/15/18	ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	360,000.00	0.00	534.00	534.00			



## Managed Account Security Transactions & Interest

For the Month Ending February 28, 2018

### EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00 - (12510475)

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L	Realized G/L	Sale
Trade	Settle							Cost	Amort Cost	Method
INTEREST										
02/15/18	02/15/18	TOYOTA ABS 2017-A A3 DTD 03/15/2017 1.730% 02/15/2021	89238MAD0	125,000.00	0.00	180.21	180.21			
02/15/18	02/15/18	CT ST TXBL GO BONDS DTD 08/17/2016 1.300% 08/15/2019	20772J3D2	275,000.00	0.00	1,787.50	1,787.50			
02/15/18	02/15/18	NISSAN ABS 2015-B A3 DTD 07/22/2015 1.340% 03/15/2020	65475WAD0	141,424.15	0.00	157.92	157.92			
02/15/18	02/15/18	ALLY ABS 2016-3 A3 DTD 05/31/2016 1.440% 08/15/2020	02007LAC6	78,367.93	0.00	94.04	94.04			
02/15/18	02/15/18	BANK OF AMERICA ABS 2015-A2 A DTD 04/29/2015 1.360% 09/15/2020	05522RCU0	175,000.00	0.00	198.33	198.33			
02/15/18	02/15/18	HYUNDAI ABS 2016-A A3 DTD 03/30/2016 1.560% 09/15/2020	44930UAD8	50,000.00	0.00	65.00	65.00			
02/15/18	02/15/18	FORD ABS 2015-C A3 DTD 09/22/2015 1.410% 02/15/2020	34530YAD5	64,750.80	0.00	76.08	76.08			
02/15/18	02/15/18	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	330,000.00	0.00	459.25	459.25			
02/15/18	02/15/18	TOYOTA ABS 2016-A A3 DTD 03/02/2016 1.250% 03/15/2020	89237KAD5	139,568.17	0.00	145.38	145.38			
02/15/18	02/15/18	HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	130,000.00	0.00	139.75	139.75			
02/15/18	02/15/18	ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	100,000.00	0.00	141.67	141.67			
02/15/18	02/15/18	CARMAX ABS 2016-4 A2 DTD 10/26/2016 1.210% 11/15/2019	14312OAB2	84,596.26	0.00	85.30	85.30			
02/15/18	02/15/18	JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	55,000.00	0.00	57.29	57.29			
02/15/18	02/15/18	FORD ABS 2016-A A3 DTD 01/26/2016 1.390% 07/15/2020	34531PAD3	88,703.73	0.00	102.75	102.75			
02/18/18	02/18/18	HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	65,000.00	0.00	96.96	96.96			
02/18/18	02/18/18	HONDA ABS 2016-4 A3 DTD 10/25/2016 1.210% 12/18/2020	43814RAC0	225,000.00	0.00	226.87	226.87			
02/18/18	02/18/18	HONDA ABS 2016-1 A3 DTD 02/25/2016 1.220% 12/18/2019	43814NAC9	42,319.01	0.00	43.02	43.02			



## Managed Account Security Transactions & Interest

For the Month Ending **February 28, 2018**

**EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00 - (12510475)**

Transaction Type		Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L	Realized G/L	Sale Method
Trade	Settle							Cost	Amort Cost	
INTEREST										
02/28/18	02/28/18	FNMA NOTES DTD 09/02/2016 1.000% 08/28/2019	3135G0P49	150,000.00	0.00	750.00	750.00			
02/28/18	02/28/18	US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	1,100,000.00	0.00	11,000.00	11,000.00			
02/28/18	02/28/18	US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	485,000.00	0.00	4,850.00	4,850.00			
02/28/18	02/28/18	US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	675,000.00	0.00	6,750.00	6,750.00			
02/28/18	02/28/18	FNMA NOTES DTD 02/28/2017 1.500% 02/28/2020	3135G0T29	150,000.00	0.00	1,125.00	1,125.00			
02/28/18	02/28/18	US TREASURY NOTES DTD 09/02/2014 2.000% 08/31/2021	912828D72	900,000.00	0.00	9,000.00	9,000.00			
Transaction Type Sub-Total				8,492,404.34	0.00	57,408.73	57,408.73			
PAYDOWNS										
02/01/18	02/25/18	FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136A0D00	7,251.37	7,251.37	0.00	7,251.37	(72.61)	0.00	
02/01/18	02/25/18	FNMA SERIES 2015-M15 ASQ2 DTD 11/01/2015 1.898% 01/01/2019	3136AQSW1	59.99	59.99	0.00	59.99	(0.60)	0.00	
02/15/18	02/15/18	TOYOTA ABS 2016-A A3 DTD 03/02/2016 1.250% 03/15/2020	89237KAD5	11,811.55	11,811.55	0.00	11,811.55	0.67	0.00	
02/15/18	02/15/18	FORD ABS 2015-C A3 DTD 09/22/2015 1.410% 02/15/2020	34530YAD5	7,489.95	7,489.95	0.00	7,489.95	1.46	0.00	
02/15/18	02/15/18	FORD ABS 2016-A A3 DTD 01/26/2016 1.390% 07/15/2020	34531PAD3	7,254.74	7,254.74	0.00	7,254.74	0.15	0.00	
02/15/18	02/15/18	NISSAN ABS 2015-B A3 DTD 07/22/2015 1.340% 03/15/2020	65475WAD0	13,727.02	13,727.02	0.00	13,727.02	1.09	0.00	
02/15/18	02/15/18	CARMAX ABS 2016-4 A2 DTD 10/26/2016 1.210% 11/15/2019	14312QAB2	12,857.64	12,857.64	0.00	12,857.64	0.70	0.00	
02/15/18	02/15/18	ALLY ABS 2016-3 A3 DTD 05/31/2016 1.440% 08/15/2020	02007LAC6	6,357.18	6,357.18	0.00	6,357.18	0.62	0.00	
02/18/18	02/18/18	HONDA ABS 2016-1 A3 DTD 02/25/2016 1.220% 12/18/2019	43814NAC9	3,929.84	3,929.84	0.00	3,929.84	0.56	0.00	





## Managed Account Security Transactions & Interest

For the Month Ending **February 28, 2018**

### EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00 - (12510475)

Transaction Type					Principal	Accrued		Realized G/L	Realized G/L	Sale
Trade	Settle	Security Description	CUSIP	Par	Proceeds	Interest	Total	Cost	Amort Cost	Method
Transaction Type Sub-Total				70,739.28	70,739.28	0.00	70,739.28	(67.96)	0.00	
SELL										
02/01/18	02/06/18	US TREASURY NOTES DTD 05/02/2016 1.375% 04/30/2021	912828O78	225,000.00	218,021.48	837.53	218,859.01	(2,513.67)	(3,607.67)	FIFO
02/07/18	02/08/18	FNMA BENCHMARK NOTE DTD 08/02/2016 0.875% 08/02/2019	3135G0N33	160,000.00	157,201.60	23.33	157,224.93	(2,529.60)	(2,664.56)	FIFO
02/12/18	02/15/18	AMERICAN HONDA FINANCE CORP NOTES DTD 03/13/2015 1.500% 03/13/2018	02665WAT8	125,000.00	124,935.00	791.67	125,726.67	102.50	(60.57)	FIFO
02/21/18	02/26/18	US TREASURY NOTES DTD 05/31/2016 1.375% 05/31/2021	912828R77	100,000.00	96,468.75	332.42	96,801.17	(933.59)	(1,500.96)	FIFO
Transaction Type Sub-Total				610,000.00	596,626.83	1,984.95	598,611.78	(5,874.36)	(7,833.76)	
Managed Account Sub-Total					(57,225.39)	59,393.68	2,168.29	(5,942.32)	(7,833.76)	
Total Security Transactions					(57,225.39)	59,393.68	2,168.29	(5,942.32)	(7,833.76)	



## Managed Account Security Transactions & Interest

For the Month Ending **January 31, 2018**

### EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00 - (12510475)

Transaction Type		Security Description	CUSIP	Par	Principal	Accrued	Total	Realized G/L	Realized G/L	Sale	
Trade	Settle				Proceeds	Interest		Cost	Amort Cost		Method
BUY											
01/03/18	01/04/18	US TREASURY NOTES DTD 05/01/2017 1.875% 04/30/2022	912828X47	425,000.00	(419,604.49)	(1,430.85)	(421,035.34)				
01/23/18	01/31/18	TAOT 2018-A A3 DTD 01/31/2018 2.350% 05/16/2022	89238BAD4	100,000.00	(99,998.85)	0.00	(99,998.85)				
Transaction Type Sub-Total				525,000.00	(519,603.34)	(1,430.85)	(521,034.19)				
INTEREST											
01/01/18	01/25/18	FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AQDQ0	114,520.35	0.00	163.58	163.58				
01/01/18	01/25/18	FNMA SERIES 2015-M15 ASQ2 DTD 11/01/2015 1.898% 01/01/2019	3136AQSW1	37,851.85	0.00	59.87	59.87				
01/06/18	01/06/18	JOHN DEERE CAPITAL CORP NOTES DTD 01/06/2017 2.650% 01/06/2022	24422ETL3	225,000.00	0.00	2,981.25	2,981.25				
01/10/18	01/10/18	SVENSKA HANDELSBANKEN NY LT CD DTD 01/12/2017 1.890% 01/10/2019	86958JHB8	500,000.00	0.00	4,830.00	4,830.00				
01/10/18	01/10/18	CITIGROUP INC (CALLABLE) CORP NOTE DTD 01/10/2017 2.450% 01/10/2020	172967LF6	250,000.00	0.00	3,062.50	3,062.50				
01/13/18	01/13/18	TOYOTA MOTOR CREDIT CORP DTD 07/13/2015 1.550% 07/13/2018	89236TCP8	85,000.00	0.00	658.75	658.75				
01/14/18	01/14/18	FHLB GLOBAL NOTE DTD 07/14/2016 1.125% 07/14/2021	3130A8QS5	625,000.00	0.00	3,515.63	3,515.63				
01/15/18	01/15/18	CARMAX ABS 2016-4 A2 DTD 10/26/2016 1.210% 11/15/2019	14312QAB2	97,360.49	0.00	98.17	98.17				
01/15/18	01/15/18	HYUNDAI ABS 2016-A A3 DTD 03/30/2016 1.560% 09/15/2020	44930UAD8	50,000.00	0.00	65.00	65.00				
01/15/18	01/15/18	NISSAN ABS 2015-B A3 DTD 07/22/2015 1.340% 03/15/2020	65475WAD0	154,076.22	0.00	172.05	172.05				
01/15/18	01/15/18	FORD ABS 2015-C A3 DTD 09/22/2015 1.410% 02/15/2020	34530YAD5	71,923.31	0.00	84.51	84.51				
01/15/18	01/15/18	TOYOTA ABS 2016-A A3 DTD 03/02/2016 1.250% 03/15/2020	89237KAD5	150,832.22	0.00	157.12	157.12				
01/15/18	01/15/18	HYUNDAI ABS 2016-B A3 DTD 09/21/2016 1.290% 04/15/2021	44891EAC3	130,000.00	0.00	139.75	139.75				



## Managed Account Security Transactions & Interest

For the Month Ending **January 31, 2018**

**EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00 - (12510475)**

Transaction Type		Security Description	CUSIP	Par	Principal	Accrued	Total	Realized G/L	Realized G/L	Sale
Trade	Settle				Proceeds	Interest		Cost	Amort Cost	Method
INTEREST										
01/15/18	01/15/18	JOHN DEERE ABS 2016-B A3 DTD 07/27/2016 1.250% 06/15/2020	47788NAC2	55,000.00	0.00	57.29	57.29			
01/15/18	01/15/18	ALLY ABS 2016-3 A3 DTD 05/31/2016 1.440% 08/15/2020	02007LAC6	84,471.75	0.00	101.37	101.37			
01/15/18	01/15/18	ALLY ABS 2017-1 A3 DTD 01/31/2017 1.700% 06/15/2021	02007PAC7	100,000.00	0.00	141.67	141.67			
01/15/18	01/15/18	BANK OF AMERICA ABS 2015-A2 A DTD 04/29/2015 1.360% 09/15/2020	05522RCU0	175,000.00	0.00	198.33	198.33			
01/15/18	01/15/18	ALLY ABS 2017-2 A3 DTD 03/29/2017 1.780% 08/15/2021	02007HAC5	360,000.00	0.00	534.00	534.00			
01/15/18	01/15/18	FORD ABS 2017-A A3 DTD 01/25/2017 1.670% 06/15/2021	34531EAD8	330,000.00	0.00	459.25	459.25			
01/15/18	01/15/18	FORD ABS 2016-A A3 DTD 01/26/2016 1.390% 07/15/2020	34531PAD3	95,528.55	0.00	110.65	110.65			
01/15/18	01/15/18	TOYOTA ABS 2017-A A3 DTD 03/15/2017 1.730% 02/15/2021	89238MAD0	125,000.00	0.00	180.21	180.21			
01/17/18	01/17/18	CITIBANK ABS 2017-A2 A2 DTD 01/26/2017 1.740% 01/17/2021	17305EGA7	380,000.00	0.00	3,306.00	3,306.00			
01/18/18	01/18/18	HAROT 2017-3 A3 DTD 09/29/2017 1.790% 09/18/2021	43814PAC4	65,000.00	0.00	96.96	96.96			
01/18/18	01/18/18	HONDA ABS 2016-1 A3 DTD 02/25/2016 1.220% 12/18/2019	43814NAC9	46,197.55	0.00	46.97	46.97			
01/18/18	01/18/18	HONDA ABS 2016-4 A3 DTD 10/25/2016 1.210% 12/18/2020	43814RAC0	225,000.00	0.00	226.87	226.87			
01/20/18	01/20/18	AMERICAN HONDA FINANCE CORP NOTES DTD 07/20/2017 1.950% 07/20/2020	02665WBT7	100,000.00	0.00	975.00	975.00			
01/31/18	01/31/18	AMERICAN EXPRESS CRD CRP NT (CALLABLE) DTD 07/31/2015 1.800% 07/31/2018	0258M0DV8	70,000.00	0.00	630.00	630.00			
Transaction Type Sub-Total				4,702,762.29	0.00	23,052.75	23,052.75			
PAYDOWNS										



## Managed Account Security Transactions & Interest

For the Month Ending **January 31, 2018**

### EMPLOYMENT RISK MANAGEMENT AUTHORITY - ERMA - 596-00 - (12510475)

Transaction Type		Security Description	CUSIP	Par	Principal	Accrued	Total	Realized G/L	Realized G/L	Sale
Trade	Settle				Proceeds	Interest		Cost	Amort Cost	
PAYDOWNS										
01/01/18	01/25/18	FNMA SERIES 2015-M15 ASQ2 DTD 11/01/2015 1.898% 01/01/2019	3136AQSW1	59.69	59.69	0.00	59.69	(0.60)	0.00	
01/01/18	01/25/18	FANNIE MAE SERIES 2015-M13 ASQ2 DTD 10/01/2015 1.646% 09/01/2019	3136AODO0	4,638.22	4,638.22	0.00	4,638.22	(46.45)	0.00	
01/15/18	01/15/18	FORD ABS 2015-C A3 DTD 09/22/2015 1.410% 02/15/2020	34530YAD5	7,172.51	7,172.51	0.00	7,172.51	1.40	0.00	
01/15/18	01/15/18	NISSAN ABS 2015-B A3 DTD 07/22/2015 1.340% 03/15/2020	65475WAD0	12,652.07	12,652.07	0.00	12,652.07	1.01	0.00	
01/15/18	01/15/18	TOYOTA ABS 2016-A A3 DTD 03/02/2016 1.250% 03/15/2020	89237KAD5	11,264.05	11,264.05	0.00	11,264.05	0.64	0.00	
01/15/18	01/15/18	FORD ABS 2016-A A3 DTD 01/26/2016 1.390% 07/15/2020	34531PAD3	6,824.82	6,824.82	0.00	6,824.82	0.15	0.00	
01/15/18	01/15/18	CARMAX ABS 2016-4 A2 DTD 10/26/2016 1.210% 11/15/2019	14312OAB2	12,764.23	12,764.23	0.00	12,764.23	0.69	0.00	
01/15/18	01/15/18	ALLY ABS 2016-3 A3 DTD 05/31/2016 1.440% 08/15/2020	02007LAC6	6,103.82	6,103.82	0.00	6,103.82	0.59	0.00	
01/18/18	01/18/18	HONDA ABS 2016-1 A3 DTD 02/25/2016 1.220% 12/18/2019	43814NAC9	3,878.54	3,878.54	0.00	3,878.54	0.55	0.00	
Transaction Type Sub-Total				65,357.95	65,357.95	0.00	65,357.95	(42.02)	0.00	
SELL										
01/03/18	01/04/18	IBM CORP NOTES DTD 02/06/2015 1.125% 02/06/2018	459200HZ7	175,000.00	174,900.25	809.38	175,709.63	434.00	(83.69)	FIFO
01/03/18	01/04/18	FREDDIE MAC NOTES DTD 03/21/2016 1.125% 04/15/2019	3137EADZ9	150,000.00	148,597.50	370.31	148,967.81	(2,305.50)	(1,838.93)	FIFO
01/23/18	01/31/18	FHLB NOTES DTD 11/17/2016 1.375% 11/15/2019	3130AA3R7	100,000.00	98,796.00	290.28	99,086.28	(1,181.00)	(1,190.13)	FIFO
Transaction Type Sub-Total				425,000.00	422,293.75	1,469.97	423,763.72	(3,052.50)	(3,112.75)	
Managed Account Sub-Total					(31,951.64)	23,091.87	(8,859.77)	(3,094.52)	(3,112.75)	
Total Security Transactions					(31,951.64)	23,091.87	(8,859.77)	(3,094.52)	(3,112.75)	

# EMPLOYMENT RISK MANAGEMENT AUTHORITY

## ~ BALANCE SHEET ~

As of March 31, 2018

(Unaudited)

### ASSETS

#### CURRENT ASSETS

Cash in Bank	\$	18,950	
Local Agency Investment Fund		3,752,070	
Market Valuation - LAIF		(7,153)	
Investments - Managed Portfolio		3,894,252	
Market Valuation - Investments		(3,717)	
Accounts Receivable - Members		7,796	
Interest Receivable		122,200	
Prepaid Expense		180,748	
Prepaid Insurance		60,452	
<b>TOTAL CURRENT ASSETS</b>			8,025,598

#### NONCURRENT ASSETS

Investments - Managed Portfolio		21,277,210	
Market Valuation - Investments		(385,363)	
<b>TOTAL NONCURRENT ASSETS</b>			20,891,847
<b>TOTAL ASSETS</b>			<b>\$ 28,917,445</b>

### LIABILITIES AND EQUITY

#### CURRENT LIABILITIES

Accounts Payable	\$	16,630	
Unearned Revenue		1,664,012	
Reserve - Claims		2,431,706	
Reserve - IBNR & ULAE		1,303,593.11	
<b>TOTAL CURRENT LIABILITIES</b>			5,415,941

#### NONCURRENT LIABILITIES

Reserve for Claims			
Reserve - IBNR & ULAE		8,392,104	
<b>TOTAL NONCURRENT LIABILITIES</b>			8,392,104
<b>TOTAL LIABILITIES</b>			<b>13,808,045</b>

#### EQUITY

Retained Earnings - Prior Years	\$	13,012,571	
Retained Earnings - Capital Fund		847,656	
Retained Earnings - Current Year		1,249,173	
<b>TOTAL EQUITY</b>			<b>15,109,400</b>
<b>TOTAL LIABILITIES AND EQUITY</b>			<b>\$ 28,917,445</b>

# EMPLOYMENT RISK MANAGEMENT AUTHORITY

## ~ INCOME STATEMENT ~

For the third Quarter Ended March 31, 2018

(Unaudited)

	Actual	Budget	% Used	\$ Variance
<b>INCOME</b>				
Deposit Premium	\$ 4,815,265	\$ 6,387,468	75%	\$ (1,572,203)
Prior Year Deposit Premium	112,167			112,167
Excess Insurance Premium	176,772	235,697	75%	(58,925)
Interest Income	15,968			15,968
<b>TOTAL INCOME</b>	<u>5,120,172</u>	<u>6,623,164</u>	<u>77%</u>	<u>(1,502,992)</u>
<b>EXPENSES</b>				
<b>Claims Expense</b>				
Claims Paid	\$ 2,679,571 **	\$ 5,466,618 *	54%	(2,528,940)
Incr/(Decr) in Reserves	258,107 **			
Excess Insurance	<u>176,773</u>	<u>235,697</u>	<u>75%</u>	<u>(58,924)</u>
<b>Subtotal Claims Expense</b>	<u>3,114,450</u>	<u>5,702,315</u>	<u>55%</u>	<u>(2,587,865)</u>
<b>Loss Prevention &amp; Training</b>				
Employee Reporting	6,777	8,500	80% +	(1,723)
Web-based Training / Training Bulletins	18,000	24,000	75%	(6,000)
Additional Web-based Training	9,000	12,000	75%	(3,000)
Hotline Services	0	7,000	0%	(7,000)
Miscellaneous Training Expenses	2,118	6,000	35%	(3,882)
Attorney Workshops	19,350	17,200	113% +	2,150
Training Workshops	<u>8,600</u>	<u>30,100</u>	<u>29% +</u>	<u>(21,500)</u>
<b>Subtotal Loss Prevention &amp; Training</b>	<u>63,845</u>	<u>104,800</u>	<u>61%</u>	<u>(40,955)</u>
<b>Capital Fund Expenditures</b>				
Development/ Delivery of Survey/ Results	<u>63,813</u>			<u>63,813</u>
<b>Subtotal Capital Fund Expenditures</b>	<u>63,813</u>			<u>63,813</u>
<b>General &amp; Administrative Expenses</b>				
Program Management	513,755	678,949	76%	(165,194)
Risk Assessments	4,679	5,000	94% +	(321)
Board Meetings & Retreat	21,501	30,000	72%	(8,500)
Memberships & Conferences	641	1,500	43%	(859)
Actuarial Study	0	9,950	0%	(9,950)
Legal Services	38,884	30,000	130% +	8,884
Financial Audit	9,450	9,450	100%	0
Accreditation	1,417	1,500	94%	(83)
Fidelity Bond	854	1,200	71%	(346)
SLIP Insurance	1,864	2,500	75%	(636)
Investment Management Services	20,214	30,000	67%	(9,786)
Claims System	5,000	5,000	100%	0
Website	7,500	7,500	100%	0
Miscellaneous	<u>3,132</u>	<u>3,500</u>	<u>89% +</u>	<u>(368)</u>
<b>Subtotal General &amp; Admin Expenses</b>	<u>628,890</u>	<u>816,049</u>	<u>77%</u>	<u>(187,159)</u>
<b>TOTAL EXPENSES</b>	<u>3,870,998</u>	<u>6,623,164</u>	<u>58%</u>	<u>(2,752,166)</u>
<b>NET INCOME/(LOSS)</b>	<u>\$ 1,249,173</u>	<u>\$ -</u>		

\* Amount budgeted for claims expense is for the current program year only, to be paid in current and future years.

\*\* Amount paid for claims is for all program years paid in the current year, as well as changes in reserves for prior years.

+ See attached "Report of Line Items Expected to Exceed Budgeted Amount"

**EMPLOYMENT RISK MANAGEMENT AUTHORITY**  
**~ INCOME STATEMENT ADDENDUM ~**  
**Report of Line Items Expected to Exceed Budgeted Amount**  
**For the third Quarter Ended March 31, 2018**

	<u>Actual</u>	<u>Budget</u>	<u>% Used</u>	<u>\$ Variance</u>
<b>Loss Prevention &amp; Training</b>				
+ <u>Employee Reporting</u>	6,777	8,500	80%	(1,723)
<i>Annual invoice from in2vate increased over prior year due to increased FTE's (28,900 to 33,200) used in the calculation.</i>				
<hr/>				
+ <u>Attorney Workshops</u>	19,350	17,200	113%	2,150
<u>Training Workshops</u>	8,600	30,100	29%	(21,500)
<i>Attorney and training workshops are budgeted separately but are scheduled according to request. It is not expected that we will exceed the budgeted amount for the two line items combined.</i>				
<hr/>				
<b>General &amp; Administrative Expenses</b>				
+ <u>Risk Assessments</u>				
	4,679	5,000	94%	(321)
<i>\$5,000 has been sufficient the past several years in this line item, as only two cities had risk assessments. This year, however, four assessments are being conducted. An additional \$7,600 is anticipated.</i>				
<hr/>				
+ <u>Legal Services</u>	38,884	30,000	130%	8,884
<i>The expense for Legal Services has increased the past three years from prior years'; from \$25,000 in 2014/15 to \$46,000 in 2015/16 and \$40,000 in 2016/17. Increased usage of attorney's time for coverage opinions due to the nature of current claims is the main driver in the increase. In addition, the current year expense includes an arbitration with a withdrawn member city in the amount of \$6,232, which is an out-of-the ordinary occurrence.</i>				
<hr/>				
+ <u>Miscellaneous</u>	3,132	3,500	89%	(368)
<i>This line items is primarily bank fees, and it is possible that we will exceed the budget a bit, depending on type and amount of usage as the year continues.</i>				
<hr/>				

**EMPLOYMENT RISK MANAGEMENT AUTHORITY**

**(ERMA)**

**MASTER PROGRAM DOCUMENT**

**FOR THE**

**POOLED EMPLOYMENT PRACTICES LIABILITY PROGRAM**

**(PEPLP)**

**AS AMENDED EFFECTIVE FEBRUARY 10, 2017**



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**EMPLOYMENT RISK MANAGEMENT AUTHORITY**  
**MASTER PROGRAM DOCUMENT**  
**FOR THE**  
**POOLED EMPLOYMENT PRACTICES LIABILITY PROGRAM**  
**(PEPLP)**

**ARTICLE I – GENERAL**

**A. PURPOSE**

1. The primary purpose in forming the Employment Risk Management Authority, hereinafter *ERMA*, is to create a method for providing coverage for legal damages incurred by the *Members* because of *Wrongful Employment Practices*. The Joint Exercise of Powers Agreement and the Bylaws have been created and duly approved to provide the *Members* with this coverage. This *Master Program Document*, hereinafter the MPD, for the Pooled Employment Practices Liability Program, hereinafter the PEPLP, sets forth the manner in which these services shall be delivered to the membership. In the event of a conflict among these governing documents, the Joint Exercise of Powers Agreement controls over the Bylaws, and the Bylaws control over this MPD.
2. The PEPLP shall use pooled sharing of operating costs and losses above the *Members' Retained Limits*. The PEPLP may purchase excess coverage or reinsurance above those limits provided by ERMA.
3. The PEPLP shall provide various *Retained Limits* from which the *Members* may choose, subject to the approval of the *Board of Directors*.
4. The *Board of Directors* has the right to alter the terms and conditions of the pooled underlying coverage in response to the needs and abilities of the PEPLP, the *Members*, and the availability of coverage from outside sources.
5. A summary of the *Limits of Coverage* and *Retained Limits* provided in *Program Years* is set forth in Appendix B.

**B. PROGRAM YEARS**

1. A *Program Year* shall be defined as the losses incurred during the period from 12:01 a.m. Pacific time on July 1<sup>st</sup> of each year to 12:00 a.m. Pacific time on June 30<sup>th</sup> of the following year. The income and expenses of each *Program Year* shall be accounted separately from any other *Program Year's* income or expenses.

2. The PEPLP shall charge a *Deposit Premium* to each *Member* at inception of each *Program Year* to fund the cost of losses and expenses anticipated for the life of the *Program Year*. The *Deposit Premium* shall consist of a premium to cover pooled losses, based on an actuarial projection of losses for the year and the exposure of loss presented by each *Member* plus a reasonable margin for contingencies, as well as *administrative expenses* and training expenses based on expected costs.
3. After a *Program Year* is at least five years old, *Retrospective Adjustments* may be made annually, subject to the discretion of the Executive Committee or the *Board*, and subject to criteria set forth in this MPD. The process for determining *Retrospective Adjustments* is set forth in Appendix A.
4. A *Program Year* cannot be completed until all *Claims* incurred during that *Program Year* are closed and it is probable that no new *Claims* for that *Program Year* will be made. The *Program Year* shall remain open until the *Board of Directors* authorizes closure based on its determination that known *Claims* for the year are closed, and no further *Claims* will be made.
5. To maintain the actuarial soundness of the PEPLP, the *Board of Directors* shall have actuarial studies done periodically and shall take appropriate action, as set forth in Article III – Premiums, Rates and Assessments, if a *Program Year* is found to be actuarially deficient.

## C. FINANCING THE PROGRAM

### 1. DEPOSIT PREMIUMS

*Deposit Premiums shall be established as set forth in Article III.A.1.*

### 2. CAPITAL CONTRIBUTION

In addition to the *Deposit Premium*, in ERMA's early years, each *Member* was required to make a capital contribution annually for the first five years of participation, which equated to 15% of loss funding premium collected, to provide a margin for greater confidence in the program and to build a fund that could be used for program years in need. The capital contribution was equal to the *Board*-approved capitalization rate per \$100 of payroll and was paid over a five-year period. All original funds have been allocated.

The Capital Contribution Fund was reactivated in 2014 to receive funds dedicated to future training initiatives. Capital contributions will not be dedicated to any one specific *Program Year*, but will be considered when determining the overall actuarial soundness of the PEPLP. The capital contribution amounts will be

maintained in a separate equity account and will be returned in the same proportion as the return of other equity at the discretion of the *Board of Directors*. Capital contributions may be applied at the discretion of the *Board of Directors* to any *Program Year*.

3. BONDS OR DEBT INSTRUMENTS

- (a) Bonds or other debt instruments may be used to fund one or more *Program Years*. However, *Members* shall be responsible only for the retirement of such debt for the *Program Years* in which they participate. Such retirement of debt shall be calculated into the rates and deposit premiums.
- (b) Upon a two-thirds vote of the *Board of Directors*, debt financing can be authorized for any legal purpose; however, any debt so incurred shall be the debt of *ERMA* and not the debt of any *Member*, unless each *Member*, in writing, authorizes the debt and accepts responsibility for its payment.
- (c) Any *monies* collected or earned by *ERMA* may be used to retire such debts.

4. ASSESSMENTS

*Assessments* may be made at the discretion of the *Board of Directors*, when the PEPLP, as a whole, is found to be actuarially unsound. *Assessments* shall be determined as set forth in Article III, C.2.

D. AMENDMENTS TO THIS MASTER PROGRAM DOCUMENT

- 1. This MPD may be amended by a two-thirds vote of the Executive Committee or *Board of Directors*, provided prior written notice has been given to the *Members*.
- 2. The *Members* may repeal such amendments by a majority vote at the next regular or special meeting of the *Board* after the effective date of the amendment.

## ARTICLE II – COVERAGE

A. GENERAL DESCRIPTION

1. COVERAGE PROVIDED

- (a) The Memorandum of Coverage and any endorsements thereto, shall provide the terms, conditions, limitations and exclusions for the defense and indemnification of covered parties, as defined, for liability because of

*Wrongful Employment Practices*. The Memorandum of Coverage shall be reviewed annually and approved by the *Board of Directors*.

- (b) An account shall be established from which losses and expenses of the PEPLP shall be paid. Although the intent of the PEPLP is to provide pooled coverage, coverage may be obtained, either partly or wholly, from commercial insurance or reinsurance if it is to the financial advantage of the PEPLP as determined by the *Board of Directors*. In making its determination the *Board* shall consider the objectives of security, minimizing costs to the PEPLP, and the desire of the *Members* for a particular type of coverage. Any such commercial insurance shall have an A.M. Best Rating Classification of A or better and an A.M. Best Financial Rating of VII or better, or their equivalents.

2. LIMITS OF COVERAGE

- (a) The PEPLP shall provide, where economically practical, *Limits of Coverage* of at least \$1,000,000 per occurrence.
- (b) The *Board of Directors* may authorize choices of limits less than \$1,000,000 by the *Members*.

3. RETAINED LIMITS

- (a) The pooled coverage shall be excess of the *Retained Limits* as recommended by the Administrator, chosen by each *Member*, and approved by the *Board of Directors*. The Administrator shall consider, among other factors, the financial needs of the *Members* when establishing the choices of *Retained Limits*. The *Board of Directors* may alter the choices of *Retained Limits*, increase *Retained Limits* for *Members* which do not substantially comply with elements of the PEPLP, and institute Aggregate Stop Loss coverage, as described below, or other forms of retentions as the financial strength of the PEPLP dictates.
- (b) The *Board of Directors* may offer annual aggregate limitations to the repeated cost of the *Retained Limit* payments by a *Member* in any *Program Year*. This form of coverage shall be called Aggregate Stop Loss and is further defined in Article II, A, 3, (b).
- (c) A participating *Member* may elect to change its *Retained Limit* after its first year in the program, but any request to lower a *Retained Limit* is effective only with approval of the *Board of Directors*. Any change in the *Retained Limit* shall be for a complete *Program Year* and must be received by the *Board of Directors* at least thirty (30) days prior to the inception of the new *Program Year* in which the change is to be effective. The *Board*

*of Directors* may require a *Member* to increase its *Retained Limit* at the inception of a new *Program Year* by providing written notice of such change to the *Member* at least sixty (60) days prior to the increase.

- (d) Each *Member* shall bear the costs of its *Claims*, including defense and related costs, up to the amount of its *Retained Limit*. This expense shall be borne by the individual *Member* to the extent such costs are not limited by an *Aggregate Stop Loss*. *Members* shall report all payments made within their *Retained Limits* to ERMA to ensure efficient claims control and actuarial analysis.

#### 4. COVERAGE TERM, RENEWAL, AND CANCELLATION

The coverage term shall be the same period of time as the *Program Year*. Cancellation of coverage by withdrawal of a *Member* shall be permitted only at the end of any *Program Year*. The timing of cancellation of coverage by expulsion of a *Member* shall be as determined by the *Board of Directors*.

#### B. MEMORANDUM OF COVERAGE

1. The President shall appoint a Coverage Committee, which may consist of up to three (3) members of the *Board of Directors*. The members of the Committee shall remain as members until such time as the President relieves them of their duties. Each year, prior to the last *Board of Directors* meeting of the *Program Year*, the Committee shall review, as necessary, the Memorandum of Coverage and recommend changes, where appropriate, for the next *Program Year*. The Committee shall consider the desires of the *Members* for coverage as well as the financial impact such coverage may have on the PEPLP. The *Board of Directors* shall evaluate and, if appropriate, approve the recommendations of the Committee and adopt the Memorandum of Coverage for the next *Program Year* prior to or at the last regular or special meeting of the expiring *Program Year*.
2. The *Board of Directors* shall evaluate and, if appropriate, approve the recommendations of the Committee and adopt the Memorandum of Coverage for the next *Program Year* prior to or at the last regular or special meeting of the expiring *Program Year*.
3. Notwithstanding Section B.1., above, the *Board of Directors* may, from time to time, amend the coverage provided in the Memorandum of Coverage, purchase excess insurance or reinsurance, or participate in other pooling arrangements authorized by the Government Code, based on the needs of the PEPLP and the *Members*, costs, funding, available insurance, and other relevant factors.



C. DISTRIBUTION

A copy of this MPD and the current Memorandum of Coverage shall be provided to each *Member* in each year that changes are adopted. All endorsements or other changes to the PEPLP shall be distributed to the *Members as made*. All documents shall be deemed to be provided to the *Member* if the representative for the *Member* personally receives a copy of such document, if the document has been duly mailed in the U.S. Postal system, or if the document is posted to the official ERMA website and notice thereof has been mailed in the U.S. Postal system or sent via email to the *Member*.

ARTICLE III – PREMIUMS, RATES AND ASSESSEMENTS

A. ADMINISTRATIVE EXPENSES, TRAINING EXPENSES AND DEPOSIT PREMIUM CALCULATIONS

1. DEPOSIT PREMIUMS

- (a) The Administrator, in conjunction with an actuary, shall annually establish rates and *Deposit Premiums*, subject to *Board* approval, adequate to fund the actuarially determined losses in the pooled layer of the PEPLP, including defense costs and other claims-related expenses, the cost of excess coverage, and the projected administrative costs and training costs, including retirement of debt, if any, of the PEPLP.
- (b) The annual *Deposit Premium* for each *Member* shall be calculated utilizing (1) the actuarially determined expected losses for the PEPLP, (2) a capital contribution during the first five years of participation equal to or exceeding 15% of the amount needed to cover defense and indemnity (if applicable – required in ERMA’s early years, but not currently applied), (3) a charge for excess insurance or reinsurance, if any, (4) a charge for the *Administrative Expense* of the PEPLP, and (5) a charge for the Training Expense of the PEPLP as determined by the Administrator.
- (c) The *Administrative Expense* charged to each *Member* is calculated by allocating the total *Administrative Expenses* required for the upcoming *Program Year* among the *Members* based on the payroll for each *Member*. This expense may be modified by experience at the discretion of the *Board of Directors*.
- (d) The training expense charged to each *Member* is calculated by allocating the total training expenses required for the upcoming *Program Year* among the *Members* based on the payroll for each *Member*. This expense may be modified by experience at the discretion of the *Board of Directors*.

- (e) Payroll as of December 31<sup>st</sup> of the year preceding the commencement date of a new *Program Year*, inflated by no more than 5%, will be utilized in determining the *Deposit Premium* calculation. Payroll shall be submitted for the four calendar year quarters using reported payroll on DE-9C payroll reports by February 15<sup>th</sup> of the new *Program Year*.

2. EXPERIENCE MODIFICATION

- (a) Each *Member* may be evaluated each year for an experience modification credit or debit based on no more than the past six years of experience. At the discretion of the *Board of Directors*, all or a portion of the six years of experience may be used in the calculation of the experience modification factor.
- (b) The calculation of the credit or debit shall include the actual loss experience of each individual *Member* as it relates to the average loss experience of the group as a whole. The criterion which shall be used is the relationship of actual average loss experience over the period being rated as it relates to the average payroll for the same period.
- (c) The *Board* has the discretion to apply a credibility factor and to establish upper and lower limitations on the maximum and minimum experience modifications.

3. PROGRAM ADMINISTRATIVE BUDGET

Each *Program Year* shall have its own administrative budget to cover the costs of operating and maintaining the administrative functions of the PEPLP for that year. This budget shall include, but not be limited to, the following expenses:

- (a) Financial and claims auditing;
- (b) Program management services;
- (c) Legal services;
- (d) Claims adjusting for *Claims* which exceed the Retained Limits;
- (e) Actuarial services;
- (f) Insurance expense;
- (g) Investment and banking fees;
- (h) The cost of administrative materials; and
- (i) A provision for other minor miscellaneous costs.

4. PROGRAM TRAINING BUDGET

Each *Program Year* shall have its own training budget which shall cover the costs of operating and maintaining the training and loss control functions of the PEPLP for that year. This budget shall include, but not be limited to, the following expenses:

- (a) Costs for training workshops and loss prevention programs;
- (b) Costs for employment related legal assistance; and
- (c) Costs for compliance auditing for (a) and (b) above, if deemed necessary.

B. UNDERWRITING CREDITS/DEBITS

The *Board of Directors*, at its discretion, may impose credits or debits where warranted because of some inequity that would otherwise be encountered.

C. ADJUSTMENTS TO ACCOUNT BALANCES

1. ESTABLISHMENT OF THE LEVEL OF FUNDING

- (a) The confidence level used for determining the funding requirements of the PEPLP and the *Program Year Deposit Premiums* will be determined by the Administrator and approved by the *Board of Directors*; however, the confidence level shall not be lower than 70 percent or the amount needed to cover expected losses.
- (b) Interest rates for the type of investments utilized by the PEPLP may be used to determine the amount of funds necessary to meet the selected confidence level for the PEPLP, but, such interest rate shall not exceed seven percent.
- (c) Reserves for each *Program Year* shall be actuarially determined and shall be sufficient to maintain the overall funding to meet the approved confidence level.

2. ASSESSMENTS

- (a) When a *Program Year* is actuarially unsound, the Administrator, with the assistance of an actuary, will determine to what extent, if any the PEPLP as a whole is not *actuarially sound*.
- (b) The PEPLP is not *actuarially sound* when the available reasonably estimable reserves are less than the amount of reserves required at the expected confidence level, including expected interest earnings. Reserves are reasonably estimable on a *Program Year* when it is at least three years old.
- (c) If the PEPLP is not *actuarially sound*, the *Board of Directors* may, at its discretion, impose an *Assessment* against all Members participating in the deficient *Program Year(s)*. Each *Member's Assessment* shall be determined by the proportion which that *Member's Deposit Premium* for

that year relates to the total *Deposit Premium* paid by all *Members* for that year.

- (d) If the PEPLP as a whole is *actuarially sound*, the *Board of Directors* may, at its sole discretion, assess the *Members* who participated in any *Program Year* that is not *actuarially sound*.
- (e) A *Program Year* or *Years* that are not *actuarially sound* will be adjusted annually with the Retrospective Adjustment Process discussed in the next section.

### 3. RETROSPECTIVE ADJUSTMENTS

The Retrospective Adjustment Process defines the methodology by which program years that are full five years old are adjusted annually. The Retrospective Adjustment Process is defined in ERMA's Financial Stability Plan, as approved by the *Board of Directors*, and appears in its entirety in Appendix A.

### D. CLOSED PROGRAM YEARS

- 1. The *Board of Directors* may close a *Program Year* as described in Article I, B.
- 2. Upon closure of a *Program Year*, a final calculation of account balances shall be made as described in ERMA's Financial Stability Plan, specifically the Retrospective Adjustment Process, and found in Appendix A. The account balances shall be returned to the *Members* at the discretion of the *Board of Directors* based on the percentage of *Deposit Premium* paid by each *Member* for that *Program Year*.
- 3. The *Board of Directors* retains the right to assess *Members* which participated in a closed *Program Year* if such *Program Year* incurs additional expenses after closure.

## ARTICLE IV – ADMINISTRATION

### A. ORGANIZATION AND RESPONSIBILITIES

#### 1. RELATION TO ERMA STRUCTURE

- (a) This MPD supplements the Bylaws. In the event of a conflict between the Bylaws and this MPD, the Bylaws control. From time to time, resolutions of the Executive Committee or *Board of Directors* may be adopted which may take precedence over this MPD for a limited period of time; however,

any change thus enacted by resolution that is intended to last beyond six months shall be expressly incorporated into and amend this MPD.

- (b) The Administrator shall be the Program Administrator for the PEPLP and shall report to the Executive Committee or *Board of Directors* of *ERMA*.
- (c) A Litigation Manager shall be selected by the Program Administrator and approved by the *Board of Directors* to supervise the handling of *Claims* and report to the Program Administrator and the *Board of Directors*, as requested by the *Board*.

2. BOARD OF DIRECTORS' RESPONSIBILITIES

- (a) The *Board of Directors* shall meet at least one (1) time per year to review the developments and performance of this PEPLP as part of a general or special *Board of Directors* meeting.
- (b) The *Board of Directors* may delegate to the Executive Committee any of its responsibilities not otherwise reserved to the *Board* in the Joint Exercise of Powers Agreement or Bylaws.
- (c) The *Board of Directors* shall review and have authority to override all decisions made by the Executive Committee.

3. EXECUTIVE COMMITTEE RESPONSIBILITIES

An Executive Committee may be established and, if so, shall have the following duties with respect to the PEPLP:

- (a) Direct proposals for outside service contracts including, but not limited to, program administration, claims adjusting, actuarial services, and financial and claims audit services.
- (b) Supervise the management of claims including, but not limited to, the review of loss reserves and claims expenses.
- (c) Provide policy and guidance to the Litigation Manager with regard to management of specific claims where the Litigation Manager requests such direction or where he or she lacks authority to establish such policy.
- (d) Settle any claim equal to or less than the limit of coverage for *ERMA*. However, such authority shall only apply to those claims for which the Ultimate Net Loss is in excess of the settlement authority given to the Litigation Manager and above the *Retained Limit* of the *Member*.

- (e) Hear all disputes regarding the selection of defense counsel on a particular case brought to it by the *Member* for which such defense counsel was chosen.

#### 4. ADMINISTRATOR'S DUTIES AND RESPONSIBILITIES

##### (a) GENERAL

- (i) The Program Administrator shall use his or her best efforts to administer the PEPLP so as to achieve the objectives and goals of the PEPLP and *ERMA*.
- (ii) The Program Administrator shall administer the PEPLP in a manner that will provide claim and cost accountability for each *Program Year*, separate and apart from all other *Program Years*, and from other programs of *ERMA*.

##### (b) CLAIMS ADMINISTRATION

The Program Administrator shall:

- (i) Resolve disputes between a *Member* and the Litigation Manager, Claims adjustor or Investigator;
- (ii) Prepare an annual report showing claims activity, paid claims, case reserve, *obligated reserves*, and status of pooled funds of each *Program Year* for each *Member*;
- (iii) Obtain the services of a claims auditor and present the findings to the Executive Committee or *Board of Directors*, if the cost of these services is within the approved annual budget; and
- (iv) Coordinate with the Litigation Manager, whose duties are outlined in Section 5, Litigation Manager.

##### (c) FINANCIAL DUTIES

The Program Administrator shall:

- (i) Prepare a budget for each *Program Year* for approval by the *Board of Directors* before the beginning of the *Program Year*;
- (ii) Prepare an annual report comparing each *Program Year's* budgeted to actual expenditures;

- (iii) Ensure that *Retrospective Adjustments* for previous *Program Years* and rates and *Deposit Premiums* for each new *Program Year* are calculated in the manner described in Article III;
- (iv) Obtain actuarial services and present the findings to the Executive Committee or *Board of Directors*, provided the cost of such services is within the approved annual budget;
- (v) Evaluate and present to the Executive Committee or *Board of Directors* the recommendations of the actuarial studies with recommended actions where *Program Years* are, or are likely to be, actuarially unsound in the near future;
- (vi) Engage the services of an independent financial auditor selected by the Executive Committee or *Board of Directors* and present the findings to the Executive Committee or *Board of Directors*, provided the cost of these services is within the approved annual budget; and
- (vii) Present financial audits to the Executive Committee or *Board of Directors*.

(d) ACCOUNTING RESPONSIBILITIES

The Program Administrator shall:

- (i) Invoice *Member Entities* for *Deposit Premiums* and other amounts due;
- (ii) Report to the Executive Committee or *Board of Directors* any invoices not paid and outstanding for more than thirty (30) days;
- (iii) Prepare vouchers, invoices, or other demands for payment for approval by the President and, upon approval, submit the demands to the Treasurer for payment;
- (iv) Maintain detailed financial records of all income, expenses, cash deposits, and withdrawals;
- (v) Maintain financial records according to generally accepted accounting principles; and
- (vi) Present timely quarterly and annual financial statements to the Executive Committee or *Board of Directors*.

(e) LOSS CONTROL SERVICES/TRAINING/COMPLIANCE AUDIT

The Program Administrator shall:

- (i) Assist the *Members* in the evaluation of their employment related policies, practices and procedures regarding exposures that may result in claims, and report the evaluations to the Executive committee or *Board of Directors*;
- (ii) Recommend to the Executive Committee or *Board of Directors* loss control and training programs for adoption;
- (iii) Assist the *Members* in establishing loss control programs and training programs;
- (iv) Evaluate the efficiency of the loss control and training programs and report such findings to the Executive Committee or *Board of Directors*; and
- (v) Establish compliance auditing standards to ensure participation in the established loss control and training programs adopted by the *Board of Directors* or Executive Committee.

(f) LITIGATION MANAGER

The Litigation Manager shall:

- (i) Oversee, generally, all liability claims administration and management, supervise the daily operations of handling *claims* for the PEPLP, and report to the Program Administrator on such operations.
- (ii) Have the authority settle any claim with an Ultimate Net Loss, as defined in the Memorandum of Coverage applicable to that claim, equal to or less than one hundred thousand dollars (\$100,000) in excess of the *Retained Limit* of the *Member* involved.
- (iii) Assist the Program Administrator in the selection of an approved defense counsel, claims adjusting, loss prevention and investigation services, if those services are required, including evaluation of quality and price of services in the defense, claims handling, investigation and reporting services.



- (iv) Oversee performance of the approved defense counsel, claims adjustor, and loss prevention and investigation services, with special emphasis on the handling of open claims, including:
  - a) Review all open claims valued in excess of 50 percent of the individual *Member's Retained Limit* and, if necessary, recommend action on such claims;
  - b) Review all open claims in which an outside investigator has been retained by the *Member* or ERMA; and
  - c) Review monthly claims reports and relate to the Executive Committee or *Board of Directors* any significant trends that may be developing.
- (v) Assist the Program Administrator in presenting claims audits to the Executive Committee or *Board of Directors*, with recommendations of changes in claims procedures where appropriate;
- (vi) Perform a quarterly review of claims files including new claims likely to exceed 50 percent of the *Member's Retained Limit*, claims in which an outside investigator has been retained by the *Member* or ERMA, and those claims for which a *Member*, the Executive Committee, or the *Board of Directors* has requested a specific review;
- (vii) Review, at least quarterly, all open claims in excess of the involved *Member's Retained Limit* and, if necessary, recommend action on such claims;
- (viii) Report to the Executive Committee or *Board of Directors* at each meeting, summarizing the active claims of general interest to the *Members* and claims for which a *Member*, the Executive Committee, or the *Board of Directors* has specifically requested a review;
- (ix) Assist the Members in training their personnel in the correct procedures for response to employees and reporting of incidents or claims;
- (x) Advise, where needed, on the setting and changing of reserves for claims;

- (xi) Report to any excess insurance or reinsurance obtained by *ERMA* all claims that meet the reporting requirements of such excess insurance or reinsurance;
- (xii) For those *Members* with excess insurance or reinsurance other than that obtained by *ERMA*, provide notice to the *Member* in the acknowledgement of the claim that the claim may need to be reported to the *Member's excess* insurance or reinsurance, and suggest the *Member* check the reporting requirements of any such excess carrier or reinsurance; and provide notice to the *Member* and its pool administrator, if any, when the claim has reached 50 percent of the *ERMA* layer;
- (xiii) Ensure that the *Member* is advised of *ERMA's* coverage position on a claim as soon as practicable;
- (xiv) Monitor and evaluate the effectiveness of the defense firms;
- (xv) Advise the *Board* on recommendations for settlement of claims in excess of \$100,000.00;
- (xvi) Answer inquiries from *Members* regarding claims or procedures;
- (xvii) Establish a list of attorneys who have demonstrated proficiency in defending employment actions against public agencies;
- (xviii) After consultation with the *Member* as set forth in Article VI F, select defense counsel, if needed, for each claim where the Ultimate Net Loss, as defined in the Memorandum of Coverage, is at least 50 percent of the involved *Member's Retained Limit*;
- (xix) Review the performance of the claims adjuster or investigator's personnel assigned to *ERMA's* account with special emphasis in the handling of open claims;
- (xx) Advise and assist the Program Administrator in the selection of claims adjusting and investigation providers/companies;
- (xxi) Determine, using reasonable discretion and based on the particular facts and circumstances, whether a claim has been timely reported to *ERMA* as a condition precedent to coverage under the Memorandum of Coverage; provided, however, the Litigation Manager shall have no discretion to accept as timely any of the following claims reported after 30 days: notice from the U.S. Equal

Employment Opportunity Commission, the California Department of Fair Employment and Housing or any other state or federal Government agency to which an Employee has made a *Claim*; a Government claim; or a civil lawsuit. The Litigation Manager's decision may be appealed to the *Board of Directors*;

(xxii) Annually provide to the Executive Committee or *Board of Directors* a review and evaluation of all panel defense counsel, including performance and costs; and

(xxiii) Provide other services as may reasonably be requested by the *Member*, Executive Committee or the *Board of Directors*.

## B. REPORTS AND SCHEDULES

### 1. FINANCIAL REPORTS

(a) Unaudited, annual financial statements shall be presented to the Executive Committee or *Board of Directors* within 150 days after the end of the fiscal year. These reports will include:

(i) A balance sheet;

(ii) An income statement; and

(iii) A statement of account balances for each Program Year by Member.

(b) Unaudited, quarterly financial statements shall be presented to the Executive Committee or *Board of Directors* within 60 days after the end of the quarter. These reports will include a balance sheet and income statement.

(c) A signed audited financial statement for the *Program Year* shall be presented to the Executive Committee or *Board of Directors* within 150 days after the end of the *Program Year*.

### 2. CLAIMS REPORTS

(a) Quarterly claims reports shall be presented to the Members within 30 days after the end of the quarter. These reports will include:

(i) Status of each claim by *Program Year* including case reserves, allocated claims reserves, amounts paid for indemnity, and allocated claims expense; and

(ii) Summary of number of claims, total claims reserves, and total paid expenses by *Program Year* for each *Member*.

(b) Special reports shall be prepared when reasonably requested by the Executive Committee or *Board of Directors*.

(c) A claims audit report shall be obtained at least every other year, including a statement of adequacy of claims procedures and accuracy of the claims data.

3. ACTUARIAL STUDIES

(a) An actuarial report shall be obtained as determined by the Executive Committee or *Board of Directors*, which shall evaluate the adequacy of reserves for each open *Program Year*.

(b) The actuarial report shall also include loss projections for future *Program Years* based on the experience of the PEPLP.

C. LOSS CONTROL SERVICES/TRAINING/COMPLIANCE AUDITING

*ERMA* will provide loss control services, training, and compliance auditing to the *Members*, as needed, to minimize claims expenses and reduce loss exposures for the PEPLP.

ARTICLE V – PARTICIPATION

A. ELIGIBILITY AND APPLICATION

1. ELIGIBILITY

(a) Only *Members* of *ERMA* may participate in the PEPLP.

(b) Each *Member* must initially commit to at least there full *Program Years* of participation in the PEPLP.

(c) Each prospective *Member* of *ERMA* must submit an application along with a non-refundable application fee of \$2,500 (prospective *Member* JPA) or \$1,000 (prospective direct *Member*) and provide a completed and signed resolution obligating the prospective *Member* to participate for the required there years and accepting the rules and policies set forth in the PEPLP governing documents. The resolution shall also state the *Retained Limit* desired by the prospective *Member*. The prospective *Member* shall, if practicable, submit five years of wrongful employment practices loss

experience, complete an Underwriting Information Sheet, complete an Exposure Analysis Questionnaire, and provide copies of the last four quarterly DE-9C, Federal 941 or J200 payroll reports, if required, or, upon approval of the Executive Committee or *Board of Directors*, the current number of full-time equivalent employees.

For the initial *Program Year* or for latter years at the discretion of the *Board of Directors*, the underwriting and submission of data requirements listed above may be waived.

- (d) The prospective *Member* shall provide the application and applicable fee, resolution form, the experience and underwriting information, and the DE-9C, Federal 941 or J200 payroll information at least 60 days prior to the inception of the *Program Year* in which its participation will commence, or on which it desires coverage to commence.
- (e) Those *Members* affiliated with a primary JPA shall be provided extended coverage under the Memorandum of Coverage for their primary JPA's *Board of Directors* and JPA employees, provided at least 50%, by payroll, of that primary JPA's members participate in *ERMA* and/or 50% of the primary JPA's total members participate in *ERMA*. This coverage shall be added by endorsement to the Memorandum of Coverage.

## 2. APPROVAL OF APPLICATION

- (a) An Underwriting Committee, appointed by the President, shall review the membership application and other underwriting and experience criteria of the prospective *Member*. The Underwriting Committee shall make a recommendation to the Executive Committee or *Board of Directors* regarding approval of the prospective *Member*.
- (b) The Executive Committee or *Board of Directors* shall, from a review of the membership application, other underwriting and experience criteria, and the advice of the Underwriting Committee and Program Administrator, determine the acceptability of the exposures presented by the prospective *Member*.
- (c) The Administrator shall advise the prospective *Member*, in writing, of the decision of the Executive Committee or *Board of Directors* within 15 business days after the decision.

## 3. DATE OF MEMBERSHIP

It is preferable that a new *Member* enter the PEPLP at the commencement of a *Program Year*. If the new *Member* enters at any other time, the Deposit Premium

may be prorated for the remainder of the *Program Year*, and covered losses of the new *Member* which occur on or after the date of membership will be paid; however, the new *Member* shall be required to share losses for the pool for the entire year, just as if it had begun its membership at the commencement of the *Program Year*.

4. APPLICATION FEE CREDIT

Following completion of the first *Program Year*, the *Member* will receive a credit in an amount equal to the fee remitted upon application for membership. This will be issued in the form of a premium credit, applicable to the *Members'* second year *Deposit Premium*.

B. MEMBERS' DUTIES

1. PROVIDE UNDERWRITING INFORMATION

- (a) Each *Member* shall provide payroll information based on the State DE-9C, Federal 941, or J200 payroll reports, and if practicable provide copies of the DE-9C, Federal 941, or J200 payroll reports quarterly within fifteen days after filing with the State or Federal Government; or upon approval of the Executive Committee or *Board of Directors*, provide the full-time equivalent number of employees for the *Member* on an annual basis.
- (b) Each *Member* shall cooperate with *ERMA* in the claims management, loss control, training, underwriting, and actuarial activities of *ERMA*.

2. PAYMENT OF PREMIUMS AND OTHER CHARGES

- (a) Each year, no later than July 1<sup>st</sup>, *ERMA* shall bill each *Member* its *Deposit Premium* for the next *Program Year*. The annual billing shall be due and payable on July 15<sup>th</sup>, and shall be delinquent if not paid on or before the last working day in July.
- (b) A *Member* may be billed an additional amount because of *Assessments* to bring a *Program Year* into a state of actuarial soundness. This billing is due and payable upon receipt, and delinquent if not paid on or before thirty (30) calendar days after receipt. The date of receipt shall be determined as the date the billing was presented in person to a representative of the *Member*, or posting the billing in the U.S. Mail, or the date sent via electronic mail.
- (c) Any *Member* which has formerly participated in the PEPLP, but has withdrawn as a *Member*, shall be required to pay all applicable billings for the *Program Years* in which it participated. Delinquent billings shall be

treated in the same manner as set forth above, as if the withdrawn *Member* were still a *Member*.

- (d) The penalties and interest described below will be strictly enforced. Members may only use those payment methods specifically approved by the Executive Committee or *Board of Directors*.
- (e) Penalties for Delinquent Payments – *Members* with delinquent amounts due and payable to *ERMA* shall be assessed a penalty as prescribed in the Bylaws.
- (f) Interest on Delinquent Amounts Due and Payable – Interest shall accrue on all delinquent amounts due and payable to *ERMA* at the rate as prescribed in the Bylaws.
- (g) Failure to Pay Billings, Penalties, or Interest - Failure to pay billings, penalties, or the accrued interest shall be considered ground for removal of the *Member* from the PEPLP and may result in the expulsion of the Member from *ERMA* according to the *ERMA* Agreement.
- (h) Penalties for Non-Payment by Former Members – Failure to pay billings, penalties, or accrued interest thereon shall constitute a breach of the agreement between the former *Member* and *ERMA*. The former *Member* shall be liable for the billings, penalties, accrued interest, and all costs incurred by *ERMA* in the enforcement of all provisions set forth in this MPD, the Bylaws, and the Joint Exercise of Powers Agreement.

C. DUTY TO REPORT CLAIMS

Timely reporting of claims is essential to efficient claims and litigation management. Failure to timely report any claim, as defined in the Memorandum of Coverage, to *ERMA* may result in denial of that claim or other penalties, as set forth in the Memorandum of Coverage.

D. TERMINATION OF PARTICIPATION

- 1. A *Member* in one *Program Year* shall participate in the next *Program Year* unless, at least six months before the commencement of the next *Program Year*:
  - (a) a written request to terminate participation is received from the *Member*, or
  - (b) a written termination notice from the Executive Committee or *Board of Directors* has been sent to the *Member*.

2. Termination of participation in future *Program Years* does not relieve the terminated *Member* of any benefits or obligations of those *Program Years* in which the *Member* participated. These obligations include payment of *Assessments*, *Retrospective Adjustments*, wrap up costs, or any other amounts due and payable.
3. The Executive Committee or *Board of Directors* may terminate future participation by a *Member* for the following reasons:
  - (a) Termination as a Member of *ERMA*;
  - (b) Declination to cover the *Member* by the organization, if any, providing excess insurance or reinsurance or pooled excess coverage;
  - (c) Nonpayment of past billings, *Assessments*, *Retrospective Adjustments*, or other charges;
  - (d) Habitual late payment of billings, *Assessments*, *Retrospective Adjustments*, and/or other charges, or habitual late response in submitting data required by *ERMA*;
  - (e) Failure to provide underwriting information as defined herein;
  - (f) Development of an extraordinarily poor loss history;
  - (g) A substantial change in exposures which are not acceptable in the PEPLP;
  - (h) Financial impairment, including bankruptcy, which may jeopardize the PEPLP's ability to collect, amounts due in the future;
  - (i) Failure to comply with loss control services, training, or compliance auditing programs adopted by *ERMA*;
  - (j) Conduct detrimental to *ERMA*; and/or
  - (k) Termination of the *Member* by its primary joint powers authority.

## ARTICLE VI – CLAIMS ADMINISTRATION

### A. SELECTION OF ADJUSTOR OR INVESTIGATION FIRM

The *Board of Directors* or Executive Committee shall review proposals for claims adjusting and investigation services, if those services are deemed necessary. The executive Committee will make recommendations if necessary to the *Board of Directors* regarding the qualifications of the proposals. The adjusting and investigation company shall have the capacity and shall report claims activities in such a manner that the segregated accounting requirement of the PEPLP can be easily administered.



B. CLAIMS AUDIT

1. At least once every two years, the adequacy of claims adjusting shall be examined by an independent auditor who specializes in claims auditing.
2. The Administrator shall obtain the services of a claims auditor and present the findings to the Executive Committee or *Board of Directors*, if the cost of these services is within the approved annual budget.
3. The claims audit report shall address the issues of adequacy of claims procedures and accuracy of claims data.

C. AUTHORITY'S RIGHT AND DUTY TO DEFEND

The Authority's right and duty to defend a claim shall be defined in the Memorandum of Coverage.

D. SETTLEMENT AUTHORITY

1. Each *Member* shall have input with regard to settlement authority for its claims that do not exceed its *Retained Limit*; however, when a claim's incurred costs reach one-half of the *Member's Retained Limit*, or when a *Member* retains an outside investigator to investigate a claim, all information concerning the claim shall be provided to the Litigation Manager. The Litigation Manager shall continue to keep the *Member* fully informed on the progress of the claim, and shall consult with the *Member* regarding any settlement within or above the *Member's Retained Limit*. The *Member* shall fully cooperate in all matters pertaining to the claim. The *Authority* shall have the right to assume the control of the negotiation, investigation, defense, appeal, or settlement of any *Claim* the *Authority* determines, in its sole discretion, to have reasonable probability of resulting in an *Ultimate Net Loss* in excess of the applicable *Retained Limit*. The *Covered Parties* shall fully cooperate in all matters pertaining to such Claim or proceeding.
2. The Litigation Manager shall have the authority to settle any claim with an *Ultimate Net Loss*, as defined in the Memorandum of Coverage applicable to that claim, equal to or less than one hundred thousand dollars (\$100,000) in excess of the *Member's Retained Limit*.
3. The Executive Committee or *Board of Directors* shall have the authority to settle any claim in an amount equal to or less than the limit of coverage of *ERMA*. However, such authority shall only apply to those claims whose *Ultimate Net*

*Loss* is in excess of the settlement authority given to the Litigation Manager and above the *Member's Retained Limit*.

E. DISPUTES REGARDING MANAGEMENT OF A CLAIM

1. Any dispute between a *Member* and the Litigation Manager, claims adjustor or investigator shall be brought to the attention of the Program Administrator who shall attempt to resolve the dispute and/or refer it to the Executive Committee or *Board of Directors*. Any decision by the Program Administrator may be appealed to the Executive Committee or *Board of Directors*.
2. Any settlement decision or other decision made by the Litigation Manager may be appealed; however, such appeal shall be in writing to the Executive Committee or *Board of Directors* within 30 days of the date of the Litigation Manager's decision.
3. When an appeal has been filed, the Executive Committee or *Board of Directors* shall hear the appeal within 60 business days.

F. SELECTION OF DEFENSE COUNSEL

1. A panel of approved defense attorneys shall be proposed by the Litigation Manager, with input from the *Members*, and approved by the *Board of Directors*. The Executive Committee or *Board of Directors*, at its discretion, may periodically review the panel of defense attorneys and remove or add attorneys to that panel.
2. Nothing in this section shall be construed to limit the right of a *Member* to retain its own defense counsel to represent the Member in any litigation. If, however, a *Member* retains counsel other than the counsel assigned by the Litigation Manager, or, in the case of an appeal of the Litigation Manager's decision, a decision by the *Board*, the *Member* shall be solely responsible for that counsel's attorney's fees and costs, and the *Member* shall be deemed to have waived any rights to defense and indemnity coverage from *ERMA* for that particular litigation.
3. Assignment to defense counsel shall be made from the approved defense panel by the Litigation Manager after consultation with the *Member*. In the event the Litigation Manager assigns the case to a firm or individual other than the one expressly preferred by the *Member*, the Litigation Manager shall advise the *Member* in writing of the reasons for the change, and the *Member* shall have the

right to appeal the decision to the Board of Directors. The decision of the *Board of Directors* shall be binding and final, with no further right of appeal.

4. Regardless of the selection process, the *Member* shall bear the financial responsibility of all defense expenses, including fees, until such time as its *Retained Limit* is exhausted.

## ARTICLE VII – DEFINITIONS

1. **Actuarially Sound** means that the *Program Year* has sufficient funds to pay the *Administrative Expenses* and the expected cost of *Claims* at a sixty (60) percent confidence level as determined by a certified actuary for the *Program Year*.
2. **Administrative Expenses** means those expenses incurred by the PEPLP that are not incurred due to any specific *Claim* and does not constitute a reserve for future expected changes in the size of existing *Claims* or discovery of previously unknown *Claims*. Administrative Expenses shall include expenses of *ERMA* that are allocated to the PEPLP.
3. **Assessments** mean charges to *Members* in excess of their deposit premiums, which are not part of a *Retrospective Adjustment*, for the purpose of raising sufficient funds to reach an *Actuarially Sound* condition.
4. **Claim** means, if not otherwise defined within the context of the Memorandum of Coverage, to be all demands for compensation by third claimants against a covered party arising out of one occurrence.
5. **Retrospective Adjustment** means the allocation of funds and liabilities to the accounts of each *Member* for each *Program Year* and the process of returning excess funds, or charging deficiencies of funds, in the accounts of each *Member*.
6. **Limits of Coverage** means the maximum amount of financial protection afforded any *Member* as the result of a single occurrence.
7. **Member** means a governmental entity, including any commissions, agencies, districts, authorities, boards, or other similar government entity under the direct control of the one who has been accepted into *ERMA* and is a Named Covered Party in the Memorandum of Coverage and Endorsements thereto.
8. **Obligated Reserves** means reserves for expected claims expenses, determined by an actuarial study, not attributable to any known *Claim*. This is sometimes called IBNR.

9. **Program Year** means the period of coverage provided by the Memorandum of Coverage, usually a 12-month period. However, any renewals, by endorsement, for a new term shall constitute a new *Program Year*.
10. **Open Program Year** means a *Program Year* for which the Executive Committee or *Board of Directors*, due to *Claims* with the *Program Year* that are not finalized and/or the possibility of new *Claims* arising, has not authorized the final retrospective adjustment.
11. **Closed Program Year** means a *Program Year* that the Executive Committee or *Board of Directors* has declared closed and for which is has authorized final *retrospective adjustments*.
12. **End of Program Year** means that time when the coverage period of the Memorandum of Coverage lapses.
13. **Retained Limit** means the amount of all *Claims* arising out of one *Occurrence* which will be paid directly by the *Member*.

## APPENDIX A

### RETROSPECTIVE ADJUSTMENTS

ERMA's Financial Stability Plan, Section II, defines the Retrospective Adjustment Process as follows:

As each program year is independent from the others, it is possible to assess each program's year's deficit, or surplus, independently on an annual basis as each program year reaches a certain maturity threshold.

The Retrospective Adjustment Process was approved unanimously at ERMA's February 22, 2008, Board of Directors meeting. This process calls for the retrospective adjustment (assessment for a deficit year or dividend release for a surplus year) for each program year that is a full five years old according to the following methodology:

- Each year at its April Board of Directors' meeting, the ERMA Board would formally retrospectively adjust a program year's retained earnings balance five full years after the inception of that program year and each year thereafter until the program year is closed (all claims have been settled, and no case or IBNR reserves remain).
- A deficit (in whole or part at the Board's discretion) would be assessed to increase the equity in each eligible program year to the expected confidence level.

- Alternatively, if an open program year is in a surplus position, the Board would consider issuing dividends (in whole or part at the Board's discretion) for any equity amount that exceeds the 90% confidence level to allow for continuing claims development in future years.
- If a current program year not yet eligible to receive a retrospective adjustment is in a deficit position at any confidence level, the negative equity at that confidence level will be subtracted from the "Total Distribution Available" at that confidence level.
- IF no IBNR remains in a year in which all claims are closed, the Board would consider issuing dividends or levying an assessment to officially close out that year.

Additional considerations:

- It is possible for program years to re-open, in which case a later assessment is possible.
- In the event of an overall program surplus, an individual program year or multiple program years would not be adjusted via a dividend, unless the ERMA program as a whole remained funded at eh 90% confidence level after the issuance of the dividend.
- The current year March 31 financial statements will be utilized to determine each program year's retained earnings balance, and net assessments/net dividends (due to the possibility of several program years being adjusted) will be invoiced/released on or before June 30.

## APPENDIX B

### EMPLOYMENT PRACTICES LIABILITY COVERAGE

#### A. GENERAL DESCRIPTION

##### 1. COVERAGE PROVIDED

The Memorandum of Coverage will provide defense and indemnity for *Wrongful Employment Practices*.

##### 2. LIMITS OF LIABILITY

The Limits of Liability of the coverage will be Combined Single Limits of at least \$1,000,000 less the amount of the individual *Member's Retained Limit* for each Occurrence. The Executive Committee or *Board of Directors* may authorize choices of limits other than \$1,000,000 to the Members, and excess insurance or reinsurance may be provided to provide protection in layers above \$1,000,000.

##### 3. RETAINED LIMITS

The *Retained Limits* available to the *Members* will be \$25,000; \$50,000; \$75,000; \$100,000; \$250,000, and \$500,000.

##### 4. RATES

The premium rates will be based on an actuarial report and adopted by the Executive Committee or Board of Directors.

##### 5. CONCLUSION

It is important that each *Member* understand the coverage provided under the Memorandum of Coverage, and any exclusions thereto, as each *Member* is individually responsible or must make other arrangements for any *Claim* not covered by the Memorandum.



March 21, 2018

Ms. Fran Robestelli  
Assistant City Manager  
City of Walnut Creek  
1666 North Main Street  
Walnut Creek, CA 94596

RE: Rescission of Notice of Self-Insured Retention Increase for 2018/19 Program Year

Dear Ms. Robestelli,

This correspondence is to advise you of the rescission of ERMA's March 9, 2018, Notice of Self-Insured Retention Increase for the 2018/19 Program Year.

On behalf of the Board of Directors, we appreciate the City's March 13, 2018, survey response and submission of personnel policies. The City of Walnut Creek is deemed in compliance with ERMA-mandated loss control services, training or compliance auditing programs adopted by ERMA.

If you have any questions, please contact me at (800) 541-4591, extension 19141.

Best regards,

A handwritten signature in black ink, appearing to read "Jennifer L. Jobe", is written over a light blue circular stamp.

Jennifer L. Jobe  
Executive Director

cc: Scott Ellerbrock, ERMA President  
Kathy Maylin, ERMA Litigation Manager  
Linda Cox, MPA Chief Administrative Officer

ERMA 2018-19

**ERMA**  
**BOARD OF DIRECTORS MEETING**  
**May 1, 2018**

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**ADMINISTRATIVE MATTERS**

**SUBJECT: ERMA Nineteenth Annual Workshop**

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**BACKGROUND AND STATUS:**

Upon approval of Resolution 2017-6, the proposed meeting dates for the Nineteenth Annual Workshop and Board meeting are Thursday and Friday, February 7 & 8, 2019.

Staff requests direction from the Board regarding the desired venue for the 2019 workshop. The 2017 and 2018 Annual Workshops have been held at the Dream Inn in Santa Cruz and previously, the Hotel Yountville. Staff has received a proposal from the Dream Inn for the 2019 Workshop.

A summary of room costs for the prior three years is as follows:

VENUE	# of ROOMS	ROOM RATE	TOTAL
Dream Inn 2018	30 rooms	\$199/night plus tax	<b>\$10,149</b>
Dream Inn 2017	30 rooms	\$169/night plus tax	<b>\$8,589</b>
Hotel Yountville 2016	33 rooms	\$225/night plus tax	<b>\$10,004</b>

Estimates for the 2019 Annual Workshop are as follows:

VENUE	# OF ROOMS	ROOM RATE	TOTAL
Dream Inn	30 rooms	\$199/night plus tax	<b>\$10,149</b>

If the Board would like to request proposals from additional hotels, staff will present the proposals at the June Board meeting for the Board's review and consideration.

**RECOMMENDATION:**

*Provide direction to staff.*



**ADMINISTRATIVE MATTERS**

**SUBJECT: Resolution Establishing Meeting Dates for the 2018/19 Program Year**

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**BACKGROUND AND STATUS:**

Attached is a resolution with proposed meeting dates for the 2018/19 Program Year. The proposed dates are:

- Monday, November 5, 2018
- Thursday & Friday, February 7 & 8, 2019 (Annual Workshop/Board Meeting)
- Tuesday, April 30, 2019
- Tuesday, June 11, 2019

Please review your calendar for any potential conflicts with the proposed dates.

**RECOMMENDATION:**

*Staff recommends the Board of Directors consider the Resolution Establishing Meeting Dates for the 2018/19 Program Year.*

**REFERENCE MATERIALS ATTACHED:**

- Draft Resolution Establishing Meeting Dates for the 2018/19 Program Year

***DRAFT RESOLUTION NO. 2017-6***

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
EMPLOYMENT RISK MANAGEMENT AUTHORITY  
ESTABLISHING MEETING DATES FOR THE 2018/19 FISCAL YEAR**

**BE IT RESOLVED THAT:**

The following meeting dates are hereby established for the 2018/19 fiscal year:

<u>Monday, November 5, 2018</u> Bickmore 1750 Creekside Oaks Dr., #200 Sacramento, CA 9:00 a.m.	<u>Tuesday, April 30, 2019</u> Bickmore 1750 Creekside Oaks Dr., #200 Sacramento, CA 9:00 a.m.
<u>Friday, February 8, 2019</u> TBD 9:00 a.m.	<u>Tuesday, June 11, 2019</u> Bickmore 1750 Creekside Oaks Dr., #200 Sacramento, CA 9:00 a.m.

**ANNUAL WORKSHOP/BOARD MEETING**

Thursday, February 7, 2019  
TBD  
11:00 a.m. – 5 p.m.

Friday, February 8, 2019  
TBD  
9:00 a.m. – 12 noon

This Resolution was adopted by the Board of Directors at a regular meeting of the Board on May 1, 2018, in Sacramento, California, by the following vote:

AYES \_\_\_\_\_  
NOES \_\_\_\_\_  
ABSTAIN \_\_\_\_\_  
ABSENT \_\_\_\_\_

\_\_\_\_\_  
PRESIDENT

ATTEST:

\_\_\_\_\_  
EXECUTIVE DIRECTOR

**ADMINISTRATIVE MATTERS**

**SUBJECT: Draft Resolution No. 2017-7 Requiring Members to Provide Proof of Compliance with Training Mandated by State Law**

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**BACKGROUND AND STATUS:**

Following the January 1, 2018, implementation of SB 396 (Lara), Employment: Gender Identity, Gender Expression and Sexual Orientation, ERMA Resolution 2017-2 is amended to reflect the requirement of ERMA members to provide proof of compliance with California Government Code §12950.1 and §53237.1 to include sexual harassment, retaliation, and discrimination training inclusive of harassment based upon gender identity, gender expression and sexual orientation to include all managers, supervisors and local agency officials.

Attached for the Board's review and consideration in redline strike out text, is Resolution No. 2017-7 in draft format.

**RECOMMENDATION:**

*Staff recommends the Board of Directors approve Resolution No. 2017-7 Requiring Members to Provide Proof of Compliance with Training Mandated by State Law, as presented.*

**REFERENCE MATERIALS ATTACHED:**

- Draft Resolution No. 2017-7 in redline strike out text

**RESOLUTION NO. 2017-~~27~~**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE EMPLOYMENT RISK MANAGEMENT AUTHORITY  
REQUIRING MEMBERS TO PROVIDE PROOF OF COMPLIANCE WITH  
TRAINING MANDATED BY STATE LAW**

WHEREAS, the Employment Risk Management Authority, hereinafter ERMA, is a Joint Powers Authority organized and existing in accordance with the laws of the State of California;

WHEREAS, one of the functions of ERMA is to operate a “Pooled Wrongful Employment Practices” “risk sharing” program;

WHEREAS, it is in the best interests of the ERMA members to ensure that all underlying members comply with the minimum training requirements mandated by state law;

WHEREAS, the Board previously adopted Resolution No. ~~5-2005~~2017-2 to ensure that all ERMA members complied with sexual harassment training mandated by state law (Government Code §12950.1) and to establish a compliance program in which underlying members would be required to establish proof of compliance with such training and

WHEREAS, the Board of Directors of ERMA has modified the compliance program and established penalties for members who have failed to comply, and this Resolution reflecting such changes is therefore appropriate.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors as follows:

This Resolution 2017-~~17~~ ~~shall supersede-replaces~~ Resolution ~~2-2005 and 2010-2~~2017-2.

For any *Claim*, as such term is defined in ERMA’s Memorandum of Coverage, that is submitted to ERMA by an underlying member which relates to the subject matter of California Government Code §12950.1, each underlying member is required to provide ERMA with documentation evidencing they have substantially complied with sexual harassment, ~~retaliation, discrimination -and~~ training inclusive of harassment based upon gender identity, gender expression and sexual orientation, as mandated by said code section. For purposes of this Resolution, substantial compliance is defined as having 90% of all managers, supervisors and elected officials trained in compliance with §12950.1 as of the date of occurrence of the *Claim*, and for members with less than ten but more than one manager, supervisor or elected official, substantial compliance is defined as having all but one manager, supervisor or elected official trained.

At the time the Claim is submitted, and at the request of an ERMA representative, the underlying member shall within 30 days provide an attestation that the following occurred:

1. The underlying member is in compliance with the sexual harassment, retaliation, discrimination and training inclusive of harassment based upon gender identity, gender expression and sexual orientation training and education requirements set forth in California Government Code §12950.1 and the regulations of the Fair Employment and Housing Commission relating thereto.
2. The underlying member documented the date of the training for each employee;
3. The underlying member retained a description of the course (including content and duration) and the course materials;
4. The underlying member retained a brief biography on the course trainer; and
5. The underlying member retained a copy of the participant sign-in sheets, certificates of completion, or other proof of attendance.

Any underlying member that fails to comply with the mandated sexual harassment training or that fails to provide ERMA with documentation evidencing compliance will have its ~~self~~-retained limit increased by 100% for the submitted Claim. -The Board of Directors will have discretion to consider lack of compliance as a factor in determining whether a member should be subject to a Risk Assessment.

This Resolution was adopted by the Board of Directors at a regular meeting of the Board held on ~~November 6, 2017~~May 1, 2018, in Sacramento, California, by the following vote:

AYES \_\_\_\_\_  
NOES \_\_\_\_\_  
ABSTAIN \_\_\_\_\_  
ABSENT \_\_\_\_\_

\_\_\_\_\_  
PRESIDENT

ATTEST:

\_\_\_\_\_  
~~BOARD SECRETARY~~EXECUTIVE DIRECTOR

**ADMINISTRATIVE MATTERS**

**SUBJECT: Proposed Revisions to the Financial Stability Plan**

---

**BACKGROUND AND STATUS:**

The most recent internal financials statements presented at the February 9, 2018, Board of Directors meeting, included an addendum to the Income Statement entitled “Report of Line Items Expected to Exceed Budgeted Amount”. The intent of the Report, which will be provided in future Statements as well, is to call attention to budget line items expected to exceed the budgeted amount for the fiscal year, and provide the reasons for any variances.

While the Board found the additional information useful, staff was asked to bring forward a Budget Control Policy for consideration that would allow the Board to approve variances in spending categories.

As the purpose of ERMA’s Financial Stability Plan (“Plan”) is to “ensure the long-term financial viability and stability of the Employment Risk Management Authority (ERMA)”, it seemed appropriate to include budget control provisions within this policy document. As such, proposed revisions to the “Plan” are included in red-line strike out format.

An additionally recommended change is to the Retrospective Adjustment Process Section II. Completing the March 31<sup>st</sup> financial statements often proves difficult to prepare for presentation for an April or May Board meeting. As such, staff proposes delaying consideration of the retrospective adjustment calculation to the June Board meeting.

**RECOMMENDATION:**

*Staff recommends the Board of Directors approve the proposed revisions to the Financial Stability Plan.*

**REFERENCE MATERIALS ATTACHED:**

- Financial Stability Plan – Proposed Revision as of May 1, 2018, in red-line strike-out text

**ERMA**  
**FINANCIAL STABILITY PLAN**  
**Proposed Revision Revised February 19, 2016 May 1, 2018**

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**I. PURPOSE**

The purpose of this Financial Stability Plan is to ensure the long-term financial viability and stability of the Employment Risk Management Authority (ERMA). It is intended to be used as a tool by the Board of Directors to guide them in their funding and equity decisions. The Plan is intentionally conservative to reflect the difficulty in accurately forecasting employment practices liability costs, to protect the program from adverse loss development, and to reduce the possibility of assessments in future program years. Components of this Plan include the following:

1. Retrospective Adjustment Process  
To provide a formal process by which mature program years are adjusted;
2. Target Confidence Level Funding  
To provide a course of action to build an equity contingency margin;
3. Capital Fund  
To provide value to the Pool by providing a benefit to the members as a whole;
4. Target Equity Benchmarking Ratios  
To provide an annual calculation of ratios to assist the Board in making future funding and equity distribution decisions.
5. Budget Control Provision  
To provide information to the Board regarding significant variances in budget to actual expense categories requiring board approval.

**II. RETROSPECTIVE ADJUSTMENT PROCESS**

As each program year is independent from the others, it is possible to assess each program year's deficit, or surplus, independently on an annual basis as each program year reaches a certain maturity threshold.

The Retrospective Adjustment Process was approved unanimously at ERMA's February 22, 2008, Board of Directors meeting. This process calls for the retrospective adjustment (assessment for a deficit year or dividend release for a surplus year) for each program year that is a full five years old (an "Eligible Program Year") according to the following methodology:

- Each year at its ~~April-June~~ Board of Directors' meeting, the ERMA Board would formally retrospectively adjust each eligible program year's retained earnings balance five full years after the inception of that program year and each year thereafter until the program year is closed (all claims have been settled, and no case or IBNR reserves remain).

- A deficit (in whole or part at the Board's discretion) would be assessed to increase the equity in each eligible program year to at least the expected confidence level.
- Alternatively, if an eligible open program year is in a surplus position, the Board would consider issuing dividends (in whole or part at the Board's discretion) for any equity amount that exceeds the 90% confidence level to allow for continuing claims development in future years.
- If a current program year not yet eligible to receive a retrospective adjustment is in a deficit position at any confidence level, the negative equity at that confidence level will be subtracted from the "Total Distribution Available" at that confidence level.
- If no IBNR remains in a year in which all claims are closed, the Board would consider issuing dividends or levying an assessment to officially close out that year.

Additional considerations:

- It is possible for program years to re-open, in which case a later assessment is possible.
- In the event of an overall program surplus, an individual program year or multiple program years would not be adjusted via a dividend, unless the ERMA program as a whole remained funded at the 90% confidence level after the issuance of the dividend.
- The current year March 31 financial statements will be utilized to determine each program year's retained earnings balance, and net assessments/net dividends (due to the possibility of several program years being adjusted) will be invoiced/released on or before June 30.

### III. TARGET CONFIDENCE LEVEL FUNDING

Each year an actuarial study is conducted by an accredited actuary. The study reflects a revaluation of the projected ultimate losses for the historical years and the expected losses for the upcoming year. The actuary also provides a margin for contingency which represents funding above the expected level. This margin is expressed in terms of various confidence levels. The ERMA Board of Directors does hereby establish the **70% confidence level** as the Minimum Target Confidence Level Funding (Target) for the Program.

The actuarial evaluation of the funding for historical years will be considered when setting rates for the next program year. If the funding for all historical years meets or exceeds the Target (The equity of the ERMA program as a whole is at the 70% confidence level), the Board of Directors will fund the next program year at a minimum of the target level (the 70% confidence level).



#### **IV. CAPITAL FUND**

ERMA's Capital Fund was created at the inception of the program to receive 15% of member contributions over a five-year period to "provide a margin for greater confidence in the program." All monies in the original Capital Fund were fully allocated as of June 30, 2010, and provided a benefit to all program years through 2009/2010.

The Capital Fund was re-activated in June, 2015, to receive \$300,000 from a dividend release for a future benefit.

The Capital Fund exists for the benefit of the pool with the purpose of providing a value to the members as a whole. It can also be used to further goals of becoming financially self-sufficient as equity increases.

The Capital Fund can collect premium from either a decrease in rates, an increase in confidence level, or a dividend release in order to retain the extra money as a reserve. Potential uses for the Capital Fund include:

- The implementation of a new program that will benefit all members,
- An offset against subsequent years' actuarial rate increases,
- Funding for excess coverage, and/or
- To provide the program with a greater contingency margin.

#### **V. TARGET EQUITY BENCHMARKING RATIOS**

Benchmarking is a mechanism that provides an annual calculation of target equity ratios to assist the Board in making future funding and equity distribution decisions. The ratios are a tool to be used in determining the overall health of the program and to provide a comparison of various benchmarks from year to year. The ERMA Board of Directors will only return "Equity" to the members after evaluating and concluding the following ratios remain appropriate for the group prior to and following any potential return of "Equity". The intent of the ratios is not to mandate a particular course of action should ratios fall within or without the target parameters.

##### **EQUITY RATIOS**

###### **"Net Contribution" to "Equity" ratio:**

**Target  $\leq 2:1$**

- Compares current equity for all program years to the net contributions collected in the current year.
- This ratio is a measure of how "Equity" is leveraged against possible pricing inadequacies.
- The higher the equity, the lower the ratio. Hence a low ratio is desirable.

**“Loss Reserves” to “Equity” ratio:**

**Target  $\leq 3:1$**

- Compares current equity for all program years to total claims liability.
- This ratio is a measure of how “Equity” is leveraged against possible reserve inaccuracies.
- The lower the liabilities, and/or the higher the equity, the lower the ratio. Hence a low ratio is desirable.

**“Equity” to “Self Insured Retention” ratio:**

**Target  $\geq 5:1$**

- Compares current equity for all program years to the group’s current self-insured retention.
- This ratio is a measure of the maximum amount that “Equity” could decline due to a single loss.
- The higher the equity, the greater number of “full hits” the group can absorb. Hence, a high ratio is desirable.

**Operating ratio:**

**Target  $\leq 100\%$**

- Compares revenues to expenses during a given year.
- This ratio is a measure of the inflows versus the outflows in each program year.
- The higher the revenues, and/or the lower the expenses, the lower the ratio. Hence, an operating ratio of less than 100% is desirable.

**Reserve Development:**

**Target  $\leq 20\%$**

- Compares changes in reserve liabilities from one year(s) to the next.
- This ratio is a measure of the change in aggregate ultimate losses from one valuation period to the prior valuation(s).
- The smaller the change in liability, the more stable the program. Hence, generally, both thresholds should be less than 20%.

**Change in Equity:**

**Target  $\geq -10\%$**

- Measures change in total equity from one year to the next.
- This ratio measures if a decline in equity in excess of 10% warrants action by the Board, such as an increase in annual contribution, or an assessment.

**VI. Budget Control Provision**

• A “Report of Line Items Expected to Exceed Budgeted Amount” (Report) is included with the quarterly internal financial statements, as an addendum to the Income Statement.

Each line item within each spending category - Claims Expense, Loss Prevention & Training, and General and Administrative Expenses - is included in the Report, if it has, or it is anticipated that it will, exceed the budget by the end of the year.

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If one or more of the spending categories exceeds, or is expected to exceed, the budget for that category, it will be brought to the Board for approval at its next regularly scheduled meeting. Approval by the Board of the variance in any category will be recorded in the minutes of that meeting, but will not necessitate further action.

- VII.** The Board of Directors may re-evaluate this plan from time to time and make changes to it as deemed necessary by a majority vote of Board.

**ADMINISTRATIVE MATTERS**

**SUBJECT: Consideration of Board Member Attendance at AGRiP Conferences**

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**BACKGROUND AND STATUS:**

The Board of Directors approved ERMA's pool-affiliate membership in the Association of Governmental Risk Pools (AGRiP) on February 9, 2018. Staff provided the Board with information regarding the benefits of membership which include:

- Member registration rates for all AGRiP conferences, webinars, and events
- Members' only access to the Cybrary, PR Toolkit, and other resources
- Invitation to apply for AGRiP Recognition and access to Advisory Standards
- Participation in and access to unique comparative tools, such as compensation reports and financial benchmarking tools surveys
- Ability to post job vacancies and pool RFPs on the AGRiP website
- Regular eNews updates and direct outreach about important issues

The Board expressed an interest in ascertaining the overall cost of attendance and participation in AGRiP's conferences and directed staff to present an estimate of associated costs. Staff was further directed to determine general interest from the Board regarding conference attendance in order to ensure any necessary updates be included in the 2018/19 Program Year budget.

Attached for the Board's review and consideration is an estimate of costs associated with attendance at upcoming AGRiP conferences.

**RECOMMENDATION:**

*Staff recommends the Board of Directors consider the estimated costs associated with AGRiP conferences and provide direction to staff.*

**REFERENCE MATERIALS ATTACHED:**

- AGRiP Conference Attendance Estimated Costs

## AGRiP Conference Estimated Costs

Conference	Registration	Est. Transportation	Est. Lodging	Meals & Incidentals	Est. Total
CEO & Leadership Symposium (August 2018)	825	500	1000	300	\$ 2,625
Fall Educational Forum (October 2018)	725	500	1000	300	\$ 2,525
Governance & Leadership Conference (March 2019)	725	500	1000	300	\$ 2,525

AGRiP hosts and provides content for multiple conferences each year. AGRiP conferences offer members the chance to connect, collaborate, share best practices, learn ways to improve operations, and work together to support and strengthen the pooling community.

**CEO and Senior Staff Institute:** The CEO Institute is held every August and offers pool CEOs and senior staff an exclusive and unique learning experience. The CEO Institute provides in-depth leadership training in a small, intimate learning environment without board members or service providers.

*August 2018 - Vancouver, BC*

**Fall Educational Forum:** This conference offers a variety of learning opportunities organized around specific pool operational tracks, most appropriate for pool management and executive staff. The Fall Educational Forum is held annually in October.

*October 2018 - Portland, OR*

**Governance & Leadership Conference:** The focus of this event is on governance education for pool boards. There is also content around pool operations and leadership education for pool staff. This conference is held annually in March.

*March 2019 - St. Louis, MO*

**ADMINISTRATIVE MATTERS**

**SUBJECT: Excess Coverage Marketing Update for the 2018/19 Program Year**

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**BACKGROUND AND STATUS:**

At the February 2018 Annual Workshop, the Board of Directors requested Alliant Insurance Services (Alliant) continue marketing efforts for excess coverage with increased per member, per claim, aggregate per member and aggregate policy limits.

Attached is correspondence from Alliant regarding marketing efforts to-date. Alliant notes ERMA's incumbent carrier, RSUI, has committed to renewing at the expiring rate with the same terms (subject to any adverse claim development or material changes to the underlying terms) and has as well, provided renewal options at higher limits.

Mr. Seth Cole, Alliant, will be present at the meeting to review this matter with the Board and answer any questions.

**RECOMMENDATION:**

*None.*

**REFERENCE MATERIALS ATTACHED:**

- Letter from Alliant Regarding ERMA's 2018/19 Renewal Update

April 17, 2018

Jennifer Jobe  
Executive Director  
ERMA c/o Bickmore  
1750 Creekside Oaks Drive, Suite 200  
Sacramento, CA 95833

## ERMA 2018/2019 RENEWAL UPDATE

Dear Jennifer:

This letter provides Bickmore staff and the ERMA Board with updated information regarding ERMA's upcoming 2018/19 Optional Excess Insurance renewal. Currently, RSUI provides \$1,000,000 in limits Each Claim per Member with a \$2,000,000 Per Member Aggregate and \$10,000,000 Policy Aggregate excess of ERMA's Retained Limit of \$1,000,000. At the last meeting, the Board gave direction for Alliant to market the excess renewal placement to ensure the current pricing and coverage is in line with the general marketplace. The Board discussed consideration of a higher 'Policy Aggregate' and options for higher *Each Claim* limits, in part, due to the addition of several new members joining this coverage year.

The incumbent carrier, RSUI, has committed to renewing at the expiring rate with the same terms (subject to any adverse claim development or material changes to the underlying terms in the coming months) and they have provided renewal options at higher limits to include Bay Cities Joint Powers Insurance Authority (BCJPIA) as summarized below:

<u>Options</u>	<u>Rate</u>	<u>Payroll</u>	<u>Premium</u>
Expiring \$1M/2M/10M	0.0333	\$707,797,670	\$235,697
#1a: Renewal \$1M/2M/10M	0.0333	\$746,843,014	\$248,699
#1b: Renewal \$1M/2M/10M incl. BCJPIA	0.0333	\$990,269,783	\$329,760
#2a: Renewal \$1M/2M/15M	0.045	\$746,843,014	\$336,079
#2b: Renewal \$1M/2M/15M incl. BCJPIA	0.045	\$990,269,783	\$445,621
#3a: Renewal \$2M/4M/10M	0.040	\$746,843,014	\$298,737
#3b: Renewal \$2M/4M/10M incl. BCJPIA	0.040	\$990,269,783	\$396,108
#4a: Renewal \$2M/4M/15M	0.050	\$746,843,014	\$373,422
#4b: Renewal \$2M/4M/15M incl. BCJPIA	0.050	\$990,269,783	\$495,135

### Analysis To-Date

Although we are not finished with the marketing of the program, clearly the options presented above are valuable information to consider at this time:

- J BCJPIA could join the excess placement in Option #1 for \$81,061 (they currently pay more, but with twice the limits per member), but this would not be an option for ERMA to consider if they wanted BCJPIA's participation in the excess.

Ms. Jennifer Jobe  
April 17, 2018

- ) For BCJPIA to consider ERMA for the Optional excess coverage, two changes would need to be considered, and they are outlined in Option #4. ERMA's program would need to both have the higher, \$2M Each Claim per Member Limit, and the Policy Aggregate would need to increase. Option #4b would charge BCJPIA \$121,713; slightly higher than they currently pay, but with a higher Policy Aggregate *and a higher, \$4M Per Member Aggregate*.
- ) Whether or not BCJPIA were to join ERMA, a couple of things stand out:
1. BCJPIA joining ERMA does not impact the other members of ERMA's rate.
  2. Current optional ERMA members would pay an additional \$87,381 to just increase the Policy Aggregate to \$15M.
  3. Current optional ERMA members could obtain both a doubling of their limits per loss to \$2M and the higher \$15M Policy Aggregate for only an additional \$124,723; meaning that the additional per claim limit increase to \$2M is really only costing an additional \$37,342<sup>1</sup>.

RECOMMENDATION: Although the increase is meaningful, it should be considered since the new member growth is eroding the Program Aggregate.

### Marketing Status

The optional excess layer has been submitted to Markel, Ironshore, Chubb, AIG, Beazley and Hartford Steam Boiler. Beazley is the current carrier for BCJPIA's excess EPL and will be considering an ERMA only option. To date, Markel and Hartford Steam Boiler have declined; Ironshore and Chubb are still reviewing; and we are awaiting a response from AIG.

Alliant will present a formal renewal quote(s) and a full marketing summary to the Board at the June meeting.

We look forward to seeing everyone in May and answering any questions that you or the Board may have.

Sincerely,



Seth Cole, ARM  
Senior Vice President  
[scole@alliant.com](mailto:scole@alliant.com)

cc: Michael Simmons, Vice Chairman – Public Entities  
[msimmons@alliant.com](mailto:msimmons@alliant.com)

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<sup>1</sup> NOTE: We will be reviewing this analysis in greater detail once we have final premiums for consideration.



**TRAINING/LOSS PREVENTION MATTERS**

**SUBJECT: City of Adelanto (PERMA) Risk Assessment Update**

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**BACKGROUND AND STATUS:**

Ms. Kathy Maylin, Litigation Manager, reported to the Board at the November 6, 2017, meeting that during the 2015/16 Program Year, the City of Adelanto exceeded multiple parameters of the Target Ratio Calculation. Ms. Maylin advised the Board that she believed a risk assessment during the 2017/18 Program Year would be beneficial for the City and advised she would report her findings at a future meeting.

Ms. Maylin will be in attendance to provide a report and answer any questions of the Board.

**RECOMMENDATION:**

*None.*

**TRAINING/LOSS PREVENTION MATTERS**

**SUBJECT: Review of Training Program for 2018/19 Program Year**

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**BACKGROUND AND STATUS:**

On an annual basis, ERMA conducts 47 live, regional and individual trainings throughout the State. Of the 47 allocated trainings, 25 are conducted by Bickmore under the pool administration contract and 22 are conducted by ERMA's attorney partner firms, Jackson Lewis and Liebert Cassidy Whitmore (LCW), or another approved vendor.

Following review and discussion amongst staff, LCW and Jackson Lewis, the following proposed slate of 2018/19 Program Year training workshop topics are presented for the Board's review and consideration:

1. **AB 1825**: Prevention of Harassment, Discrimination, and Retaliation
2. **Term or Not To Term**: A step-by-step guide to employee discipline in the public sector.
3. **Performance Management**: How to prepare and write performance evaluations and performance improvement plans.
4. **Sexual Harassment Prevention and Workplace Standards**: A 3-hour program including 2-hours of AB 1825 compliance with a broader discussion of respect and professionalism in the workplace.
5. **Prevention of Workplace, Harassment, Discrimination, Retaliation and Bullying**: Provide guidance on managing day-to-day interactions to prevent unlawful discriminatory harassment and retaliation and meets requirements of AB 1825 and AB 2053.
6. **Bias in the Workplace**: How to recognize and acknowledge your own biases and how to make objective, unbiased decisions. Discussions regarding how commonplace language and behaviors might communicate hostility to others (microaggressions) as well as strategies for having difficult conversations around bias.
7. **Human Resources for Non-HR Managers**: Train supervisors to effectively and appropriately respond to situations that place the agency at risk by offering real-life scenarios and recommendations for dealing with a myriad of legal and interpersonal issues in the workplace.
8. **Making The Most of Your Multi-Generational Workforce**: Assist agencies in making the most of their generationally-diverse workforce – from Traditionalists born before 1945 to Gen Z.
9. **Leading the Charge to Change**: Identify the process of changing a culture, the common pitfalls that organizations face in change management, the role of leaders in the process, and the tools needed by leaders to shepherd the change from its inception to its sustained implementation.

Each year, three primary goals are taken into consideration in setting the Training Program. The first goal is to schedule regional workshops in locations throughout the State that assist members in complying with AB 1825 requirements. The second is to meet member needs for individual trainings — these are scheduled based upon request and on an as-needed basis and determined by ERMA staff. The final goal is to work with our partner attorney firms and outside vendors to ensure a slate of relevant workshops of interest to the members is offered.

Upon approval by the Board of the 2018/19 proposed slate of training workshop topics, staff will solicit individual interest from the membership to serve as host sites for the regional workshops. Attached is an FAQ document created to assist members who may be contemplating serving as a host site and reminding all members of the various aspects of the Training Program.

Staff will provide a calendar of training dates to the membership by July 1<sup>st</sup>. To assist us in this endeavor, staff has established a deadline of four weeks from the original point-of-contact to a firm commitment to host. As in prior years, primary JPA Administrators are asked to promote the training available to ERMA members within their Agencies.

**RECOMMENDATION:**

*Staff recommends the Board of Directors approve a slate of training workshop topics for the 2018/19 Program Year and provide direction to staff.*

**REFERENCE MATERIALS ATTACHED:**

- ERMA Training FAQs

# Training Program FAQs

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- **Who do we contact regarding training matters?**

- ERMA Executive Director  
Jennifer Jobe  
[jjobe@bickmore.net](mailto:jjobe@bickmore.net)  
(800) 541-4591, ext. 19141
- ERMA Litigation Manager  
Ms. Kathy Maylin  
[kmaylin@bickmore.net](mailto:kmaylin@bickmore.net)  
(800) 541-4591, ext. 19181

- **What training topics are available through ERMA?**

- **Live Trainings - Available by program year, July 1 – June 30**
  - AB 1825 Prevention of Harassment, Discrimination, and Retaliation
  - Supervisor AB1825 – Sexual Harassment, EEO and Anti-Bullying
  - Select topical workshops offered by ERMA's attorney partners, Liebert Cassidy Whitmore and Jackson Lewis, and vendor partners (please note these trainings vary from year to year) such as:
    - Managing the Injured or Disabled Employee and Return to Work Options
    - Risk Management Skills for the Front Line Supervisors
    - Performance Management: Evaluation, Documentation and Discipline & A Guide to Implementing Public Employee Discipline
    - Retaliation in the Workplace
- **Online Trainings (provided through *in2vate* at [www.in2vate.com/erma](http://www.in2vate.com/erma))**
  - AB 1825 Prevention of Harassment, Discrimination, and Retaliation
  - AB 1234 Ethics Training
  - Interviewing Strategies
  - Personnel Files
  - Sensitivity Basics
  - Workplace Investigation

- **Is there a list of scheduled trainings, and are there any close to my agency?**

For a schedule of regional workshops, please visit the Live Regional Training Sessions page on the ERMA website at <http://www.ermaipa.org> under the Upcoming Events/Live Trainings tab.

- **Does everyone at my agency receive the ERMA training announcements?**

No, each agency has a designated Training Contact responsible for disseminating training information to agency employees. For regional trainings, the date, time, location, and a registration link are also available on the ERMA website.

- **Can we use someone other than ERMA to provide AB 1825 training?**

If you wish to seek reimbursement from ERMA for an AB 1825 training provided by an outside vendor, the training request must first be approved by ERMA's Litigation Manager before the training is scheduled. Please contact Jennifer Jobe at [jjobe@bickmore.net](mailto:jjobe@bickmore.net) (800) 541-4591, ext. 19141 or Kathy Maylin at [kmaylin@bickmore.net](mailto:kmaylin@bickmore.net), ext. 19181. Please note that ERMA will only reimburse up to \$1,800, if approved and there are training funds available. If you do not wish to receive reimbursement, you may use whomever you wish.

- **What other training vendors are available?**

- ERMA Attorney Defense Panel – please visit the ERMA website at [www.ermajpa.org](http://www.ermajpa.org) under Program Services and contact the firms directly for any training they may provide.
- Vendor Partners – please contact Jennifer Jobe at [jjobe@bickmore.net](mailto:jjobe@bickmore.net) (800) 541-4591, ext. 19141, for training topics and quotes.

- **Who is responsible for tracking compliance? Are Sign-In Sheets provided?**

ERMA does not track member compliance and does not provide sign-in sheets. It is each Member's responsibility to keep track of who has completed their AB 1825 requirement. It is encouraged that Members create their own sign-in sheets and maintain them for verification.

- **What if my agency is out of compliance with AB 1825?**

Members should consult with legal counsel regarding any legal consequences for not being in compliance with AB 1825. For purposes of ERMA coverage, if a claim is submitted to ERMA that is within the subject matter of AB 1825 and the Member is not in substantial compliance with this statute, the Member's self-insured retention for that claim will be doubled. Please refer to the ERMA Memorandum of Coverage (MOC) and Resolution 2016-7 for further information. The MOC can be found on the ERMA website at [www.ermajpa.org](http://www.ermajpa.org) within the member portal. Please note that a login is required to access this page. If you have not already registered for a username and password, please click on the "Register" link at the top right corner of the site.

- **Who do we contact about compliance questions?**

Please contact Kathy Maylin at [kmaylin@bickmore.net](mailto:kmaylin@bickmore.net) or (800) 541-4591, ext. 19181.

- **Who should attend these trainings? Are elected officials required to attend?**

AB 1825 requirements state that all supervisors are required to participate in AB 1825 Sexual Harassment Training every two years. ERMA highly encourages employees of all levels to attend this important training. In addition, pursuant to AB 1661, elected officials must also participate in Sexual Harassment Training every two years. Any training designated for a specific audience will be noted in the email announcement and online registration survey.

- **What if our agency needs more than one training session?**

ERMA provides numerous regional training sessions and on occasion individual, on-site trainings. Fee-based trainings are also available. If you have any questions, please contact Jennifer Jobe at [jjobe@bickmore.net](mailto:jjobe@bickmore.net) (800) 541-4591, ext. 19141.

- **What if we have questions on AB 1825 or other employment liability issues?**

For more information on AB 1825 training requirements, including agency-specific questions, please feel free to utilize the ERMA Attorney Hotline for legal consultation. Every month, each Member has access to a free one-hour consultation with their designated attorney firm. More information about the Attorney Hotline is available on the ERMA website at [www.ermajpa.org](http://www.ermajpa.org).

- **What do we need to know if our agency would like to host training?**

*Please note that we must have your commitment within four weeks of initial contact.*

- **Regional or Individual** – Let us know if you would like to host and allow neighboring ERMA Members to attend or if you prefer this training just for your agency.
- **Room capacity** – Capable of accommodating at least 40-50 people if hosting a regional training.
- **Training Dates** – Please let us know if you would like the training conducted during a specific time frame to assist with the scheduling process.
- **Number of Attendees** – Please provide an estimate of the number of people you expect to attend from your agency. For regional trainings, you may either track the number of attendees internally and let us know the total closer to the date of the training, or each attendee may utilize the online registration survey.
- **Address of training location and mailing address** – Please provide us with the exact address of the training location as well as a mailing address for any training materials, if the mailing address is different from the training location. Please also provide us with any parking instructions.
- **IT Equipment** – Please provide a computer/laptop, projector, screen, and a microphone and speakers, if requested. Some presenters may bring their own laptop; others may bring their presentation on a flash drive or it will be emailed to the training contact. Please let us know if your agency prefers a presenter not use their own equipment.
- **Refreshments** – We ask the host entity to provide light refreshments, such as water, coffee, sodas, and snacks; and ERMA will reimburse for the costs of refreshments (up to \$10/per person), upon submission of a copy of the receipt(s) and total number of attendees.

**TRAINING/LOSS PREVENTION MATTERS**

**SUBJECT: Ad Hoc Training Committee Update**

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**BACKGROUND AND STATUS:**

At the Annual Workshop held in February, the Board was provided with a comprehensive report outlining member responses to the policy review survey. The Board considered the implementation of punitive measures relative to those members who had not provided responses and on March 9, 2018, two member agencies were notified of the Board's intent to increase their self-insured retentions (SIR), effective July 1, 2018. One agency subsequently provided a response to the survey and the notice of an SIR increase was rescinded.

ERMA's attorney partner firms, Liebert Cassidy Whitmore (LCW) and Jackson Lewis have completed their individual member agency reviews and have issued the requisite recommended action memorandums.

The Board provided staff with direction to work with the Ad Hoc Committee to implement the secondary phase of the policy review initiative, to include the development of a member-wide program for use in addressing the identified areas of deficiency. As a result of the survey responses, recognized areas of deficiency include: legal compliance relative to leaves of absences, harassment prevention and overall improvement of human resource best practices.

A meeting of Ad Hoc Committee will be scheduled in the coming months to begin the process of outlining the secondary phase of the policy review initiative.

**RECOMMENDATION:**

*None.*

**COVERAGE MATTERS**

**SUBJECT: Review of the City of Adelanto's (PERMA) Self-Insured Retention**

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**BACKGROUND AND STATUS:**

As presented under a previous agenda item, Ms. Kathy Maylin, Litigation Manager, discussed with the Board the risk assessment conducted for the City of Adelanto, a member of ERMA since July 1, 2003.

During the course of the risk assessment, the City has been reminded of their requirements relative to performance, participation and overall compliance with ERMA's provisions. In correspondence sent on March 8, 2018, by Mr. Greg O'Dea, Legal Counsel, the City was advised the Board would review and consider an increase to the City's self-insured retention, effective July 1, 2018. The City was advised the Board would consider such factors as the City's performance and participation improvement with regard to the City's compliance with ERMA's provisions; City management follow-up with respect to the risk assessment; improvements with respect to management accountability; and the City's management attitude and actions taken toward risk reduction and compliance with ERMA's requirements.

In accordance with ERMA's Master Program Document for the Pooled Employment Practices Liability Program (PEPLP), Article II A.3.(a) and (c):

*"The Board of Directors may alter the choices of Retained Limits, increase Retained Limits for Members which do not substantially comply with the elements of the PEPLP, and institute Aggregate Stop Loss coverage, as described below, or other forms of retentions as the financial strength of the PEPLP dictates."*

*"The Board of Directors may require a Member to increase its Retained Limit at the inception of a new Program Year by providing written notice of such change to the Member at least sixty (60) days prior to the increase."*

**RECOMMENDATION:**

*Staff recommends the Board of Directors review and consider an increase of the City of Adelanto's self-insured retention from \$100,000 to \$250,000, effective July 1, 2018.*



**COVERAGE MATTERS**

**SUBJECT: Request from the City of Murrieta (PERMA) to Reduce Self-Insured Retention**

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**BACKGROUND AND STATUS:**

In accordance with ERMA's Bylaws, the Board of Directors must approve any request by a member to reduce a self-insured retention (SIR). Staff has received a request from the City of Murrieta (PERMA), to reduce their SIR from \$250,000 to \$100,000. The City currently has a payroll of \$25,084,295 and the request for a \$100,000 SIR falls in line with ERMA's Underwriting Guidelines.

The City has incurred eleven claims since their membership in ERMA, effective July 1, 2001. One claim remains open with \$0 incurred and the incurred for the remaining ten claims is \$525,707.

**RECOMMENDATION:**

*Staff recommends the Board of Directors approve the request from the City of Murrieta to reduce their self-insured retention from \$250,000 to \$100,000, effective July 1, 2018.*

**REFERENCE MATERIALS ATTACHED:**

- Email from the City of Murrieta Regarding Requested Reduction of SIR

## Jennifer Jobe

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**From:** Perez, Cynthia <CPerez@MurrietaCA.gov>  
**Sent:** Tuesday, March 27, 2018 4:26 PM  
**To:** Scott Ellerbrock  
**Cc:** Jennifer Jobe; Mike Caton; Stevenson, Stacey; Dukellis, Richard; Swaine, Karrie  
**Subject:** RE: ERMA Self-Insured Retention (SIR) Reduction - Murrieta

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

**Categories:** ERMA

Hi Scott:

Please be advised, the City would like to participate at the \$100,000 self-insured retention with a \$91,772 annual premium, effective July 1, 2018.

Let us know if you have any questions.

Thank you.

Cynthia Perez  
Senior Management Analyst  
HR/Risk Management  
Office 951-461-6094  
Fax 951-461-6433

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**From:** Scott Ellerbrock [mailto:SEllerbrock@perma.dst.ca.us]  
**Sent:** Wednesday, March 07, 2018 3:39 PM  
**To:** Swaine, Karrie  
**Cc:** Jennifer Jobe; Mike Caton; Dukellis, Richard; Le, Linda; Perez, Cynthia  
**Subject:** RE: ERMA Self-Insured Retention (SIR) Reduction - Murrieta

I stated a couple weeks, but no later than March 30<sup>th</sup> so that the matter can be placed on the next ERMA agenda in a timely manner.

Thanks,

Scott Ellerbrock, ARM-P  
General Manager  
PERMA  
tel 760.360.4966, ext. 304  
fax 760.360.3264  
[www.perma.dst.ca.us](http://www.perma.dst.ca.us)

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**From:** Swaine, Karrie [mailto:KSwaine@MurrietaCA.gov]  
**Sent:** Wednesday, March 07, 2018 3:34 PM  
**To:** Scott Ellerbrock <[SEllerbrock@perma.dst.ca.us](mailto:SEllerbrock@perma.dst.ca.us)>  
**Cc:** Jennifer Jobe <[jjobe@bickmore.net](mailto:jjobe@bickmore.net)>; Mike Caton <[MCaton@perma.dst.ca.us](mailto:MCaton@perma.dst.ca.us)>; Dukellis, Richard <[RDukellis@MurrietaCA.gov](mailto:RDukellis@MurrietaCA.gov)>; Le, Linda <[LLe@MurrietaCA.gov](mailto:LLe@MurrietaCA.gov)>; Perez, Cynthia <[CPerez@MurrietaCA.gov](mailto:CPerez@MurrietaCA.gov)>  
**Subject:** RE: ERMA Self-Insured Retention (SIR) Reduction - Murrieta

**COVERAGE MATTERS**

**SUBJECT: Amendment to Endorsement #1 of the Memorandum of Coverage for Program Years 2016/17 and 2017/18**

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**BACKGROUND AND STATUS:**

The City of Farmersville, as an underlying member of the CSJVRMA, began participation in ERMA July 1, 2016. The ERMA Board of Directors approved the City of Farmersville joining ERMA at a \$50,000 retained limit; however, it was subsequently discovered the City has been contributing to ERMA at a \$75,000 retained limit. Although this resulted in the City contributing at a lower rate, the City is responsible for an additional \$25,000 of incurred costs per claim.

Upon discovery of this discrepancy, CSJVRMA staff met with the City of Farmersville to discuss options which included the following:

1. Lower the City's retained from \$75,000 to \$50,000 for the 2016/17 and 2017/18 Program Years and remit the contribution differential; or
2. Remain at a \$75,000 retained limit.

The City of Farmersville elected to remain at a \$75,000 retained limit for both the 2016/17 and 2017/18 Program Years. As such, it is necessary to amend Endorsement #1 of ERMA's Memorandum of Coverage for both program years in order to accurately reflect the City of Farmersville's retained limit.

**RECOMMENDATION:**

*Staff recommends the Board of Directors approve revisions to Endorsement #1 of ERMA's Memorandum of Coverage for Program Years 2016/17 and 2017/18, to accurately reflect the City of Farmersville's retained limit of \$75,000.*

**REFERENCE MATERIALS ATTACHED:**

- ERMA 2016/17 Program Year Memorandum of Coverage, Endorsement #1
- ERMA 2014/18 Program Year Memorandum of Coverage, Endorsement #1

Central San Joaquin Valley Risk Management Authority (CSJVRMA)

**COVERED PARTY**

**RETENTION**

City of Angels	\$25,000
City of Atwater	\$25,000
City of Ceres	\$25,000
City of Chowchilla	\$25,000
City of Corcoran	\$25,000
City of Delano	\$25,000
City of Dinuba	\$100,000
City of Dos Palos	\$25,000
City of Escalon	\$25,000
City of Farmersville	<del>\$50,000</del> <u>\$75,000</u>
City of Fowler	\$25,000
City of Gustine	\$25,000
City of Hughson	\$25,000
City of Huron	\$25,000
City of Kerman	\$25,000
City of Kingsburg	\$25,000
City of Lathrop	\$25,000
City of Lemoore	\$25,000
City of Livingston	\$25,000
City of Madera	\$25,000
City of McFarland	\$75,000
City of Mendota	\$25,000
City of Merced	\$100,000
City of Newman	\$25,000
City of Oakdale	\$50,000
City of Orange Cove	\$50,000
City of Parlier	\$50,000
City of Patterson	\$50,000
City of Porterville	\$25,000
City of Reedley	\$25,000
City of Riverbank	\$50,000
City of San Joaquin	\$25,000
City of Sanger	\$25,000
City of Selma	\$50,000
City of Shafter	\$25,000
City of Sonora	\$25,000
City of Taft	\$25,000
City of Tehachapi	\$25,000
City of Tulare	\$100,000
City of Wasco	\$50,000
City of Woodlake	\$25,000

Central San Joaquin Valley Risk Management Authority (CSJVRMA)

COVERED PARTY	RETENTION
City of Angels	\$25,000
City of Atwater	\$25,000
City of Ceres	\$25,000
City of Chowchilla	\$25,000
City of Corcoran	\$25,000
City of Delano	\$25,000
City of Dinuba	\$100,000
City of Dos Palos	\$25,000
City of Escalon	\$25,000
City of Farmersville	<del>\$50,000</del> <u>\$75,000</u>
City of Fowler	\$25,000
City of Gustine	\$25,000
City of Hughson	\$25,000
City of Huron	\$25,000
City of Kerman	\$25,000
City of Kingsburg	\$25,000
City of Lathrop	\$25,000
City of Lemoore	\$25,000
City of Livingston	\$25,000
City of Madera	\$25,000
City of McFarland	\$75,000
City of Mendota	\$25,000
City of Merced	\$100,000
City of Newman	\$25,000
City of Oakdale	\$50,000
City of Orange Cove	\$50,000
City of Parlier	\$50,000
City of Patterson	\$50,000
City of Porterville	\$25,000
City of Reedley	\$25,000
City of Riverbank	\$50,000
City of San Joaquin	\$25,000
City of Sanger	\$25,000
City of Selma	\$50,000
City of Shafter	\$25,000
City of Sonora	\$25,000
City of Taft	\$25,000
City of Tehachapi	\$25,000
City of Tulare	\$100,000
City of Wasco	\$50,000
City of Woodlake	\$25,000

**FINANCIAL MATTERS**

**SUBJECT: Actuarial Study and Rates for the 2018/19 Program Year**

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**BACKGROUND AND STATUS:**

Mr. Derek Burkhalter, ERMA's actuary, has completed a draft actuarial analysis dated April 11, 2018. Mr. Burkhalter will be in attendance at the meeting to present the report and answer questions from the Board.

The actuarial analysis consists of two main components. Part one is a review of the estimates of the ultimate liabilities of the ERMA program as of June 30, 2018. Part two of the study is a loss forecasting analysis to determine the appropriate contribution rates for the ERMA program in the 2018/19 program year.

**Part One:** In the new study, the estimate of ERMA's Ultimate Loss and LAE for all open program years has increased by 1.1%. Last year, there was an increase of 0.6%, the year prior an increase of 4.8%, following an increase the prior year of 4.0% and decreases the four previous years of 8.0%, 11.2%, 16.8%, and 15.6%, respectively. Following is a grid showing program year changes in Ultimate Loss projections:

<b>Changes in Ultimate Loss for Open Program Years Based on Actuarial Study dated April 11, 2018</b>					
<b>Program Year</b>	<b>Status</b>	<b>Prior Year Ultimate Loss as of 6/30/17</b>	<b>Current Year Ultimate Loss as of 6/30/18</b>	<b>Change in Total Ultimate Loss</b>	<b>Percentage Change in Total Ultimate Loss</b>
2009/2010	Open	3,501,000	<b>3,282,000</b>	219,000	6.7%
2010/2011	Open	1,968,000	<b>1,826,000</b>	142,000	7.8%
2011/2012	Open	1,917,000	<b>1,917,000</b>	-	0.0%
2012/2013	Open	2,205,000	<b>2,101,000</b>	104,000	5.0%
2013/2014	Open	2,820,000	<b>2,627,000</b>	193,000	7.3%
2014/2015	Open	3,478,000	<b>4,112,000</b>	(634,000)	-15.4%
2015/2016	Open	3,884,000	<b>3,841,000</b>	43,000	1.1%
2016/2017	Open	4,112,000	<b>3,906,000</b>	206,000	5.3%
<b>Open Program Year Totals</b>		<b><u>\$ 23,885,000</u></b>	<b><u>\$ 23,612,000</u></b>	<b><u>\$ 273,000</u></b>	<b><u>1.1%</u></b>

**Part Two:** The contribution rates in the current study reflect the assumption of a 2.0% discount rate; the same as the discount rate assumed last year.

The pooling rate required to collect at the 80% confidence level (CL) for the upcoming 2018/19 Program Year at the \$50,000 retention is .477 (per \$100 of payroll). The rate reflects a 4.2% increase over .465, the rate used in the 2017/18 Operating Budget, also at the 80% CL. Last year saw a 1.5% increase, and the year prior a 4.6% rate increase, following a five-year period of decreasing rates.

In addition to rates at various confidence levels for the current year's \$1M retention, the actuary has also developed rates for the following:

- Retentions above \$1M (\$1.25M, \$1.50M, \$1.75M, and \$2.0M) to provide a possible option for pooling layers above \$1M, rather than purchasing excess coverage, and
- Optional "nose" coverage for new members who previously had either no coverage or a claims-made policy in place for the previous program year. A rate is provided for 1-year of optional "nose" coverage. This exhibit is provided as Appendix N of the Study.

**RECOMMENDATION:**

*Staff recommends the Board of Directors accept and file the actuarial study as presented.*

**REFERENCE MATERIALS ATTACHED:**

- Actuarial Study Dated April 11, 2018, Prepared by Bickmore



# Actuarial Review of the Self-Insured Employment Practices Liability Program

*Outstanding Liabilities as of June 30, 2018*

*Forecast for Program Year 2018-19*

*Presented to*

Employment Risk Management Authority

April 11, 2018 - DRAFT



Wednesday, April 11, 2018

Ms. Jennifer Jobe  
Administrator  
Employment Risk Management Authority  
c/o Bickmore  
1750 Creekside Oaks Drive, Suite 200  
Sacramento, CA 95833

Re: Actuarial Review of the Self-Insured Employment Practices Liability Program

Dear Ms. Jobe:

As you requested, we have completed our review of Employment Risk Management Authority's (ERMA's) self-insured employment practices liability program. Assuming an SIR of \$1,000,000 per occurrence, we estimate the ultimate cost of claims and expenses for claims incurred during the 2018-19 program year to be \$4,309,000. This amount includes allocated loss adjustment expenses (ALAE) and a discount for anticipated investment income. ALAE is the direct cost associated with the defense of individual claims (e.g. legal fees, investigation fees, court charges). The discount for investment income is calculated based on the likely payout pattern of the Authority's claims, assuming a 2.0% return on investments per year. For budgeting purposes, the expected costs of 2018-19 claims translate to a rate of \$0.299 per \$100 of payroll for the \$50,000 to \$1,000,000 layer (\$0.325 when grossed up for the expected JPA credit).

In addition, we estimate the program's liability for outstanding claims to be \$12,782,000 as of June 30, 2018, including both allocated and unallocated loss adjustment expenses (ALAE and ULAE), and discounted for anticipated investment income. ULAE is the cost to administer all claims to final settlement, which may be years into the future (e.g. claims adjusters' salaries, taxes).

The \$12,782,000 estimate is the minimum liability to be booked by the Authority at June 30, 2018 for its employment practices liability program, in accordance with Governmental Accounting Standards Board (GASB) Statement #10. GASB #10 requires the Authority to accrue a liability on its financial statements for the ultimate cost of claims and expenses associated with all reported and unreported claims, including ALAE and ULAE. GASB #10 does not prohibit the discounting of losses to recognize investment income.

## DRAFT

Our conclusions regarding the Authority's liability for unpaid loss and loss adjustment expenses (LAE) at June 30, 2018 are summarized in the table below.

Employment Risk Management Authority  
Self-Insured Employment Practices Liability Program  
Estimated Liability for Unpaid Loss and LAE  
at June 30, 2018

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$12,661,000					
ULAE	633,000					
Investment Income Offset	<u>(512,000)</u>					
Discounted Loss and LAE	\$12,782,000	\$14,776,000	\$15,415,000	\$16,169,000	\$17,115,000	\$18,381,000
Assets	<u>28,035,000</u>					
Surplus or (Deficit)	\$15,253,000	\$13,259,000	\$12,620,000	\$11,866,000	\$10,920,000	\$9,654,000

GASB #10 does not address an actual asset requirement for the program, but only speaks to the liability to be recorded on the Authority's financial statements.

Because actuarial estimates of claims costs are subject to some uncertainty, we recommend that an amount in addition to the discounted expected loss costs be set aside as a risk margin for contingencies. Generally, the amount should be sufficient to fund assets to the 75% to 85% confidence level for primary programs. We consider funding assets to the 70% confidence level to be marginally acceptable and funding assets to the 90% confidence level to be conservative.

## DRAFT

The table below shows our funding recommendations for Employment Risk Management Authority for the 2018-19 fiscal year.

Employment Risk Management Authority  
Self-Insured Employment Practices Liability Program  
Loss and ALAE Funding Guidelines for 2018-19  
Self-Insured Retention (SIR) of \$1,000,000

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$4,590,000					
Investment Income Offset	(281,000)					
Discounted Loss and ALAE*	\$4,309,000	\$5,494,000	\$5,873,000	\$6,326,000	\$6,894,000	\$7,644,000
Rate per \$100 of 2018-19 Payroll**	\$0.299	\$0.382	\$0.408	\$0.440	\$0.479	\$0.531
Rate per \$100 of 2018-19 Payroll Including JPA Credit**	\$0.325	\$0.415	\$0.444	\$0.478	\$0.521	\$0.577

\*Amounts assume layer from member SIR to \$1,000,000.

\*\*Rates assume layer from \$50,000 to \$1,000,000.

The funding recommendations shown in the table above do not include any recognition of the existing funding margin (surplus or deficit) at June 30, 2018. They are for losses and allocated loss adjustment expenses only, and do not include a provision for loss control, overhead, claims administration, excess insurance premiums, and other expenses associated with the program.

## **DRAFT**

The report that follows outlines the scope of our study, its background, and our conclusions, recommendations, and assumptions. Judgments regarding the appropriateness of our conclusions and recommendations should be made only after studying the report in its entirety, including the graphs, attachments, exhibits and appendices. Our report has been developed for the Authority's internal use. It is not intended for general circulation.

We appreciate the opportunity to be of service to ERMA in preparing this report. Please feel free to call Derek Burkhalter at (916) 244-1167, Mark Priven at (916) 244-1161 or York Lee at (916) 244-1159 with any questions you may have concerning this report.

Sincerely,

Bickmore

## **DRAFT**

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Derek Burkhalter, ACAS, MAAA  
Manager, Property and Casualty Actuarial Services, Bickmore  
Associate, Casualty Actuarial Society  
Member, American Academy of Actuaries

## **DRAFT**

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Mark Priven, FCAS, MAAA  
Director, Specialty Actuarial, Bickmore  
Fellow, Casualty Actuarial Society  
Member, American Academy of Actuaries

## **DRAFT**

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York Lee  
Senior Analyst, Property and Casualty Actuarial Services, Bickmore

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## **I. BACKGROUND**

ERMA began its self-insured employment practices liability program on July 1, 1999. Its current self-insured retention is \$1,000,000, net of a \$50,000 deductible from its members. Alternative deductible amounts include \$25,000, \$75,000, \$100,000, \$250,000 and \$500,000. The following chart provides a history of ERMA's employment practices liability program:

<b>Program Overview Employment Practices Liability</b>		
Coverage Period	Layer Between Retention and \$1,000,000	Coverage Excess of \$1,000,000
7/1/99-6/30/02	Quota Share: 75% ERMA 25% Commercial Coverage	Commercial Coverage \$9,000,000 Excess of \$1,000,000
7/1/02-6/30/04	No Quota Share: 100% ERMA	Commercial Coverage \$4,000,000 Excess of \$1,000,000
7/1/04-6/30/10	No Quota Share: 100% ERMA	No Commercial Coverage
7/1/10-6/30/18	No Quota Share: 100% ERMA	Optional Commercial Coverage \$1,000,000 Excess of \$1,000,000

With regard to the contribution rates, ERMA offers a credit for members that participate through JPAs. The credit is equal to 0.10 times the percentage of the JPA that participates in ERMA. For example, if 50% of a JPA (as measured by payroll) participates in ERMA, then each member of that JPA would receive a 5% ERMA rate credit ( $5\% = 0.10 \times 50\%$ ). This credit applies to the overall rate that includes loss, loss adjustment expense, safety, administration, and other costs.

The purpose of this review is to provide a guide to the Authority to determine reasonable funding levels for its self-insurance program according to the funding policy the Authority has adopted and to comply with Governmental Accounting Standards Board Statements #10 and #30. The specific objectives of the study are to estimate the Authority's liability for outstanding claims as of June 30, 2018, project ultimate loss costs for 2018-19, and provide funding guidelines to meet these liabilities and future costs.

## **II. CONCLUSIONS AND RECOMMENDATIONS**

### **A. LIABILITY FOR OUTSTANDING CLAIMS**

Graph 1 on the following page summarizes our assessment of the Authority's funding position as of June 30, 2018. The dark-colored bars indicate our estimates of the program's liability for outstanding claims before recognition of the investment income that can be earned on the assets held before the claim payments come due. The horizontal line indicates the Authority's available assets at June 30<sup>th</sup>.

Our best estimate of the full value of the Authority's liability for outstanding claims within its self-insured retention (SIR) is \$13,294,000 as of June 30, 2018. This amount includes losses, allocated loss adjustment expenses (ALAE), and unallocated loss adjustment expenses (ULAE). ALAE is the direct cost associated with the defense of individual claims (e.g. legal fees, investigation fees, court charges). ULAE is the cost to administer claims to final settlement, which may be years in the future (e.g. claims adjusters' salaries, taxes).

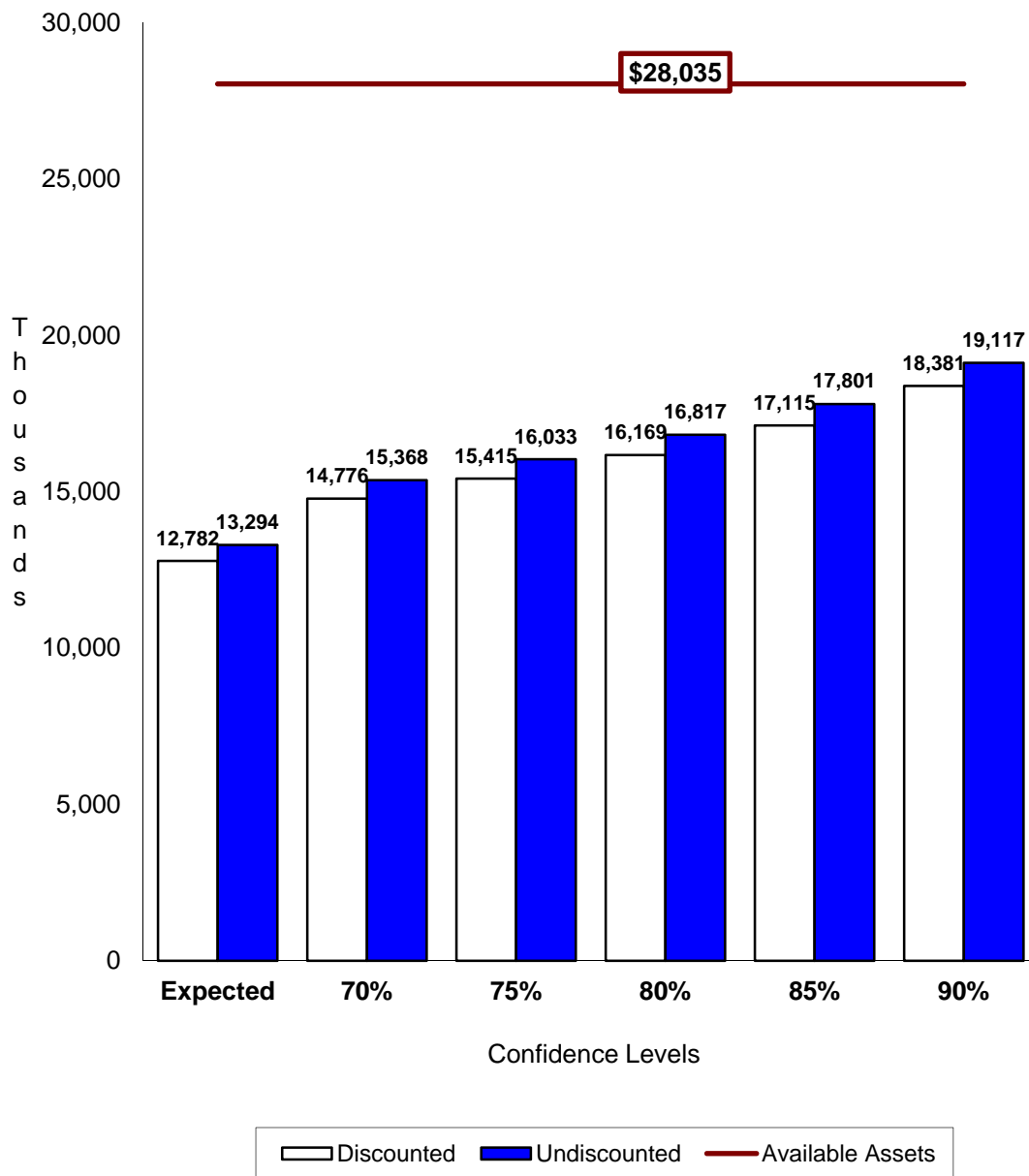
There is some measure of uncertainty associated with our best estimate because of the random nature of much of the process that determines ultimate claims costs. For this reason, we generally recommend that a program such as this include some funding margin for the possibility that actual loss costs will be greater than the best estimate. We generally measure the amount of this margin by thinking in terms of the probability distribution of actual possible results around our best estimate. As the margin grows, the probability that the corresponding funding amount will be sufficient to meet actual claim liabilities increases. We typically refer to this probability as the "confidence level" of funding. Graph 1 shows the liabilities for outstanding claims at several confidence levels that are typically of interest to risk managers in formulating funding policies for self-insurance programs.

The Authority can earn investment income on the assets it holds until claims payments come due. Assuming a long-term average annual return on investments of 2.0%, we estimate the impact of investment income earnings to be about 3.8% if the program is funded within the range indicated in the graph, resulting in a discounted liability for outstanding claims of \$12,782,000 as of June 30, 2018.

Investment income earnings will be less than this when the program does not maintain sufficient funding, and more when there is excess funding. Thus, thinking in terms of liabilities discounted for investment income can actually mask funding deficiencies and redundancies that might otherwise be obvious. However, the discounted liabilities do represent legitimate funding targets. The light-colored bars on Graph 1 show our estimates of the Authority's discounted liability for outstanding claims.

Graph 1

Employment Risk Management Authority  
Employment Practices Liability  
Available Assets vs Outstanding Liability (\$000's)  
at June 30, 2018





## DRAFT

The table below displays a breakdown of the program's outstanding loss and LAE liabilities into case reserves and incurred but not reported (IBNR) reserves at June 30, 2018, before recognition of investment income.

Employment Risk Management Authority  
Self-Insured Employment Practices Liability Program  
Estimated Liability for Unpaid Loss and LAE at June 30, 2018

Year	Case Reserves	IBNR Reserves	Total Outstanding
Prior	\$0	\$0	\$0
2009-10	0	0	0
2010-11	0	0	0
2011-12	0	0	0
2012-13	94,321	96,263	190,584
2013-14	308,646	220,741	529,387
2014-15	890,117	660,310	1,550,427
2015-16	883,031	1,490,500	2,373,531
2016-17	693,501	2,943,051	3,636,552
2017-18	136,672	4,244,000	4,380,672
Loss and ALAE	\$3,006,288	\$9,654,865	\$12,661,153
ULAE		633,000	633,000
Total	\$3,006,288	\$10,287,865	\$13,294,153

## **B. PROGRAM FUNDING: GOALS AND OBJECTIVES**

As self-insurance programs have proliferated among public entities, it has become apparent that there is a large measure of inconsistency in the way in which these programs recognize and account for their claims costs. This is the result of the fact that there have been several different sources of guidance available, none of which has been completely relevant to public entity self-insurance programs.

According to the Governmental Accounting Standards Board (GASB), the most relevant source of guidance on the subject is Financial Accounting Standards Board Statement #60. A liability for unpaid claim costs, including all loss adjustment expenses, should be accrued at the time the self-insured events occur. This liability should include an allowance for incurred but not reported claims. It may be discounted for investment income at an appropriate rate of return, provided the discounting is disclosed. The regulations detailing the way in which this must be done are outlined in GASB's statements #10 and #30. These regulations are required to be applied by the Authority.

GASB #10 and #30 do not address funding requirements. They do, however, allow a range of funded amounts to be recognized for accounting purposes; specifically, GASB #10 and #30 which allow recognition of a funding margin for unexpectedly adverse loss experience. Thus, for accounting purposes, it is possible to formulate a funding policy from a range of alternatives. The uncertainty in any estimate of the program's liability for outstanding claims should be taken into consideration in determining funding policy, but it may be offset by recognizing anticipated investment income earnings. This usually means developing a funding program based on discounted claims costs with some margin for unexpected adverse loss experience.

The amount of the margin should be a question of long-term funding policy. We recommend that the margin be determined by thinking in terms of the probability that a given level of funding will prove to be adequate. For example, a reasonable goal might be to maintain a fund at the 85% confidence level.

A key factor to consider in determining funding policy is the degree to which stability is required in the level of contributions to the program from year to year. If you elect to fund at a low confidence level, the chances are much greater that future events will prove that additional contributions should have been made for current claims. The additional contributions for years by that time long past may be required at the same time that costs are increasing dramatically on then-current claims. The burden of funding increases on past years as well as on current years, may well be prohibitive.

## DRAFT

We generally recommend maintaining program assets at the 80% confidence level, after recognition of investment income, with a recommended range of the 75% to 85% confidence levels. We tend to think of the 70% confidence level as marginally acceptable and of the 90% confidence level as conservative. We recommend the 75% to 85% confidence level range because the probabilities are reasonably high that resulting assets will be sufficient to meet claim liabilities, yet the required risk margins are not so large that they will cause most self-insured entities to experience undue financial hardship. In addition, within this range, anticipated investment income generally offsets the required risk margin for the most part, which means that assets are likely sufficient on an undiscounted basis.

We also strongly believe, however, that the confidence level to which any future year is funded should be evaluated in light of the relative certainty of the assumptions underlying the actuarial analysis, the Authority's other budgetary constraints, and the relative level of risk it is believed appropriate to assume. This means formulating both short and long-term funding goals, which may be the same in some years, but different in others.

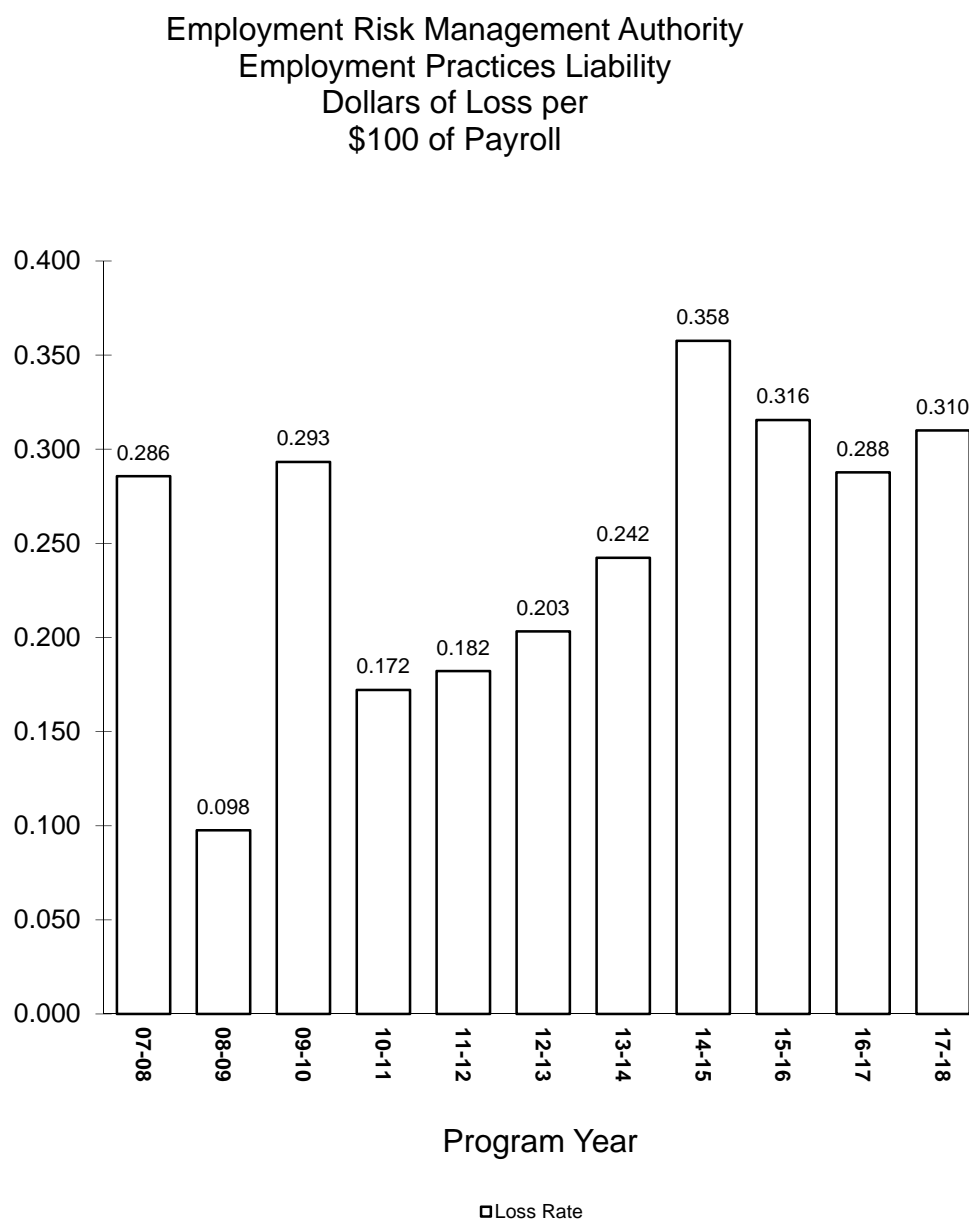
In general, we recommend funding each year's claims costs in that year. When surpluses or deficits have developed on outstanding liabilities and funding adjustments are necessary, they should be clearly identified as such so that the habit of funding each year's claims costs that year is maintained. We also recommend that you reduce a surplus more slowly than you would accumulate funding to reduce a deficit.

## C. HISTORICAL TRENDS IN THE SELF-INSURANCE PROGRAM

### Loss Rate

The program's dollars of loss per \$100 of payroll, or loss rate, has been generally increasing over the past few years. The projected 2017-18 loss rate of \$0.310 is based on the average of the most recent three years. See Graph 2 below.

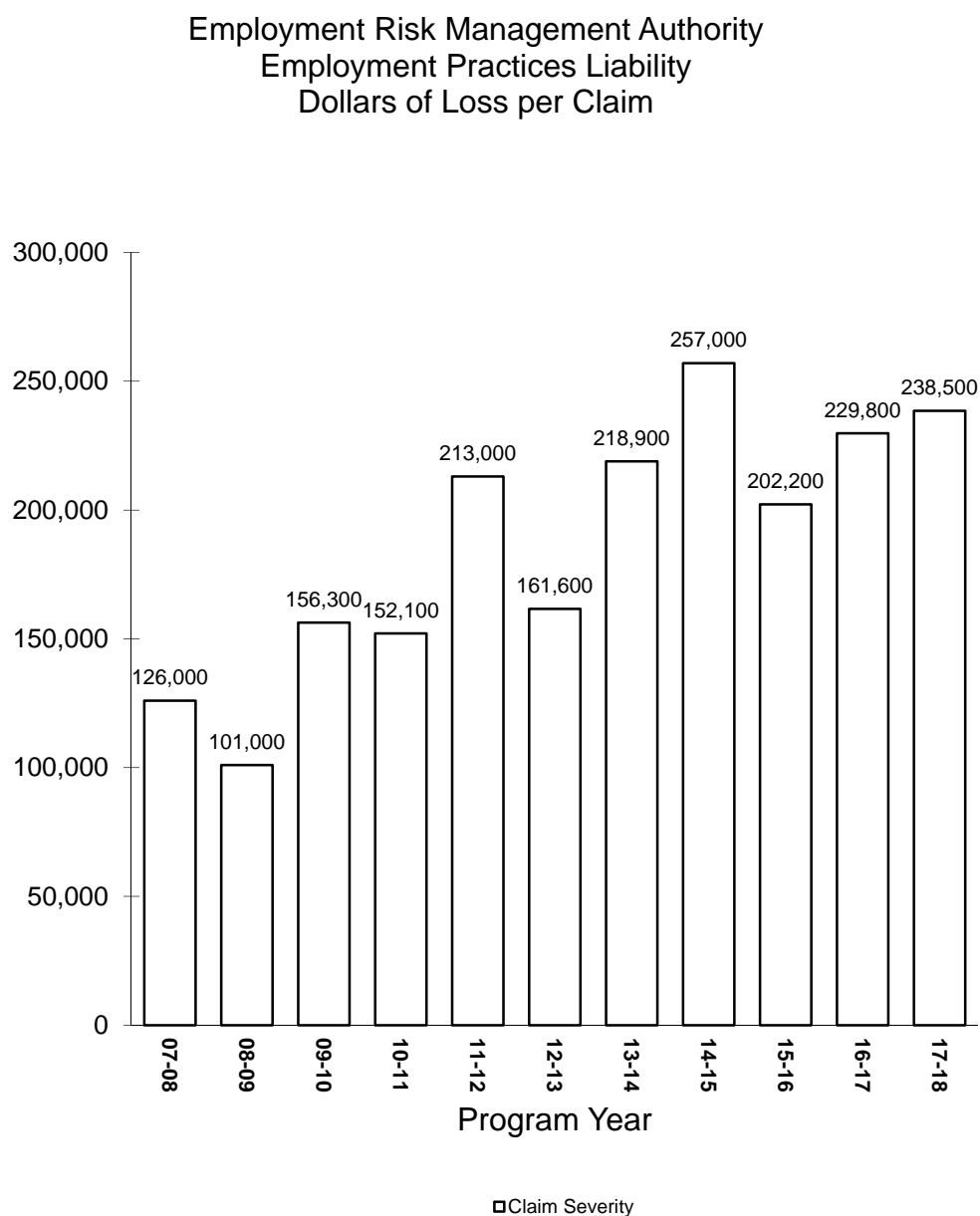
Graph 2



### Severity

The program's average dollars of loss per claim, or severity, has also been generally increasing in recent years. The projected 2017-18 severity of \$238,500 is similar to the average of the most recent three years. See Graph 3 below.

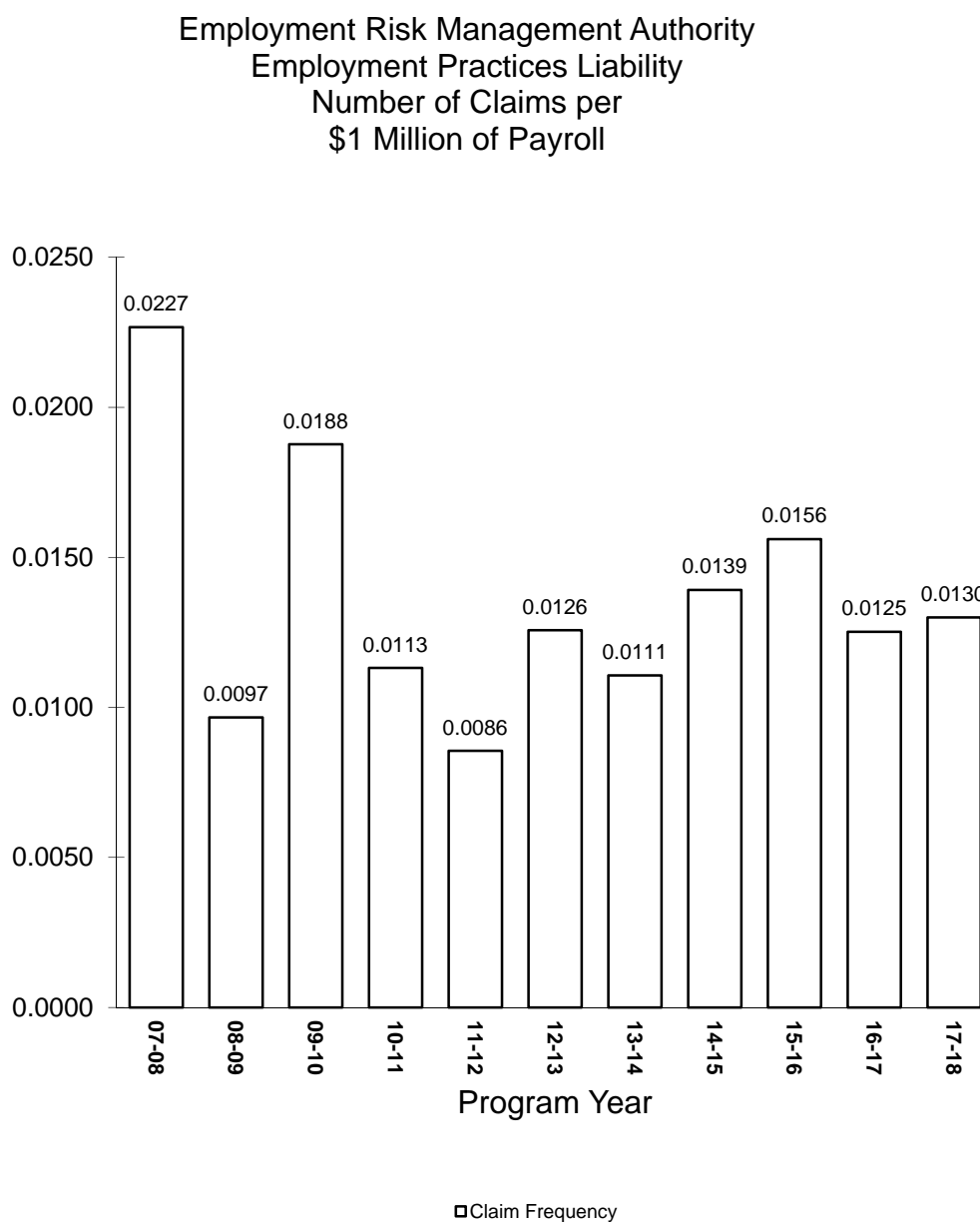
Graph 3



### Frequency

The program's number of claims per \$1 million of payroll, or frequency, has been relatively stable since 2010-11. The projected 2017-18 frequency of 0.013 is similar to the average of the most recent five years. See Graph 4 below.

Graph 4



## DRAFT

### D. COMPARISON WITH PREVIOUS RESULTS

The prior report for Employment Risk Management Authority was dated April 26, 2017. In the table below we display actual versus expected development of incurred losses and ALAE by accident year between the December 31, 2016 evaluation date of the prior report and the December 31, 2017 evaluation date of the current report.

#### Actual Versus Expected Incurred Loss and ALAE Development

Accident Year	Expected Incurred Development	Actual Incurred Development	Actual Minus Expected
1999-00	\$0	\$0	\$0
2000-01	0	0	0
2001-02	0	0	0
2002-03	0	0	0
2003-04	0	0	0
2004-05	0	0	0
2005-06	0	0	0
2006-07	0	0	0
2007-08	0	0	0
2008-09	0	0	0
2009-10	35,000	(167,000)	(202,000)
2010-11	47,000	(66,000)	(113,000)
2011-12	0	0	0
2012-13	192,000	123,000	(69,000)
2013-14	233,000	63,000	(170,000)
2014-15	936,000	1,562,000	626,000
2015-16	1,174,000	1,081,000	(93,000)
2016-17	321,000	290,000	(31,000)
Total	\$2,938,000	\$2,886,000	(\$52,000)

As shown, actual incurred development was slightly less than anticipated since the prior report.

Based on the assumptions from the prior report, it was expected that incurred losses through accident year 2016-17 would increase by \$2,938,000 between the two evaluation dates. However, actual development was approximately \$2,886,000; or about \$52,000 less than expected. This is mainly due to favorable development in six of the eight most recent accident years.

## DRAFT

In the table below we display actual versus expected development of paid losses and ALAE by accident year between the December 31, 2016 evaluation date of the prior report and the December 31, 2017 evaluation date of the current report.

### Actual Versus Expected Paid Loss and ALAE Development

Accident Year	Expected Paid Development	Actual Paid Development	Actual Minus Expected
1999-00	\$0	\$0	\$0
2000-01	0	0	0
2001-02	0	0	0
2002-03	0	0	0
2003-04	0	0	0
2004-05	0	0	0
2005-06	0	0	0
2006-07	0	0	0
2007-08	0	0	0
2008-09	0	0	0
2009-10	150,000	2,000	(148,000)
2010-11	76,000	1,000	(75,000)
2011-12	0	0	0
2012-13	197,000	63,000	(134,000)
2013-14	911,000	693,000	(218,000)
2014-15	1,222,000	1,291,000	69,000
2015-16	508,000	780,000	272,000
2016-17	66,000	12,000	(54,000)
Total	\$3,130,000	\$2,842,000	(\$288,000)

As shown, actual paid development was also less than anticipated since the prior report.

Based on the assumptions from the prior report, it was expected that paid losses through accident year 2016-17 would increase by \$3,130,000 between the two evaluation dates. However, actual development was approximately \$2,842,000; or about \$288,000 less than expected.



## DRAFT

In the table below we display the change in our estimates of the program's ultimate losses and ALAE by accident year since our prior report.

### Change in Ultimate Loss and ALAE

Accident Year	Prior Report	Current Report	Change In Ultimate
1999-00	\$2,351,000	\$2,351,000	\$0
2000-01	2,245,000	2,245,000	0
2001-02	751,000	751,000	0
2002-03	2,993,000	2,993,000	0
2003-04	1,973,000	1,973,000	0
2004-05	6,417,000	6,417,000	0
2005-06	3,616,000	3,616,000	0
2006-07	5,811,000	5,811,000	0
2007-08	3,528,000	3,528,000	0
2008-09	1,212,000	1,212,000	0
2009-10	3,501,000	3,282,000	(219,000)
2010-11	1,968,000	1,826,000	(142,000)
2011-12	1,917,000	1,917,000	0
2012-13	2,205,000	2,101,000	(104,000)
2013-14	2,820,000	2,627,000	(193,000)
2014-15	3,478,000	4,112,000	634,000
2015-16	3,884,000	3,841,000	(43,000)
2016-17	4,112,000	3,906,000	(206,000)
Total	\$54,782,000	\$54,509,000	(\$273,000)

As shown, overall we have decreased our estimated ultimate losses by \$273,000 since our prior report. The changes in our estimates of ultimate losses generally correlate with the actual versus expected loss development differences from the tables above.

Please note that the ultimate amounts listed above for accident years 1999-00 through 2001-02 are stated gross of the quota share agreement with the excess insurer for those years.

## DRAFT

At the time of the prior report, we estimated the liability for outstanding claims as of June 30, 2017 to be \$11,712,000 at the discounted, expected level. Our current estimate as of June 30, 2018 is \$12,782,000, an increase in our assessment of the Authority's outstanding liabilities, as shown below:

### Outstanding Claim Liabilities for Loss and LAE

	Prior Report at June 30, 2017	Current Report at June 30, 2018	Change
(A) Case Reserves:	\$3,004,000	\$3,006,000	\$2,000
(B) IBNR Reserves:	8,599,000	9,655,000	1,056,000
(C) Claims Administration Reserves:	580,000	633,000	53,000
(D) Total Reserves:	\$12,183,000	\$13,294,000	\$1,111,000
(E) Offset for Investment Income:	(471,000)	(512,000)	(41,000)
(F) Total Outstanding Claim Liabilities:	\$11,712,000	\$12,782,000	\$1,070,000

As shown, our estimate of outstanding claims liabilities at the discounted, expected level has increased between June 30, 2017 and June 30, 2018, as reflected in our prior and current reports respectively.

Total case reserves are projected to be approximately the same as the prior year's evaluation. However, our estimate of IBNR reserves has increased by over \$1 million, reflecting the addition of the 2017-18 program year liabilities. Reserves for future claims administration expenses are assumed to be a percentage of total reserves and have therefore increased as well, resulting in a \$1,111,000 increase in total claim reserves. This increase in reserves leads to a larger offset for investment income. The net change due to the above factors is an overall increase of \$1,070,000 in our estimate of outstanding claim liabilities for loss and LAE.

## DRAFT

At the time of the prior report, available assets were estimated to be \$28,450,000 as of June 30, 2017, which corresponded to the then-estimated discounted liability for outstanding claims above the 90% confidence level. Available assets are currently estimated to be \$28,035,000 as of June 30, 2018, which also corresponds to the currently estimated liability for outstanding claims above the 90% confidence level. It can be summarized as follows:

### Funding Margin

	Prior Report at June 30, 2017	Current Report at June 30, 2018	Change
(A) Outstanding Liability at the Discounted Expected Level:	\$11,712,000	\$12,782,000	\$1,070,000
(B) Estimated Assets At June 30:	28,450,000	28,035,000	(415,000)
(C) Surplus/(Deficit):	\$16,738,000	\$15,253,000	(\$1,485,000)

As you can see, our estimate of the program's funding margin at the discounted, expected level has decreased by \$1,485,000 between June 30, 2017 (as previously estimated) and June 30, 2018 (as currently estimated). This is driven by a decrease in the estimated fund assets between the two points, coupled with an increase in the estimated outstanding liability.

## DRAFT

At the time of the prior report, our funding rate estimate for the 2017-18 year was \$0.316 per \$100 of payroll at the discounted, expected level for the \$50,000 to \$1,000,000 layer. That amount included allocated loss adjustment expenses (ALAE) and a discount for anticipated investment income. Our current estimate for the 2018-19 year is \$0.325 at the discounted, expected level, representing an increase in the program's expected loss costs, as shown in the table below:

### Comparison of Funding for Loss and ALAE

	Prior Report 2017-18 Layer = \$50K - \$1M	Current Report 2018-19 Layer = \$50K - \$1M	Change
(A) Expected Loss Rate:	\$0.316	\$0.325	2.8%
(B) 60% Confidence Level:	0.356	0.366	2.8%
(C) 70% Confidence Level:	0.404	0.414	2.5%
(D) 80% Confidence Level:	0.465	0.477	2.6%
(E) 90% Confidence Level:	0.563	0.577	2.5%

As you can see, our funding recommendations at the discounted, expected level have increased between 2017-18 and 2018-19, as shown in our prior and current reports respectively.

Our estimates of expected ultimate loss and ALAE have increased by about 2.8%.

## **E. DATA PROVIDED FOR THE ANALYSIS**

Overall, the data utilized in preparing this report appears to be accurate.

Comments and issues regarding the data are as follows:

- We have assumed that the program's self-insured retention will remain at \$1,000,000 per occurrence for 2018-19 (See Appendix J).
- We were provided with an estimated June 30, 2018 asset balance figure of \$28,035,000 (see Exhibit 1).
- We received loss data evaluated as of December 31, 2017 (See Appendix K). We also utilized the data from the Authority's most recent actuarial study for our assessment of loss development.
- We have assumed that the Authority's 2017-18 retention-adjusted payroll exposure for the purposes of this analysis will be \$1,424,624,000 based upon information provided by the Authority (See Appendix L). For 2018-19, we assumed current members' payroll will increase by 1.0% from 2017-18.
- Also, we have become aware that aside from the general expenses, there is no annual cost for claims administration in this program. However, we have assumed a percentage amount (5% of loss and ALAE) for the purposes of estimating claims administration liabilities, even though the projected loss and LAE rate in fact contains no such expenses.
- We have appropriately reflected losses in the ERMA layer for those claims which have been designated to us as having twice the member-selected SIR amount. Also, we are aware that claim #E-MPA-2006-025 lists an incurred amount in the December 31, 2017 loss run which exceeds ERMA's SIR due to the involvement of multiple claimants. For this particular claim, we have not excluded any amount over the SIR for the purposes of our analysis.

### **III. ASSUMPTIONS AND LIMITATIONS**

Any quantitative analysis is developed within a very specific framework of assumptions about conditions in the outside world, and actuarial analysis is no exception. We believe that it is important to review the assumptions we have made in developing the estimates presented in this report. By doing so, we hope you will gain additional perspective on the nature of the uncertainties involved in maintaining a self-insurance program. Our assumptions, and some observations about them, are as follows:

- Our analysis is based on loss experience, exposure data, and other general and specific information provided to us by the Authority. We have accepted all of this information without audit.
- We have assumed that the future development of incurred and paid losses can be reasonably predicted on the basis of development of such losses in the recent past.
- It is not possible to predict future claim costs precisely. Most of the costs of liability claims arise from a small number of incidents involving serious injury. A relatively small number of such claims could generate enough loss dollars to significantly reduce, or even deplete, the self-insurance fund.
- We cannot predict and have not attempted to predict the impact of future law changes and court rulings on claims costs. This is one major reason why we believe our funding recommendations are reasonable now, but should not be extrapolated into the future.
- We have assumed that the loss rate trend associated with employment practices liability claim costs increases at 3.0% per year. We have assumed that claim severity increases at 1.0% per year, and that claim frequency increases at 2.0% per year.
- We have assumed that payroll and other inflation-sensitive exposure measures increase 2.5% annually due to inflation.
- At the Authority's instruction, we have assumed that assets held for investment will generate an average annual return of 2.0% over the duration of payment of the loss liabilities. It should be noted that actual future investment returns may vary significantly from this assumption, depending upon the prevailing investment market conditions.
- Our estimates assume that all excess insurance is valid and collectible. Further, our funding recommendations do not include a provision for losses greater than the Authority's excess coverage.

#### **IV. GLOSSARY OF ACTUARIAL TERMS**

**Accident Year** - Year during which the accidents that generate a group of claims occurs, regardless of when the claims are reported, payments are made, or reserves are established.

**Allocated Loss Adjustment Expenses (ALAE)** - Expense incurred in settling claims that can be directly attributed to specific individual claims (e.g., legal fees, investigative fees, court charges, etc.)

**Case Reserve** - The amount left to be paid on a claim, as estimated by the claims administrator.

**Claim Count Development Factor** - A factor that is applied to the number of claims reported in a particular accident period in order to estimate the number of claims that will ultimately be reported.

**Claim Frequency** - Number of claims per \$1 million of payroll.

**Confidence Level** - An estimated probability that a given level of funding will be adequate to pay actual claims costs. For example, the 85% confidence level refers to an estimate for which there is an 85% chance that the amount will be sufficient to pay loss costs.

**Discount Factor** - A factor to adjust estimated loss costs to reflect anticipated investment income from assets held prior to actual claim payout.

**Expected Losses** - The best estimate of the full, ultimate value of loss costs.

**Incurred but not Reported (IBNR) Losses** - Losses for which the accident has occurred but the claim has not yet been reported. This is the ultimate value of losses, less any amount that has been set up as reported losses by the claims adjuster. It includes both amounts for claims incurred but not yet received by the administrator and loss development on already reported claims.

**Loss Development Factor** - A factor applied to losses for a particular accident period to reflect the fact that reported and paid losses do not reflect final values until all claims are settled (see Section IV).

**Loss Rate** - Ultimate losses per \$100 of payroll.

## DRAFT

**Non-Claims Related Expenses** – Program expenses not directly associated with claims settlement and administration, such as excess insurance, safety program expenses, and general overhead. These exclude expenses associated with loss settlements (Indemnity/Medical, BI/PD), legal expenses associated with individual claims (ALAE), and claims administration (ULAE).

**Outstanding Losses** - Losses that have been incurred but not paid. This is the ultimate value of losses less any amount that has been paid.

**Paid Losses** - Losses actually paid on all reported claims.

**Program Losses** - Losses, including ALAE, limited to the SIR for each occurrence.

**Reported Losses** - The total expected value of losses as estimated by the claims administrator. This is the sum of paid losses and case reserves.

**Self-Insured Retention (SIR)** - The level at which an excess insurance policy is triggered to begin payments on a claim. Financially, this is similar to an insurance deductible.

**Severity** - Average claim cost.

**Trend Factor** - Factor used to adjust historical losses to the current level of Liability costs.

**Ultimate Losses** - The value of claim costs at the time when all claims have been settled. This amount must be estimated until all claims are actually settled.

**Unallocated Loss Adjustment Expenses (ULAE)** – Claim settlement expenses that cannot be directly attributed to individual claims (e.g., claims adjusters' salaries, taxes, etc.)



## Employment Practices Liability

### Liabilities @June 30, 2018

	Includes Quota Share Losses		Excludes Quota Share Losses	
	Undiscounted	NPV @2.00%	Undiscounted	NPV @2.00%
<b>Expected Liabilities</b>				
(1) Case Reserves	3,006,000		3,006,000	
(2) Actuarial Reserve	9,655,000		9,655,000	
(3) Claims Handling Expense	633,000		633,000	
(4) Subtotal	13,294,000	12,782,000	13,294,000	12,782,000
<b>(5) Confidence Levels</b>				
Expected	13,294,000	12,782,000	13,294,000	12,782,000
60%	14,251,000	13,702,000	14,251,000	13,702,000
70%	15,368,000	14,776,000	15,368,000	14,776,000
75%	16,033,000	15,415,000	16,033,000	15,415,000
80%	16,817,000	16,169,000	16,817,000	16,169,000
85%	17,801,000	17,115,000	17,801,000	17,115,000
90%	19,117,000	18,381,000	19,117,000	18,381,000

### Funding Rates for Fiscal Year 2018-2019

	Layer: \$50,000 to \$250,000		Layer: \$50,000 to \$500,000		Layer: \$50,000 to \$750,000		Layer: \$50,000 to \$1,000,000	
	Undiscounted	NPV @2.00%	Undiscounted	NPV @2.00%	Undiscounted	NPV @2.00%	Undiscounted	NPV @2.00%
<b>Expected Rates</b>								
(6) Ultimate Loss & ALAE	0.166	0.156	0.258	0.242	0.297	0.279	0.319	0.299
(7) Expected JPA Participation Credit	0.014	0.014	0.021	0.021	0.024	0.024	0.026	0.026
(8) ULAE	-	-	-	-	-	-	-	-
(9) Subtotal	0.180	0.170	0.279	0.263	0.321	0.303	0.345	0.325
<b>(10) Confidence Levels</b>								
Expected	0.180	0.170	0.279	0.263	0.321	0.303	0.345	0.325
60%	0.203	0.191	0.314	0.296	0.361	0.341	0.388	0.366
70%	0.230	0.217	0.356	0.335	0.409	0.386	0.440	0.414
75%	0.245	0.232	0.380	0.358	0.438	0.413	0.470	0.443
80%	0.264	0.250	0.410	0.386	0.471	0.445	0.506	0.477
85%	0.288	0.272	0.446	0.421	0.514	0.485	0.552	0.520
90%	0.319	0.302	0.495	0.467	0.569	0.538	0.612	0.577

	Layer: \$50,000 to \$1,250,000		Layer: \$50,000 to \$1,500,000		Layer: \$50,000 to \$1,750,000		Layer: \$50,000 to \$2,000,000	
	Undiscounted	NPV @2.00%	Undiscounted	NPV @2.00%	Undiscounted	NPV @2.00%	Undiscounted	NPV @2.00%
<b>Expected Rates</b>								
(6) Ultimate Loss & ALAE	0.336	0.315	0.347	0.326	0.355	0.333	0.361	0.339
(7) Expected JPA Participation Credit	0.028	0.028	0.029	0.029	0.029	0.029	0.030	0.030
(8) ULAE	-	-	-	-	-	-	-	-
(9) Subtotal	0.364	0.343	0.376	0.355	0.384	0.362	0.391	0.369
<b>(10) Confidence Levels</b>								
Expected	0.364	0.343	0.376	0.355	0.384	0.362	0.391	0.369
60%	0.410	0.386	0.423	0.399	0.432	0.407	0.440	0.415
70%	0.464	0.437	0.479	0.453	0.490	0.462	0.499	0.470
75%	0.496	0.468	0.512	0.484	0.523	0.493	0.533	0.503
80%	0.534	0.504	0.552	0.521	0.564	0.531	0.574	0.542
85%	0.582	0.549	0.602	0.568	0.614	0.579	0.626	0.590
90%	0.646	0.608	0.667	0.630	0.681	0.642	0.694	0.655

## ERMA - Employment Practices Liability

Funding Guidelines for Outstanding Liabilities at  
December 31, 2017

(A) Estimated Ultimate Losses Incurred through 12/31/17: (From Appendix F)	\$56,717,000
(B) Estimated Paid Losses through 12/31/17: (From Appendix F)	44,453,000
(C) Estimated Liability for Claims Outstanding at 12/31/17: (From Appendix F)	<u>\$12,264,000</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 12/31/17: (Based on 5.0% of (C))	613,000
(E) Total Outstanding Liability for Claims at 12/31/17: ((C) + (D))	<u>\$12,877,000</u>
(F) Reserve Discount Factor (Based on a Discount Rate of 2.0%): (Appendix H, Page 1, (G))	0.960
(G) Discounted Outstanding Liability for Claims at 12/31/17: ((E) x (F))	<u>\$12,363,000</u>

	Marginally Acceptable		Recommended		Conservative
Confidence Level of Adequacy:	70%	75%	80%	85%	90%
(H) Confidence Level Factor: (From Appendix I)	1.156	1.206	1.265	1.339	1.438
(I) Margin for Adverse Experience: ((G) x [(H) - 1])	1,929,000	2,547,000	3,276,000	4,191,000	5,415,000
(J) Total Required Assets at 12/31/17: ((G) + (I))	<u>\$14,292,000</u>	<u>\$14,910,000</u>	<u>\$15,639,000</u>	<u>\$16,554,000</u>	<u>\$17,778,000</u>

## ERMA - Employment Practices Liability

Funding Guidelines for Outstanding Liabilities at  
June 30, 2018

(A) Estimated Ultimate Losses Incurred through 6/30/18: (From Appendix F)	\$58,925,000
(B) Estimated Paid Losses through 6/30/18: (From Appendix F)	46,264,000
(C) Estimated Liability for Claims Outstanding at 6/30/18: (From Appendix F)	<u>\$12,661,000</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 6/30/18: (Based on 5.0% of (C))	633,000
(E) Total Outstanding Liability for Claims at 6/30/18: ((C) + (D))	<u>\$13,294,000</u>
(F) Reserve Discount Factor (Based on a Discount Rate of 2.0%): (Appendix H, Page 1, (H))	0.962
(G) Discounted Outstanding Liability for Claims at 6/30/18: ((E) x (F))	<u>\$12,782,000</u>

Confidence Level of Adequacy:	Marginally Acceptable 70%	75%	Recommended 80%	85%	Conservative 90%
(H) Confidence Level Factor: (From Appendix I)	1.156	1.206	1.265	1.339	1.438
(I) Margin for Adverse Experience: ((G) x [(H) - 1])	1,994,000	2,633,000	3,387,000	4,333,000	5,599,000
(J) Total Required Assets at 6/30/18: ((G) + (I))	<u>\$14,776,000</u>	<u>\$15,415,000</u>	<u>\$16,169,000</u>	<u>\$17,115,000</u>	<u>\$18,381,000</u>
(K) Estimated Total Assets at 6/30/18: (Provided by the Authority)	28,035,000	28,035,000	\$28,035,000	28,035,000	28,035,000
(L) Indicated Funding Redundancy/ (Deficiency): ((K) - (J))	<u>\$13,259,000</u>	<u>\$12,620,000</u>	<u>\$11,866,000</u>	<u>\$10,920,000</u>	<u>\$9,654,000</u>

## ERMA - Employment Practices Liability

Funding Options for Program Year 2017-2018 (SIR = \$1,000,000)

	Dollar Amount	Payroll Rate			
(A) Estimated Ultimate Losses Incurred in Accident Year 2017-2018: (From Appendix F)	\$4,416,000	\$0.310			
(B) Estimated Claims Administration Fees Incurred in Accident Year 2017-2018: (From Exhibit 5, Page 1, (L))	0	0.000			
(C) Total Claims Costs Incurred in Accident Year 2017-2018: ((A) + (B))	\$4,416,000	\$0.310			
(D) Loss Discount Factor (Based on a Discount Rate of 2.0%): (Appendix H, Page 2, (G))	0.939				
(E) Discounted Total Claims Costs Incurred in Accident Year 2017-2018: ((C) x (D))	\$4,146,000	\$0.291			
	Marginally Acceptable	Recommended	Conservative		
	70%	75%	80%	85%	90%
(F) Confidence Level Factor: (From Appendix I)	1.275	1.363	1.468	1.600	1.774
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	1,140,000	1,505,000	1,940,000	2,488,000	3,209,000
(H) Recommended Funding in 2017-2018 for Claims Costs and Other Expenses: ((E) + (G))	\$5,286,000	\$5,651,000	\$6,086,000	\$6,634,000	\$7,355,000
(I) Rate per \$100 of Payroll: ((H) / \$14,246,238)	\$0.371	\$0.397	\$0.427	\$0.466	\$0.516

Payroll rates are per hundred dollars of 2017-2018 payroll of \$1,424,623,800.

## ERMA - Employment Practices Liability

Funding Options for Program Year 2018-2019 (SIR = \$1,000,000)

	Dollar Amount	Payroll Rate			
(A) Estimated Ultimate Losses Incurred in Accident Year 2018-2019: (From Appendix F)	\$4,590,000	\$0.319			
(B) Estimated Claims Administration Fees Incurred in Accident Year 2018-2019: (From Exhibit 5, Page 1, (L))	0	0.000			
(C) Total Claims Costs Incurred in Accident Year 2018-2019: ((A) + (B))	\$4,590,000	\$0.319			
(D) Loss Discount Factor (Based on a Discount Rate of 2.0%): (Appendix H, Page 2, (G))	0.939				
(E) Discounted Total Claims Costs Incurred in Accident Year 2018-2019: ((C) x (D))	\$4,309,000	\$0.299			
	Marginally Acceptable	Recommended	Conservative		
	70%	75%	80%	85%	90%
(F) Confidence Level Factor: (From Appendix I)	1.275	1.363	1.468	1.600	1.774
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	1,185,000	1,564,000	2,017,000	2,585,000	3,335,000
(H) Recommended Funding in 2018-2019 for Claims Costs and Other Expenses: ((E) + (G))	\$5,494,000	\$5,873,000	\$6,326,000	\$6,894,000	\$7,644,000
(I) Rate per \$100 of Payroll: ((H) / \$14,388,700)	\$0.382	\$0.408	\$0.440	\$0.479	\$0.531

Payroll rates are per hundred dollars of 2018-2019 payroll of \$1,438,870,000.

## ERMA - Employment Practices Liability

IBNR as of 6/30/18 at Expected Claims Level

Accident Year	Estimated Ultimate (A)	Reported as of 12/31/17 (B)	Estimated IBNR as of 12/31/17 (C)	Estimated Percent of IBNR Reported Between 1/1/18 and 6/30/18 (D)	Estimated IBNR Reported (E)	Estimated IBNR as of 6/30/18 (F)
1999-2000	2,351,151	2,351,151	0	100.0%	0	0
2000-2001	2,245,413	2,245,413	0	100.0%	0	0
2001-2002	751,089	751,089	0	100.0%	0	0
2002-2003	2,992,869	2,992,869	0	100.0%	0	0
2003-2004	1,973,193	1,973,193	0	100.0%	0	0
2004-2005	6,416,832	6,416,832	0	100.0%	0	0
2005-2006	3,616,204	3,616,204	0	100.0%	0	0
2006-2007	5,810,921	5,810,921	0	100.0%	0	0
2007-2008	3,528,296	3,528,296	0	100.0%	0	0
2008-2009	1,211,783	1,211,783	0	100.0%	0	0
2009-2010	3,281,809	3,281,809	0	100.0%	0	0
2010-2011	1,825,609	1,825,609	0	33.0%	0	0
2011-2012	1,916,982	1,916,982	0	31.6%	0	0
2012-2013	2,101,000	1,976,737	124,263	22.4%	28,000	96,263
2013-2014	2,627,000	2,322,259	304,741	27.5%	84,000	220,741
2014-2015	4,112,000	3,279,690	832,310	20.7%	172,000	660,310
2015-2016	3,841,000	1,810,500	2,030,500	26.6%	540,000	1,490,500
2016-2017	3,906,000	289,949	3,616,051	18.6%	673,000	2,943,051
2017-2018	4,416,000		2,208,000	3.9%	172,000	4,244,000
Totals	\$58,925,151	\$47,601,286	\$9,115,865		\$1,669,000	\$9,654,865

## Notes:

- (A) From Exhibit 4, Page 1.
- (B) Provided by the Authority. These losses exclude amounts incurred above the Authority's SIR for each year.
- (C) (A) - (B).
- (D) Percentage of incurred but not reported (IBNR) expected to be reported between 1/1/18 and 6/30/18. The percentage is based on the development pattern selected in Appendix A.
- (E) ((A) - (B)) x (D).
- (F) (A) - (B) - (E).

This exhibit shows the calculation of the amount of incurred but not reported losses we expect as of 6/30/18. This amount is dependent on both the strength of the case reserves and the average frequency and severity of the losses incurred.

## ERMA - Employment Practices Liability

### Estimated Ultimate Program Losses

Accident Year	Reported	Paid	Exposure	Exposure	Frequency-Severity Method (E)	Selected	Selected	80% CL	90% CL
	Loss	Loss	Method	Method		Estimate of	Estimates	Selected	Selected
	Development Method (A)	Development Method (B)	Based on Reported Losses (C)	Based on Paid Losses (D)		Ultimate Losses (F)	Excluding Quota Share	Excluding Quota Share	Excluding Quota Share
1999-2000	2,351,151	2,351,151	2,351,151	2,351,151	2,351,148	2,351,151	1,763,363	1,763,363	1,763,363
2000-2001	2,245,413	2,245,413	2,245,413	2,245,413	2,245,410	2,245,413	1,684,060	1,684,060	1,684,060
2001-2002	751,089	751,089	751,089	751,089	751,092	751,089	563,317	563,317	563,317
2002-2003	2,992,869	2,992,869	2,992,869	2,992,869	2,992,860	2,992,869	2,992,869	2,992,869	2,992,869
2003-2004	1,973,193	1,973,193	1,973,193	1,973,193	1,973,192	1,973,193	1,973,193	1,973,193	1,973,193
2004-2005	6,416,832	6,416,832	6,416,832	6,416,832	6,416,823	6,416,832	6,416,832	6,416,832	6,416,832
2005-2006	3,616,204	3,616,204	3,616,204	3,616,204	3,616,200	3,616,204	3,616,204	3,616,204	3,616,204
2006-2007	5,810,921	5,810,921	5,810,921	5,810,921	5,810,928	5,810,921	5,810,921	5,810,921	5,810,921
2007-2008	3,528,296	3,528,296	3,528,296	3,528,296	3,528,308	3,528,296	3,528,296	3,528,296	3,528,296
2008-2009	1,211,783	1,211,783	1,211,783	1,211,783	1,211,784	1,211,783	1,211,783	1,211,783	1,211,783
2009-2010	3,298,218	3,304,782	3,298,246	3,304,821	3,281,817	3,281,809	3,281,809	3,281,809	3,281,809
2010-2011	1,852,993	1,865,772	1,853,039	1,865,840	1,825,608	1,825,609	1,825,609	1,825,609	1,825,609
2011-2012	1,993,661	2,008,997	1,989,813	2,005,146	1,916,982	1,916,982	1,916,982	1,916,982	1,916,982
2012-2013	2,126,969	2,062,296	2,187,821	2,165,850	2,844,907	2,101,000	2,101,000	2,154,031	2,188,652
2013-2014	2,749,555	2,442,398	2,808,364	2,582,814	2,651,292	2,627,000	2,627,000	2,774,303	2,870,471
2014-2015	4,466,938	3,756,328	4,169,160	3,556,765	3,572,816	4,112,000	4,112,000	4,543,410	4,825,058
2015-2016	4,191,308	5,572,985	3,830,661	3,851,191	4,288,509	3,841,000	3,841,000	4,501,441	4,932,612
2016-2017	3,020,689	722,964	3,887,926	3,924,877	3,871,291	3,906,000	3,906,000	4,917,880	5,578,489
2017-2018			4,122,790	4,198,438	4,370,000	4,416,000	4,416,000	5,634,934	6,430,718
Totals						\$58,925,151	\$57,588,238	\$61,111,238	\$63,411,238
		Projected Losses for the Year 2017-2018 (G)				\$4,416,000	\$4,416,000	\$5,634,934	\$6,430,718
		Projected Losses for the Year 2018-2019 (H)				\$4,590,000	\$4,590,000	\$6,738,000	\$8,143,000

Notes:

- (A) From Appendix A, Page 1, Column (G).  
(B) From Appendix B, Page 1, Column (G).  
(C) From Appendix C, Page 1, Column (G).  
(D) From Appendix C, Page 2, Column (G).  
(E) From Appendix D, Page 1, Column (C).  
(F) Selected averages of (A), (B), (C), (D), and (E).  
(G) From Exhibit 5, Page 1, Line (K).  
(H) From Exhibit 5, Page 1, Line (K).

This exhibit summarizes the results of the actuarial methods we have applied to estimate ultimate losses for each year. It is important to apply a number of estimation methods because each one relies on specific assumptions about the claims process that tend to hold generally true, but that may be violated in specific situations. Thus, the more estimation methods that can be applied, the better.

## ERMA - Employment Practices Liability

## Estimated Ultimate Limited Losses Capped at \$1,000,000 per Claim

Accident Year	Reported Loss Development Method (A)	Paid Loss Development Method (B)	Exposure Method Based on Reported Losses (C)	Exposure Method Based on Paid Losses (D)	Frequency-Severity Method (E)	Selected Ultimate Limited Losses (F)
1999-2000	2,351,151	2,351,151	2,351,151	2,351,151	2,351,148	2,351,151
2000-2001	2,245,413	2,245,413	2,245,413	2,245,413	2,245,410	2,245,413
2001-2002	751,089	751,089	751,089	751,089	751,092	751,089
2002-2003	2,992,869	2,992,869	2,992,869	2,992,869	2,992,860	2,992,869
2003-2004	1,973,193	1,973,193	1,973,193	1,973,193	1,973,192	1,973,193
2004-2005	6,416,832	6,416,832	6,416,832	6,416,832	6,416,823	6,416,832
2005-2006	3,616,204	3,616,204	3,616,204	3,616,204	3,616,200	3,616,204
2006-2007	5,810,921	5,810,921	5,810,921	5,810,921	5,810,928	5,810,921
2007-2008	3,528,296	3,528,296	3,528,296	3,528,296	3,528,308	3,528,296
2008-2009	1,211,783	1,211,783	1,211,783	1,211,783	1,211,784	1,211,783
2009-2010	3,298,218	3,304,782	3,298,246	3,304,821	3,281,817	3,281,809
2010-2011	1,852,993	1,865,772	1,853,039	1,865,840	1,825,608	1,825,609
2011-2012	1,993,661	2,008,997	1,989,813	2,005,146	1,916,982	1,916,982
2012-2013	2,126,969	2,062,296	2,187,821	2,165,850	2,844,907	2,101,000
2013-2014	2,749,555	2,442,398	2,808,364	2,582,814	2,651,292	2,627,000
2014-2015	4,466,938	3,756,328	4,169,160	3,556,765	3,572,816	4,112,000
2015-2016	4,191,308	5,572,985	3,830,661	3,851,191	4,288,509	3,841,000
2016-2017	3,020,689	722,964	3,887,926	3,924,877	3,871,291	3,906,000
2017-2018			4,122,790	4,198,438	4,370,000	4,416,000
Totals						\$58,925,151
Projected Losses for the Year 2017-2018 (G)						\$4,416,000
Projected Losses for the Year 2018-2019 (H)						\$4,590,000

## Notes:

- (A) From Appendix A, Page 1, Column (D).
- (B) From Appendix B, Page 1, Column (D).
- (C) Based on results in Appendix C, Page 1.
- (D) Based on results in Appendix C, Page 2.
- (E) Based on results in Appendix D, Page 1.
- (F) Selected averages of (A), (B), (C), (D), and (E).
- (G) From Exhibit 5, Page 1, Line (K) / Line (G).
- (H) From Exhibit 5, Page 1, Line (K) / Line (G).

This exhibit summarizes the results of the actuarial methods we have applied to estimate limited losses for each year. These results are used to select a limited loss rate for future years.



## ERMA - Employment Practices Liability

Selection of Projected Limited Loss Rate  
and Projection of Program Losses and ULAE

Accident Year	Ultimate SIR Losses (A)	Trend Factor (B)	Trended SIR Losses (C)	Trended Payroll (\$00) (D)	Trended SIR Loss Rate (E)
1999-2000	2,351,151	1.704	4,006,361	8,747,742	0.458
2000-2001	2,245,413	1.654	3,713,913	9,065,723	0.410
2001-2002	751,089	1.606	1,206,249	10,023,099	0.120
2002-2003	2,992,869	1.559	4,665,883	11,525,011	0.405
2003-2004	1,973,193	1.513	2,985,441	13,140,086	0.227
2004-2005	6,416,832	1.469	9,426,326	12,721,247	0.741
2005-2006	3,616,204	1.426	5,156,707	12,920,221	0.399
2006-2007	5,810,921	1.385	8,048,126	14,468,614	0.556
2007-2008	3,528,296	1.345	4,745,558	15,810,798	0.300
2008-2009	1,211,783	1.306	1,582,589	15,504,253	0.102
2009-2010	3,281,809	1.267	4,158,052	13,640,881	0.305
2010-2011	1,825,609	1.231	2,247,325	12,611,478	0.178
2011-2012	1,916,982	1.195	2,290,793	12,207,711	0.188
2012-2013	2,101,000	1.160	2,437,160	11,704,779	0.208
2013-2014	2,627,000	1.126	2,958,002	11,970,086	0.247
2014-2015	4,112,000	1.093	4,494,416	12,384,706	0.363
2015-2016	3,841,000	1.061	4,075,301	12,793,601	0.319
2016-2017	3,906,000	1.030	4,023,180	13,916,304	0.289
2017-2018	4,416,000	1.000	4,416,000	14,246,238	0.310
Totals	\$58,925,151		\$76,637,382	239,402,578	\$0.320
11/12-15/16	14,597,982		16,255,672	61,060,883	0.266
13/14-16/17	14,486,000		15,550,899	51,064,697	0.305
(F) Selected SIR Rate:					\$0.310
Prior:					\$0.300
Program Year:		2017-2018	2018-2019		
(G) Factor to SIR:		1.000	1.000		
(H) Trend Factor:		1.000	1.030		
(I) Program Rate:		\$0.310	\$0.319		
(J) Trended Payroll (\$00):		14,246,238	14,388,700		
(K) Projected Program Losses:		4,416,000	4,590,000		
(L) Projected ULAE:		0	0		
(M) Projected Loss and ULAE:		\$4,416,000	\$4,590,000		

Notes appear on the next page.

## ERMA - Employment Practices Liability

Selection of Projected Limited Loss Rate  
and Projection of Program Losses and ULAE

## Notes:

- (A) From Exhibit 4, Page 2, Column (F).  
For purposes of projecting future losses, losses are capped at \$1,000,000 per occurrence.
- (B) From Appendix E, Page 1, Column (B).
- (C)  $(A) \times (B)$ .
- (D) From Appendix L, Column (C).
- (E)  $(C) / (D)$ .
- (F) Selected based on (E).
- (G) Based on a Burr distribution, a mathematical model of claim sizes.
- (H) From Appendix E.
- (I)  $(F) \times (G) \times (H)$ .
- (J) From Appendix L, Column (C).
- (K)  $(I) \times (J)$ .
- (L) Based on an estimated claim closing pattern and the Authority's historical claims administration expenses.
- (M)  $(K) + (L)$ .

This exhibit shows the calculation of future loss costs based on the past loss rates. The projections will be accurate only to the extent that what has happened in the past is representative of what will happen in the future.

## ERMA - Employment Practices Liability

## Reported Loss Development

Accident Year (A)	SIR Reported Losses as of 12/31/17 (B)	Reported Loss Development Factor (C)	Ultimate SIR Losses (D)	Program Reported Losses of 12/31/17 (E)	Reported Loss Development Factor (F)	Ultimate Program Losses (G)
1999-2000	2,351,151	1.000	2,351,151	2,351,151	1.000	2,351,151
2000-2001	2,245,413	1.000	2,245,413	2,245,413	1.000	2,245,413
2001-2002	751,089	1.000	751,089	751,089	1.000	751,089
2002-2003	2,992,869	1.000	2,992,869	2,992,869	1.000	2,992,869
2003-2004	1,973,193	1.000	1,973,193	1,973,193	1.000	1,973,193
2004-2005	6,416,832	1.000	6,416,832	6,416,832	1.000	6,416,832
2005-2006	3,616,204	1.000	3,616,204	3,616,204	1.000	3,616,204
2006-2007	5,810,921	1.000	5,810,921	5,810,921	1.000	5,810,921
2007-2008	3,528,296	1.000	3,528,296	3,528,296	1.000	3,528,296
2008-2009	1,211,783	1.000	1,211,783	1,211,783	1.000	1,211,783
2009-2010	3,281,809	1.005	3,298,218	3,281,809	1.005	3,298,218
2010-2011	1,825,609	1.015	1,852,993	1,825,609	1.015	1,852,993
2011-2012	1,916,982	1.040	1,993,661	1,916,982	1.040	1,993,661
2012-2013	1,976,737	1.076	2,126,969	1,976,737	1.076	2,126,969
2013-2014	2,322,259	1.184	2,749,555	2,322,259	1.184	2,749,555
2014-2015	3,279,690	1.362	4,466,938	3,279,690	1.362	4,466,938
2015-2016	1,810,500	2.315	4,191,308	1,810,500	2.315	4,191,308
2016-2017	289,949	10.418	3,020,689	289,949	10.418	3,020,689
2017-2018	0	52.090	0	0	52.090	0
Totals	\$47,601,286		\$54,598,082	\$47,601,286		\$54,598,082

## Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Authority. These losses exclude amounts over the SIR.
- (C) From Appendix A, Page 2.
- (D) (B) x (C). These estimated losses exclude amounts over the SIR.
- (E) Losses capped at the Authority's SIR. Amounts are provided by the Authority.
- (F) Derived from factors on Appendix A, Page 4.
- (G) (E) x (F).

This method tends to understate ultimate losses for the most recent several years because the large losses for those years generally have not yet emerged at the time of our review.

This exhibit shows the calculation of estimated ultimate losses for each year based on paid losses and case reserves as reported by the claims administrator. These losses tend to "develop" or change from period to period as more information becomes available about the cases. This development tends to follow quantifiable patterns over time.

ERMA - Employment Practices Liability  
Reported Loss DevelopmentSIR Losses Reported as of:

Accident Year	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months
1999-2000		226,560	800,775	1,344,365	2,258,908	2,102,254	2,145,911	2,294,329	2,351,151	2,351,151	2,351,151
2000-2001		103,442	413,632	1,835,550	2,296,236	2,338,661	2,245,413	2,244,341	2,244,341	2,244,341	2,245,413
2001-2002		70,973	513,610	477,974	608,737	752,636	751,089	751,089	751,089	751,089	751,089
2002-2003		146,315	1,685,197	2,903,639	3,374,495	2,992,869	2,992,869	2,992,869	2,992,869	2,992,869	2,992,869
2003-2004	54,900	350,467	1,192,180	2,303,633	2,201,367	1,973,193	1,973,193	1,973,193	1,973,193	1,973,193	1,973,193
2004-2005		1,369,028	4,603,521	5,319,010	6,146,322	6,396,022	6,293,430	6,345,569	6,427,033	6,416,832	6,416,832
2005-2006		2,218,120	3,245,551	3,308,445	3,717,228	3,672,438	3,666,205	3,616,204	3,616,204	3,666,204	3,616,204
2006-2007	375,000	1,681,609	3,423,179	4,377,828	5,579,104	5,516,959	5,569,281	5,666,968	5,824,962	5,810,921	5,810,921
2007-2008		849,622	2,725,692	3,136,880	3,145,495	3,252,983	3,317,511	3,663,290	3,529,825	3,528,296	3,528,296
2008-2009		555,339	1,293,202	1,383,575	1,205,499	1,211,598	1,211,783	1,211,783	1,211,783	1,211,783	
2009-2010	138,707	589,624	1,706,613	2,566,976	2,539,673	3,065,133	3,198,892	3,448,917	3,281,809		
2010-2011	50,978	468,924	683,215	1,052,897	1,348,275	1,618,093	1,891,935	1,825,609			
2011-2012		40,319	834,141	1,873,169	2,003,952	1,916,982	1,916,982				
2012-2013		273,243	1,205,976	1,955,689	1,853,607	1,976,737					
2013-2014		31,256	1,896,999	2,258,871	2,322,259						
2014-2015		1,017,660	1,717,773	3,279,690							
2015-2016		729,306	1,810,500								
2016-2017		289,949									
2017-2018											

Reported Loss Development Factors:

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
1999-2000		3.534	1.679	1.680	0.931	1.021	1.069	1.025	1.000	1.000	1.000
2000-2001		3.999	4.438	1.251	1.018	0.960	1.000	1.000	1.000	1.000	1.000
2001-2002		7.237	0.931	1.274	1.236	0.998	1.000	1.000	1.000	1.000	1.000
2002-2003		11.518	1.723	1.162	0.887	1.000	1.000	1.000	1.000	1.000	1.000
2003-2004	6.384	3.402	1.932	0.956	0.896	1.000	1.000	1.000	1.000	1.000	1.000
2004-2005		3.363	1.155	1.156	1.041	0.984	1.008	1.013	0.998	1.000	1.000
2005-2006		1.463	1.019	1.124	0.988	0.998	0.986	1.000	1.014	0.986	1.000
2006-2007	4.484	2.036	1.279	1.274	0.989	1.009	1.018	1.028	0.998	1.000	1.000
2007-2008		3.208	1.151	1.003	1.034	1.020	1.104	0.964	1.000	1.000	
2008-2009		2.329	1.070	0.871	1.005	1.000	1.000	1.000	1.000		
2009-2010	4.251	2.894	1.504	0.989	1.207	1.044	1.078	0.952			
2010-2011	9.199	1.457	1.541	1.281	1.200	1.169	0.965				
2011-2012		20.689	2.246	1.070	0.957	1.000					
2012-2013		4.414	1.622	0.948	1.066						
2013-2014		60.692	1.191	1.028							
2014-2015		1.688	1.909								
2015-2016		2.482									
2016-2017											

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
Average Dollar-Weighted Averages	6.080	8.024	1.649	1.138	1.033	1.016	1.019	0.998	1.001	0.998	1.000
3-yr		3.051	1.555	1.015	1.059	1.062	1.029	0.964	0.999	0.996	1.000
4-yr		3.232	1.657	1.054	1.107	1.052	1.055	0.990	1.002	0.997	1.000
Comparative Factors	2.945	1.254	1.006	0.965	0.972	1.000	1.000	1.000	1.000	1.000	1.000
Prior	5.000	4.500	1.700	1.150	1.100	1.035	1.025	1.010	1.005	1.000	1.000
Selected	5.000	4.500	1.700	1.150	1.100	1.035	1.025	1.010	1.005	1.000	1.000
Cumulated	52.090	10.418	2.315	1.362	1.184	1.076	1.040	1.015	1.005	1.000	1.000

ERMA - Employment Practices Liability  
Reported Loss DevelopmentSIR Losses Reported as of:

Accident Year	138 Months	150 Months	162 Months	174 Months	186 Months	198 Months	210 Months	222 Months
1999-2000	2,351,151	2,351,151	2,351,151	2,351,151	2,351,151	2,351,151	2,351,151	2,351,151
2000-2001	2,245,413	2,245,413	2,245,413	2,245,413	2,245,413	2,245,413	2,245,413	
2001-2002	751,089	751,089	751,089	751,089	751,089	751,089		
2002-2003	2,992,869	2,992,869	2,992,869	2,992,869	2,992,869			
2003-2004	1,973,193	1,973,193	1,973,193	1,973,193				
2004-2005	6,416,832	6,416,832	6,416,832					
2005-2006	3,616,204	3,616,204						
2006-2007	5,810,921							
2007-2008								
2008-2009								
2009-2010								
2010-2011								
2011-2012								
2012-2013								
2013-2014								
2014-2015								
2015-2016								
2016-2017								
2017-2018								

Reported Loss Development Factors:

	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-Ult. Months
1999-2000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2000-2001	1.000	1.000	1.000	1.000	1.000	1.000		
2001-2002	1.000	1.000	1.000	1.000	1.000			
2002-2003	1.000	1.000	1.000	1.000				
2003-2004	1.000	1.000	1.000					
2004-2005	1.000	1.000						
2005-2006	1.000							
2006-2007								
2007-2008								
2008-2009								
2009-2010								
2010-2011								
2011-2012								
2012-2013								
2013-2014								
2014-2015								
2015-2016								
2016-2017								

	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-Ult. Months
Average Dollar-Weighted Averages	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
3-yr	1.000	1.000	1.000	1.000	1.000			
4-yr	1.000	1.000	1.000	1.000				
Comparative Factors	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Prior	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Selected	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulated	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

## ERMA - Employment Practices Liability

## Paid Loss Development

Accident Year (A)	SIR Paid Losses as of 12/31/17 (B)	Paid Loss Development Factor (C)	Ultimate SIR Losses (D)	Program Paid Losses of 12/31/17 (E)	Paid Loss Development Factor (F)	Ultimate Program Losses (G)
1999-2000	2,351,151	1.000	2,351,151	2,351,151	1.000	2,351,151
2000-2001	2,245,413	1.000	2,245,413	2,245,413	1.000	2,245,413
2001-2002	751,089	1.000	751,089	751,089	1.000	751,089
2002-2003	2,992,869	1.000	2,992,869	2,992,869	1.000	2,992,869
2003-2004	1,973,193	1.000	1,973,193	1,973,193	1.000	1,973,193
2004-2005	6,416,832	1.000	6,416,832	6,416,832	1.000	6,416,832
2005-2006	3,616,204	1.000	3,616,204	3,616,204	1.000	3,616,204
2006-2007	5,810,921	1.000	5,810,921	5,810,921	1.000	5,810,921
2007-2008	3,528,296	1.000	3,528,296	3,528,296	1.000	3,528,296
2008-2009	1,211,783	1.000	1,211,783	1,211,783	1.000	1,211,783
2009-2010	3,281,809	1.007	3,304,782	3,281,809	1.007	3,304,782
2010-2011	1,825,609	1.022	1,865,772	1,825,609	1.022	1,865,772
2011-2012	1,916,982	1.048	2,008,997	1,916,982	1.048	2,008,997
2012-2013	1,829,899	1.127	2,062,296	1,829,899	1.127	2,062,296
2013-2014	1,943,037	1.257	2,442,398	1,943,037	1.257	2,442,398
2014-2015	1,928,300	1.948	3,756,328	1,928,300	1.948	3,756,328
2015-2016	817,393	6.818	5,572,985	817,393	6.818	5,572,985
2016-2017	12,475	57.953	722,964	12,475	57.953	722,964
2017-2018	0	1,159.060	0	0	1,159.060	0
Totals	\$44,453,255		\$52,634,273	\$44,453,255		\$52,634,273

## Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Authority. These losses exclude amounts over the SIR.
- (C) From Appendix B, Page 2.
- (D) (B) x (C). These estimated losses exclude amounts over the SIR.
- (E) Losses capped at the Authority's SIR. Amounts are provided by the Authority.
- (F) Derived from factors on Appendix B, Page 4.
- (G) (E) x (F).

This method tends to understate ultimate losses for the most recent several years because the large losses for those years generally have not yet emerged at the time of our review.

This exhibit shows the calculation of estimated ultimate losses for each year based on paid losses as reported by the claims administrator. These losses tend to "develop" or change from period to period as more information becomes available about the cases. This development tends to follow quantifiable patterns over time.

ERMA - Employment Practices Liability  
Paid Loss Development

Accident Year	SIR Losses Paid as of:										
	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months
1999-2000		84,796	654,004	948,655	1,720,889	2,094,455	2,145,911	2,151,698	2,351,151	2,351,151	2,351,151
2000-2001		103,442	228,610	1,077,758	1,936,672	2,117,775	2,245,413	2,244,341	2,244,341	2,244,341	2,245,413
2001-2002		18,973	263,686	451,268	576,966	752,636	751,089	751,089	751,089	751,089	751,089
2002-2003			1,433,167	2,381,104	3,149,097	2,992,869	2,992,869	2,992,869	2,992,869	2,992,869	2,992,869
2003-2004		138,865	1,155,894	1,593,147	1,770,076	1,973,193	1,973,193	1,973,193	1,973,193	1,973,193	1,973,193
2004-2005		1,133,995	2,363,751	4,458,655	5,423,096	6,155,120	6,293,430	6,293,630	6,416,743	6,416,832	6,416,832
2005-2006		769,636	2,219,544	2,483,328	3,410,280	3,509,439	3,591,204	3,616,204	3,616,204	3,666,204	3,616,204
2006-2007		474,344	1,426,238	3,925,042	4,259,620	5,516,959	5,569,281	5,589,452	5,809,962	5,810,921	5,810,921
2007-2008		306,572	1,656,030	2,242,071	2,890,035	2,934,188	3,218,867	3,463,290	3,529,825	3,528,296	3,528,296
2008-2009		82,469	606,882	797,011	1,205,499	1,211,598	1,211,783	1,211,783	1,211,783	1,211,783	
2009-2010	3,935	10,263	774,363	1,189,791	1,917,061	2,224,582	2,953,332	3,279,951	3,281,809		
2010-2011		77,828	297,686	566,584	1,253,035	1,349,213	1,824,935	1,825,609			
2011-2012		35,318	224,951	1,391,970	1,788,689	1,916,982	1,916,982				
2012-2013		469	417,576	1,326,002	1,766,562	1,829,899					
2013-2014			233,903	1,250,117	1,943,037						
2014-2015		75,635	637,301	1,928,300							
2015-2016		37,637	817,393								
2016-2017		12,475									
2017-2018											

## Paid Loss Development Factors:

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months
1999-2000		7.713	1.451	1.814	1.217	1.025	1.003	1.093	1.000	1.000	1.000
2000-2001		2.210	4.714	1.797	1.094	1.060	1.000	1.000	1.000	1.000	1.000
2001-2002		13.898	1.711	1.279	1.304	0.998	1.000	1.000	1.000	1.000	1.000
2002-2003			1.661	1.323	0.950	1.000	1.000	1.000	1.000	1.000	1.000
2003-2004		8.324	1.378	1.111	1.115	1.000	1.000	1.000	1.000	1.000	1.000
2004-2005		2.084	1.886	1.216	1.135	1.022	1.000	1.020	1.000	1.000	1.000
2005-2006		2.884	1.119	1.373	1.029	1.023	1.007	1.000	1.014	0.986	1.000
2006-2007		3.007	2.752	1.085	1.295	1.009	1.004	1.039	1.000	1.000	1.000
2007-2008		5.402	1.354	1.289	1.015	1.097	1.076	1.019	1.000	1.000	
2008-2009		7.359	1.313	1.513	1.005	1.000	1.000	1.000	1.000		
2009-2010	2.608	75.452	1.536	1.611	1.160	1.328	1.111	1.001			
2010-2011		3.825	1.903	2.212	1.077	1.353	1.000				
2011-2012		6.369	6.188	1.285	1.072	1.000					
2012-2013		890.354	3.175	1.332	1.036						
2013-2014			5.345	1.554							
2014-2015		8.426	3.026								
2015-2016		21.718									
2016-2017											
Average	2.608	70.602	2.532	1.453	1.107	1.070	1.017	1.016	1.001	0.998	1.000
Dollar-Weighted											
Averages											
3-yr			3.495	1.386	1.060	1.219	1.055	1.009	1.000	0.996	1.000
4-yr			3.895	1.489	1.089	1.180	1.062	1.021	1.003	0.997	1.000
Comparative											
Factors	4.218	2.117	1.446	1.151	1.057	1.033	1.015	1.010	1.008	1.008	1.006
Prior	20.000	8.500	3.500	1.550	1.115	1.075	1.025	1.015	1.007	1.000	1.000
Selected	20.000	8.500	3.500	1.550	1.115	1.075	1.025	1.015	1.007	1.000	1.000
Cumulated	1,159.060	57.953	6.818	1.948	1.257	1.127	1.048	1.022	1.007	1.000	1.000

ERMA - Employment Practices Liability  
Paid Loss Development

Accident Year	<u>SIR Losses Paid as of:</u>							
	138 Months	150 Months	162 Months	174 Months	186 Months	198 Months	210 Months	222 Months
1999-2000	2,351,151	2,351,151	2,351,151	2,351,151	2,351,151	2,351,151	2,351,151	2,351,151
2000-2001	2,245,413	2,245,413	2,245,413	2,245,413	2,245,413	2,245,413	2,245,413	2,245,413
2001-2002	751,089	751,089	751,089	751,089	751,089	751,089		
2002-2003	2,992,869	2,992,869	2,992,869	2,992,869	2,992,869			
2003-2004	1,973,193	1,973,193	1,973,193	1,973,193				
2004-2005	6,416,832	6,416,832	6,416,832					
2005-2006	3,616,204	3,616,204						
2006-2007	5,810,921							
2007-2008								
2008-2009								
2009-2010								
2010-2011								
2011-2012								
2012-2013								
2013-2014								
2014-2015								
2015-2016								
2016-2017								
2017-2018								

Paid Loss Development Factors:

	138-150 Months	150-162 Months	162-174 Months	174-186 Months	186-198 Months	198-210 Months	210-222 Months	222-Ult. Months
1999-2000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2000-2001	1.000	1.000	1.000	1.000	1.000	1.000		
2001-2002	1.000	1.000	1.000	1.000	1.000			
2002-2003	1.000	1.000	1.000	1.000				
2003-2004	1.000	1.000	1.000					
2004-2005	1.000	1.000						
2005-2006	1.000							
2006-2007								
2007-2008								
2008-2009								
2009-2010								
2010-2011								
2011-2012								
2012-2013								
2013-2014								
2014-2015								
2015-2016								
2016-2017								
Average Dollar-Weighted Averages	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
3-yr	1.000	1.000	1.000	1.000	1.000			
4-yr	1.000	1.000	1.000	1.000				
Comparative Factors	1.006	1.004	1.004	1.002	1.002	1.001	1.001	1.003
Prior	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Selected	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulated	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000



## ERMA - Employment Practices Liability

Exposure and Development Method  
Based on Reported Losses

Accident Year	Trended Payroll (\$00) (A)	Reported Losses as of 12/31/17 (B)	Loss Development Factor (C)	Percentage of Losses Yet to Be Reported (D)	Program Rate (E)	Incurred but not Reported (IBNR) (F)	Ultimate Program Losses (G)
1999-2000	8,747,742	2,351,151	1.000	0.000	0.269	0	2,351,151
2000-2001	9,065,723	2,245,413	1.000	0.000	0.248	0	2,245,413
2001-2002	10,023,099	751,089	1.000	0.000	0.075	0	751,089
2002-2003	11,525,011	2,992,869	1.000	0.000	0.260	0	2,992,869
2003-2004	13,140,086	1,973,193	1.000	0.000	0.150	0	1,973,193
2004-2005	12,721,247	6,416,832	1.000	0.000	0.504	0	6,416,832
2005-2006	12,920,221	3,616,204	1.000	0.000	0.280	0	3,616,204
2006-2007	14,468,614	5,810,921	1.000	0.000	0.402	0	5,810,921
2007-2008	15,810,798	3,528,296	1.000	0.000	0.223	0	3,528,296
2008-2009	15,504,253	1,211,783	1.000	0.000	0.078	0	1,211,783
2009-2010	13,640,881	3,281,809	1.005	0.005	0.241	16,437	3,298,246
2010-2011	12,611,478	1,825,609	1.015	0.015	0.145	27,430	1,853,039
2011-2012	12,207,711	1,916,982	1.040	0.038	0.157	72,831	1,989,813
2012-2013	11,704,779	1,976,737	1.076	0.071	0.254	211,084	2,187,821
2013-2014	11,970,086	2,322,259	1.184	0.155	0.262	486,105	2,808,364
2014-2015	12,384,706	3,279,690	1.362	0.266	0.270	889,470	4,169,160
2015-2016	12,793,601	1,810,500	2.315	0.568	0.278	2,020,161	3,830,661
2016-2017	13,916,304	289,949	10.418	0.904	0.286	3,597,977	3,887,926
2017-2018	14,246,238		52.090	0.981	0.295	4,122,790	4,122,790
Totals	239,402,578	\$47,601,286				\$11,444,285	\$59,045,571

## Notes:

- (A) From Appendix L, Column (C).
- (B) Provided by the Authority. These losses exclude amounts incurred above the Authority's SIR for each year.
- (C) From Appendix A, Page 1, Column (F).
- (D)  $1 - 1/(C)$ .
- (E) From Appendix C, Page 3, Column (H).
- (F)  $(A) \times (D) \times (E)$ .
- (G)  $(B) + (F)$ .

This exhibit shows the calculation of ultimate losses based on the assumption that there is an underlying relationship between losses and exposure that changes in regular ways over time. The method relies on the premise that the losses that are currently unreported will cost what this relationship would suggest.

## ERMA - Employment Practices Liability

Exposure and Development Method  
Based on Paid Losses

Accident Year	Trended Payroll (\$00) (A)	Paid Losses as of 12/31/17 (B)	Loss Development Factor (C)	Percentage of Losses Yet to Be Paid (D)	Program Rate (E)	Incurred but not Paid (F)	Ultimate Program Losses (G)
1999-2000	8,747,742	2,351,151	1.000	0.000	0.269	0	2,351,151
2000-2001	9,065,723	2,245,413	1.000	0.000	0.248	0	2,245,413
2001-2002	10,023,099	751,089	1.000	0.000	0.075	0	751,089
2002-2003	11,525,011	2,992,869	1.000	0.000	0.260	0	2,992,869
2003-2004	13,140,086	1,973,193	1.000	0.000	0.150	0	1,973,193
2004-2005	12,721,247	6,416,832	1.000	0.000	0.504	0	6,416,832
2005-2006	12,920,221	3,616,204	1.000	0.000	0.280	0	3,616,204
2006-2007	14,468,614	5,810,921	1.000	0.000	0.402	0	5,810,921
2007-2008	15,810,798	3,528,296	1.000	0.000	0.223	0	3,528,296
2008-2009	15,504,253	1,211,783	1.000	0.000	0.078	0	1,211,783
2009-2010	13,640,881	3,281,809	1.007	0.007	0.241	23,012	3,304,821
2010-2011	12,611,478	1,825,609	1.022	0.022	0.145	40,231	1,865,840
2011-2012	12,207,711	1,916,982	1.048	0.046	0.157	88,164	2,005,146
2012-2013	11,704,779	1,829,899	1.127	0.113	0.254	335,951	2,165,850
2013-2014	11,970,086	1,943,037	1.257	0.204	0.262	639,777	2,582,814
2014-2015	12,384,706	1,928,300	1.948	0.487	0.270	1,628,465	3,556,765
2015-2016	12,793,601	817,393	6.818	0.853	0.278	3,033,798	3,851,191
2016-2017	13,916,304	12,475	57.953	0.983	0.286	3,912,402	3,924,877
2017-2018	14,246,238		1,159.060	0.999	0.295	4,198,438	4,198,438
Totals	239,402,578	\$44,453,255				\$13,900,238	\$58,353,493

## Notes:

- (A) From Appendix L, Column (C).
- (B) Provided by the Authority. These losses exclude amounts paid above the Authority's SIR for each year.
- (C) From Appendix B, Page 1, Column (F).
- (D)  $1 - 1/(C)$ .
- (E) From Appendix C, Page 3, Column (H).
- (F)  $(A) \times (D) \times (E)$ .
- (G)  $(B) + (F)$ .

This exhibit shows the calculation of ultimate losses based on the assumption that there is an underlying relationship between losses and exposure that changes in regular ways over time. The method relies on the premise that the losses that are currently unpaid will cost what this relationship would suggest.

## ERMA - Employment Practices Liability

## Exposure and Development Method

Accident Year	Trended Payroll (\$00) (A)	Ultimate SIR Losses (B)	Trend Factor (C)	Trended SIR Losses (D)	Trended SIR Loss Rate (E)	SIR Loss Rate (F)	Factor to SIR (G)	Program Loss Rate (H)
1999-2000	8,747,742	2,351,151	1.704	4,006,361	0.458	0.269	1.000	0.269
2000-2001	9,065,723	2,245,413	1.654	3,713,913	0.410	0.248	1.000	0.248
2001-2002	10,023,099	751,089	1.606	1,206,249	0.120	0.075	1.000	0.075
2002-2003	11,525,011	2,992,869	1.559	4,665,883	0.405	0.260	1.000	0.260
2003-2004	13,140,086	1,973,193	1.513	2,985,441	0.227	0.150	1.000	0.150
2004-2005	12,721,247	6,416,832	1.469	9,426,326	0.741	0.504	1.000	0.504
2005-2006	12,920,221	3,616,204	1.426	5,156,707	0.399	0.280	1.000	0.280
2006-2007	14,468,614	5,810,921	1.385	8,048,126	0.556	0.402	1.000	0.402
2007-2008	15,810,798	3,528,296	1.345	4,745,558	0.300	0.223	1.000	0.223
2008-2009	15,504,253	1,211,783	1.306	1,582,589	0.102	0.078	1.000	0.078
2009-2010	13,640,881	3,281,809	1.267	4,158,052	0.305	0.241	1.000	0.241
2010-2011	12,611,478	1,825,609	1.231	2,247,325	0.178	0.145	1.000	0.145
2011-2012	12,207,711	1,916,982	1.195	2,290,793	0.188	0.157	1.000	0.157
2012-2013	11,704,779	2,095,000	1.160	2,430,200	0.208	0.254	1.000	0.254
2013-2014	11,970,086	2,596,000	1.126	2,923,096	0.244	0.262	1.000	0.262
2014-2015	12,384,706	4,112,000	1.093	4,494,416	0.363	0.270	1.000	0.270
2015-2016	12,793,601	4,260,000	1.061	4,519,860	0.353	0.278	1.000	0.278
2016-2017	13,916,304	3,021,000	1.030	3,111,630	0.224	0.286	1.000	0.286
2017-2018	14,246,238		1.000			0.295	1.000	0.295
Total/Avg	239,402,578	\$54,006,151		\$71,712,525	\$0.319			
11/12-15/16	61,060,883	14,979,982		16,658,365	0.273			
13/14-16/17	51,064,697	13,989,000		15,049,002	0.295			
Selected SIR Rate:					\$0.295			
Prior:					\$0.305			

## Notes:

- (A) From Appendix L, Column (C).
- (B) Selected average of results from Appendices A and B.
- (C) From Appendix E, Page 1, Column (B).
- (D) (B) x (C).
- (E) (D) / (A).
- (F) Selected SIR Rate / (C). For 2011-2012 and prior (B) / (A).
- (G) Based on a Burr distribution, a mathematical model of claim sizes.
- (H) (F) x (G).

This exhibit shows the calculation of the underlying historical relationship between losses and exposure that is needed to apply the estimation methods shown on pages 1 and 2 of this Appendix.

## ERMA - Employment Practices Liability

## Frequency and Severity Method

Accident Year	Ultimate Program Severity (A)	Adjusted Ultimate Claims (B)	Ultimate Program Losses (C)
1999-2000	195,929	12	2,351,148
2000-2001	224,541	10	2,245,410
2001-2002	62,591	12	751,092
2002-2003	149,643	20	2,992,860
2003-2004	151,784	13	1,973,192
2004-2005	305,563	21	6,416,823
2005-2006	200,900	18	3,616,200
2006-2007	242,122	24	5,810,928
2007-2008	126,011	28	3,528,308
2008-2009	100,982	12	1,211,784
2009-2010	156,277	21	3,281,817
2010-2011	152,134	12	1,825,608
2011-2012	212,998	9	1,916,982
2012-2013	218,839	13	2,844,907
2013-2014	220,941	12	2,651,292
2014-2015	223,301	16	3,572,816
2015-2016	225,711	19	4,288,509
2016-2017	227,723	17	3,871,291
2017-2018	230,000	19	4,370,000
Total		308	\$59,520,967

## Notes:

- (A) From Appendix D, Page 2, Column (H).  
 (B) From Appendix D, Page 2, Column (B).  
 (C) (A) x (B).

This exhibit shows the calculation of the estimated ultimate losses for each year based on the observed average frequency and severity of claims.

## ERMA - Employment Practices Liability

## Frequency and Severity Method

Accident Year	Ultimate SIR Losses (A)	Adjusted Ultimate Claims (B)	Ultimate SIR Severity (C)	Trend Factor (D)	Trended SIR Severity (E)	SIR Severity (F)	Factor to SIR (G)	Program Severity (H)
1999-2000	2,351,151	12	195,929	1.196	234,331	195,929	1.000	195,929
2000-2001	2,245,413	10	224,541	1.184	265,857	224,541	1.000	224,541
2001-2002	751,089	12	62,591	1.173	73,419	62,591	1.000	62,591
2002-2003	2,992,869	20	149,643	1.161	173,736	149,643	1.000	149,643
2003-2004	1,973,193	13	151,784	1.150	174,552	151,784	1.000	151,784
2004-2005	6,416,832	21	305,563	1.138	347,731	305,563	1.000	305,563
2005-2006	3,616,204	18	200,900	1.126	226,213	200,900	1.000	200,900
2006-2007	5,810,921	24	242,122	1.116	270,208	242,122	1.000	242,122
2007-2008	3,528,296	28	126,011	1.105	139,242	126,011	1.000	126,011
2008-2009	1,211,783	12	100,982	1.094	110,474	100,982	1.000	100,982
2009-2010	3,281,809	21	156,277	1.083	169,248	156,277	1.000	156,277
2010-2011	1,825,609	12	152,134	1.073	163,240	152,134	1.000	152,134
2011-2012	1,916,982	9	212,998	1.062	226,204	212,998	1.000	212,998
2012-2013	2,136,000	13	164,308	1.051	172,688	218,839	1.000	218,839
2013-2014	2,646,000	12	220,500	1.041	229,541	220,941	1.000	220,941
2014-2015	3,863,000	16	241,438	1.030	248,681	223,301	1.000	223,301
2015-2016	3,841,000	19	202,158	1.019	205,999	225,711	1.000	225,711
2016-2017	3,906,000	17	229,765	1.010	232,063	227,723	1.000	227,723
2017-2018	4,161,000	19	219,000	1.000	219,000	230,000	1.000	230,000

Average SIR Severity: \$204,338  
Average 11/12-15/16 SIR Severity: 216,623  
Average 13/14-16/17 SIR Severity: 229,071

Selected SIR Severity: \$230,000  
Prior: \$242,500

## Notes:

- (A) Selected average of results from Appendices A, B, and C.
- (B) Appendix D, Page 3, Column (C).
- (C) (A) / (B).
- (D) From Appendix E, Page 1, Column (J).
- (E) (C) x (D).
- (F) Selected Limited Severity / (D).
- (G) Based on a Burr distribution, a mathematical model of claim sizes.
- (H) (F) x (G).

This exhibit shows the calculation of the historical average cost per claim, or severity. The observed average severity is used in the method shown on page 1 of this Appendix.

## ERMA - Employment Practices Liability

Frequency and Severity Method  
Projection of Ultimate Claims

Accident Year	Reported Claim Development (A)	Closed Claim Development (B)	Selected Ultimate Claims (C)	Trended Payroll (\$000,000) (D)	Claim Frequency (E)	Trend Factor (F)	Trended Claim Frequency (G)
1999-2000	12	12	12	874.8	0.014	1.428	0.020
2000-2001	10	10	10	906.6	0.011	1.400	0.015
2001-2002	12	12	12	1,002.3	0.012	1.372	0.016
2002-2003	20	20	20	1,152.5	0.017	1.345	0.023
2003-2004	13	13	13	1,314.0	0.010	1.319	0.013
2004-2005	21	21	21	1,272.1	0.017	1.293	0.022
2005-2006	18	18	18	1,292.0	0.014	1.268	0.018
2006-2007	24	24	24	1,446.9	0.017	1.243	0.021
2007-2008	28	28	28	1,581.1	0.018	1.219	0.022
2008-2009	12	12	12	1,550.4	0.008	1.195	0.010
2009-2010	21	21	21	1,364.1	0.015	1.172	0.018
2010-2011	12	12	12	1,261.1	0.010	1.149	0.011
2011-2012	9	10	9	1,220.8	0.007	1.126	0.008
2012-2013	13	15	13	1,170.5	0.011	1.105	0.012
2013-2014	12	13	12	1,197.0	0.010	1.083	0.011
2014-2015	16	16	16	1,238.5	0.013	1.061	0.014
2015-2016	19	22	19	1,279.4	0.015	1.041	0.016
2016-2017	17	0	17	1,391.6	0.012	1.020	0.012
2017-2018	0	0	19	1,424.6	0.013	1.000	0.013
Total	289	279	308	23,940.3			0.015
11/12-15/16	69	76	69	6,106.1			0.012
(H) Selected Frequency: Prior:							0.013 0.012
Program Year:				2017-2018	2018-2019		
(I) Trend Factor:				1.000	1.020		
(J) Selected Frequency:				0.013	0.013		
(K) Est. Payroll (\$000,000):				1,424.6	1,438.9		
(L) Ultimate Claims:				19	19		

## Notes:

- (A) From Appendix D, Page 4, (C).  
 (B) From Appendix D, Page 5, (C).  
 (C) Selected from (A) and (B).  
 (D) From Appendix L, Column (C) / 10,000.  
 (E) (C) / (D).  
 (F) From Appendix E, Page 1, Column (H).  
 (G) (E) x (F).  
 (H) The selected frequency of 0.013 is based on (G).  
 (I) From Appendix E, Page 1, Column (H).  
 (J) (H) x (I).  
 (K) From Appendix L, Column (C) / 10,000.  
 (L) (J) x (K).

This exhibit summarizes the estimated numbers of claims and shows the estimated frequencies per \$1,000,000 of trended payroll.

## ERMA - Employment Practices Liability

Frequency and Severity Method  
Reported Claim Count Development

Accident Year	Claims Reported as of 12/31/2017 (A)	Reported Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
1999-2000	12	1.000	12	0.020
2000-2001	10	1.000	10	0.015
2001-2002	12	1.000	12	0.016
2002-2003	20	1.000	20	0.023
2003-2004	13	1.000	13	0.013
2004-2005	21	1.000	21	0.021
2005-2006	18	1.000	18	0.018
2006-2007	24	1.000	24	0.021
2007-2008	28	1.000	28	0.022
2008-2009	12	1.000	12	0.009
2009-2010	21	1.000	21	0.018
2010-2011	12	1.000	12	0.011
2011-2012	9	1.000	9	0.008
2012-2013	13	1.000	13	0.012
2013-2014	12	1.010	12	0.011
2014-2015	15	1.055	16	0.014
2015-2016	16	1.187	19	0.015
2016-2017	5	3.324	17	0.012
2017-2018	0	16.620	0	
Total	273		289	0.015

## Notes:

- (A) Provided by the Authority.
- (B) From Appendix D, Page 6.
- (C) (A) x (B).
- (D) (C) / [Appendix D, Page 3, (D)] x [Appendix D, Page 3, (F)].

This exhibit shows the calculation of estimated ultimate claims for each year based on reported claims as provided by the Authority. These numbers of claims tend to "develop" or change from period to period as more claims are filed. This development tends to follow quantifiable patterns over time.

## ERMA - Employment Practices Liability

Frequency and Severity Method  
Closed Claim Count Development

Accident Year	Claims Closed as of 12/31/2017 (A)	Closed Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
1999-2000	12	1.000	12	0.020
2000-2001	10	1.000	10	0.015
2001-2002	12	1.000	12	0.016
2002-2003	20	1.000	20	0.023
2003-2004	13	1.000	13	0.013
2004-2005	21	1.000	21	0.021
2005-2006	18	1.000	18	0.018
2006-2007	24	1.000	24	0.021
2007-2008	28	1.000	28	0.022
2008-2009	12	1.000	12	0.009
2009-2010	21	1.010	21	0.018
2010-2011	12	1.035	12	0.011
2011-2012	9	1.087	10	0.009
2012-2013	12	1.223	15	0.014
2013-2014	9	1.437	13	0.012
2014-2015	7	2.227	16	0.014
2015-2016	5	4.454	22	0.018
2016-2017	0	16.480	0	
2017-2018	0	329.600	0	
Total	245		279	0.014

## Notes:

- (A) Provided by the Authority.
- (B) From Appendix D, Page 7.
- (C) (A) x (B).
- (D) (C) / [Appendix D, Page 3, (D)] x [Appendix D, Page 3, (F)].

This exhibit shows the calculation of estimated ultimate claims for each year based on closed claims as provided by the Authority. These numbers of closed claims tend to "develop" or change from period to period as more claims are closed. This development tends to follow quantifiable patterns over time.



ERMA - Employment Practices Liability  
Reported Claim Count Development

Claims Reported as of:

Accident Year	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months	138 Months	150 Months	162 Months
1999-2000		4	8	8	10	10	11	12	12	12	12	12	12	12
2000-2001		2	5	9	9	9	10	9	9	9	10	10	10	10
2001-2002		3	9	10	12	12	12	12	12	12	12	12	12	12
2002-2003		4	16	19	20	20	20	20	20	20	20	20	20	20
2003-2004	1	5	11	14	13	13	13	13	13	13	13	13	13	13
2004-2005		6	21	20	20	20	20	21	21	21	21	21	21	21
2005-2006		17	18	17	18	18	19	18	18	18	18	18	18	
2006-2007	1	3	22	23	23	23	23	24	24	24	24	24		
2007-2008		14	24	25	27	27	28	28	28	28	28			
2008-2009		8	12	12	12	12	12	12	12	12				
2009-2010	2	10	20	23	21	21	21	21	21					
2010-2011	1	7	8	11	11	12	12	12						
2011-2012		2	9	10	10	9	9							
2012-2013		4	9	11	13	13								
2013-2014		3	11	12	12									
2014-2015		4	12	15										
2015-2016		10	16											
2016-2017		5												
2017-2018														

Reported Claim Count Development Factors:

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months	138-150 Months	150-162 Months	162-174 Months
1999-2000		2.000	1.000	1.250	1.000	1.100	1.091	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2000-2001		2.500	1.800	1.000	1.000	1.111	0.900	1.000	1.000	1.111	1.000	1.000	1.000	1.000
2001-2002		3.000	1.111	1.200	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2002-2003		4.000	1.188	1.053	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2003-2004	5.000	2.200	1.273	0.929	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2004-2005		3.500	0.952	1.000	1.000	1.000	1.050	1.000	1.000	1.000	1.000	1.000	1.000	
2005-2006		1.059	0.944	1.059	1.000	1.056	0.947	1.000	1.000	1.000	1.000	1.000		
2006-2007	3.000	7.333	1.045	1.000	1.000	1.000	1.043	1.000	1.000	1.000	1.000			
2007-2008		1.714	1.042	1.080	1.000	1.037	1.000	1.000	1.000	1.000				
2008-2009		1.500	1.000	1.000	1.000	1.000	1.000	1.000	1.000					
2009-2010	5.000	2.000	1.150	0.913	1.000	1.000	1.000	1.000						
2010-2011	7.000	1.143	1.375	1.000	1.091	1.000	1.000							
2011-2012		4.500	1.111	1.000	0.900	1.000								
2012-2013		2.250	1.222	1.182	1.000									
2013-2014		3.667	1.091	1.000										
2014-2015		3.000	1.250											
2015-2016		1.600												
2016-2017														
Average Claim-Weighted Averages	5.000	2.763	1.160	1.044	0.999	1.023	1.003	1.000	1.000	1.012	1.000	1.000	1.000	1.000
3-yr		2.294	1.188	1.061	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
4-yr		2.286	1.171	1.045	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Comparative Factors	2.633	1.136	1.018	1.005	1.005	1.004	1.004	1.002	1.002	1.001	1.000	1.000	1.000	1.000
Prior	5.000	2.800	1.125	1.045	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	5.000	2.800	1.125	1.045	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulated	16.620	3.324	1.187	1.055	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

ERMA - Employment Practices Liability  
Closed Claim Development

Accident Year	Claims Closed as of:													
	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months	138 Months	150 Months	162 Months
1999-2000			3	4	8	9	10	10	11	12	12	12	12	12
2000-2001		2	3	5	6	6	10	9	9	9	10	10	10	10
2001-2002		1	3	6	9	12	12	12	12	12	12	12	12	12
2002-2003			7	15	19	20	20	20	20	20	20	20	20	20
2003-2004		2	5	9	9	13	13	13	13	13	13	13	13	13
2004-2005		1	9	14	14	15	20	20	20	21	21	21	21	21
2005-2006		4	12	13	14	17	18	18	18	18	18	18	18	
2006-2007		1	3	13	19	23	23	23	23	24	24	24		
2007-2008		5	9	19	24	24	27	27	28	28	28			
2008-2009		1	7	7	11	12	12	12	12	12				
2009-2010		2	5	10	15	16	20	20	21					
2010-2011		1	4	6	9	10	11	12						
2011-2012		1	1	4	8	9	9							
2012-2013			4	7	11	12								
2013-2014			3	6	9									
2014-2015		1	3	7										
2015-2016			5											
2016-2017														
2017-2018														

Closed Claim Count Development Factors:

	6-18 Months	18-30 Months	30-42 Months	42-54 Months	54-66 Months	66-78 Months	78-90 Months	90-102 Months	102-114 Months	114-126 Months	126-138 Months	138-150 Months	150-162 Months	162-174 Months
1999-2000			1.333	2.000	1.125	1.111	1.000	1.100	1.091	1.000	1.000	1.000	1.000	1.000
2000-2001		1.500	1.667	1.200	1.000	1.667	0.900	1.000	1.000	1.111	1.000	1.000	1.000	1.000
2001-2002		3.000	2.000	1.500	1.333	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2002-2003			2.143	1.267	1.053	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2003-2004		2.500	1.800	1.000	1.444	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2004-2005		9.000	1.556	1.000	1.071	1.333	1.000	1.000	1.050	1.000	1.000	1.000	1.000	
2005-2006		3.000	1.083	1.077	1.214	1.059	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2006-2007		3.000	4.333	1.462	1.211	1.000	1.000	1.000	1.043	1.000	1.000			
2007-2008		1.800	2.111	1.263	1.000	1.125	1.000	1.037	1.000	1.000				
2008-2009		7.000	1.000	1.571	1.091	1.000	1.000	1.000	1.000					
2009-2010		2.500	2.000	1.500	1.067	1.250	1.000	1.050						
2010-2011		4.000	1.500	1.500	1.111	1.100	1.091							
2011-2012		1.000	4.000	2.000	1.125	1.000								
2012-2013			1.750	1.571	1.091									
2013-2014			2.000	1.500										
2014-2015		3.000	2.333											
2015-2016														
2016-2017														
Average Claim-Weighted Averages														
3-yr			2.000	1.647	1.107	1.143	1.023	1.034	1.016	1.000	1.000	1.000	1.000	1.000
4-yr			2.182	1.609	1.093	1.106	1.014	1.024	1.012	1.000	1.000	1.000	1.000	1.000
Comparative Factors														
Prior	3.387	1.495	1.122	1.051	1.033	1.020	1.012	1.010	1.007	1.005	1.005	1.003	1.003	1.001
Selected	20.000	3.700	2.000	1.550	1.175	1.125	1.050	1.025	1.010	1.000	1.000	1.000	1.000	1.000
Cumulated	20.000	3.700	2.000	1.550	1.175	1.125	1.050	1.025	1.010	1.000	1.000	1.000	1.000	1.000
Cumulated	329.600	16.480	4.454	2.227	1.437	1.223	1.087	1.035	1.010	1.000	1.000	1.000	1.000	1.000

## ERMA - Employment Practices Liability

## Loss Trend Factors

Accident Year	Benefit Level Factor (A)	Factor to 2017-2018 Loss Rate Level (B)	Factor to 2018-2019 Loss Rate Level (C)	Factor to 2019-2020 Loss Rate Level (D)	Factor to 2020-2021 Loss Rate Level (E)	Factor to 2017-2018 Frequency Level (F)	Factor to 2018-2019 Frequency Level (G)	Factor to 2019-2020 Frequency Level (H)	Factor to 2020-2021 Frequency Level (I)	Factor to 2017-2018 Severity Level (J)
1996-1997	1.000	1.862	1.918	1.976	2.035	1.516	1.546	1.576	1.608	1.232
1997-1998	1.000	1.808	1.862	1.918	1.976	1.485	1.515	1.545	1.576	1.219
1998-1999	1.000	1.755	1.808	1.862	1.918	1.456	1.486	1.515	1.545	1.208
1999-2000	1.000	1.704	1.755	1.808	1.862	1.428	1.457	1.485	1.515	1.196
2000-2001	1.000	1.654	1.704	1.755	1.808	1.400	1.428	1.456	1.485	1.184
2001-2002	1.000	1.606	1.654	1.704	1.755	1.372	1.400	1.427	1.456	1.173
2002-2003	1.000	1.559	1.606	1.654	1.704	1.345	1.372	1.399	1.427	1.161
2003-2004	1.000	1.513	1.559	1.606	1.654	1.319	1.345	1.372	1.399	1.150
2004-2005	1.000	1.469	1.514	1.559	1.606	1.293	1.319	1.345	1.372	1.138
2005-2006	1.000	1.426	1.469	1.514	1.559	1.268	1.293	1.319	1.345	1.126
2006-2007	1.000	1.385	1.427	1.470	1.514	1.243	1.268	1.293	1.319	1.116
2007-2008	1.000	1.345	1.385	1.427	1.470	1.219	1.243	1.268	1.293	1.105
2008-2009	1.000	1.306	1.345	1.385	1.427	1.195	1.219	1.243	1.268	1.094
2009-2010	1.000	1.267	1.305	1.345	1.385	1.172	1.195	1.219	1.243	1.083
2010-2011	1.000	1.231	1.268	1.306	1.345	1.149	1.172	1.195	1.219	1.073
2011-2012	1.000	1.195	1.231	1.268	1.306	1.126	1.149	1.172	1.195	1.062
2012-2013	1.000	1.160	1.195	1.231	1.268	1.105	1.127	1.149	1.172	1.051
2013-2014	1.000	1.126	1.160	1.195	1.231	1.083	1.105	1.126	1.149	1.041
2014-2015	1.000	1.093	1.126	1.160	1.195	1.061	1.083	1.104	1.126	1.030
2015-2016	1.000	1.061	1.093	1.126	1.160	1.041	1.062	1.082	1.104	1.019
2016-2017	1.000	1.030	1.061	1.093	1.126	1.020	1.040	1.061	1.082	1.010
2017-2018	1.000	1.000	1.030	1.061	1.093	1.000	1.020	1.040	1.061	1.000
2018-2019	1.000	--	1.000	1.030	1.061	--	1.000	1.020	1.040	--
2019-2020	1.000	--	--	1.000	1.030	--	--	1.000	1.020	--
2020-2021	1.000	--	--	--	1.000	--	--	--	1.000	--

## Notes:

- (A) No benefit level adjustment applied.
- (B) - (E) (A) adjusted for a 3.0% annual loss rate trend.
- (F) - (I) (A) adjusted for a 2.0% annual frequency trend.
- (J) (A) adjusted for a 1.0% annual severity trend.

This exhibit shows the calculation of the ways in which we expect claims costs to have changed over the past twenty years due to changes in inflation.

## ERMA - Employment Practices Liability

## Residual Trend Factors

Accident Year	Initial Estimate of Ultimate Limited Losses (A)	Ultimate Reported Claims (B)	BLF (C)	Adjusted Limited Severity (D)	Trended Payroll (\$00) (E)	Ultimate Frequency (F)
1999-2000	2,351,151	12	1.000	195,929	8,747,742	0.014
2000-2001	2,245,413	10	1.000	224,541	9,065,723	0.011
2001-2002	751,089	12	1.000	62,591	10,023,099	0.012
2002-2003	2,992,869	20	1.000	149,643	11,525,011	0.017
2003-2004	1,973,193	13	1.000	151,784	13,140,086	0.010
2004-2005	6,416,832	21	1.000	305,563	12,721,247	0.017
2005-2006	3,616,204	18	1.000	200,900	12,920,221	0.014
2006-2007	5,810,921	24	1.000	242,122	14,468,614	0.017
2007-2008	3,528,296	28	1.000	126,011	15,810,798	0.018
2008-2009	1,211,783	12	1.000	100,982	15,504,253	0.008
2009-2010	3,281,809	21	1.000	156,277	13,640,881	0.015
2010-2011	1,825,609	12	1.000	152,134	12,611,478	0.010
2011-2012	1,916,982	9	1.000	212,998	12,207,711	0.007
2012-2013	2,095,000	13	1.000	161,154	11,704,779	0.011
2013-2014	2,596,000	12	1.000	216,333	11,970,086	0.010
2014-2015	4,112,000	16	1.000	257,000	12,384,706	0.013
2015-2016	4,260,000	19	1.000	224,211	12,793,601	0.015
2016-2017	3,021,000	17	1.000	177,706	13,916,304	0.012

	Severity Trend Factors	Frequency Trend Factors
Latest 10 x 2016-2017	1.053	0.981
Latest 5 x 2016-2017	1.059	1.168
Prior	1.010	1.020
Default	1.030	0.975
Selected Residual Trend	1.010	1.020

## Notes:

- (A) Selected average of results from Appendix A and Appendix B.
- (B) Appendix D, Page 3, Column (C).
- (C) Appendix E, Page 1, (A).
- (D)  $(A) \times (C) / (B)$ .
- (E) From Appendix L, Column (C).
- (F)  $(B) / (E) \times 10,000$ .

## ERMA - Employment Practices Liability

## Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of 12/31/2017</u>	<u>Calendar Period</u>	
		<u>1/1/2018 to 6/30/2018</u>	<u>7/1/2018 to 6/30/2019</u>
Prior			
Ultimate Loss	\$4,596,564	\$4,596,564	\$4,596,564
Paid in Calendar Period	-		
Paid to Date	4,596,564	4,596,564	4,596,564
Outstanding Liability			
2001-2002			
Ultimate Loss	\$751,089	\$751,089	\$751,089
Paid in Calendar Period	-		
Paid to Date	751,089	751,089	751,089
Outstanding Liability			
2002-2003			
Ultimate Loss	\$2,992,869	\$2,992,869	\$2,992,869
Paid in Calendar Period	-		
Paid to Date	2,992,869	2,992,869	2,992,869
Outstanding Liability			
2003-2004			
Ultimate Loss	\$1,973,193	\$1,973,193	\$1,973,193
Paid in Calendar Period	-		
Paid to Date	1,973,193	1,973,193	1,973,193
Outstanding Liability			
2004-2005			
Ultimate Loss	\$6,416,832	\$6,416,832	\$6,416,832
Paid in Calendar Period	-		
Paid to Date	6,416,832	6,416,832	6,416,832
Outstanding Liability			
2005-2006			
Ultimate Loss	\$3,616,204	\$3,616,204	\$3,616,204
Paid in Calendar Period	-		
Paid to Date	3,616,204	3,616,204	3,616,204
Outstanding Liability			
2006-2007			
Ultimate Loss	\$5,810,921	\$5,810,921	\$5,810,921
Paid in Calendar Period	-		
Paid to Date	5,810,921	5,810,921	5,810,921
Outstanding Liability			
2007-2008			
Ultimate Loss	\$3,528,296	\$3,528,296	\$3,528,296
Paid in Calendar Period	-		
Paid to Date	3,528,296	3,528,296	3,528,296
Outstanding Liability			

## ERMA - Employment Practices Liability

## Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of 12/31/2017</u>	<u>Calendar Period</u>	
		<u>1/1/2018 to 6/30/2018</u>	<u>7/1/2018 to 6/30/2019</u>
2008-2009			
Ultimate Loss	\$1,211,783	\$1,211,783	\$1,211,783
Paid in Calendar Period	-		
Paid to Date	1,211,783	1,211,783	1,211,783
Outstanding Liability			
2009-2010			
Ultimate Loss	\$3,281,809	\$3,281,809	\$3,281,809
Paid in Calendar Period	-		
Paid to Date	3,281,809	3,281,809	3,281,809
Outstanding Liability			
2010-2011			
Ultimate Loss	\$1,825,609	\$1,825,609	\$1,825,609
Paid in Calendar Period	-		
Paid to Date	1,825,609	1,825,609	1,825,609
Outstanding Liability			
2011-2012			
Ultimate Loss	\$1,916,982	\$1,916,982	\$1,916,982
Paid in Calendar Period	-		
Paid to Date	1,916,982	1,916,982	1,916,982
Outstanding Liability			
2012-2013			
Ultimate Loss	\$2,101,000	\$2,101,000	\$2,101,000
Paid in Calendar Period	-	80,517	109,205
Paid to Date	1,829,899	1,910,416	2,019,621
Outstanding Liability	271,101	190,584	81,379
2013-2014			
Ultimate Loss	\$2,627,000	\$2,627,000	\$2,627,000
Paid in Calendar Period	-	154,576	264,694
Paid to Date	1,943,037	2,097,613	2,362,307
Outstanding Liability	683,963	529,387	264,693
2014-2015			
Ultimate Loss	\$4,112,000	\$4,112,000	\$4,112,000
Paid in Calendar Period	-	633,273	840,331
Paid to Date	1,928,300	2,561,573	3,401,904
Outstanding Liability	2,183,700	1,550,427	710,096
2015-2016			
Ultimate Loss	\$3,841,000	\$3,841,000	\$3,841,000
Paid in Calendar Period	-	650,076	1,148,789
Paid to Date	817,393	1,467,469	2,616,258
Outstanding Liability	3,023,607	2,373,531	1,224,742

## ERMA - Employment Practices Liability

## Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of</u> <u>12/31/2017</u>	<u>Calendar Period</u>	
		<u>1/1/2018</u> <u>to</u> <u>6/30/2018</u>	<u>7/1/2018</u> <u>to</u> <u>6/30/2019</u>
2016-2017			
Ultimate Loss	\$3,906,000	\$3,906,000	\$3,906,000
Paid in Calendar Period	-	256,973	981,869
Paid to Date	12,475	269,448	1,251,317
Outstanding Liability	3,893,525	3,636,552	2,654,683
2017-2018			
Ultimate Loss	\$2,208,000	\$4,416,000	\$4,416,000
Paid in Calendar Period	-	35,328	324,170
Paid to Date	-	35,328	359,498
Outstanding Liability	2,208,000	4,380,672	4,056,502
2018-2019			
Ultimate Loss	-	-	\$4,590,000
Paid in Calendar Period	-	-	41,310
Paid to Date	-	-	41,310
Outstanding Liability	-	-	4,548,690
Totals			
Ultimate Loss	\$56,717,151	\$58,925,151	\$63,515,151
Paid in Calendar Period	-	1,810,743	3,710,368
Paid to Date	44,453,255	46,263,998	49,974,366
Outstanding Liability	12,263,896	12,661,153	13,540,785
Total Outstanding ULAE	321,639	351,734	400,875
Outstanding Liability plus ULAE	12,585,535	13,012,887	13,941,660

Notes appear on the next page.

## ERMA - Employment Practices Liability

## Payment and Reserve Forecast

Notes to previous page:

- Accident Year is associated with date of loss. Calendar Period is associated with date of transaction. For example, for the losses which occurred during 2015-2016, \$650,076 is expected to be paid between 1/1/18 and 6/30/18, \$1,467,469 will have been paid by 6/30/18, and the reserve for remaining payments on these claims should be \$2,373,531.
- Ultimate Losses for each accident year are from Exhibit 4, Page 1.
- Paid in Calendar Period is a proportion of the Outstanding Liability from the previous calendar period. These proportions are derived from the paid loss development pattern selected in Appendix B. For example,  $\$1,148,789 = \$2,373,531 \times 48.4\%$ .
- Paid to Date is Paid in Calendar Period plus Paid to Date from previous calendar period. For example,  $\$2,616,258 = \$1,148,789 + \$1,467,469$ .
- Outstanding Liability is Ultimate Loss minus Paid to Date. For example,  $\$2,373,531 = \$3,841,000 - \$1,467,469$ .

This exhibit shows the calculation of the liability for outstanding claims as of the date of evaluation, the end of the current fiscal year, and the end of the coming fiscal year. It also shows the expected claims payout during the remainder of the current fiscal year and the coming fiscal year. Refer to the Totals at the end of the exhibit for the balance sheet information. The top parts of the exhibit show information for each program year.



## ERMA - Employment Practices Liability

## Short- and Long-Term Liabilities

<u>Liabilities as of 12/31/17:</u>		<u>Expected</u>	<u>Discounted</u>
<u>Current (Short Term)</u>	Loss and ALAE:	\$3,546,566	\$3,511,623
	ULAE:	84,600	83,766
	Short-Term Loss and LAE:	<u>\$3,631,166</u>	<u>\$3,595,389</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$8,717,331	\$8,262,673
	ULAE:	237,039	225,033
	Long-Term Loss and LAE:	<u>\$8,954,370</u>	<u>\$8,487,706</u>
<u>Total Liability</u>	Loss and ALAE:	\$12,263,896	\$11,774,296
	ULAE:	321,639	308,799
	Total Loss and LAE:	<u>\$12,585,535</u>	<u>\$12,083,095</u>
<u>Liabilities as of 6/30/18:</u>			
<u>Current (Short Term)</u>	Loss and ALAE:	\$3,669,058	\$3,632,909
	ULAE:	103,409	102,390
	Short-Term Loss and LAE:	<u>\$3,772,467</u>	<u>\$3,735,299</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$8,992,095	\$8,541,065
	ULAE:	248,325	235,810
	Long-Term Loss and LAE:	<u>\$9,240,420</u>	<u>\$8,776,875</u>
<u>Total Liability</u>	Loss and ALAE:	\$12,661,153	\$12,173,974
	ULAE:	351,734	338,200
	Total Loss and LAE:	<u>\$13,012,887</u>	<u>\$12,512,174</u>

		<u>Discounted with a Margin for Contingencies</u>				
		<u>70%</u>	<u>75%</u>	<u>80%</u>	<u>85%</u>	<u>90%</u>
		<u>Confidence</u>	<u>Confidence</u>	<u>Confidence</u>	<u>Confidence</u>	<u>Confidence</u>
<u>Liabilities as of 12/31/17:</u>						
<u>Current (Short Term)</u>	Loss and ALAE:	\$4,059,436	\$4,235,017	\$4,442,203	\$4,702,063	\$5,049,714
	ULAE:	96,833	101,022	105,964	112,163	120,456
	Short-Term Loss and LAE:	<u>\$4,156,269</u>	<u>\$4,336,039</u>	<u>\$4,548,167</u>	<u>\$4,814,226</u>	<u>\$5,170,170</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$9,551,650	\$9,964,784	\$10,452,281	\$11,063,719	\$11,881,724
	ULAE:	260,139	271,390	284,667	301,319	323,597
	Long-Term Loss and LAE:	<u>\$9,811,789</u>	<u>\$10,236,174</u>	<u>\$10,736,948</u>	<u>\$11,365,038</u>	<u>\$12,205,321</u>
<u>Total Liability</u>	Loss and ALAE:	\$13,611,086	\$14,199,801	\$14,894,484	\$15,765,782	\$16,931,438
	ULAE:	356,972	372,412	390,631	413,482	444,053
	Total Loss and LAE:	<u>\$13,968,058</u>	<u>\$14,572,213</u>	<u>\$15,285,115</u>	<u>\$16,179,264</u>	<u>\$17,375,491</u>
<u>Liabilities as of 6/30/18:</u>						
<u>Current (Short Term)</u>	Loss and ALAE:	\$4,199,643	\$4,381,288	\$4,595,630	\$4,864,465	\$5,224,123
	ULAE:	118,363	123,482	129,523	137,100	147,237
	Short-Term Loss and LAE:	<u>\$4,318,006</u>	<u>\$4,504,770</u>	<u>\$4,725,153</u>	<u>\$5,001,565</u>	<u>\$5,371,360</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$9,873,471	\$10,300,525	\$10,804,447	\$11,436,486	\$12,282,052
	ULAE:	272,596	284,387	298,300	315,750	339,094
	Long-Term Loss and LAE:	<u>\$10,146,067</u>	<u>\$10,584,912</u>	<u>\$11,102,747</u>	<u>\$11,752,236</u>	<u>\$12,621,146</u>
<u>Total Liability</u>	Loss and ALAE:	\$14,073,114	\$14,681,813	\$15,400,077	\$16,300,951	\$17,506,175
	ULAE:	390,959	407,869	427,823	452,850	486,331
	Total Loss and LAE:	<u>\$14,464,073</u>	<u>\$15,089,682</u>	<u>\$15,827,900</u>	<u>\$16,753,801</u>	<u>\$17,992,506</u>

Note: Current (short term) liabilities are the portion of the total estimated liability shown on Appendix F that is expected to be paid out within the coming year. Totals may vary from Exhibit 1, due to rounding.

## ERMA - Employment Practices Liability

## Discount Factors to be Applied to Overall Reserves

Accident Year	Full Value of Reserve at 12/31/17 (A)	Discount Factor (B)	Discounted Reserve at 12/31/17 (C)	Full Value of Reserve at 6/30/18 (D)	Discount Factor (E)	Discounted Reserve at 6/30/18 (F)
2012-2013	271,101	0.977	264,767	190,584	0.979	186,494
2013-2014	683,963	0.975	666,547	529,387	0.975	516,013
2014-2015	2,183,700	0.973	2,125,260	1,550,427	0.974	1,510,639
2015-2016	3,023,607	0.968	2,925,694	2,373,531	0.972	2,307,403
2016-2017	3,893,525	0.955	3,719,650	3,636,552	0.963	3,502,344
2017-2018	2,208,000	0.939	2,072,378	4,380,672	0.948	4,151,081
Totals	\$12,263,896		\$11,774,296	\$12,661,153		\$12,173,974
(G) Discount Factor at 12/31/17 for Overall Reserve:						0.960
(H) Discount Factor at 6/30/18 for Overall Reserve:						0.962

## Notes:

- (A) From Appendix F, Outstanding Liability at 12/31/17.
- (B) Based on Appendix H, Page 2, Column (E).
- (C) (A) x (B).
- (D) From Appendix F, Outstanding Liability at 6/30/18.
- (E) Based on Appendix H, Page 2, Column (E).
- (F) (D) x (E).
- (G) Total of (C) / Total of (A).
- (H) Total of (F) / Total of (D).

This exhibit shows the expected impact of anticipated investment income on the liability for outstanding claims at the date of evaluation and the end of the current fiscal year. For example, if the discount factor in item (G) is 0.960, the discounted liability for outstanding claims is 96.0% of the full value.

## ERMA - Employment Practices Liability

## Calculation of Discount Factors

Payment Year (A)	Payment Pattern (B)	Return on Investment (C)	Discounted Reserves (D)	Undiscounted Reserves (E)	Discount Factor (F)
22	0.0%	2.0%	0.000	0.000	1.000
21	0.0%	2.0%	0.000	0.000	1.000
20	0.0%	2.0%	0.000	0.000	1.000
19	0.0%	2.0%	0.000	0.000	1.000
18	0.0%	2.0%	0.000	0.000	1.000
17	0.0%	2.0%	0.000	0.000	1.000
16	0.0%	2.0%	0.000	0.000	1.000
15	0.0%	2.0%	0.000	0.000	1.000
14	0.0%	2.0%	0.000	0.000	1.000
13	0.0%	2.0%	0.000	0.000	1.000
12	0.0%	2.0%	0.000	0.000	1.000
11	0.0%	2.0%	0.000	0.000	1.000
10	0.0%	2.0%	0.000	0.000	1.000
9	1.4%	2.0%	0.014	0.014	0.990
8	2.0%	2.0%	0.033	0.034	0.982
7	4.5%	2.0%	0.077	0.079	0.979
6	7.9%	2.0%	0.154	0.158	0.975
5	18.7%	2.0%	0.337	0.346	0.974
4	32.4%	2.0%	0.651	0.670	0.972
3	24.8%	2.0%	0.884	0.918	0.963
2	7.3%	2.0%	0.939	0.991	0.948
1	0.9%	2.0%	0.930	1.000	0.930
(G) Discount Factor for Future Funding:				2017-2018	0.939
				2018-2019	0.939

## Notes:

- (A) This is the year of payment relative to the accident year. For example, year 7 refers to payments made in the seventh year after the inception of the accident year. We assume that payments are made at midyear.
- (B) Percent of ultimate loss paid this year. This payment pattern is based on the paid loss development pattern selected in Appendix B, Page 2.
- (C) Assumed Investment Income Rates.
- (D) Discounted Reserves at the beginning of this year is next year's Discounted Reserves discounted one year plus this year's payments discounted six months. For example, in year 2, 93.9% =  $[88.4\% / 1.020] + [7.3\% / (1.010)]$ .
- (E) Summation of future (B) values. This is the percent of ultimate loss unpaid at the beginning of the year.
- (F) (D) / (E).
- (G) (F) at year 1, with interest accumulated for six months. We assume that the required funding is deposited at the middle of the first year.

This exhibit shows the calculation of the effect of anticipated investment income on future claims costs. Thus, if the discount factor in item (F) is 0.94, on a discounted basis, \$0.94 must be budgeted for every \$1 that will actually be paid on claims that will be incurred in the next fiscal year.

## ERMA - Employment Practices Liability

## Confidence Level Table

Probability	Projected Losses	Outstanding Losses
95%	2.067	1.606
90%	1.774	1.438
85%	1.600	1.339
80%	1.468	1.265
75%	1.363	1.206
70%	1.275	1.156
65%	1.196	1.112
60%	1.125	1.072
55%	1.061	1.035
50%	1.000	1.000
45%	0.942	0.967
40%	0.885	0.934
35%	0.830	0.902
30%	0.774	0.869
25%	0.716	0.835

To read table: For the above retention, there is a 90% chance that final loss settlements will be less than 1.774 times the average expected amount of losses.

This exhibit shows the loads that must be applied to bring estimated losses at the expected level to the various indicated confidence levels.

Calculated Implied 50% CLF	0.917	0.961
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## ERMA - Employment Practices Liability

## Program History

Policy Year Start Date	Policy Year End Date	Policy Year	Self-Insured Retention	
			Per Occurrence	Aggregate
7/1/1999	6/30/2000	1999-2000	1,000,000	(none)
7/1/2000	6/30/2001	2000-2001	1,000,000	(none)
7/1/2001	6/30/2002	2001-2002	1,000,000	(none)
7/1/2002	6/30/2003	2002-2003	1,000,000	(none)
7/1/2003	6/30/2004	2003-2004	1,000,000	(none)
7/1/2004	6/30/2005	2004-2005	1,000,000	(none)
7/1/2005	6/30/2006	2005-2006	1,000,000	(none)
7/1/2006	6/30/2007	2006-2007	1,000,000	(none)
7/1/2007	6/30/2008	2007-2008	1,000,000	(none)
7/1/2008	6/30/2009	2008-2009	1,000,000	(none)
7/1/2009	6/30/2010	2009-2010	1,000,000	(none)
7/1/2010	6/30/2011	2010-2011	1,000,000	(none)
7/1/2011	6/30/2012	2011-2012	1,000,000	(none)
7/1/2012	6/30/2013	2012-2013	1,000,000	(none)
7/1/2013	6/30/2014	2013-2014	1,000,000	(none)
7/1/2014	6/30/2015	2014-2015	1,000,000	(none)
7/1/2015	6/30/2016	2015-2016	1,000,000	(none)
7/1/2016	6/30/2017	2016-2017	1,000,000	(none)
7/1/2017	6/30/2018	2017-2018	1,000,000	(none)
7/1/2018	6/30/2019	2018-2019	1,000,000	(none)
Third Party Claims Administrator			Begin Date	End Date
			7/1/1999	Current

This exhibit summarizes some of the key facts about the history of the program.

## ERMA - Employment Practices Liability

Incurred Losses as of 12/31/17

Accident Year (A)	Unlimited Incurred (B)	Additions to Losses (C)	Subtractions from Losses (D)	Adjusted Incurred (E)	Incurred Over SIR (F)	Incurred Over \$1,000,000 (G)	Incurred Capped at \$1,000,000 (H)	Incurred \$1,000,000 to SIR Layer (I)	Incurred Capped at SIR (J)	Incurred Capped at SIR & Aggregate (K)
1999-2000	\$2,351,151	\$0	\$0	\$2,351,151	\$0	\$0	\$2,351,151	\$0	\$2,351,151	\$2,351,151
2000-2001	2,245,413	0	0	2,245,413	0	0	2,245,413	0	2,245,413	2,245,413
2001-2002	751,089	0	0	751,089	0	0	751,089	0	751,089	751,089
2002-2003	2,992,869	0	0	2,992,869	0	0	2,992,869	0	2,992,869	2,992,869
2003-2004	1,973,193	0	0	1,973,193	0	0	1,973,193	0	1,973,193	1,973,193
2004-2005	6,416,832	0	0	6,416,832	0	0	6,416,832	0	6,416,832	6,416,832
2005-2006	3,616,204	0	0	3,616,204	0	0	3,616,204	0	3,616,204	3,616,204
2006-2007	5,810,921	0	0	5,810,921	0	0	5,810,921	0	5,810,921	5,810,921
2007-2008	3,528,296	0	0	3,528,296	0	0	3,528,296	0	3,528,296	3,528,296
2008-2009	1,211,783	0	0	1,211,783	0	0	1,211,783	0	1,211,783	1,211,783
2009-2010	3,281,809	0	0	3,281,809	0	0	3,281,809	0	3,281,809	3,281,809
2010-2011	1,825,609	0	0	1,825,609	0	0	1,825,609	0	1,825,609	1,825,609
2011-2012	1,916,982	0	0	1,916,982	0	0	1,916,982	0	1,916,982	1,916,982
2012-2013	1,976,737	0	0	1,976,737	0	0	1,976,737	0	1,976,737	1,976,737
2013-2014	2,322,259	0	0	2,322,259	0	0	2,322,259	0	2,322,259	2,322,259
2014-2015	3,279,690	0	0	3,279,690	0	0	3,279,690	0	3,279,690	3,279,690
2015-2016	1,810,500	0	0	1,810,500	0	0	1,810,500	0	1,810,500	1,810,500
2016-2017	289,949	0	0	289,949	0	0	289,949	0	289,949	289,949
2017-2018	0	0	0	0	0	0	0	0	0	0
Total	\$47,601,286	\$0	\$0	\$47,601,286	\$0	\$0	\$47,601,286	\$0	\$47,601,286	\$47,601,286

## Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Authority.
- (C)
- (D)
- (E) (B) + (C) - (D).
- (F) Sum of incurred losses in excess of SIR.
- (G) Sum of incurred losses in excess of \$1,000,000.
- (H) (E) - (G).
- (I) (G) - (F).
- (J) (E) - (F).
- (K) Minimum of (J) and the aggregate stop loss. See Appendix J.

## ERMA - Employment Practices Liability

Paid Losses as of 12/31/17

Accident Year (A)	Unlimited Paid (B)	Additions to Losses (C)	Subtractions from Losses (D)	Adjusted Paid (E)	Paid Over SIR (F)	Paid Over \$1,000,000 (G)	Paid Capped at \$1,000,000 (H)	Paid \$1,000,000 to SIR Layer (I)	Paid Capped at SIR (J)	Paid Capped at SIR & Aggregate (K)
1999-2000	\$2,351,151	\$0	\$0	\$2,351,151	\$0	\$0	\$2,351,151	\$0	\$2,351,151	\$2,351,151
2000-2001	2,245,413	0	0	2,245,413	0	0	2,245,413	0	2,245,413	2,245,413
2001-2002	751,089	0	0	751,089	0	0	751,089	0	751,089	751,089
2002-2003	2,992,869	0	0	2,992,869	0	0	2,992,869	0	2,992,869	2,992,869
2003-2004	1,973,193	0	0	1,973,193	0	0	1,973,193	0	1,973,193	1,973,193
2004-2005	6,416,832	0	0	6,416,832	0	0	6,416,832	0	6,416,832	6,416,832
2005-2006	3,616,204	0	0	3,616,204	0	0	3,616,204	0	3,616,204	3,616,204
2006-2007	5,810,921	0	0	5,810,921	0	0	5,810,921	0	5,810,921	5,810,921
2007-2008	3,528,296	0	0	3,528,296	0	0	3,528,296	0	3,528,296	3,528,296
2008-2009	1,211,783	0	0	1,211,783	0	0	1,211,783	0	1,211,783	1,211,783
2009-2010	3,281,809	0	0	3,281,809	0	0	3,281,809	0	3,281,809	3,281,809
2010-2011	1,825,609	0	0	1,825,609	0	0	1,825,609	0	1,825,609	1,825,609
2011-2012	1,916,982	0	0	1,916,982	0	0	1,916,982	0	1,916,982	1,916,982
2012-2013	1,829,899	0	0	1,829,899	0	0	1,829,899	0	1,829,899	1,829,899
2013-2014	1,943,037	0	0	1,943,037	0	0	1,943,037	0	1,943,037	1,943,037
2014-2015	1,928,300	0	0	1,928,300	0	0	1,928,300	0	1,928,300	1,928,300
2015-2016	817,393	0	0	817,393	0	0	817,393	0	817,393	817,393
2016-2017	12,475	0	0	12,475	0	0	12,475	0	12,475	12,475
2017-2018	0	0	0	0	0	0	0	0	0	0
Total	\$44,453,255	\$0	\$0	\$44,453,255	\$0	\$0	\$44,453,255	\$0	\$44,453,255	\$44,453,255

## Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Authority.
- (C)
- (D)
- (E) (B) + (C) - (D).
- (F) Sum of paid losses in excess of SIR.
- (G) Sum of paid losses in excess of \$1,000,000.
- (H) (E) - (G).
- (I) (G) - (F).
- (J) (E) - (F).
- (K) Minimum of (J) and the aggregate stop loss. See Appendix J.

## ERMA - Employment Practices Liability

Case Reserves as of 12/31/17

Accident Year (A)	Unlimited Reserves (B)	Additions to Losses (C)	Subtractions from Losses (D)	Adjusted Reserves (E)	Reserves Over SIR (F)	Reserves Over \$1,000,000 (G)	Reserves Capped at \$1,000,000 (H)	Reserves \$1,000,000 to SIR Layer (I)	Reserves Capped at SIR (J)	Reserves Capped at SIR & Aggregate (K)
1999-2000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2000-2001	0	0	0	0	0	0	0	0	0	0
2001-2002	0	0	0	0	0	0	0	0	0	0
2002-2003	0	0	0	0	0	0	0	0	0	0
2003-2004	0	0	0	0	0	0	0	0	0	0
2004-2005	0	0	0	0	0	0	0	0	0	0
2005-2006	0	0	0	0	0	0	0	0	0	0
2006-2007	0	0	0	0	0	0	0	0	0	0
2007-2008	0	0	0	0	0	0	0	0	0	0
2008-2009	0	0	0	0	0	0	0	0	0	0
2009-2010	0	0	0	0	0	0	0	0	0	0
2010-2011	0	0	0	0	0	0	0	0	0	0
2011-2012	0	0	0	0	0	0	0	0	0	0
2012-2013	146,838	0	0	146,838	0	0	146,838	0	146,838	146,838
2013-2014	379,223	0	0	379,223	0	0	379,223	0	379,223	379,223
2014-2015	1,351,390	0	0	1,351,390	0	0	1,351,390	0	1,351,390	1,351,390
2015-2016	993,107	0	0	993,107	0	0	993,107	0	993,107	993,107
2016-2017	277,475	0	0	277,475	0	0	277,475	0	277,475	277,475
2017-2018	0	0	0	0	0	0	0	0	0	0
Total	\$3,148,032	\$0	\$0	\$3,148,032	\$0	\$0	\$3,148,032	\$0	\$3,148,032	\$3,148,032

## Notes:

- (A) Years are 7/1 to 6/30.  
 (B) Appendix K, Page 1, Column (B) - Appendix K, Page 2, Column (B).  
 (C) Appendix K, Page 1, Column (C) - Appendix K, Page 2, Column (C).  
 (D) Appendix K, Page 1, Column (D) - Appendix K, Page 2, Column (D).  
 (E) (B) + (C) - (D).  
 (F) Sum of case reserves in excess of SIR.  
 (G) Sum of case reserves in excess of \$1,000,000.  
 (H) (E) - (G).  
 (I) (G) - (F).  
 (J) (E) - (F).  
 (K) Minimum of (J) and the aggregate stop loss. See Appendix J.



## ERMA - Employment Practices Liability

Claim Counts as of 12/31/17

Accident Year (A)	Reported Claims (B)	Additions to Reported Claims (C)	Subtractions from Reported Claims (D)	Adjusted Reported Claims (E)	Closed Claims (F)	Additions to Closed Claims (G)	Subtractions from Closed Claims (H)	Adjusted Closed Claims (I)	Open Claims (J)	Adjusted Open Claims (K)
1999-2000	12	0	0	12	12	0	0	12	0	0
2000-2001	10	0	0	10	10	0	0	10	0	0
2001-2002	12	0	0	12	12	0	0	12	0	0
2002-2003	20	0	0	20	20	0	0	20	0	0
2003-2004	13	0	0	13	13	0	0	13	0	0
2004-2005	21	0	0	21	21	0	0	21	0	0
2005-2006	18	0	0	18	18	0	0	18	0	0
2006-2007	24	0	0	24	24	0	0	24	0	0
2007-2008	28	0	0	28	28	0	0	28	0	0
2008-2009	12	0	0	12	12	0	0	12	0	0
2009-2010	21	0	0	21	21	0	0	21	0	0
2010-2011	12	0	0	12	12	0	0	12	0	0
2011-2012	9	0	0	9	9	0	0	9	0	0
2012-2013	13	0	0	13	12	0	0	12	1	1
2013-2014	12	0	0	12	9	0	0	9	3	3
2014-2015	15	0	0	15	7	0	0	7	8	8
2015-2016	16	0	0	16	5	0	0	5	11	11
2016-2017	5	0	0	5	0	0	0	0	5	5
2017-2018	0	0	0	0	0	0	0	0	0	0
Total	273	0	0	273	245	0	0	245	28	28

## Notes:

- (A) Years are 7/1 to 6/30.
- (B) Provided by the Authority.
- (C)
- (D)
- (E) (B) + (C) - (D).
- (F) Provided by the Authority.
- (G)
- (H)
- (I) (F) + (G) - (H).
- (J) (B) - (F).
- (K) (E) - (I).

## ERMA - Employment Practices Liability

## Exposure Measures

Accident Year	Total Payroll (\$00) (A)	Inflation Trend Factor (B)	Trended Payroll (\$00) (C)
1999-2000	5,611,124	1.559	8,747,742
2000-2001	5,960,370	1.521	9,065,723
2001-2002	6,754,110	1.484	10,023,099
2002-2003	7,959,262	1.448	11,525,011
2003-2004	9,299,424	1.413	13,140,086
2004-2005	9,224,980	1.379	12,721,247
2005-2006	9,606,112	1.345	12,920,221
2006-2007	11,027,907	1.312	14,468,614
2007-2008	12,352,186	1.280	15,810,798
2008-2009	12,413,333	1.249	15,504,253
2009-2010	11,190,222	1.219	13,640,881
2010-2011	10,606,794	1.189	12,611,478
2011-2012	10,523,889	1.160	12,207,711
2012-2013	10,339,911	1.132	11,704,779
2013-2014	10,842,469	1.104	11,970,086
2014-2015	11,499,263	1.077	12,384,706
2015-2016	12,172,789	1.051	12,793,601
2016-2017	13,576,882	1.025	13,916,304
2017-2018	14,246,238	1.000	14,246,238
2018-2019	14,388,700	1.000	14,388,700

## Notes:

- (A) Provided by the Authority.
- (B) Based on industry factors.
- (C) (A) x (B).

**ERMA****Loss Experience Through 12/31/17****ERMA: Reported Claims and Losses**

Year	<b>Excess of Retention</b>						<b>Excess of \$50,000</b>			
	Claim Count =====>			Loss Dollars =====>			Claim Count =====>		Loss Dollars =====>	
	Paid	Incurred	Open	Paid	Incurred		Paid	Incurred	Paid	Incurred
1999/00	12	12	-	2,351,151	2,351,151		12	12	2,426,151	2,426,151
2000/01	10	10	-	2,245,413	2,245,413		7	7	2,209,993	2,209,993
2001/02	12	12	-	751,089	751,089		8	8	638,646	638,646
2002/03	20	20	-	2,992,869	2,992,869		20	20	2,817,869	2,817,869
2003/04	13	13	-	1,973,193	1,973,193		14	14	1,889,282	1,889,282
2004/05	21	21	-	6,416,832	6,416,832		21	21	6,253,619	6,253,619
2005/06	18	18	-	3,616,204	3,616,204		14	14	3,441,928	3,441,928
2006/07	24	24	-	5,810,921	5,810,921		22	22	5,498,902	5,498,902
2007/08	28	28	-	3,528,296	3,528,296		26	26	3,325,117	3,325,117
2008/09	12	12	-	1,211,783	1,211,783		9	9	993,225	993,225
2009/10	21	21	-	3,281,809	3,281,809		20	20	3,646,996	3,646,996
2010/11	12	12	-	1,825,609	1,825,609		13	13	1,736,947	1,736,947
2011/12	9	9	-	1,916,982	1,916,982		11	11	1,892,260	1,892,260
2012/13	13	13	1	1,829,899	1,976,737		13	13	1,879,002	2,025,840
2013/14	12	12	3	1,943,037	2,322,259		13	13	1,843,772	2,222,994
2014/15	12	15	8	1,928,300	3,279,690		10	14	2,059,711	3,585,723
2015/16	12	16	11	817,393	1,810,500		11	17	892,157	1,898,976
2016/17	1	5	5	12,475	289,949		3	10	45,881	360,300
2017/18	-	-	-	-	-		-	-	-	-
Total	262	273	28	44,453,255	47,601,286		247	264	43,491,456	46,864,768

Year	<b>First Dollar (to \$1M)</b>				
	Claim Count =====>			Loss Dollars =====>	
	Total	Incurred	Open	Paid	Incurred
1999/00	52	34	-	3,239,343	3,239,343
2000/01	51	31	-	2,807,814	2,807,814
2001/02	53	33	-	1,464,982	1,464,982
2002/03	42	26	-	3,915,348	3,915,348
2003/04	36	26	-	2,792,337	2,792,337
2004/05	51	39	-	7,532,219	7,532,219
2005/06	45	29	-	4,437,956	4,437,956
2006/07	57	37	-	6,828,803	6,828,803
2007/08	65	48	-	4,885,373	4,885,373
2008/09	50	30	-	1,840,744	1,840,744
2009/10	71	49	-	5,010,772	5,010,772
2010/11	51	27	1	2,533,319	2,558,319
2011/12	48	30	-	2,706,380	2,706,380
2012/13	48	28	2	2,658,103	2,819,941
2013/14	45	30	5	2,694,665	3,097,545
2014/15	53	40	12	2,965,780	4,673,370
2015/16	55	45	19	1,821,180	3,136,154
2016/17	68	63	49	448,610	1,868,361
2017/18	21	16	16	15,984	350,000
Total	962	661	104	60,599,712	65,965,761

**ERMA****Loss Experience Through 12/31/16****ERMA: Reported Claims and Losses**

Year	<b>Excess of Retention</b>					<b>Excess of \$50,000</b>				
	Claim Count =====>			Loss Dollars =====>		Claim Count =====>		Loss Dollars =====>		
	Paid	Incurred	Open	Paid	Incurred	Paid	Incurred	Paid	Incurred	
1999/00	12	12	-	2,351,151	2,351,151	12	12	2,426,151	2,426,151	
2000/01	10	10	-	2,245,413	2,245,413	7	7	2,209,993	2,209,993	
2001/02	12	12	-	751,089	751,089	8	8	638,646	638,646	
2002/03	20	20	-	2,992,869	2,992,869	20	20	2,817,869	2,817,869	
2003/04	13	13	-	1,973,193	1,973,193	14	14	1,889,282	1,889,282	
2004/05	21	21	-	6,416,832	6,416,832	21	21	6,253,619	6,253,619	
2005/06	18	18	-	3,616,204	3,616,204	14	14	3,441,928	3,441,928	
2006/07	24	24	-	5,810,921	5,810,921	22	22	5,498,902	5,498,902	
2007/08	28	28	-	3,528,296	3,528,296	26	26	3,325,117	3,325,117	
2008/09	12	12	-	1,211,783	1,211,783	9	9	993,225	993,225	
2009/10	21	21	1	3,279,951	3,448,917	20	20	3,645,138	3,814,104	
2010/11	12	12	1	1,824,935	1,891,935	13	13	1,736,274	1,803,274	
2011/12	9	9	-	1,916,982	1,916,982	11	11	1,891,434	1,891,434	
2012/13	12	13	2	1,766,562	1,853,607	11	13	1,840,321	1,990,321	
2013/14	11	12	6	1,250,117	2,258,871	11	13	1,062,286	2,345,706	
2014/15	6	12	9	637,301	1,717,773	3	7	654,374	1,785,578	
2015/16	2	10	10	37,637	729,306	3	12	222,065	873,734	
2016/17	-	-	-	-	-	-	-	-	-	
Total	243	259	29	41,611,236	44,715,142	225	242	40,546,623	43,998,882	

Year	<b>First Dollar (to \$1M)</b>				
	Claim Count =====>			Loss Dollars =====>	
	Total	Incurred	Open	Paid	Incurred
1999/00	52	34	-	3,239,343	3,239,343
2000/01	51	31	-	2,807,814	2,807,814
2001/02	53	33	-	1,464,982	1,464,982
2002/03	42	26	-	3,915,348	3,915,348
2003/04	36	26	-	2,792,337	2,792,337
2004/05	51	39	-	7,532,219	7,532,219
2005/06	45	29	-	4,437,956	4,437,956
2006/07	57	37	-	6,828,803	6,828,803
2007/08	65	48	-	4,885,373	4,885,373
2008/09	50	30	-	1,840,744	1,840,744
2009/10	71	50	2	5,008,914	5,192,880
2010/11	50	26	1	2,532,646	2,599,646
2011/12	48	30	-	2,705,555	2,705,555
2012/13	47	27	3	2,557,940	2,781,414
2013/14	44	30	16	1,840,783	3,235,381
2014/15	47	35	15	1,213,137	2,704,963
2015/16	44	35	26	621,453	1,800,426
2016/17	11	9	9	40,585	165,000
Total	864	575	72	56,265,931	60,930,183

**ERMA****Loss Experience Through 12/31/15****ERMA: Reported Claims and Losses**

Year	<b>Excess of Retention</b>						<b>Excess of \$50,000</b>			
	Claim Count =====>			Loss Dollars =====>			Claim Count =====>		Loss Dollars =====>	
	Paid	Incurred	Open	Paid	Incurred		Paid	Incurred	Paid	Incurred
1999/00	12	12	-	2,351,151	2,351,151		12	12	2,426,151	2,426,151
2000/01	10	10	-	2,245,413	2,245,413		7	7	2,209,993	2,209,993
2001/02	12	12	-	751,089	751,089		8	8	638,646	638,646
2002/03	20	20	-	2,992,869	2,992,869		20	20	2,817,869	2,817,869
2003/04	13	13	-	1,973,193	1,973,193		14	14	1,889,282	1,889,282
2004/05	21	21	-	6,416,832	6,416,832		21	21	6,253,619	6,253,619
2005/06	18	18	-	3,616,204	3,616,204		14	14	3,441,928	3,441,928
2006/07	24	24	-	5,810,921	5,810,921		22	22	5,498,902	5,498,902
2007/08	28	28	-	3,529,825	3,529,825		26	26	3,326,646	3,326,646
2008/09	12	12	-	1,211,783	1,211,783		9	9	993,225	993,225
2009/10	21	21	1	2,953,332	3,198,892		20	20	3,318,519	3,564,079
2010/11	12	12	2	1,349,213	1,618,093		13	13	1,260,551	1,529,432
2011/12	9	10	2	1,788,689	2,003,952		11	11	1,761,380	2,015,828
2012/13	9	11	4	1,326,002	1,955,689		9	11	1,403,627	2,033,314
2013/14	6	11	8	233,903	1,896,999		4	10	139,657	1,848,309
2014/15	3	4	3	75,635	1,017,660		2	3	120,548	1,057,660
2015/16	-	-	-	-	-		-	-	-	-
Total	230	239	20	38,626,054	42,590,565		212	221	37,500,542	41,544,881

Year	<b>First Dollar (to \$1M)</b>				
	Claim Count =====>			Loss Dollars =====>	
	Total	Incurred	Open	Paid	Incurred
1999/00	52	34	-	3,239,343	3,239,343
2000/01	51	31	-	2,807,814	2,807,814
2001/02	53	33	-	1,464,982	1,464,982
2002/03	42	26	-	3,915,348	3,915,348
2003/04	36	26	-	2,792,337	2,792,337
2004/05	51	39	-	7,532,139	7,532,139
2005/06	45	29	-	4,437,956	4,437,956
2006/07	57	37	-	6,828,803	6,828,803
2007/08	65	48	-	4,886,902	4,886,902
2008/09	50	30	-	1,840,744	1,840,744
2009/10	70	48	1	4,659,595	4,905,155
2010/11	50	26	2	2,056,924	2,325,804
2011/12	48	30	2	2,575,500	2,829,948
2012/13	44	24	5	2,033,260	2,698,442
2013/14	41	26	16	582,918	2,565,551
2014/15	37	28	20	402,204	1,606,027
2015/16	9	6	6	9,558	109,815
Total	801	521	52	52,066,326	56,787,110

**ERMA****Loss Experience Through 12/31/14****ERMA: Reported Claims and Losses**

Year	<b>Excess of Retention</b>						<b>Excess of \$50,000</b>			
	Claim Count =====>			Loss Dollars =====>			Claim Count =====>		Loss Dollars =====>	
	Paid	Incurred	Open	Paid	Incurred		Paid	Incurred	Paid	Incurred
1999/00	12	12	-	2,351,151	2,351,151		12	12	2,426,151	2,426,151
2000/01	10	10	-	2,245,413	2,245,413		7	7	2,209,993	2,209,993
2001/02	12	12	-	751,089	751,089		8	8	638,646	638,646
2002/03	20	20	-	2,992,869	2,992,869		20	20	2,817,869	2,817,869
2003/04	13	13	-	1,973,193	1,973,193		14	14	1,889,282	1,889,282
2004/05	21	21	-	6,416,832	6,416,832		21	21	6,253,619	6,253,619
2005/06	18	18	-	3,666,204	3,666,204		14	14	3,441,928	3,441,928
2006/07	24	24	1	5,809,962	5,824,962		22	22	5,497,944	5,512,944
2007/08	28	28	1	3,463,290	3,663,290		26	26	3,260,111	3,460,111
2008/09	12	12	-	1,211,783	1,211,783		9	9	993,225	993,225
2009/10	21	21	5	2,224,582	3,065,133		20	20	2,589,769	3,430,320
2010/11	11	11	2	1,253,035	1,348,275		10	12	1,222,879	1,284,613
2011/12	7	10	6	1,391,970	1,873,169		8	10	1,368,677	1,973,169
2012/13	5	9	5	417,576	1,205,976		4	8	457,870	1,221,271
2013/14	-	3	3	-	31,256		-	1	-	50,452
2014/15	-	-	-	-	-		-	-	-	-
<b>Total</b>	<b>214</b>	<b>224</b>	<b>23</b>	<b>36,168,951</b>	<b>38,620,596</b>		<b>195</b>	<b>204</b>	<b>35,067,963</b>	<b>37,603,592</b>

Year	<b>First Dollar (to \$1M)</b>				
	Claim Count =====>			Loss Dollars =====>	
	Total	Incurred	Open	Paid	Incurred
1999/00	52	34	-	3,239,343	3,239,343
2000/01	51	31	-	2,807,814	2,807,814
2001/02	53	33	-	1,464,982	1,464,982
2002/03	42	26	-	3,915,348	3,915,348
2003/04	36	26	-	2,792,337	2,792,337
2004/05	50	38	-	7,531,663	7,531,663
2005/06	45	29	-	4,437,956	4,437,956
2006/07	57	37	1	6,827,844	6,842,844
2007/08	65	46	1	4,803,761	5,003,761
2008/09	50	30	-	1,840,744	1,840,744
2009/10	69	49	7	3,930,846	4,792,195
2010/11	50	28	6	1,936,608	2,053,126
2011/12	46	30	8	2,073,054	2,741,389
2012/13	42	22	10	823,413	1,816,608
2013/14	32	11	7	62,343	263,343
2014/15	3	2	2	9,854	39,854
<b>Total</b>	<b>743</b>	<b>472</b>	<b>42</b>	<b>48,497,909</b>	<b>51,583,307</b>

**ERMA****Loss Experience Through 12/31/13****ERMA: Reported Claims and Losses**

Year	<b>Excess of Retention</b>						<b>Excess of \$50,000</b>			
	Claim Count =====>			Loss Dollars =====>			Claim Count =====>		Loss Dollars =====>	
	Paid	Incurred	Open	Paid	Incurred		Paid	Incurred	Paid	Incurred
1999/00	12	12	-	2,351,151	2,351,151		12	12	2,426,151	2,426,151
2000/01	10	10	-	2,245,413	2,245,413		7	7	2,209,993	2,209,993
2001/02	12	12	-	751,089	751,089		8	8	638,646	638,646
2002/03	20	20	-	2,992,869	2,992,869		20	20	2,817,869	2,817,869
2003/04	13	13	-	1,973,193	1,973,193		14	14	1,889,282	1,889,282
2004/05	21	21	-	6,416,832	6,416,832		21	21	6,253,619	6,253,619
2005/06	18	18	-	3,616,204	3,616,204		14	14	3,441,928	3,441,928
2006/07	24	24	1	5,589,452	5,666,968		21	22	5,282,263	5,354,949
2007/08	27	28	1	3,218,867	3,317,511		25	26	3,015,688	3,114,332
2008/09	12	12	-	1,211,598	1,211,598		9	9	993,039	993,040
2009/10	18	21	6	1,917,061	2,539,673		18	21	2,169,878	2,805,788
2010/11	8	11	5	566,584	1,052,897		10	12	515,968	987,070
2011/12	4	9	8	224,951	834,141		3	9	171,797	911,545
2012/13	1	4	4	469	273,243		-	5	-	348,243
2013/14	-	-	-	-	-		-	-	-	-
<b>Total</b>	<b>200</b>	<b>215</b>	<b>25</b>	<b>33,075,732</b>	<b>35,242,782</b>		<b>182</b>	<b>200</b>	<b>31,826,121</b>	<b>34,192,453</b>

Year	<b>First Dollar (to \$1M)</b>				
	Claim Count =====>			Loss Dollars =====>	
	Total	Incurred	Open	Paid	Incurred
1999/00	51	35	-	3,239,848	3,239,848
2000/01	50	31	-	2,807,814	2,807,814
2001/02	53	33	-	1,464,982	1,464,982
2002/03	42	26	-	3,915,348	3,915,348
2003/04	36	26	-	2,792,337	2,792,337
2004/05	50	38	-	7,531,663	7,531,663
2005/06	45	29	-	4,437,956	4,437,956
2006/07	58	37	1	6,607,334	6,684,850
2007/08	63	45	2	4,532,695	4,657,886
2008/09	50	31	2	1,839,755	1,870,744
2009/10	69	49	11	3,449,790	4,197,171
2010/11	51	28	15	1,178,268	1,779,141
2011/12	44	29	23	664,905	1,711,818
2012/13	30	13	27	79,444	700,575
2013/14	3	-	3	-	-
<b>Total</b>	<b>695</b>	<b>450</b>	<b>84</b>	<b>44,542,140</b>	<b>47,792,133</b>

**ERMA****Loss Experience Through 12/31/12****ERMA: Reported Claims and Losses**

Year	<b>Excess of Retention</b>						<b>Excess of \$50,000</b>			
	Claim Count =====>			Loss Dollars =====>			Claim Count =====>		Loss Dollars =====>	
	Paid	Incurred	Open	Paid	Incurred		Paid	Incurred	Paid	Incurred
1999/00	12	12	-	2,351,151	2,351,151		12	12	2,426,151	2,426,151
2000/01	10	10	-	2,245,413	2,245,413		7	7	2,209,993	2,209,993
2001/02	12	12	-	751,089	751,089		8	8	638,646	638,646
2002/03	20	20	-	2,992,869	2,992,869		20	20	2,817,869	2,817,869
2003/04	13	13	-	1,973,193	1,973,193		14	14	1,889,282	1,889,282
2004/05	21	21	1	6,416,743	6,427,033		21	21	6,253,529	6,263,819
2005/06	18	18	-	3,616,204	3,616,204		14	14	3,441,928	3,441,928
2006/07	23	23	-	5,569,281	5,569,281		21	21	5,282,263	5,282,263
2007/08	27	27	3	2,934,188	3,252,983		25	25	2,731,009	3,049,804
2008/09	12	12	1	1,205,499	1,205,499		9	9	986,941	986,941
2009/10	16	23	13	1,189,791	2,566,976		14	23	1,169,704	3,019,117
2010/11	4	8	4	297,686	683,215		4	8	272,686	658,215
2011/12	1	2	1	35,318	40,319		1	3	10,318	40,320
2012/13	-	-	-	-	-		-	-	-	-
<b>Total</b>	<b>189</b>	<b>201</b>	<b>23</b>	<b>31,578,426</b>	<b>33,675,226</b>		<b>170</b>	<b>185</b>	<b>30,130,319</b>	<b>32,724,348</b>

Year	<b>First Dollar (to \$1M)</b>				
	Claim Count =====>			Loss Dollars =====>	
	Total	Incurred	Open	Paid	Incurred
1999/00	51	35	-	3,239,848	3,239,848
2000/01	50	31	-	2,807,814	2,807,814
2001/02	53	33	-	1,464,982	1,464,982
2002/03	42	26	-	3,915,348	3,915,348
2003/04	36	26	-	2,792,337	2,792,337
2004/05	50	38	2	7,531,574	7,567,717
2005/06	45	29	-	4,437,760	4,437,760
2006/07	57	37	2	6,562,664	6,577,665
2007/08	62	45	4	4,224,563	4,543,359
2008/09	50	30	4	1,832,169	1,865,485
2009/10	66	47	21	2,262,082	4,480,675
2010/11	46	30	19	697,379	1,326,444
2011/12	30	23	26	112,056	390,398
2012/13	3	-	3	-	-
<b>Total</b>	<b>641</b>	<b>430</b>	<b>81</b>	<b>41,880,576</b>	<b>45,409,832</b>



**ERMA****Loss Experience Through 12/31/11****ERMA: Reported Claims and Losses**

Year	<b>Excess of Retention</b>						<b>Excess of \$50,000</b>			
	Claim Count =====>			Loss Dollars =====>			Claim Count =====>		Loss Dollars =====>	
	Paid	Incurred	Open	Paid	Incurred		Paid	Incurred	Paid	Incurred
1999/00	12	12	-	2,351,151	2,351,151		12	12	2,426,151	2,426,151
2000/01	10	10	-	2,245,413	2,245,413		7	7	2,209,993	2,209,993
2001/02	12	12	-	751,089	751,089		8	8	638,646	638,646
2002/03	20	20	-	2,992,869	2,992,869		20	20	2,817,869	2,817,869
2003/04	13	13	-	1,973,193	1,973,193		14	14	1,889,282	1,889,282
2004/05	20	21	1	6,293,630	6,345,569		20	21	6,130,417	6,182,356
2005/06	18	19	1	3,591,204	3,666,205		14	15	3,441,928	3,516,929
2006/07	23	23	-	5,516,959	5,516,959		21	21	5,279,940	5,279,940
2007/08	27	27	3	2,890,035	3,145,495		25	25	2,686,856	2,942,316
2008/09	11	12	5	797,011	1,383,575		7	10	626,364	1,215,017
2009/10	12	20	15	774,363	1,706,613		8	17	632,865	1,511,818
2010/11	2	7	6	77,828	468,924		1	6	50,821	438,923
2011/12	-	-	-	-	-		-	-	-	-
<b>Total</b>	<b>180</b>	<b>196</b>	<b>31</b>	<b>30,254,747</b>	<b>32,547,055</b>		<b>157</b>	<b>176</b>	<b>28,831,132</b>	<b>31,069,239</b>

Year	<b>First Dollar (to \$1M)</b>				
	Claim Count =====>			Loss Dollars =====>	
	Total	Incurred	Open	Paid	Incurred
1999/00	51	35	-	3,239,848	3,239,848
2000/01	50	31	-	2,807,814	2,807,814
2001/02	53	33	-	1,464,982	1,464,982
2002/03	42	26	-	3,915,348	3,915,348
2003/04	36	26	-	2,792,337	2,792,337
2004/05	50	38	2	7,374,805	7,471,254
2005/06	45	29	1	4,399,559	4,523,759
2006/07	55	36	-	6,559,841	6,559,841
2007/08	61	45	4	4,180,410	4,450,870
2008/09	49	30	8	1,381,904	2,129,286
2009/10	62	44	31	1,483,029	2,827,211
2010/11	31	24	25	203,151	887,238
2011/12	-	-	-	-	-
<b>Total</b>	<b>585</b>	<b>397</b>	<b>71</b>	<b>39,803,029</b>	<b>43,069,788</b>

**ERMA****Loss Experience Through 12/31/10****ERMA: Reported Claims and Losses**

Year	<b>Excess of Retention</b>						<b>Excess of \$50,000</b>			
	Claim Count =====>			Loss Dollars =====>			Claim Count =====>		Loss Dollars =====>	
	Paid	Incurred	Open	Paid	Incurred		Paid	Incurred	Paid	Incurred
1999/00	12	12	-	2,351,151	2,351,151		12	12	2,426,151	2,426,151
2000/01	10	10	-	2,245,413	2,245,413		7	7	2,209,993	2,209,993
2001/02	12	12	-	751,089	751,089		8	8	638,646	638,646
2002/03	20	20	-	2,992,869	2,992,869		20	20	2,817,869	2,817,869
2003/04	13	13	-	1,973,193	1,973,193		14	14	1,889,282	1,889,282
2004/05	20	20	-	6,293,430	6,293,430		20	20	6,130,217	6,130,217
2005/06	18	18	1	3,509,439	3,672,438		14	14	3,360,162	3,523,162
2006/07	22	23	4	4,259,620	5,579,104		19	21	4,025,003	5,342,086
2007/08	23	25	6	2,242,071	3,136,880		22	24	1,989,821	2,949,600
2008/09	9	12	5	606,882	1,293,202		5	9	481,846	1,099,643
2009/10	3	10	8	10,263	589,624		1	6	27	479,333
2010/11	-	1	1	-	50,978		-	1	-	25,978
<b>Total</b>	<b>162</b>	<b>176</b>	<b>25</b>	<b>27,235,420</b>	<b>30,929,372</b>		<b>142</b>	<b>156</b>	<b>25,969,017</b>	<b>29,531,960</b>

Year	<b>First Dollar (to \$1M)</b>				
	Claim Count =====>			Loss Dollars =====>	
	Total	Incurred	Open	Paid	Incurred
1999/00	51	35	-	3,239,848	3,239,848
2000/01	50	31	-	2,807,814	2,807,814
2001/02	53	33	-	1,464,982	1,464,982
2002/03	42	26	-	3,915,348	3,915,348
2003/04	36	26	-	2,792,337	2,792,337
2004/05	48	36	-	7,354,113	7,354,113
2005/06	44	28	1	4,316,992	4,479,992
2006/07	55	36	5	5,266,891	6,615,181
2007/08	61	44	10	3,349,232	4,383,432
2008/09	45	25	12	1,073,444	1,811,590
2009/10	47	28	38	259,671	1,185,010
2010/11	4	1	4	978	75,978
<b>Total</b>	<b>536</b>	<b>349</b>	<b>70</b>	<b>35,841,651</b>	<b>40,125,625</b>

**ERMA****Loss Experience Through 12/31/09****ERMA: Reported Claims and Losses**

Year	<b>Excess of Retention</b>						<b>Excess of \$50,000</b>			
	Claim Count =====>			Loss Dollars =====>			Claim Count =====>		Loss Dollars =====>	
	Paid	Incurred	Open	Paid	Incurred		Paid	Incurred	Paid	Incurred
1999/00	12	12	-	2,351,151	2,351,151		12	12	2,426,151	2,426,151
2000/01	9	9	-	2,244,341	2,244,341		7	7	2,209,993	2,209,993
2001/02	12	12	-	751,089	751,089		8	8	638,646	638,646
2002/03	20	20	-	2,992,869	2,992,869		20	20	2,817,869	2,817,869
2003/04	13	13	-	1,973,193	1,973,193		14	14	1,889,282	1,889,282
2004/05	20	20	5	6,758,232	7,602,333		20	20	6,595,018	7,439,119
2005/06	18	18	4	3,410,280	3,717,228		14	14	3,236,003	3,542,951
2006/07	22	23	10	3,925,042	4,377,828		18	21	3,684,219	4,115,809
2007/08	22	24	15	1,656,030	2,725,692		20	23	1,401,787	2,513,412
2008/09	4	8	7	82,469	555,339		2	6	38,097	460,506
2009/10	1	2	2	3,935	138,707		-	1	-	109,772
<b>Total</b>	<b>153</b>	<b>161</b>	<b>43</b>	<b>26,148,632</b>	<b>29,429,771</b>		<b>135</b>	<b>146</b>	<b>24,937,066</b>	<b>28,163,512</b>

Year	<b>First Dollar (to \$1M)</b>				
	Claim Count =====>			Loss Dollars =====>	
	Total	Incurred	Open	Paid	Incurred
1999/00	51	35	-	3,239,848	3,239,848
2000/01	50	31	-	2,807,814	2,807,814
2001/02	53	33	-	1,464,982	1,464,982
2002/03	42	26	-	3,915,348	3,915,348
2003/04	36	26	-	2,792,337	2,792,337
2004/05	48	36	5	7,818,915	8,663,016
2005/06	44	28	4	4,192,833	4,500,076
2006/07	54	35	16	4,867,974	5,330,750
2007/08	60	40	27	2,659,850	3,881,145
2008/09	41	18	38	360,377	912,077
2009/10	10	3	9	38,997	188,997
<b>Total</b>	<b>489</b>	<b>311</b>	<b>99</b>	<b>34,159,276</b>	<b>37,696,390</b>

**ERMA**

Loss Experience Through 12/31/08

**ERMA: Reported Claims and Losses**

Year	Excess of Retention						Excess of \$50,000			
	Claim Count =====>			Loss Dollars =====>			Claim Count =====>		Loss Dollars =====>	
	Paid	Incurred	Open	Paid	Incurred		Paid	Incurred	Paid	Incurred
1999/00	12	12	-	2,351,151	2,351,151		12	12	2,426,151	2,426,151
2000/01	9	9	-	2,244,341	2,244,341		7	7	2,209,993	2,209,993
2001/02	12	12	-	751,089	751,089		8	8	638,646	638,646
2002/03	20	20	-	2,992,869	2,992,869		20	20	2,817,869	2,817,869
2003/04	13	13	-	1,973,193	1,973,193		14	14	1,889,282	1,889,282
2004/05	20	20	6	5,423,096	6,146,322		20	20	5,259,882	5,983,108
2005/06	17	17	4	2,483,328	3,308,445		13	13	2,334,052	3,159,168
2006/07	14	22	19	1,426,238	3,423,179		9	21	1,261,821	3,146,078
2007/08	8	14	9	306,572	849,622		6	11	259,377	685,038
2008/09	-	-	-	-	-		-	-	-	-
Total	125	139	38	19,951,877	24,040,211		109	126	19,097,073	22,955,335

Year	First Dollar (to \$1M)					
	Claim Count =====>			Loss Dollars =====>		
	Total	Incurred	Open	Paid	Incurred	
1999/00	51	35	-	3,239,848	3,239,848	
2000/01	50	31	-	2,807,814	2,807,814	
2001/02	53	33	-	1,464,982	1,464,982	
2002/03	42	26	-	3,915,348	3,915,348	
2003/04	36	26	-	2,792,337	2,792,337	
2004/05	48	36	6	6,483,779	7,207,005	
2005/06	44	28	7	3,261,371	4,086,782	
2006/07	54	30	36	2,115,496	4,360,532	
2007/08	54	28	46	738,348	1,584,825	
2008/09	7	2	7	1,088	26,088	
Total	439	275	102	26,820,411	31,485,562	

**ERMA****Loss Experience Through 12/31/07****ERMA: Reported Claims and Losses**

Year	<b>Excess of Retention</b>						<b>Excess of \$50,000</b>			
	Claim Count =====>			Loss Dollars =====>			Claim Count =====>		Loss Dollars =====>	
	Paid	Incurred	Open	Paid	Incurred		Paid	Incurred	Paid	Incurred
1999/00	12	12	1	2,351,151	2,351,151		12	12	2,426,151	2,426,151
2000/01	9	9	-	2,244,341	2,244,341		7	7	2,209,993	2,209,993
2001/02	12	12	-	751,089	751,089		8	8	638,646	638,646
2002/03	20	20	-	2,992,869	2,992,869		20	20	2,817,869	2,817,869
2003/04	13	13	4	1,770,076	2,201,367		14	14	1,686,165	2,142,456
2004/05	20	20	6	4,458,655	5,319,010		20	20	4,295,441	5,155,797
2005/06	14	18	6	2,219,544	3,245,551		10	13	2,070,267	3,046,275
2006/07	2	3	2	474,344	1,681,609		2	3	449,344	1,656,609
2007/08	-	-	-	-	-		-	-	-	-
<b>Total</b>	<b>102</b>	<b>107</b>	<b>19</b>	<b>17,262,069</b>	<b>20,786,988</b>		<b>93</b>	<b>97</b>	<b>16,593,877</b>	<b>20,093,796</b>

Year	<b>First Dollar (to \$1M)</b>					
	Claim Count =====>			Loss Dollars =====>		
	Total	Incurred	Open	Paid	Incurred	
1999/00	52	35	1	3,239,848	3,239,848	
2000/01	50	31	-	2,807,814	2,807,814	
2001/02	53	33	-	1,464,982	1,464,982	
2002/03	42	26	-	3,915,348	3,915,348	
2003/04	36	26	5	2,560,877	3,017,167	
2004/05	48	37	7	5,519,338	6,404,694	
2005/06	44	28	19	2,835,948	3,989,940	
2006/07	42	16	36	668,483	1,933,510	
2007/08	11	1	10	2,015	2,015	
<b>Total</b>	<b>378</b>	<b>233</b>	<b>78</b>	<b>23,014,653</b>	<b>26,775,318</b>	

**ERMA****Loss Experience Through 12/31/06****ERMA: Reported Claims and Losses**

Year	<b>Excess of Retention</b>						<b>Excess of \$50,000</b>					
	Claim Count =====>			Loss Dollars =====>			Claim Count =====>			Loss Dollars =====>		
	Paid	Incurred	Open	Paid	Incurred		Paid	Incurred		Paid	Incurred	
1999/00	11	12	2	2,151,698	2,294,329		11	12		2,151,698	2,294,329	
2000/01	10	10	-	2,245,413	2,245,413		7	7		2,209,993	2,209,993	
2001/02	12	12	-	752,636	752,636		8	8		639,659	639,659	
2002/03	20	20	1	3,149,097	3,374,495		20	20		2,824,097	3,049,495	
2003/04	13	14	5	1,593,147	2,303,633		12	14		1,508,322	2,203,633	
2004/05	17	21	12	2,363,751	4,603,521		16	20		2,130,098	4,388,521	
2005/06	7	17	13	769,636	2,218,120		4	15		688,470	1,937,503	
2006/07	-	1	1	-	375,000		-	1		-	350,000	
<b>Total</b>	<b>90</b>	<b>107</b>	<b>34</b>	<b>13,025,378</b>	<b>18,167,147</b>		<b>78</b>	<b>97</b>		<b>12,152,337</b>	<b>17,073,134</b>	

Year	<b>First Dollar (to \$1M)</b>					
	Claim Count =====>			Loss Dollars =====>		
	Total	Incurred	Open	Paid	Incurred	
1999/00	51	35	2	2,943,925	3,108,026	
2000/01	50	31	-	2,807,814	2,807,814	
2001/02	53	33	-	1,466,529	1,466,529	
2002/03	42	26	1	3,921,577	4,146,974	
2003/04	35	25	7	2,310,919	3,061,075	
2004/05	47	36	28	3,246,607	5,631,284	
2005/06	42	25	38	1,126,015	2,802,267	
2006/07	4	3	4	6,266	406,266	
<b>Total</b>	<b>324</b>	<b>214</b>	<b>80</b>	<b>17,829,652</b>	<b>23,430,236</b>	

**ERMA****Loss Experience Through 12/31/05****ERMA: Reported Claims and Losses**

Year	<b>Excess of Retention</b>						<b>Excess of \$50,000</b>			
	Claim Count =====>			Loss Dollars =====>			Claim Count =====>		Loss Dollars =====>	
	Paid	Incurred	Open	Paid	Incurred		Paid	Incurred	Paid	Incurred
1999/00	11	11	1	2,145,911	2,145,911		11	11	2,145,911	2,145,911
2000/01	9	9	3	2,117,775	2,338,661		7	7	2,089,124	2,310,011
2001/02	11	12	3	576,966	608,737		7	8	468,021	498,021
2002/03	17	19	4	2,381,104	2,903,639		17	19	2,206,104	2,728,639
2003/04	11	11	6	1,155,894	1,192,180		10	10	1,075,424	1,094,933
2004/05	6	6	5	1,133,995	1,369,028		3	4	1,082,302	1,296,878
2005/06	-	-	-	-	-		-	-	-	-
<b>Total</b>	<b>65</b>	<b>68</b>	<b>22</b>	<b>9,511,646</b>	<b>10,558,157</b>		<b>55</b>	<b>59</b>	<b>9,066,887</b>	<b>10,074,394</b>

Year	<b>First Dollar (to \$1M)</b>				
	Claim Count =====>			Loss Dollars =====>	
	Total	Incurred	Open	Paid	Incurred
1999/00	51	35	2	2,930,685	2,930,685
2000/01	50	31	4	2,660,582	2,881,468
2001/02	53	33	3	1,277,078	1,322,630
2002/03	42	26	6	3,252,338	3,810,301
2003/04	35	25	19	1,787,257	1,838,776
2004/05	43	33	40	1,642,608	1,902,851
2005/06	5	2	5	33,665	33,665
<b>Total</b>	<b>279</b>	<b>185</b>	<b>79</b>	<b>13,584,213</b>	<b>14,720,377</b>

**ERMA****Loss Experience Through 12/31/04****ERMA: Reported Claims and Losses**

Year	<b>Excess of Retention</b>						<b>Excess of \$50,000</b>			
	Claim Count =====>			Loss Dollars =====>			Claim Count =====>		Loss Dollars =====>	
	Paid	Incurred	Open	Paid	Incurred		Paid	Incurred	Paid	Incurred
1999/00	10	10	1	2,094,455	2,102,254		10	10	2,144,455	2,152,254
2000/01	9	9	3	1,936,672	2,296,236		7	7	1,908,022	2,267,586
2001/02	9	10	4	451,268	477,974		6	7	342,820	369,527
2002/03	16	16	9	1,433,167	1,685,197		15	16	1,261,812	1,510,197
2003/04	5	5	3	138,865	350,467		4	5	122,216	325,467
2004/05	-	-	-	-	-		-	-	-	-
<b>Total</b>	<b>49</b>	<b>50</b>	<b>20</b>	<b>6,054,427</b>	<b>6,912,128</b>		<b>42</b>	<b>45</b>	<b>5,779,325</b>	<b>6,625,030</b>

Year	<b>First Dollar (to \$1M)</b>					
	Claim Count =====>			Loss Dollars =====>		
	Total	Incurred	Open	Paid	Incurred	
1999/00	50	34	2	2,883,461	2,891,260	
2000/01	50	31	4	2,479,480	2,839,043	
2001/02	52	31	8	988,258	1,058,960	
2002/03	42	24	26	2,205,340	2,445,501	
2003/04	31	18	27	501,075	792,276	
2004/05	7	6	7	54,888	79,888	
<b>Total</b>	<b>232</b>	<b>144</b>	<b>74</b>	<b>9,112,501</b>	<b>10,106,928</b>	



**ERMA****Loss Experience Through 12/31/03****ERMA: Reported Claims and Losses**

Year	<b>Excess of Retention</b>						<b>Excess of \$50,000</b>			
	Claim Count =====>			Loss Dollars =====>			Claim Count =====>		Loss Dollars =====>	
	Paid	Incurred	Open	Paid	Incurred		Paid	Incurred	Paid	Incurred
1999/00	10	10	2	1,720,889	2,258,908		9	10	1,725,687	2,258,908
2000/01	9	9	4	1,077,758	1,835,550		7	7	1,049,108	1,806,900
2001/02	7	9	6	263,686	513,610		4	5	201,603	406,997
2002/03	-	4	4	-	146,315		-	4	-	96,315
2003/04	-	1	1	-	54,900		-	1	-	104,900
<b>Total</b>	<b>26</b>	<b>33</b>	<b>17</b>	<b>3,062,333</b>	<b>4,809,284</b>		<b>20</b>	<b>27</b>	<b>2,976,398</b>	<b>4,674,021</b>

Year	<b>First Dollar (to \$1M)</b>					
	Claim Count =====>			Loss Dollars =====>		
	Total	Incurred	Open	Paid	Incurred	
1999/00	50	34	3	2,459,895	2,997,913	
2000/01	50	28	8	1,594,129	2,351,921	
2001/02	52	30	18	750,775	1,043,393	
2002/03	39	14	34	215,764	449,620	
2003/04	9	2	9	35,864	160,864	
<b>Total</b>	<b>200</b>	<b>108</b>	<b>72</b>	<b>5,056,426</b>	<b>7,003,712</b>	

**ERMA****Loss Experience Through 12/31/02****ERMA: Reported Claims and Losses**

Year	<b>Excess of Retention</b>						<b>Excess of \$50,000</b>			
	Claim Count =====>			Loss Dollars =====>			Claim Count =====>		Loss Dollars =====>	
	Paid	Incurred	Open	Paid	Incurred		Paid	Incurred	Paid	Incurred
1999/00	8	8	4	948,655	1,344,365		7	7	1,022,240	1,417,950
2000/01	5	5	2	228,610	413,632		3	3	201,179	386,201
2001/02	1	3	2	18,973	70,973		-	1	-	30,000
2002/03	-	-	-	-	-		-	-	-	-
<b>Total</b>	<b>14</b>	<b>16</b>	<b>8</b>	<b>1,196,238</b>	<b>1,828,970</b>		<b>10</b>	<b>11</b>	<b>1,223,419</b>	<b>1,834,152</b>

Year	<b>First Dollar (to \$1M)</b>					
	Claim Count =====>			Loss Dollars =====>		
	Total	Incurred	Open	Paid	Incurred	
1999/00	57	35	9	1,686,317	2,082,289	
2000/01	52	23	24	595,580	785,435	
2001/02	50	19	46	274,562	390,498	
2002/03	1	-	1	-	-	
<b>Total</b>	<b>160</b>	<b>77</b>	<b>80</b>	<b>2,556,458</b>	<b>3,258,222</b>	

**ERMA****Loss Experience Through 12/31/01****ERMA: Reported Claims and Losses**

Year	<b>Excess of Retention</b>						<b>Excess of \$50,000</b>			
	Claim Count =====>			Loss Dollars =====>			Claim Count =====>		Loss Dollars =====>	
	Paid	Incurred	Open	Paid	Incurred		Paid	Incurred	Paid	Incurred
1999/00	5	8	5	654,004	800,775		5	8	679,004	825,775
2000/01	2	2	-	103,442	103,442		1	1	76,201	76,201
2001/02	-	-	-	-	-		-	-	-	-
<b>Total</b>	<b>7</b>	<b>10</b>	<b>5</b>	<b>757,446</b>	<b>904,216</b>		<b>6</b>	<b>9</b>	<b>755,205</b>	<b>901,976</b>

Year	<b>First Dollar (to \$1M)</b>					
	Claim Count =====>			Loss Dollars =====>		
	Total	Incurred	Open	Paid	Incurred	
1999/00	57	35	9	1,686,317	2,082,289	
2000/01	31	14	15	329,235	454,210	
2001/02	-	-	-	-	-	
<b>Total</b>	<b>88</b>	<b>49</b>	<b>24</b>	<b>2,015,551</b>	<b>2,536,498</b>	

**ERMA****Loss Experience Through 12/31/00****ERMA: Reported Claims and Losses**

Year	<b>Excess of Retention</b>				<b>Excess of \$50,000</b>			
	Claim Count =====>		Loss Dollars =====>		Claim Count =====>		Loss Dollars =====>	
	Paid	Incurred	Paid	Incurred	Paid	Incurred	Paid	Incurred
1999/00	3	4	84,796	226,560	4	5	93,489	235,253
2000/01	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3</b>	<b>4</b>	<b>84,796</b>	<b>226,560</b>	<b>4</b>	<b>5</b>	<b>93,489</b>	<b>235,253</b>

Year	<b>First Dollar (to \$1M)</b>			
	Claim Count =====>		Loss Dollars =====>	
	Total	Incurred	Paid	Incurred
1999/00	41	18	373,300	557,087
2000/01	6	2	8,090	8,090
<b>Total</b>	<b>47</b>	<b>20</b>	<b>381,390</b>	<b>565,177</b>

**ERMA****Loss Experience Through 12/31/17*****By Member***

Member	Reported Losses First Dollar		Reported Losses ERMA Layer		Reported Claims		In ERMA Layer
	Paid	Incurred	Paid	Incurred	1st Dollar Total	With Incurred Value>\$500	
BCJPIA	4,240,430	4,813,346	2,357,172	2,457,172	90	63	12
CalTIP	-	-	-	-	-	-	-
CCCMRMIA/MPA	14,116,408	14,922,632	10,907,532	11,347,690	206	121	52
CHARMA	2,087,103	2,087,103	1,359,259	1,359,259	43	24	10
CSJVRMA	12,142,313	13,290,005	9,878,097	10,568,029	177	124	60
ERMAC	66,081	86,081	-	-	3	2	-
MBASIA	102,492	132,492	-	-	10	7	-
PARSAC	12,229,472	13,575,578	8,247,296	9,375,655	203	136	67
PERMA	10,891,309	12,034,846	8,666,638	9,268,453	116	87	41
SCORE	1,230,501	1,230,501	980,778	980,778	15	11	8
VCJPA	2,494,366	2,718,934	1,450,464	1,638,233	55	42	18
City of Vacaville	560,209	560,209	402,111	402,111	9	5	3
Oakland Housing Authority	395,876	470,882	203,907	203,907	33	13	2
Contra Costa Housing Authority	43,152	43,152	-	-	2	2	-
<b>Total</b>	<b>60,599,712</b>	<b>65,965,761</b>	<b>44,453,255</b>	<b>47,601,286</b>	<b>962</b>	<b>637</b>	<b>273</b>

***Percent of Total***

Member	Reported Losses First Dollar		Reported Losses ERMA Layer		Reported Claims		In ERMA Layer
	Paid	Incurred	Paid	Incurred	1st Dollar Total	With Incurred Value>\$500	
BCJPIA	7%	7%	5%	5%	9%	10%	4%
CalTIP	0%	0%	0%	0%	0%	0%	0%
CCCMRMIA/MPA	23%	23%	25%	24%	21%	19%	19%
CHARMA	3%	3%	3%	3%	4%	4%	4%
CSJVRMA	20%	20%	22%	22%	18%	19%	22%
ERMAC	0%	0%	0%	0%	0%	0%	0%
MBASIA	0%	0%	0%	0%	1%	1%	0%
PARSAC	20%	21%	19%	20%	21%	21%	25%
PERMA	18%	18%	19%	19%	12%	14%	15%
SCORE	2%	2%	2%	2%	2%	2%	3%
VCJPA	4%	4%	3%	3%	6%	7%	7%
City of Vacaville	1%	1%	1%	1%	1%	1%	1%
Oakland Housing Authority	1%	1%	0%	0%	3%	2%	1%
Contra Costa Housing Authority	0%	0%	0%	0%	0%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**Retention Rate Adjustment Factors****Losses Limited to \$1,000,000 per Occurrence**

Retention	Selected Current	Selected Prior	Based on ERMA Losses																	
			2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	All Years
25,000	1.140	1.140	1.079	1.214	1.080	1.103	1.068	1.097	1.087	1.116	1.212	1.111	1.145	1.133	1.125	1.120	1.091	1.152	1.609	1.116
50,000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
75,000	0.900	0.900	0.945	0.831	0.923	0.910	0.938	0.922	0.923	0.892	0.831	0.907	0.873	0.895	0.894	0.907	0.931	0.874	0.682	0.907
100,000	0.820	0.810	0.903	0.688	0.850	0.829	0.882	0.859	0.850	0.788	0.719	0.829	0.761	0.818	0.799	0.828	0.863	0.755	0.449	0.827
250,000	0.480	0.480	0.647	0.301	0.487	0.503	0.629	0.559	0.510	0.364	0.238	0.432	0.406	0.516	0.413	0.466	0.520	0.258	-	0.481
500,000	0.190	0.190	0.351	-	0.166	0.174	0.318	0.257	0.222	0.078	-	0.072	0.195	0.262	0.100	0.158	0.233	0.085	-	0.190

**ERMA - New Member 1st Year Claims Made Rate**  
**Coverage for 2017-18 Occurrences Reported in 2018-19**  
**\$1,000,000 ERMA Limit, \$50,000 Member Deductible**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Occurrence Year	Selected Severity	Selected Frequency	Estimated % of ERMA-Layer 2017-18 Claims to be Reported in 2018-19	Expected Loss Rate	75% CL	80% CL	85% CL
2017-18	\$230,000	0.013	40%	\$0.120	\$0.163	\$0.176	\$0.191

Footnotes:

- (A) Occurrence year covered
- (B) From Appendix D, Page 2; Average claim size in ERMA layer
- (C) From Appendix D, Page 3; # of claims per \$1M of payroll
- (D) Selected based on estimated ERMA layer reported claim development patterns
- (E) Expected rate per \$100 of payroll:  $(B) \times (C) \times (D) / 10,000$
- (F) 75% Confidence Level rate per \$100 of payroll
- (G) 80% Confidence Level rate per \$100 of payroll
- (H) 85% Confidence Level rate per \$100 of payroll

**FINANCIAL MATTERS**

**SUBJECT: Review and Approval of Administrative and Operating Budget for the 2018/19 Program Year**

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**BACKGROUND AND STATUS:**

Attached for the Board's consideration is the Proposed Annual Budget for the 2018/19 Program Year. The Budget features funding at the 80% confidence level (CL), the same CL as used in the 2017/18 Approved Budget. The featured discount rate continues to be 2.0%.

The recommended 2018/19 Proposed Budget at the 80% CL represents an overall increase of 7.3%, or \$481,969, over the 2017/18 Approved Budget. There are two drivers in the overall increase:

- The increase in payroll of 3.3%; and
- The increase in the funding rate of 4.2%.

**Total premium reflects the following assumptions and significant factors:**

- Funding for losses at the 80% CL at the actuarially-determined rate of .477 per \$100 of payroll (\$50,000 SIR); a 4.2% increase over last year's rate at the 80% CL;
- Discount factor of 2.0%;
- Funding for losses to \$1 million in excess of individual member's SIR;
- Optional excess insurance coverage to \$1 million excess of \$1 million at the prior year rate of .0333;

*Note: As presented by Alliant in the Excess Coverage Update, options include optional coverage from \$2 million excess of \$1 million. Under this option at a rate of .040, the increase in EPL excess premium would be \$50,000. The Summary page of this Budget option is attached.)*

- Actual payroll as of December 31, 2017;
- An increase in payroll of 3.3%;
- A less than 1.0% increase in the Loss Prevention and Training portion of the budget in the Employee Reporting Mechanism line item;
- A 5.3% increase in the Administration portion of the budget. Variances from last year's budget include:
  - Program Administration – 2.7% contractual increase with the augmentation of the renewed five-year contract with Bickmore;
  - Risk Assessments – 100%, or \$5,000, increase due to a larger number of members undergoing the assessments;
  - Legal Services - 50%, or \$15,000, increase due to increased usage of attorney's time for coverage opinions;
  - Financial Audit – 5.3%, or \$500, contractual increase with the augmentation of a renewed three-year contract;



- Claims Audit – Biennial funded line item –budgeted in 2018/19;
- Memberships and Conferences - \$5,200 increase includes \$5,000 for participation in AGRIP conferences;
- Website – Funding no longer required for this line item; and
- Other expenses - \$500 augmentation for additional bank fees.
- The withdrawal of LP Fire from BCJPIA;
- Changes in member’s self-insured retentions as follows:
  - Pacifica in MPA – from \$50,000 to \$75,000;
  - West Hollywood in PARSAC – from \$100,000 to \$250,000;
  - Yucca Valley in PARSAC – from \$25,000 to \$100,000; and
  - Murrieta in PERMA – from \$250,000 to \$100,000 (*requires board approval*).

**Experience Modification Calculation:**

Continuing the methodology that has been employed for the past nine years, the proposed budget utilizes a three-tiered experience modification factor (ex-mod) calculation:

- The first calculates the ex-mod at the JPA level, and determines each JPA’s premium contribution to ERMA;
- A secondary calculation reflects the effects of each underlying member’s individual loss experience in the premium each individual member pays to its JPA, as it utilizes the “pure” ex-mod, rather than the credibility-factored ex-mod used in the primary JPA calculation, capped at .75 on the low end and 1.50 on the high end; and
- A third calculation attempts to correct significant swings by capping individual ex-mod changes to .25 from the previous year’s ex-mod.

Please note that ERMA assumes the budgeted premium calculation methodology for any future calculations of individual member target performance ratios, as well as retained earnings calculations that determine retrospective adjustments.

**RECOMMENDATION:**

*Staff recommends the Board of Directors approve the 2018/19 Proposed Operating Budget at the 80% Confidence Level.*

**REFERENCE MATERIALS ATTACHED:**

- 2018/19 Proposed Annual Budget at the 80% Confidence Level
- 2018/19 Proposed Annual Budget with Excess Coverage \$2 million excess of \$1 million (Summary page only)

# Employment Risk Management Authority

~ 2018/2019 Proposed Operating Budget ~

~ 80 % Confidence Level ~ 2.0 % Discount Factor ~

~ Excess Insurance \$1 million x \$1 million ~ \$2 million / \$10 million Aggregate ~

	Prior Year - 2017/2018		2018/2019 Proposed Budget	Increase/(Dec) Over Prior Year Budget	Percentage Change
	Projected Actual	Approved Budget			
<b><u>Claims Expense:</u></b>					
Funding for Pooled Losses (SIR to \$1M)	\$5,466,618	\$5,466,618	\$5,891,772	\$425,154	7.78%
Excess Insurance	235,697	235,697	248,699	13,002	5.52%
<b>Total Claims Costs</b>	<b>\$5,702,315</b>	<b>\$5,702,315</b>	<b>\$6,140,471</b>	<b>\$438,156</b>	<b>7.68%</b>
<b><u>Loss Prevention and Training:</u></b>					
Employee Reporting Mechanism	9,500	8,500	9,500	1,000	11.76%
Web-based Training: AB1825 & AB1234	18,000	18,000	18,000	0	0.00%
Training Bulletins	6,000	6,000	6,000	0	0.00%
Additional Web-based Training	12,000	12,000	12,000	0	0.00%
Hotline Services - Jackson Lewis & LCW	7,000	7,000	7,000	0	0.00%
Misc. Training Expenses	3,000	6,000	6,000	0	0.00%
Customized Training Sessions (Attorney firms), and Training Workshops (22 x \$2,150)	30,100 17,200	17,200 30,100	47,300	0	0.00%
<b>Total Loss Prevention and Training</b>	<b>\$102,800</b>	<b>\$104,800</b>	<b>\$105,800</b>	<b>\$1,000</b>	<b>0.95%</b>
<b><u>Administration:</u></b>					
Program Management	\$678,949	\$678,949	\$697,162	\$18,213	2.68%
Includes:					
• Training Workshops (Inhouse as per Bickmore contract - 25 x \$1,800 = \$36,000)					
Risk Assessments	12,300	5,000	10,000	5,000	100.00%
Claims System	5,000	5,000	5,000	0	0.00%
Legal Services	46,000	30,000	45,000	15,000	50.00%
Actuarial Study	9,950	9,950	9,950	0	0.00%
Financial Audit	9,450	9,450	9,950	500	5.29%
Claims Audit	0	0	5,900	5,900	
Board Meetings & Retreat	25,000	30,000	30,000	0	0.00%
Memberships and Conferences	950	1,500	6,700	5,200	346.67%
Accreditation	1,417	1,500	1,500	0	0.00%
Fidelity Bonds	1,139	1,200	1,200	0	0.00%
E & O Coverage	2,485	2,500	2,500	0	0.00%
Investment Management Services	28,000	30,000	30,000	0	0.00%
Website	7,500	7,500	0	(7,500)	-100.00%
Other Expenses	4,000	3,500	4,000	500	14.29%
<b>Total Administration</b>	<b>\$832,140</b>	<b>\$816,049</b>	<b>\$858,862</b>	<b>\$42,813</b>	<b>5.25%</b>
<b>Total Deposit Premium</b>	<b>\$6,637,255</b>	<b>\$6,623,164</b>	<b>\$7,105,133</b>	<b>\$481,969</b>	<b>7.28%</b>

## 2018/2019 member changes from the prior year include:

- ~ Increase in SIR from \$50,000 to \$75,000 for Pacifica in MPA
- ~ Increase in SIR from \$100,000 to \$250,000 for West Hollywood in PARSAC
- ~ Increase in SIR from \$25,000 to \$100,000 for Yucca Valley in PARSAC
- ~ Decrease in SIR from \$250,000 to \$100,000 for Murrieta in PERMA
- ~ Withdrawal of LP Fire from BCJPIA

# Employment Risk Management Authority

~ 2018/2019 Proposed Operating Budget ~

## Member Summary

~ 80 % Confidence Level ~ 2.0 % Discount Factor ~

Member Entities	Actual 2017 Payroll	Funding For Losses *	Loss Prevention & Training	Admin. Costs	Deposit Premium	Experience Modification Factor	Deposit Premium Adjusted for Ex Mod	Off-Balance Factor	Deposit Premium			Prior Year Comparison		
									Deposit Premium Adjusted for Off-Bal Factor	Excess Insurance \$1M x \$1M	TOTAL Deposit Premium	Prior Yr.		
												Deposit Premium	Percentage Change	Change Net of Payroll
BCJPIA	\$221,880,901	\$830,690	\$15,466	\$125,547	\$971,703	0.773	\$751,515	0.988	\$742,584		\$742,584	\$784,685	-5.4%	-1.7%
CaTIP	20,638,603	97,222	1,439	11,678	110,338	1.000	110,338	0.988	109,027	4,268	113,295	\$101,264	11.9%	11.9%
CSJVRMA	276,492,646	1,274,234	19,272	156,448	1,449,954	1.250	1,812,443	0.988	1,790,903	92,072	1,882,976	1,787,694	5.3%	1.5%
ERMAC	85,959,423	79,281	5,992	48,638	133,911	0.767	102,757	0.988	101,535		101,535	107,777	-5.8%	-5.8%
MBASIA	52,450,612	39,449	3,656	29,678	72,783	1.025	74,632	0.988	73,745	17,466	91,211	82,384	10.7%	5.0%
MPA	315,821,765	1,332,458	22,014	178,702	1,533,173	0.750	1,149,880	0.988	1,136,214	105,169	1,241,383	1,212,684	2.4%	-4.5%
PARSAC	241,906,438	832,656	16,861	136,878	986,396	1.250	1,232,861	0.988	1,218,210		1,218,210	1,179,233	3.3%	-1.8%
PERMA	192,909,150	897,094	13,446	109,154	1,019,695	1.072	1,093,160	0.988	1,080,169		1,080,169	819,944	31.7%	25.0%
SCORE	20,557,794	79,160	1,433	11,632	92,225	0.884	81,488	0.988	80,520		80,520	76,107	5.8%	0.2%
VCJPA	55,554,010	268,745	3,872	31,434	304,051	1.146	348,397	0.988	344,257	18,499	362,757	305,591	18.7%	13.9%
Oakland H.A.	28,486,957	135,883	1,986	16,119	153,987	1.006	154,891	0.988	153,051	9,486	162,537	173,592	-6.4%	-12.4%
Contra Costa H.A.	5,220,093	24,900	364	2,954	28,217	0.940	26,534	0.988	26,219	1,738	27,957	27,734	0.8%	0.6%
Total	\$1,517,878,391	\$5,891,772	\$105,800	\$858,862	\$6,856,434		\$6,938,897		\$6,856,434	\$248,699	\$7,105,133	\$6,658,688	6.7%	3.4%

\* Includes JPA Participation Credit

2016 Actual Payroll	\$1,470,030,652
Percent Change	3.25%

Table of Rates	
Budget Item	Rates
Funding for Losses - 2.0% Discounted 80% Confidence Level	\$0.4770
Excess Insurance: \$1M x \$1M ~ \$2M / \$10M Aggregate	0.0333
Loss Prevention & Training	0.0070
Administration	0.0566

# Employment Risk Management Authority

## ~ 2018/2019 Proposed Operating Budget ~

### Prior Year Comparison

Member Entities	DEPOSIT PREMIUM CHANGE			CURRENT PAYROLL CHANGE			EX MOD CALCULATION								
							EX MOD CHANGE			AVERAGE PAYROLL CHANGE			AVERAGE LOSS CHANGE		
	Current Year	Prior Year		Current Year	Prior Year		Current Year	Prior Year	Percentage	Current Year	Prior Year	Percentage	Current Year	Prior Year	Percentage
	TOTAL Deposit Premium	Deposit Premium	Percentage Change	Payroll	Payroll	Change	Ex Mod	Ex Mod	Change	Average Payroll	Average Payroll	Change	Average Losses	Average Losses	Change
BCJPIA	\$742,584	\$784,685	-5.4%	\$221,880,901	\$230,305,992	-3.7%	0.773	0.791	-2.2%	\$193,181,519	\$193,824,840	-0.3%	137,383	\$145,110	-5.3%
CalTIP	113,295	101,264	11.9%	20,638,603	18,575,245	11.1%	1.000	1.000	0.0%	15,078,865					
CSJVRMA	1,882,976	1,787,694	5.3%	276,492,646	266,418,455	3.8%	1.250	1.238	1.0%	236,375,000	230,332,070	2.6%	713,399	578,926	23.2%
ERMAC	101,535	107,777	-5.8%	85,959,423	94,101,827	-8.7%	1.000	1.000	0.0%	82,095,031					
MBASIA	91,211	82,384	10.7%	52,450,612	49,607,745	5.7%	1.025	0.967	6.0%	44,575,237	44,232,559	0.8%	87,741	58,851	49.1%
MPA	1,241,383	1,212,684	2.4%	315,821,765	295,490,022	6.9%	0.750	0.787	-4.7%	267,197,597	263,950,853	1.2%	192,482	226,637	-15.1%
PARSAC	1,218,210	1,179,233	3.3%	241,906,438	230,170,584	5.1%	1.250	1.250	0.0%	209,183,254	207,000,653	1.1%	587,926	685,699	-14.3%
PERMA	1,080,169	819,944	31.7%	192,909,150	180,809,708	6.7%	1.072	0.908	18.1%	162,124,004	159,444,104	1.7%	337,904	190,010	77.8%
SCORE	80,520	76,107	5.8%	20,557,794	19,472,925	5.6%	0.884	0.886	-0.3%	17,692,234	16,570,889	6.8%	-	-	
VCJPA	362,757	305,591	18.7%	55,554,010	53,003,822	4.8%	1.146	1.009	13.6%	48,102,084	46,862,262	2.6%	146,483	79,156	85.1%
Oakland H.A.	162,537	173,592	-6.4%	28,486,957	26,867,023	6.0%	1.006	1.152	-12.7%	25,107,499	24,368,847	3.0%	45,287	82,455	-45.1%
Contra Costa H.A.	27,957	27,734	0.8%	5,220,093	5,207,303	0.2%	0.940	0.939	0.1%	4,644,950	4,749,605	-2.2%	-	-	0.0%
<b>Total</b>	<b>\$7,105,133</b>	<b>\$6,658,688</b>	<b>6.7%</b>	<b>\$1,517,878,391</b>	<b>\$1,470,030,652</b>	<b>3.3%</b>				<b>\$1,305,357,275</b>	<b>\$1,191,336,682</b>	<b>9.6%</b>	<b>\$2,248,605</b>	<b>\$2,046,844</b>	<b>9.9%</b>

**Employment Risk Management Authority**  
**~ 2018/2019 Proposed Operating Budget ~**  
**Bickmore Fee Worksheet**

	Original Contract Year		
	Current Year - 2018/2019		
			\$697,162
<b>Percentage Increase over previous year</b>			2.54%
Baseline as of 4/1/18	Payroll	Payroll Calc %age	BRS Fees
			697,162
Totals as of 6/30/19	0		\$697,162

	2019/2020		
			\$711,105
<b>Percentage Increase over previous year</b>			2.00%
Baseline as of 7/1/19	Payroll	Payroll Calc %age	BRS Fees
			711,105
Totals as of 6/30/20	0		\$711,105

	2020/2021		
			\$725,327
<b>Percentage Increase over previous year</b>			2.00%
Baseline as of 7/1/20	Payroll	Payroll Calc %age	BRS Fees
			725,327
Totals as of 6/30/21	0		\$725,327

Approved contract is for a 5 year period. Final two years of contract are not shown.

# Employment Risk Management Authority

## ~ 2018/2019 Proposed Operating Budget ~

### ~ BCJPIA ~

Member	Actual 2017 Payroll	SIR Selected	Payroll/100 Pool Rate	Funding For Losses	Loss Prevention & Training	Admin. Costs	Deposit Premium	JPA Participation Credit	Net Deposit Premium	JPA Experience Mod Calculation (Used in determining the JPA's premium to ERMA)				Individual Experience Mod Calculation (Used in determining each individual member's premium to their JPA)							Prior Year Deposit	Increase
										2	3	4	5	6	7	8	Info Only:	9	10	11		
										JPA Experience Modification Factor	Dep Prem Adjusted for Experience Modification	Off-Balance Factor	Dep Prem Adjusted for Off Balance Factor	Individual Experience Modification Factor	Capped Individual Experience Modification	Ex Mod Including .25 capped change over prior year	Prior Year (2017/2018) Experience Modification	Deposit Adjusted for Experience Modification	Off-Balance Factor	Premium Adjusted for Off Balance Factor		
1 Albany/Albany JPA	\$10,382,672	\$50,000	\$0.477	\$49,525	\$724	\$5,875	\$56,124	(\$2,723)	\$53,400	0.773	\$41,300	0.988	\$40,809	0.000	0.750	0.750	0.750	\$40,050	0.928	\$37,181	\$36,172	\$1,009
2 Brisbane	9,197,185	50,000	0.477	43,871	641	5,204	49,716	(2,413)	47,303	0.773	36,584	0.988	36,149	0.000	0.750	0.750	0.750	35,477	0.928	32,935	32,112	823
3 Central Marin PA	4,076,456	100,000	0.391	15,945	284	2,307	18,535	(899)	17,636	0.773	13,640	0.988	13,478	0.000	0.750	0.750	0.750	13,227	0.928	12,279	14,384	(2,104)
4 Corte Madera (7/1/17)	6,221,073	100,000	0.391	24,333	434	3,520	28,287	(1,373)	26,914	0.773	20,815	0.988	20,568	0.000	0.750	0.750	1.000	20,186	0.928	18,739	23,680	(4,941)
5 Emeryville	4,793,089	50,000	0.477	22,863	334	2,712	25,909	(1,257)	24,652	0.773	19,066	0.988	18,839	0.000	0.750	0.750	0.750	18,489	0.928	17,164	16,351	814
6 Emeryville (MESA)	9,417,552	50,000	0.477	44,922	656	5,329	50,907	(2,470)	48,437	0.773	37,461	0.988	37,016	0.000	0.750	0.750	0.750	36,327	0.928	33,724	31,624	2,101
7 Fairfax	2,641,046	50,000	0.477	12,598	184	1,494	14,276	(693)	13,583	0.773	10,505	0.988	10,381	0.000	0.750	0.750	0.750	10,188	0.928	9,458	9,731	(274)
8 Larkspur	6,151,456	250,000	0.229	14,084	429	3,481	17,994	(873)	17,121	0.773	13,241	0.988	13,084	0.000	0.750	0.750	0.750	12,840	0.928	11,920	11,414	506
9 Los Altos (07/01/12)	13,123,439	100,000	0.391	51,331	915	7,426	59,671	(2,896)	56,776	0.773	43,910	0.988	43,389	1.082	1.082	1.082	1.250	61,445	0.928	57,042	54,840	2,202
10 Menlo Park (07/01/02)	27,678,124	250,000	0.229	63,372	1,929	15,661	80,962	(3,929)	77,033	0.773	59,578	0.988	58,870	0.411	0.750	0.750	0.750	57,775	0.928	53,635	54,527	(892)
11 Mill Valley (07/01/01)	16,484,232	50,000	0.477	78,630	1,149	9,327	89,106	(4,324)	84,782	0.773	65,570	0.988	64,791	0.000	0.750	0.750	0.750	63,587	0.928	59,030	55,564	3,466
12 Novato (09/01/07)	17,463,450	250,000	0.229	39,984	1,217	9,881	51,083	(2,479)	48,604	0.773	37,590	0.988	37,144	2.035	1.500	1.500	1.376	72,906	0.928	67,682	61,098	6,584
13 Piedmont	12,293,059	50,000	0.477	58,638	857	6,956	66,451	(3,225)	63,226	0.773	48,899	0.988	48,318	1.644	1.500	1.000	0.750	63,226	0.928	58,696	43,991	14,705
14 Pleasanton	42,004,560	75,000	0.429	180,326	2,928	23,767	207,021	(10,046)	196,975	0.773	152,340	0.988	150,530	0.195	0.750	0.750	0.750	147,731	0.928	137,146	134,374	2,772
15 San Anselmo	2,892,949	50,000	0.477	13,799	202	1,637	15,638	(759)	14,879	0.773	11,507	0.988	11,371	0.000	0.750	0.750	0.750	11,159	0.928	10,360	9,562	798
16 Sausalito	6,278,839	50,000	0.477	29,950	438	3,553	33,940	(1,647)	32,293	0.773	24,976	0.988	24,679	0.000	0.750	0.750	0.750	24,220	0.928	22,485	21,486	999
17 Tiburon (7/1/11)	3,434,481	25,000	0.544	18,676	239	1,943	20,859	(1,012)	19,847	0.773	15,349	0.988	15,167	0.000	0.750	0.750	0.750	14,885	0.928	13,818	13,462	356
18 Union City	27,347,240	75,000	0.429	117,402	1,906	15,474	134,782	(6,540)	128,241	0.773	99,182	0.988	98,003	0.000	0.750	0.750	0.750	96,181	0.928	89,289	90,561	(1,272)
<b>Total</b>	<b>\$221,880,901</b>			<b>\$880,248</b>	<b>\$15,466</b>	<b>\$125,547</b>	<b>\$1,021,261</b>	<b>(\$49,558)</b>	<b>\$971,703</b>		<b>\$751,515</b>		<b>\$742,584</b>					<b>\$799,900</b>		<b>\$742,584</b>	<b>\$714,933</b>	<b>\$27,651</b>

(49,558) JPA participation credit

**\$830,690** Net funding

JPA Ex mod calc: 1 X 2 = 3; then 3 X 4 = 5

Individual Ex mod calc: 1 X 8 = 9; then 9 X 10 = 11

Total JPA Payroll	\$457,238,276
Participating Payroll	221,880,901
Participation Credit	4.85%
2016 Payroll	\$230,305,992
2017 Payroll	221,880,901
Percentage Increase	-3.66%

Retained Limit Rates - 80% C.L.		
SIR	Factor	Rates
\$25,000	1.14	\$0.544
50,000	1.00	0.477
75,000	0.90	0.429
100,000	0.82	0.391
250,000	0.48	0.229
500,000	0.19	0.091

Other Rates	
Description	Rates
Excess Insurance: \$1M x \$1M – \$2M / \$10M Aggregate	\$0.0333
Loss Prevention & Training	0.0070
Administration	0.0566

# Employment Risk Management Authority

## ~ 2018/2019 Proposed Operating Budget ~

### ~ CalTIP ~

1									JPA Experience Mod Calculation <i>(Used in determining the JPA's premium to ERMA)</i>				Individual Experience Mod Calculation <i>(Used in determining each individual member's premium to their JPA)</i>											
									2	3	4	5	6	7	8	Info Only:	9	10	11					
Member	Actual 2017 Payroll	SIR Selected	Funding For Losses	Loss Prevention & Training	Admin. Costs	Deposit Premium	JPA Participation Credit	Net Deposit Premium	JPA Experience Modification Factor	Dep Prem Adjusted for Experience Modification	Off-Balance Factor	Dep Prem Adjusted for Off Balance Factor	Individual Experience Modification Factor	Capped Individual Experience Modification	Ex Mod Including .25 capped change over prior year	Prior Year (2017/2018) Experience Modification	Deposit Adjusted for Experience Modification	Off-Balance Factor	Premium Adjusted for Off Balance Factor			Prior Year Deposit Premium	Increase (Decrease)	
1 El Dorado County TA	\$3,339,214	\$50,000	\$15,928	\$233	\$1,889	\$18,050	(\$24)	\$18,026	1.000	\$18,026	0.988	\$17,812	0.000	0.750	0.750	1.000	\$13,520	1.317	\$17,812		\$17,812	\$16,364	\$1,448	
2 Humboldt Transit	2,259,983	75,000	9,702	158	1,279	11,138	(15)	11,124	1.000	11,124	0.988	10,991	0.000	0.750	0.750	1.000	8,343	1.317	10,991		10,991	10,668	323	
3 Livermore Amador Valley TA	1,328,830	50,000	6,339	93	752	7,183	(10)	7,174	1.000	7,174	0.988	7,088	0.000	0.750	0.750	1.000	5,380	1.317	7,088	443	7,531	7,378	153	
4 Mendocino Transit	2,603,358	50,000	12,418	181	1,473	14,073	(19)	14,054	1.000	14,054	0.988	13,887	0.000	0.750	0.750	1.000	10,540	1.317	13,887	867	14,754	13,763	991	
5 Morongo Basin TA	1,292,280	50,000	6,164	90	731	6,985	(9)	6,976	1.000	6,976	0.988	6,893	0.000	0.750	0.750	1.000	5,232	1.317	6,893		6,893	6,331	562	
6 San Luis Obispo Regional TA	4,440,740	50,000	21,182	310	2,513	24,005	(32)	23,973	1.000	23,973	0.988	23,688	0.000	0.750	0.750	1.000	17,980	1.317	23,688	1,479	25,167	24,828	339	
7 South County Transit	461,254	50,000	2,200	32	261	2,493	(3)	2,490	1.000	2,490	0.988	2,460	0.000	0.750	0.750	1.000	1,868	1.317	2,460	154	2,614	2,368	247	
8 Tahoe Transportation District	3,051,845	50,000	14,557	213	1,727	16,497	(22)	16,475	1.000	16,475	0.988	16,279	0.000	0.750	0.750	1.000	12,356	1.317	16,279	1,016	17,295	9,878	7,417	
9 Western Contra Costa TA	930,194	50,000	4,437	65	526	5,028	(7)	5,022	1.000	5,022	0.988	4,962	0.000	0.750	0.750	1.000	3,766	1.317	4,962		4,962	4,723	238	
10 Yolo County Trans. District	930,905	50,000	4,440	65	527	5,032	(7)	5,025	1.000	5,025	0.988	4,966	0.000	0.750	0.750	1.000	3,769	1.317	4,966	310	5,276	4,964	312	
Total	\$20,638,603		\$97,368	\$1,439	\$11,678	\$110,485	(\$146)	\$110,338	\$110,338				\$109,027				\$82,754			\$109,027	\$4,268	\$113,295	\$101,264	\$12,031
									(146) JPA participation credit															
									\$97,222 Net funding				JPA Ex mod calc: 1 X 2 = 3; then 3 X 4 = 5				Individual Ex mod calc: 1 X 8 = 9; then 9 X 10 = 11							

Total JPA Payroll	\$1,556,791,711
Participating Payroll	20,638,603
Participation Credit	0.13%
2016 Payroll	\$18,575,245
2017 Payroll	20,638,603
Percentage Increase	11.11%

Retained Limit Rates - 80% C.L.		
SIR	Factor	Rates
\$25,000	1.14	\$0.544
50,000	1.00	0.477
75,000	0.90	0.429
100,000	0.82	0.391
250,000	0.48	0.229
500,000	0.19	0.091

Other Rates	
Description	Rates
Excess Insurance: \$1M x \$1M ~ \$2M / \$10M Aggregate	\$0.0333
Loss Prevention & Training	0.0070
Administration	0.0566

**Employment Risk Management Authority**  
~ 2018/2019 Proposed Operating Budget ~  
~ CSJVRMA ~

											JPA Experience Mod Calculation (Used in determining the JPA's premium to ERMA)				Individual Experience Mod Calculation (Used in determining each individual member's premium to their JPA)												
1											2	3	4	5	6	7	8	Info Only:		9	10	11					
											JPA Experience Modification	Dep Prem Adjusted for Experience	Off-Balance	Dep Prem Adjusted for Off Balance	Individual Experience Modification	Capped Individual Experience	Capped Ind. Ex Mod Including .25 capped change over prior year	Prior Year (2017/2018) Experience Modification	Deposit Adjusted for Experience	Off-Balance	Premium Adjusted for Off Balance	Excess Insurance \$1M x \$1M	TOTAL Deposit Premium	Prior Year Deposit Premium	Prior Year Increase (Decrease)		
Member	Actual 2017 Payroll	SIR Selected	Payroll/100 Pool Rate	Funding For Losses	Loss Prevention & Training	Admin. Costs	Deposit Premium	JPA Participation Credit	Net Deposit Premium																		
1 Angels Camp	\$2,859,842	\$25,000	\$0.544	\$15,551	\$199	\$1,618	\$17,369	(\$1,103)	\$16,266	1.250	\$20,332	0.988	\$20,091	0.000	0.750	0.750	0.750	\$12,199	1.260	\$15,368	\$952	\$16,321	\$18,434	(\$2,113)			
2 Atwater ( 7/01/00)	5,476,157	25,000	0.544	29,778	382	3,099	33,259	(2,112)	31,146	1.250	38,933	0.988	38,470	10,624	1.500	1.500	1.250	46,720	1.260	58,856	1,824	60,680	51,786	8,894			
3 Ceres	14,621,088	25,000	0.544	79,507	1,019	8,273	88,799	(5,639)	83,159	1.250	103,949	0.988	102,714	5,350	1.500	1.500	1.250	124,739	1.260	157,144	4,869	162,012	148,411	13,601			
4 Chowchilla (07/01/01)	3,853,637	25,000	0.544	20,955	269	2,181	23,404	(1,486)	21,918	1.250	27,398	0.988	27,072	0.000	0.750	0.750	0.750	16,439	1.260	20,709	1,283	21,992	21,346	646			
5 Corcoran	3,958,828	25,000	0.544	21,527	276	2,240	24,043	(1,527)	22,516	1.250	28,145	0.988	27,811	0.000	0.750	0.750	0.750	16,887	1.260	21,274	1,318	22,593	22,882	(289)			
6 Delano	17,855,729	25,000	0.544	97,096	1,245	10,103	108,444	(6,887)	101,557	1.250	126,946	0.988	125,437	3,619	1.500	1.500	1.500	152,335	1.260	191,909	5,946	197,855	198,213	(358)			
7 Dinuba (7/1/16)	10,880,247	100,000	0.391	42,557	758	6,156	49,472	(3,142)	46,330	1.250	57,912	0.988	57,224	0.000	0.750	0.750	0.750	34,747	1.260	43,774	3,623	47,397	48,960	(1,563)			
8 Dos Palos (12/1/10)	1,237,470	25,000	0.544	6,729	86	700	7,516	(477)	7,038	1.250	8,798	0.988	8,693	0.000	0.750	0.750	0.750	5,279	1.260	6,650	412	7,062	7,588	(526)			
9 Escalon	1,930,391	25,000	0.544	10,497	135	1,092	11,724	(745)	10,979	1.250	13,724	0.988	13,561	0.000	0.750	0.750	0.750	8,235	1.260	10,374	643	11,016	10,556	461			
10 Farmersville (7/1/16)	2,325,429	75,000	0.429	9,983	162	1,316	11,461	(728)	10,733	1.250	13,416	0.988	13,257	0.000	0.750	0.750	0.750	8,050	1.260	10,141	774	10,915	11,471	(555)			
11 Fowler	1,923,045	25,000	0.544	10,457	134	1,088	11,679	(742)	10,938	1.250	13,672	0.988	13,509	0.000	0.750	1.000	10,938	1.260	13,779	640	14,419	18,237	(3,817)				
12 Gustine	1,426,840	25,000	0.544	7,759	99	807	8,666	(550)	8,115	1.250	10,144	0.988	10,024	0.000	0.750	0.750	0.750	6,087	1.260	7,668	475	8,143	8,974	(831)			
13 Hughson	1,027,149	25,000	0.544	5,585	72	581	6,238	(396)	5,842	1.250	7,303	0.988	7,216	24,990	1.500	1.000	0.750	5,842	1.260	7,360	342	7,702	5,817	1,884			
14 Huron (07/01/10)	1,140,518	25,000	0.544	6,202	79	645	6,927	(440)	6,487	1.250	8,109	0.988	8,012	0.000	0.750	0.750	0.750	4,865	1.260	6,129	380	6,509	6,589	(80)			
15 Kerman (07/01/00)	3,676,460	25,000	0.544	19,992	256	2,080	22,328	(1,418)	20,910	1.250	26,138	0.988	25,827	3,228	1.500	1.250	1.000	26,138	1.260	32,928	1,224	34,152	27,299	6,853			
16 Kingsburg (07/01/05)	3,347,411	25,000	0.544	18,203	233	1,894	20,330	(1,291)	19,039	1.250	23,799	0.988	23,516	1,167	1.167	1.000	0.750	19,039	1.260	23,985	1,115	25,099	19,140	5,959			
17 Lathrop (10/4/05)	6,345,978	25,000	0.544	34,508	442	3,591	38,541	(2,448)	36,094	1.250	45,117	0.988	44,581	0.000	0.750	0.750	1.000	27,070	1.260	34,102	2,113	36,216	45,331	(9,116)			
18 Lemoore (07/01/13)	6,793,489	25,000	0.544	36,942	474	3,844	41,259	(2,620)	38,639	1.250	48,299	0.988	47,725	0.000	0.750	0.750	0.750	28,979	1.260	36,507	2,262	38,770	33,594	5,176			
19 Livingston	3,830,666	25,000	0.544	20,830	267	2,168	23,265	(1,477)	21,787	1.250	27,234	0.988	26,911	0.000	0.750	0.750	0.750	16,341	1.260	20,585	1,276	21,861	20,419	1,442			
20 Madera	18,152,193	25,000	0.544	98,708	1,265	10,271	110,244	(7,001)	103,243	1.250	129,054	0.988	127,520	0.000	0.750	0.750	0.750	77,432	1.260	97,547	6,045	103,592	97,865	5,727			
21 McFarland	2,822,186	75,000	0.429	12,116	197	1,597	13,909	(883)	13,026	1.250	16,282	0.988	16,089	21,352	1.500	1.500	1.500	19,539	1.260	24,615	940	25,554	24,393	1,161			
22 Mendota (07/01/13)	2,229,862	25,000	0.544	12,126	155	1,262	13,543	(860)	12,683	1.250	15,853	0.988	15,665	0.000	0.750	0.750	0.750	9,512	1.260	11,983	743	12,726	12,976	(250)			
23 Merced (07/01/03)	33,627,926	100,000	0.391	131,532	2,344	19,028	152,904	(9,711)	143,193	1.250	178,992	0.988	176,865	0.000	0.750	0.750	0.750	107,395	1.260	135,294	11,198	146,492	140,901	5,591			
24 Newman	2,478,770	25,000	0.544	13,479	173	1,403	15,054	(956)	14,098	1.250	17,623	0.988	17,413	0.000	0.750	0.750	0.750	10,574	1.260	13,321	825	14,146	14,124	22			
25 Oakdale (8/1/12)	6,656,911	50,000	0.477	31,753	464	3,767	35,984	(2,285)	33,699	1.250	42,124	0.988	41,623	1,302	1.302	1.302	1.500	43,864	1.260	55,258	2,217	57,475	72,339	(14,864)			
26 Orange Cove (07/07/07)	2,044,488	50,000	0.477	9,752	143	1,157	11,052	(702)	10,350	1.250	12,937	0.988	12,783	0.000	0.750	0.750	0.750	7,762	1.260	9,779	681	10,460	9,701	758			
27 Parlier	2,084,659	50,000	0.477	9,944	145	1,180	11,269	(716)	10,553	1.250	13,191	0.988	13,035	6,012	1.500	1.500	1.250	15,830	1.260	19,942	694	20,636	16,725	3,911			
28 Patterson (07/01/13)	8,055,172	50,000	0.477	38,423	561	4,558	43,543	(2,765)	40,777	1.250	50,972	0.988	50,366	0.000	0.750	0.750	0.750	30,583	1.260	38,528	2,682	41,210	36,837	4,373			
29 Porterville	20,077,330	25,000	0.544	109,177	1,399	11,360	121,936	(7,744)	114,192	1.250	142,741	0.988	141,044	0.000	0.750	0.750	0.750	85,644	1.260	107,893	6,686	114,579	114,412	167			
30 Reedley	7,857,246	25,000	0.544	42,726	548	4,446	47,720	(3,031)	44,689	1.250	55,861	0.988	55,198	0.000	0.750	0.750	0.750	33,517	1.260	42,224	2,616	44,840	44,766	74			
31 Riverbank (7/1/12)	3,431,467	50,000	0.477	16,368	239	1,942	18,549	(1,178)	17,371	1.250	21,714	0.988	21,456	0.000	0.750	0.750	0.750	13,028	1.260	16,413	1,143	17,555	18,182	(626)			
32 Sanger (4/18/16)	8,013,974	25,000	0.544	43,578	559	4,535	48,672	(3,091)	45,581	1.250	56,976	0.988	56,299	8,693	1.500	1.500	1.250	68,371	1.260	86,132	2,669	88,801	73,629	15,171			
33 San Joaquin (08/08/03)	657,809	25,000	0.544	3,577	46	372	3,995	(254)	3,741	1.250	4,677	0.988	4,621	0.000	0.750	0.750	0.750	2,806	1.260	3,535	219	3,754	4,129	(375)			
34 Selma	6,316,007	50,000	0.477	30,127	440	3,574	34,141	(2,168)	31,973	1.250	39,966	0.988	39,491	0.000	0.750	0.750	0.750	23,980	1.260	30,209	2,103	32,313	31,380	932			
35 Shafter	12,891,212	25,000	0.544	70,100	899	7,294	78,293	(4,972)	73,320	1.250	91,651	0.988	90,561	6,229	1.500	1.500	1.250	109,981	1.260	138,551	4,293	142,844	116,773	26,071			
36 Sonora (07/01/13)	3,243,551	25,000	0.544	17,638	226	1,835	19,699	(1,251)	18,448	1.250	23,060	0.988	22,786	0.000	0.750	0.750	0.750	13,836	1.260	17,430	1,080	18,511	19,223	(713)			
37 Taft	8,057,857	25,000	0.544	43,817	562	4,559	48,938	(3,108)	45,830	1.250	57,288	0.988	56,607	2,172	1.500	1.000	0.750	45,830	1.260	57,736	2,683	60,419	44,679	15,740			
38 Tehachapi (7/1/13)	4,679,849	25,000	0.544	25,448	326	2,648	28,422	(1,805)	26,617	1.250	33,272	0.988	32,876	0.000	0.750	1.178	1.428	31,355	1.260	39,501	1,558	41,0					



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(8,869)	JPA participation credit		
<b>\$79,281</b>	Net funding	JPA Ex mod calc: 1 X 2 = 3; then 3 X 4 = 5	Individual Ex mod calc: 1 X 8 = 9; then 9 X 10 = 11

Total JPA Payroll	\$138,380,195
Participating Payroll	85,959,423
Participation Credit	6.21%
2016 Payroll	\$91,114,972
2017 Payroll	85,959,423
Percentage Increase	-5.66%

<b>SIR</b>	<b>Factor</b>	<b>Rates</b>
\$25,000	1.14	\$0.544
50,000	1.00	0.477
75,000	0.90	0.429
100,000	0.82	0.391
250,000	0.48	0.229
500,000	0.19	0.091

<i>Other Rates</i>	
<b>Description</b>	<b>Rates</b>
Excess Insurance: \$1M x \$1M ~ \$2M / \$10M Aggregate	\$0.0333
Loss Prevention & Training	0.0070
Administration	0.0566

**Employment Risk Management Authority**  
~ 2018/2019 Proposed Operating Budget ~  
~ MBASIA ~

										JPA Experience Mod Calculation (Used in determining the JPA's premium to ERMA)				Individual Experience Mod Calculation (Used in determining each individual member's premium to their JPA)																					
1										2		3		4		5		6		7		8		Info Only:		9		10		11					
										JPA Experience Modification Factor	Dep Prem Adjusted for Experience Modification	Off-Balance Factor	Dep Prem Adjusted for Off Balance Factor	Individual Experience Modification Factor	Capped Individual Experience Modification	Capped ind. Ex Mod Including .25 capped change over prior year	Prior Year (2017/2018) Experience Modification	Deposit Adjusted for Experience Modification	Off-Balance Factor	Premium Adjusted for Off Balance Factor	Excess Insurance \$1M x \$1M	TOTAL Deposit Premium	Prior Year Deposit Premium	Increase (Decrease)											
Member	Actual 2017 Payroll	SIR Selected	Funding For Losses	Loss Prevention & Training	Admin. Costs	Deposit Premium	JPA Participation Credit	Net Deposit Premium																											
1 Capitola	\$6,015,372	\$500,000	\$5,452	\$419	\$3,404	\$9,275	(\$927)	\$8,347		1.025	\$8,559	0.988	\$8,458	0.000	0.750	0.750	0.750	\$6,260	1.223	\$7,653	\$2,003	\$9,657	\$8,843	\$813											
2 Del Ray Oaks	1,018,757	500,000	923	71	576	1,571	(157)	1,414		1.025	1,450	0.988	1,432	7.105	1.500	1.000	0.750	1,414	1.223	1,728	339	2,067	1,499	569											
3 Gonzales	3,181,254	500,000	2,883	222	1,800	4,905	(490)	4,414		1.025	4,527	0.988	4,473	0.000	0.750	0.750	0.750	3,311	1.223	4,048	1,059	5,107	4,155	952											
4 Greenfield	3,767,526	500,000	3,415	263	2,132	5,809	(581)	5,228		1.025	5,361	0.988	5,297	11.631	1.500	1.500	1.250	7,842	1.223	9,587	1,255	10,842	7,430	3,412											
5 Hollister	14,860,294	500,000	13,468	1,036	8,408	22,912	(2,291)	20,621		1.025	21,145	0.988	20,894	0.000	0.750	0.750	1.000	15,466	1.223	18,907	4,948	23,855	25,474	(1,619)											
6 King City	2,855,610	500,000	2,588	199	1,616	4,403	(440)	3,963		1.025	4,063	0.988	4,015	0.000	0.750	0.750	1.000	2,972	1.223	3,633	951	4,584	4,908	(324)											
7 Marina	8,922,530	500,000	8,086	622	5,049	13,757	(1,376)	12,381		1.025	12,696	0.988	12,545	0.000	0.750	0.750	0.750	9,286	1.223	11,352	2,971	14,323	12,755	1,569											
8 Sand City	2,494,186	500,000	2,260	174	1,411	3,846	(385)	3,461		1.025	3,549	0.988	3,507	0.000	0.750	0.750	0.750	2,596	1.223	3,173	831	4,004	3,572	432											
9 Scotts Valley	5,123,539	500,000	4,643	357	2,899	7,900	(790)	7,110		1.025	7,290	0.988	7,204	0.000	0.750	0.750	0.750	5,332	1.223	6,519	1,706	8,225	7,608	617											
10 Soledad	4,211,545	500,000	3,817	294	2,383	6,493	(649)	5,844		1.025	5,993	0.988	5,921	2.968	1.500	1.000	0.750	5,844	1.223	7,145	1,402	8,547	6,142	2,405											
Total	\$52,450,612		\$47,536	\$3,656	\$29,678	\$80,870	(\$8,087)	\$72,783			\$74,632		\$73,745					\$60,323		\$73,745	\$17,466	\$91,211	\$82,384	\$8,827											
			(8,087)	JPA participation credit																															
			\$39,449	Net funding																															
										JPA Ex mod calc: 1 X 2 = 3; then 3 X 4 = 5				Individual Ex mod calc: 1 X 8 = 9; then 9 X 10 = 11																					

JPA Ex mod calc: 1 X 2 = 3; then 3 X 4 = 5

Individual Ex mod calc: 1 X 8 = 9; then 9 X 10 = 11

Total JPA Payroll*	\$52,450,612
Participating Payroll	52,450,612
Participation Credit	10.00%
2016 Payroll	\$49,607,745
2017 Payroll	52,450,612
Percentage Increase	5.73%

Retained Limit Rates - 80% C.L.		
SIR	Factor	Rates
\$25,000	1.14	\$0.544
50,000	1.00	0.477
75,000	0.90	0.429
100,000	0.82	0.391
250,000	0.48	0.229
500,000	0.19	0.091

Other Rates	
Description	Rates
Excess Insurance: \$1M x \$1M ~ \$2M / \$10M Aggregate	\$0.0333
Loss Prevention & Training	0.0070
Administration	0.0566

# Employment Risk Management Authority

## ~ 2018/2019 Proposed Operating Budget ~

### ~ MPA ~

									JPA Experience Mod Calculation (Used in determining the JPA's premium to ERMA)				Individual Experience Mod Calculation (Used in determining each individual member's premium to their JPA)																							
1									2		3		4		5		6		7		8		Info Only:		9		10		11							
									JPA		Dep Prem		Dep Prem		Individual		Capped		Capped Ind.		Prior Year		Deposit				Premium		Excess		TOTAL		Prior Year			
									Experience		Adjusted for		Adjusted for		Experience		Individual		Ex Mod		Experience (2017/2018)		Adjusted for		Off-Balance		Adjusted for		Insurance		Deposit		Deposit			
									Modification		Experience		Off-Balance		Off Balance		Modification		Experience		Including .25		Experience		Off-Balance		Off-Balance		Factor		\$1M x \$1M		Premium		Premium	
									Factor		Modification		Factor		Factor		Factor		Modification		capped change		Modification		Modification		Factor		Factor		Factor		Factor		Factor	
Member	Actual 2017 Payroll	SIR Selected	Funding For Losses	Loss Prevention & Training	Admin. Costs	Deposit Premium	JPA Participation Credit	Net Deposit Premium	Experience Modification Factor	Adjusted for Experience Modification	Off-Balance Factor	Adjusted for Off Balance Factor	Experience Modification Factor	Individual Experience Modification	Capped Ind. Ex Mod Including .25 capped change over prior year	Prior Year (2017/2018) Experience Modification	Deposit Adjusted for Experience Modification	Off-Balance Factor	Premium Adjusted for Off Balance Factor	Excess Insurance \$1M x \$1M	TOTAL Deposit Premium	Prior Year Deposit Premium	Increase (Decrease)													
1 Antioch	\$32,424,275	\$50,000	\$154,664	\$2,260	\$18,347	\$175,270	(\$15,998)	\$159,273	0.750	\$119,454	0.988	\$118,035	0.000	0.750	0.750	0.750	\$119,454	0.803	\$95,867	\$10,797	\$106,664	\$92,247	\$14,418													
2 Brentwood	31,074,714	50,000	148,226	2,166	17,583	167,975	(15,332)	152,643	0.750	114,482	0.988	113,122	0.000	0.750	0.750	0.750	114,482	0.803	91,877	10,348	102,225	96,618	5,607													
3 Clayton	2,186,675	50,000	10,430	152	1,237	11,820	(1,079)	10,741	0.750	8,056	0.988	7,960	0.000	0.750	0.750	0.750	8,056	0.803	6,465	728	7,193	6,951	242													
4 Danville	8,529,442	50,000	40,685	595	4,826	46,106	(4,208)	41,898	0.750	31,423	0.988	31,050	0.000	0.750	0.750	0.750	31,423	0.803	25,219	2,840	28,059	26,687	1,372													
5 El Cerrito	20,005,704	50,000	95,427	1,394	11,320	108,141	(9,871)	98,271	0.750	73,703	0.988	72,827	0.095	0.750	0.750	0.750	73,703	0.803	59,150	6,662	65,812	63,502	2,309													
6 Hercules	6,906,525	50,000	32,944	481	3,908	37,333	(3,408)	33,926	0.750	25,444	0.988	25,142	0.627	0.750	0.750	0.750	25,444	0.803	20,420	2,300	22,720	21,215	1,505													
7 LaFayette	4,229,892	50,000	20,177	295	2,393	22,865	(2,087)	20,778	0.750	15,583	0.988	15,398	0.000	0.750	0.750	0.750	15,583	0.803	12,506	1,409	13,915	13,821	94													
8 Manteca	37,132,165	50,000	177,120	2,588	21,011	200,719	(18,321)	182,398	0.750	136,799	0.988	135,173	1.089	1.089	1.089	1.000	198,715	0.803	159,477	12,365	171,842	155,309	16,533													
9 Martinez	12,914,506	50,000	61,602	900	7,307	69,810	(6,372)	63,438	0.750	47,578	0.988	47,013	0.000	0.750	0.750	0.750	47,578	0.803	38,184	4,301	42,484	35,486	6,998													
10 Moraga	3,552,034	50,000	16,943	248	2,010	19,201	(1,753)	17,448	0.750	13,086	0.988	12,931	0.000	0.750	0.750	0.750	13,086	0.803	10,502	1,183	11,685	10,524	1,160													
11 Oakley (07/01/02)	8,106,705	50,000	38,669	565	4,587	43,821	(4,000)	39,821	0.750	29,866	0.988	29,511	0.000	0.750	1.000	1.250	39,821	0.803	31,958	2,700	34,658	34,975	(318)													
12 Orinda	3,420,186	50,000	16,314	238	1,935	18,488	(1,688)	16,800	0.750	12,600	0.988	12,451	0.000	0.750	0.750	0.750	12,600	0.803	10,112	1,139	11,251	11,311	(60)													
13 Pacifica (03/09/07)	18,291,939	75,000	78,527	1,275	10,350	90,152	(8,229)	81,924	0.750	61,443	0.988	60,713	0.000	0.750	0.750	0.750	61,443	0.803	49,310	6,091	55,402	58,403	(3,002)													
14 Pinole	8,275,070	50,000	39,472	577	4,682	44,731	(4,083)	40,648	0.750	30,486	0.988	30,124	0.000	0.750	0.750	0.750	30,486	0.803	24,466	2,756	27,222	25,618	1,604													
15 Pittsburg	25,932,604	50,000	123,699	1,808	14,673	140,180	(12,795)	127,385	0.750	95,538	0.988	94,403	3.087	1.500	1.500	1.250	191,077	0.803	153,347	8,636	161,983	133,716	28,267													
16 Pleasant Hill	11,738,410	50,000	55,992	818	6,642	63,452	(5,792)	57,661	0.750	43,246	0.988	42,732	0.331	0.750	0.817	1.067	47,084	0.803	37,787	3,909	41,696	52,687	(10,992)													
17 San Pablo	13,147,976	100,000	51,427	916	7,440	59,783	(5,457)	54,326	0.750	40,745	0.988	40,260	0.000	0.750	0.750	0.750	40,745	0.803	32,699	4,378	37,078	42,593	(5,516)													
18 San Ramon	29,419,162	50,000	140,329	2,051	16,646	159,026	(14,515)	144,511	0.750	108,383	0.988	107,095	0.000	0.750	0.750	0.750	108,383	0.803	86,982	9,797	96,779	97,683	(904)													
19 Walnut Creek	38,533,782	50,000	183,806	2,686	21,804	208,296	(19,012)	189,283	0.750	141,962	0.988	140,275	0.000	0.750	1.250	1.500	236,604	0.803	189,885	12,832	202,716	233,337	(30,621)													
Total	\$315,821,765		\$1,486,456	\$22,014	\$178,702	\$1,687,171	(\$153,998)	\$1,533,173		\$1,149,880		\$1,136,214					\$1,415,769		\$1,136,214	\$105,169	\$1,241,383	\$1,212,684	\$28,699													

(153,998) JPA participation credit

**\$1,332,458** Net funding

JPA Ex mod calc: 1 X 2 = 3; then 3 X 4 = 5

Individual Ex mod calc: 1 X 8 = 9; then 9 X 10 = 11

Total JPA Payroll	\$346,007,903
Participating Payroll	315,821,765
Participation Credit	9.13%

Retained Limit Rates - 80% C.L.		
SIR	Factor	Rates
\$25,000	1.14	\$0.544
50,000	1.00	0.477
75,000	0.90	0.429
100,000	0.82	0.391
250,000	0.48	0.229
500,000	0.19	0.088

Other Rates	
Description	Rates
Excess Insurance: \$1M x \$1M - \$2M / \$10M Aggregate	\$0.0333
Loss Prevention & Training	0.0070
Administration	0.0566

2016 Payroll	\$295,490,022
2017 Payroll	315,821,765
Percentage Increase	6.88%

# Employment Risk Management Authority

~ 2018/2019 Proposed Operating Budget ~

~ PARSAC ~

										JPA Experience Mod Calculation (Used in determining the JPA's premium to ERMA)				Individual Experience Mod Calculation (Used in determining each individual member's premium to their JPA)																
1										2345				67		8	Info Only:	910		11										
										JPA Experience Modification Factor	Dep Prem Adjusted for Experience Modification	Dep Prem Off-Balance Factor	Dep Prem Adjusted for Off Balance Factor	Individual Experience Modification Factor	Capped Individual Experience Modification	Capped inc. Ex Mod Including .25 capped change over prior year	Prior Year (2017/2018) Experience Modification	Deposit Adjusted for Experience Modification	Off-Balance Factor	Premium Adjusted for Off Balance Factor	Prior Year Deposit Premium	Increase (Decrease)								
Member	Actual 2017 Payroll	SIR Selected	Funding For Losses	Loss Prevention & Training	Admin. Costs	Deposit Premium	JPA Participation Credit	Net Deposit Premium																						
1 Amador	39,527	25,000	215	3	22	240	(21)	219	1.250	274	0.988	271	0.000	0.750	0.750	0.750	164	1.288	212	187	25									
2 Avalon	6,725,017	25,000	36,569	469	3,805	40,843	(3,578)	37,266	1.250	46,577	0.988	46,024	0.000	0.750	0.750	0.750	27,949	1.288	36,001	28,290	7,711									
3 Belvedere (7/1/15)	2,445,983	25,000	13,301	170	1,384	14,855	(1,301)	13,554	1.250	16,941	0.988	16,739	0.000	0.750	0.750	0.750	10,166	1.288	13,094	12,174	920									
4 Blue Lake	437,918	25,000	2,381	31	248	2,660	(233)	2,427	1.250	3,033	0.988	2,997	0.000	0.750	0.750	0.750	1,820	1.288	2,344	2,226	119									
5 California City	6,805,845	100,000	26,620	474	3,851	30,946	(2,711)	28,235	1.250	35,290	0.988	34,871	1.858	1.500	1.500	1.250	42,353	1.288	54,553	46,130	8,424									
6 Calimesa	798,870	25,000	4,344	56	452	4,852	(425)	4,427	1.250	5,533	0.988	5,467	74.558	1.500	1.500	1.250	6,640	1.288	8,553	6,434	2,119									
7 Calistoga	5,438,365	25,000	29,573	379	3,077	33,029	(2,893)	30,136	1.250	37,666	0.988	37,218	0.000	0.750	0.750	0.750	22,602	1.288	29,113	24,810	4,303									
8 Citrus Heights	18,674,611	100,000	73,044	1,302	10,567	84,912	(7,438)	77,475	1.250	96,833	0.988	95,682	0.000	0.750	0.750	0.750	58,106	1.288	74,845	72,653	2,192									
9 Clearlake	3,641,534	25,000	19,802	254	2,060	22,116	(1,937)	20,179	1.250	25,221	0.988	24,921	0.000	0.750	0.750	0.750	15,134	1.288	19,494	17,461	2,033									
10 Coalinga	5,627,226	25,000	30,600	392	3,184	34,176	(2,994)	31,182	1.250	38,974	0.988	38,511	0.000	0.750	1.250	1.500	38,978	1.288	50,207	55,492	(5,285)									
11 Ferndale	672,082	25,000	3,655	47	380	4,082	(358)	3,724	1.250	4,655	0.988	4,599	0.000	0.750	0.750	0.750	2,793	1.288	3,598	3,355	243									
12 Grass Valley	6,527,874	25,000	35,497	455	3,694	39,646	(3,473)	36,173	1.250	45,212	0.988	44,674	0.000	0.750	0.750	0.750	27,130	1.288	34,945	33,735	1,211									
13 Highland	2,748,438	25,000	14,945	192	1,555	16,692	(1,462)	15,230	1.250	19,036	0.988	18,809	0.000	0.750	0.750	0.750	11,423	1.288	14,713	13,551	1,162									
14 Menifee (10/1/08)	5,321,763	25,000	28,939	371	3,011	32,321	(2,831)	29,490	1.250	36,858	0.988	36,420	0.000	0.750	1.250	1.500	36,862	1.288	47,481	49,349	(1,868)									
15 Nevada City	2,512,433	25,000	13,662	175	1,422	15,259	(1,337)	13,922	1.250	17,401	0.988	17,194	0.000	0.750	0.750	0.750	10,442	1.288	13,450	12,403	1,047									
16 Pacific Grove	6,498,122	50,000	30,996	453	3,677	35,126	(3,077)	32,049	1.250	40,057	0.988	39,581	0.000	0.750	0.750	0.750	24,037	1.288	30,961	27,595	3,367									
17 Placentia	11,580,708	100,000	45,297	807	6,553	52,657	(4,612)	48,044	1.250	60,049	0.988	59,335	0.000	0.750	1.250	1.500	60,056	1.288	77,356	86,961	(9,605)									
18 Placerville	6,165,279	50,000	29,408	430	3,489	33,327	(2,919)	30,407	1.250	38,005	0.988	37,554	0.000	0.750	0.750	0.750	22,806	1.288	29,375	28,541	835									
19 Plymouth	532,043	25,000	2,893	37	301	3,231	(283)	2,948	1.250	3,685	0.988	3,641	0.000	0.750	0.750	0.750	2,211	1.288	2,848	2,896	(47)									
20 Point Arena	305,455	25,000	1,661	21	173	1,855	(162)	1,693	1.250	2,116	0.988	2,090	0.000	0.750	1.250	1.500	2,116	1.288	2,725	3,037	(311)									
21 Rancho Cucamonga	30,269,435	250,000	69,305	2,110	17,127	88,542	(7,756)	80,787	1.250	100,972	0.988	99,772	0.000	0.750	0.750	0.750	60,590	1.288	78,044	73,841	4,203									
22 Rancho Cucamonga FPD (7/1/16)	17,735,581	75,000	76,139	1,236	10,035	87,410	(7,656)	79,754	1.250	99,682	0.988	98,497	0.000	0.750	0.750	0.750	59,816	1.288	77,047	69,524	7,523									
23 Rancho Santa Margarita (1/1/04)	2,649,096	25,000	14,405	185	1,499	16,089	(1,409)	14,680	1.250	18,348	0.988	18,129	0.000	0.750	0.750	0.750	11,010	1.288	14,181	13,355	826									
24 San Juan Bautista	501,676	25,000	2,728	35	284	3,047	(267)	2,780	1.250	3,475	0.988	3,433	0.000	0.750	0.750	0.750	2,085	1.288	2,686	2,468	217									
25 South Lake Tahoe	17,589,245	100,000	68,799	1,226	9,953	79,977	(7,005)	72,972	1.250	91,205	0.988	90,121	0.000	0.750	1.080	1.330	78,821	1.288	101,527	118,058	(16,531)									
26 Tehama	31,303	25,000	170	2	18	190	(17)	173	1.250	217	0.988	214	0.000	0.750	0.750	0.750	130	1.288	168	176	(8)									
27 Trinidad	345,108	25,000	1,877	24	195	2,096	(184)	1,912	1.250	2,390	0.988	2,362	0.000	0.750	0.750	0.750	1,434	1.288	1,847	1,671	177									
28 Truckee	9,318,857	25,000	50,674	650	5,273	56,597	(4,957)	51,639	1.250	64,542	0.988	63,775	0.000	0.750	0.750	0.750	38,729	1.288	49,886	44,467	5,419									
29 Twentynine Palms	2,347,892	25,000	12,767	164	1,329	14,260	(1,249)	13,011	1.250	16,261	0.988	16,068	0.000	0.750	0.750	0.750	9,758	1.288	12,569	11,772	797									
30 Watsonville	28,597,471	250,000	65,477	1,993	16,181	83,651	(7,327)	76,324	1.250	95,395	0.988	94,261	1.432	1.432	1.250	1.000	95,405	1.288	122,889	91,455	31,434									
31 West Hollywood (7/1/14)	26,506,255	250,000	60,689	1,848	14,998	77,534	(6,791)	70,743	1.250	88,419	0.988	87,368	10,910	1.500	1.500	1.250	106,114	1.288	136,683	162,283	(25,600)									
32 Wheatland	1,523,573	25,000	8,285	106	862	9,253	(810)	8,443	1.250	10,552	0.988	10,427	0.000	0.750	0.750	0.750	6,332	1.288	8,156	7,624	532									
33 Wildomar (7/1/08)	1,169,492	25,000	6,359	82	662	7,103	(622)	6,481	1.250	8,100	0.988	8,004	0.000	0.750	0.750	0.750	4,860	1.288	6,261	5,344	916									
34 Yountville	2,635,304	25,000	14,330	184	1,491	16,005	(1,402)	14,603	1.250	18,252	0.988	18,035	2,560	1.500	1.500	1.250	21,905	1.288	28,215	16,364	11,851									
35 Yucaipa	4,463,822	50,000	21,292	311	2,526	24,129	(2,114)	22,016	1.250	27,517	0.988	27,190	0.000	0.750	0.750	0.750	16,512	1.288	21,268	19,989	1,280									
36 Yucca Valley	2,723,235	100,000	10,652	190	1,541	12,382	(1,085)	11,298	1.250	14,121	0.988	13,953	0.000	0.750	0.750	0.750	8,473	1.288	10,914	13,564	(2,650)									
Total	\$241,906,438		\$927,351	\$16,861	\$136,878	\$1,081,090	(\$94,694)	\$986,396	\$1,232,861				\$1,218,210		\$945,762					\$1,218,210	\$1,179,233	\$38,977								
			(94,694)	JPA participation credit																										
			\$832,656	Net funding																										
										JPA Ex mod calc: 1 X 2 = 3; then 3 X 4 = 5				Individual Ex mod calc: 1 X 8 = 9; then 9 X 10 = 11																

# Employment Risk Management Authority

## ~ 2018/2019 Proposed Operating Budget ~

### ~ PERMA ~

										JPA Experience Mod Calculation (Used in determining the JPA's premium to ERMA)				Individual Experience Mod Calculation (Used in determining each individual member's premium to their JPA)								
1										2	3	4	5	6	7	8	Info Only:	9	10	11	Prior Year	
Member	Actual 2017 Payroll	SIR Selected	Funding For Losses	Loss Prevention & Training	Admin. Costs	Deposit Premium	JPA Participation Credit	Net Deposit Premium		JPA Experience Modification Factor	Dep Prem Adjusted for Experience Modification	Off-Balance Factor	Dep Prem Adjusted for Off Balance Factor	Individual Experience Modification Factor	Capped Individual Experience Modification	8 Capped m. Ex Mod Including .25 capped over prior year	Prior Year (2017/2018) Experience Modification	Deposit Adjusted for Experience Modification	Off-Balance Factor	Premium Adjusted for Off Balance Factor	Prior Year Deposit Premium	Increase (Decrease)
1 Adelanto (07/1/03)	\$2,804,616	\$100,000	\$10,970	\$195	\$1,587	\$12,752	(\$1,035)	\$11,718		1.072	\$12,562	0.988	\$12,413	22.433	1.500	1.250	1.000	\$14,647	1.197	\$17,530	\$10,914	\$6,616
2 Banning (02/14/02)	15,571,310	25,000	84,674	1,085	8,811	94,570	(\$7,673)	86,896		1.072	93,157	0.988	92,050	5.595	1.500	1.500	1.500	130,345	1.197	156,001	125,776	30,225
3 Barstow (02/04/02)	17,121,544	25,000	93,104	1,193	9,688	103,985	(8,437)	95,548		1.072	102,431	0.988	101,214	1.622	1.500	1.000	0.750	95,548	1.197	114,355	65,260	49,095
4 Canyon Lake (7/1/11)	487,923	25,000	2,653	34	276	2,963	(240)	2,723		1.072	2,919	0.988	2,884	0.000	0.750	0.750	0.750	2,042	1.197	2,444	1,939	505
5 Cathedral City (02/14/01)	21,245,925	25,000	115,531	1,481	12,022	129,034	(10,470)	118,564		1.072	127,106	0.988	125,595	0.000	0.750	0.750	0.750	88,923	1.197	106,426	89,028	17,399
6 Coachella (10/01/00)	5,974,186	25,000	32,486	416	3,380	36,283	(2,944)	33,339		1.072	35,741	0.988	35,316	0.000	0.750	0.750	0.750	25,004	1.197	29,926	24,865	5,061
7 Desert Hot Springs (07/01/01)	4,601,543	25,000	25,022	321	2,604	27,947	(2,268)	25,679		1.072	27,529	0.988	27,202	0.000	0.750	0.750	1.000	19,259	1.197	23,050	22,900	151
8 Eastvale (7/1/15)	843,838	25,000	4,589	59	477	5,125	(416)	4,709		1.072	5,048	0.988	4,988	0.000	0.750	0.750	0.750	3,532	1.197	4,227	3,463	764
9 Hesperia (7/1/10)	12,030,252	50,000	57,384	839	6,807	65,030	(5,276)	59,753		1.072	64,058	0.988	63,297	0.016	0.750	0.750	0.750	44,815	1.197	53,636	45,347	8,289
10 Holtville (7/1/08)	1,281,145	25,000	6,967	89	725	7,781	(631)	7,149		1.072	7,665	0.988	7,573	0.000	0.750	0.750	0.750	5,362	1.197	6,418	5,228	1,189
11 ICTC (7/1/12)	559,992	25,000	3,045	39	317	3,401	(276)	3,125		1.072	3,350	0.988	3,310	0.000	0.750	0.750	0.750	2,344	1.197	2,805	2,249	556
12 Jurupa Valley (11/2/15)	1,282,341	25,000	6,973	89	726	7,788	(632)	7,156		1.072	7,672	0.988	7,581	0.000	0.750	0.750	0.750	5,367	1.197	6,424	4,730	1,694
13 La Mesa (07/01/02)	23,262,084	25,000	126,495	1,621	13,162	141,278	(11,463)	129,815		1.072	139,168	0.988	137,514	0.134	0.750	0.750	0.750	97,361	1.197	116,526	97,242	19,284
14 Murrieta (07/01/01)	25,084,295	100,000	98,115	1,748	14,193	114,057	(9,254)	104,802		1.072	112,353	0.988	111,018	0.000	0.750	0.750	0.750	78,602	1.197	94,073	52,242	41,831
15 Palm Sps Tram (11/01/05)	4,607,936	25,000	25,057	321	2,607	27,986	(2,271)	25,715		1.072	27,567	0.988	27,240	0.000	0.750	0.750	0.750	19,286	1.197	23,082	21,172	1,910
16 Perris (09/25/00)	6,530,512	25,000	35,512	455	3,695	39,662	(3,218)	36,444		1.072	39,069	0.988	38,605	0.000	0.750	0.750	0.750	27,333	1.197	32,713	27,341	5,372
17 SDRTC (11/04/13)	683,648	25,000	3,718	48	387	4,152	(337)	3,815		1.072	4,090	0.988	4,041	0.000	0.750	1.000	1.250	3,815	1.197	4,566	4,908	(341)
18 Stanton (07/01/01)	3,097,789	25,000	16,845	216	1,753	18,814	(1,527)	17,287		1.072	18,533	0.988	18,313	0.000	0.750	0.750	0.750	12,966	1.197	15,518	12,111	3,407
19 SunLine (11/04/13)	16,861,855	50,000	80,431	1,175	9,541	91,147	(7,396)	83,752		1.072	89,786	0.988	88,719	1.511	1.500	1.250	1.000	104,690	1.197	125,297	84,176	41,121
20 Victorville (07/01/01)	27,744,606	25,000	150,870	1,934	15,699	168,502	(13,672)	154,830		1.072	165,985	0.988	164,012	0.000	0.750	0.750	0.750	116,123	1.197	138,980	114,601	24,379
21 VVTA (7/1/12)	1,231,809	25,000	6,698	86	697	7,481	(607)	6,874		1.072	7,369	0.988	7,282	0.000	0.750	0.750	0.750	5,156	1.197	6,170	4,453	1,717
<b>Total</b>	<b>\$192,909,150</b>		<b>\$987,138</b>	<b>\$13,446</b>	<b>\$109,154</b>	<b>\$1,109,738</b>	<b>(\$90,043)</b>	<b>\$1,019,695</b>			\$1,093,160		\$1,080,169					\$902,519		<b>\$1,080,169</b>	<b>\$819,944</b>	<b>\$260,224</b>
			(90,043)	JPA participation credit																		
			<b>\$897,094</b>	Net funding																		
										JPA Ex mod calc: 1 X 2 = 3; then 3 X 4 = 5				Individual Ex mod calc: 1 X 8 = 9; then 9 X 10 = 11								

Total JPA Payroll	\$237,751,070
Participating Payroll	192,909,150
Participation Credit	8.11%
2016 Payroll	\$180,809,708
2017 Payroll	192,909,150
Percentage Increase	6.69%

Retained Limit Rates - 80% C.L.		
SIR	Factor	Rates
\$25,000	1.14	\$0.544
50,000	1.00	0.477
75,000	0.90	0.429
100,000	0.82	0.391
250,000	0.48	0.229
500,000	0.19	0.088

Other Rates	
Description	Rates
Excess Insurance: \$1M x \$1M ~ \$2M / \$10M Aggregate	\$0.0333
Loss Prevention & Training	0.0070
Administration	0.0566

# Employment Risk Management Authority

## ~ 2018/2019 Proposed Operating Budget ~

### ~ SCORE ~

Member	1										Individual Experience Mod Calculation (Used in determining each individual member's premium to their JPA)										Prior Year	
	JPA Experience Mod Calculation (Used in determining the JPA's premium to ERMA)																					
	Actual 2017 Payroll	SIR Selected	Payroll/100 Pool Rate	Funding For Losses	Loss Prevention & Training	Admin. Costs	Deposit Premium	JPA Participation Credit	Net Deposit Premium	JPA Experience Modification Factor	Dep Prem Adjusted for Experience Modification	Dep Prem Adjusted for Off-Balance Factor	Dep Prem Adjusted for Off Balance Factor	Individual Experience Modification Factor	Capped Individual Experience Modification	8 Capped Ind. Ex Mod Including .25 capped change over prior year	Info Only: Prior Year (2017/2018) Experience Modification	Deposit Adjusted for Experience Modification	10 Off-Balance Factor	Premium Adjusted for Off Balance Factor	Prior Year Deposit Premium	Increase (Decrease)
1 Biggs (7/1/17)	\$396,932	\$25,000	\$0.440	\$1,747	\$28	\$225	\$1,999	(\$179)	\$1,820	0.884	1,608	0.988	1,589	0.000	0.750	0.750	1.000	1,365	1.164	1,589	2,048	(459)
2 Colfax	792,003	25,000	0.440	3,485	55	448	3,988	(357)	3,631	0.884	3,208	0.988	3,170	0.000	0.750	0.750	0.750	2,723	1.164	3,170	2,561	610
3 Live Oak (07/01/04)	1,395,034	25,000	0.440	6,139	97	789	7,025	(630)	6,396	0.884	5,651	0.988	5,584	0.000	0.750	0.750	0.750	4,797	1.164	5,584	5,390	194
4 Loomis (7/1/12)	857,619	25,000	0.440	3,774	60	485	4,319	(387)	3,932	0.884	3,474	0.988	3,433	0.000	0.750	0.750	0.750	2,949	1.164	3,433	2,921	511
5 Mt. Shasta (07/01/01)	2,082,387	25,000	0.440	9,163	145	1,178	10,487	(940)	9,547	0.884	8,435	0.988	8,335	0.000	0.750	0.750	0.750	7,160	1.164	8,335	7,716	620
6 Portola	749,220	25,000	0.440	3,297	52	424	3,773	(338)	3,435	0.884	3,035	0.988	2,999	0.000	0.750	0.750	0.750	2,576	1.164	2,999	3,163	(164)
7 Rio Dell (07/01/02)	1,020,181	25,000	0.440	4,489	71	577	5,138	(460)	4,677	0.884	4,133	0.988	4,084	0.000	0.750	0.750	0.750	3,508	1.164	4,084	3,994	90
8 Shasta Lake	3,910,822	25,000	0.440	17,209	273	2,213	19,695	(1,765)	17,930	0.884	15,842	0.988	15,654	0.000	0.750	0.750	0.750	13,447	1.164	15,654	14,242	1,412
9 Susanville (07/01/04)	3,977,057	25,000	0.440	17,501	277	2,250	20,028	(1,795)	18,233	0.884	16,111	0.988	15,919	0.000	0.750	0.750	0.750	13,675	1.164	15,919	15,768	151
10 Tulelake (7/1/15)	373,352	25,000	0.440	1,643	26	211	1,880	(169)	1,712	0.884	1,512	0.988	1,494	0.000	0.750	0.750	0.750	1,284	1.164	1,494	1,409	86
11 Weed (7/1/15)	1,800,282	100,000	0.317	5,698	125	1,019	6,842	(613)	6,229	0.884	5,504	0.988	5,439	0.000	0.750	0.750	0.750	4,672	1.164	5,439	5,043	395
12 Yreka	3,202,905	25,000	0.440	14,094	223	1,812	16,130	(1,446)	14,684	0.884	12,975	0.988	12,820	0.000	0.750	0.750	0.750	11,013	1.164	12,820	11,854	966
<b>Total</b>	<b>\$20,557,794</b>			<b>\$88,239</b>	<b>\$1,433</b>	<b>\$11,632</b>	<b>\$101,304</b>	<b>(\$9,079)</b>	<b>\$92,225</b>		\$81,488		\$80,520					\$69,169		<b>\$80,520</b>	<b>\$76,107</b>	<b>\$4,413</b>

(9,079) JPA participation credit

**\$79,160** Net funding

JPA Ex mod calc: 1 X 2 = 3; then 3 X 4 = 5

Individual Ex mod calc: 1 X 8 = 9; then 9 X 10 = 11

Total JPA Payroll	\$22,939,057
Participating Payroll	20,557,794
Participation Credit	8.96%
2016 Payroll	\$19,472,925
2017 Payroll	20,557,794
Percentage Increase	5.57%

Retained Limit Rates - 80% C.L.			
SIR	Factor	Rates	
\$25,000	1.14	\$0.440	
50,000	1.00	0.386	**
75,000	0.90	0.347	
100,000	0.82	0.317	
250,000	0.48	0.185	
500,000	0.19	0.088	

Other Rates	
Description	Rates
Excess Insurance: \$1M x \$1M ~ \$2M / \$10M Aggregate	\$0.0333
Loss Prevention & Training	0.0070
Administration	0.0566

\*\* SCORE receives a \$.091 credit off the base rate due to its adjoining CJPRMA coverage in the layer from \$500K to \$1M.

# Employment Risk Management Authority

## ~ 2018/2019 Proposed Operating Budget ~

### ~ VCJPA ~

										JPA Experience Mod Calculation (Used in determining the JPA's premium to ERMA)				Individual Experience Mod Calculation (Used in determining each individual member's premium to their JPA)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
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# Employment Risk Management Authority

## ~ 2018/2019 Proposed Operating Budget ~

### ~ Oakland Housing Authority ~

Member	Actual 2017 Payroll	SIR Selected	Funding For Losses	Loss Prevention & Training	Admin. Costs	Deposit Premium	JPA Participation Credit	Net Deposit Premium	Experience Modification Factor	Deposit Premium Adjusted for Experience Modification	Off-Balance Factor	Deposit Premium Adjusted for Off Balance Factor	Excess Insurance \$1M x \$1M	TOTAL Deposit Premium	Prior Year Deposit Premium	Increase (Decrease)
Oakland H.A.	\$28,486,957	\$50,000	\$135,883	\$1,986	\$16,119	\$153,987		\$153,987	1.006	\$154,891	0.988	\$153,051	\$9,486	\$162,537	\$173,592	(\$11,055)
<b>Total</b>	<b>\$28,486,957</b>		<b>\$135,883</b>	<b>\$1,986</b>	<b>\$16,119</b>	<b>\$153,987</b>	<b>\$0</b>	<b>\$153,987</b>		<b>\$154,891</b>		<b>\$153,051</b>	<b>\$9,486</b>	<b>\$162,537</b>	<b>\$173,592</b>	<b>(\$11,055)</b>

Participation Credit    N/A

		<i>Retained Limit Rates - 80% C.L.</i>		
		SIR	Factor	Rates
2016 Payroll	\$26,867,023	\$25,000	1.14	\$0.544
2017 Payroll	28,486,957	50,000	1.00	0.477
Percentage Increase	6.03%	75,000	0.90	0.429
		100,000	0.82	0.391
		250,000	0.48	0.229
		500,000	0.19	0.088

<i>Other Rates</i>	
Description	Rates
Excess Insurance: \$1M x \$1M ~ \$2M / \$10M Aggregate	\$0.0333
Loss Prevention & Training	0.0070
Administration	0.0566



# Employment Risk Management Authority

## ~ 2018/2019 Proposed Operating Budget ~

### ~ Contra Costa County Housing Authority ~

Member	Actual 2017 Payroll	SIR Selected	Funding For Losses	Loss Prevention & Training	Admin. Costs	Deposit Premium	JPA Participation Credit	Net Deposit Premium	Experience Modification Factor	Deposit Premium Adjusted for Experience Modification	Off-Balance Factor	Deposit Premium Adjusted for Off Balance Factor	Excess Insurance \$1M x \$1M	TOTAL Deposit Premium	Prior Year Deposit Premium	Increase (Decrease)
Contra Costa H.A.	\$5,220,093	\$50,000	\$24,900	\$364	\$2,954	\$28,217		\$28,217	0.940	\$26,534	0.988	\$26,219	\$1,738	\$27,957	\$27,734	\$223
<b>Total</b>	<b>\$5,220,093</b>		<b>\$24,900</b>	<b>\$364</b>	<b>\$2,954</b>	<b>\$28,217</b>	<b>\$0</b>	<b>\$28,217</b>		<b>\$26,534</b>		<b>\$26,219</b>	<b>\$1,738</b>	<b>\$27,957</b>	<b>\$27,734</b>	<b>\$223</b>

Participation Credit    N/A

2016 Payroll	\$5,207,303
2017 Payroll	5,220,093
Percentage Increase	0.25%

Retained Limit Rates - 80% C.L.			
SIR	Factor	Rates	
\$25,000	1.14	\$0.544	
50,000	1.00	0.477	
75,000	0.90	0.429	
100,000	0.82	0.391	
250,000	0.48	0.229	
500,000	0.19	0.088	

Other Rates	
Description	Rates
Excess Insurance: \$1M x \$1M ~ \$2M / \$10M Aggregate	\$0.0333
Loss Prevention & Training	0.0070
Administration	0.0566

**Employment Risk Management Authority  
Experience Modification Calculation  
~ 2018/2019 Proposed Operating Budget ~**

Calendar Year Payroll						Incurred Losses at 12/31/17 Individual Losses from \$25k and Capped at \$500k						Experience Modification Calculation										Prior Year	
Member	Actual 2012 Payroll	Actual 2013 Payroll	Actual 2014 Payroll	Actual 2015 Payroll	(Not Used) Actual 2016 Payroll	(Not Used or Updated) Program Year 2012/2013	Program Year 2013/2014	Program Year 2014/2015	Program Year 2015/2016	Program Year 2016/2017	(Not Used) Program Year 2017/2018	4 Year Average Payroll	4 Year Average Losses	4 Year Loss Rate \$100/PR	Average Expected Losses	Member Experience Ratio	Credibility Factor	Deviation from Norm Multiplied by Credibility	Factored Experience Modifier	JPA Capped* Factored Experience Modifier	Ind. Capped** Ex Mod (No factor applied)	JPA Capped* Factored Experience Modifier	Ind. Capped** Ex Mod (Capped Change)
<b>BCJPIA</b>																							
1 Albany/Albany JPA	\$ 8,491,584	\$ 8,509,376	\$ 8,872,594	\$ 9,780,063		-	-	-	-	-		\$ 8,913,404	\$ -	-	15,424	-	0.083	-0.083	0.917		0.750		0.750
2 Brisbane	6,728,406	6,889,424	7,374,403	8,491,299		-	-	-	-	-		7,370,883	-	-	12,755	-	0.075	-0.075	0.925		0.750		0.750
3 Central Marin PA (formerly Twin Cities) +	6,010,600	5,544,993	5,503,543	4,902,795		-	-	-	-	-		5,490,483	-	-	9,501	-	0.065	-0.065	0.935		0.750		0.750
4 Corte Madera (7/1/17)	5,055,509	5,151,163	5,515,504	5,390,374		-	-	-	-	-		5,278,137	-	-	9,134	-	0.064	-0.064	0.936		0.750		1.000
5 Emeryville (Includes MESA)	10,377,744	10,729,725	11,322,378	12,699,712		-	-	-	-	-		11,282,390	-	-	19,524	-	0.093	-0.093	0.907		0.750		0.750
6 Emeryville MESA Inc.						-	-	-	-	-		2,411,465	-	-	4,173	-	0.043	-0.043	0.957		0.750		0.750
7 Fairfax	2,361,135	2,358,747	2,456,789	2,469,190		-	-	-	-	-		5,430,738	-	-	9,398	-	0.065	-0.065	0.935		0.750		0.750
8 Larkspur	5,146,643	5,366,320	5,435,284	5,774,706		-	-	-	-	-		11,669,145	21,854	0.187	20,193	1.082	0.095	0.008	1.008		1.082		1.250
9 Los Altos (7/1/12)	11,353,102	11,299,928	11,531,648	12,491,902		-	26,785	11,013	49,617	-		22,844,253	16,250	0.071	39,531	0.411	0.132	-0.078	0.922		0.750		0.750
10 Menlo Park (7/1/02)	22,470,728	22,404,763	22,490,925	24,010,597		-	-	-	-	65,000		13,968,239	-	-	24,172	-	0.103	-0.103	0.897		0.750		0.750
11 Mill Valley (7/1/01)	12,787,894	13,516,069	14,187,706	15,381,285		-	-	-	-	-		15,771,239	55,529	0.352	27,292	2.035	0.110	0.114	1.114		1.500		1.376
12 Novato (9/1/07)	15,115,658	15,291,222	15,522,912	17,155,164		125,000	147,115	-	75,000	-		10,986,481	31,250	0.284	19,012	1.644	0.092	0.059	1.059		1.500		0.750
13 Piedmont	10,243,266	10,662,110	11,376,475	11,664,074		-	-	-	125,000	-		36,971,016	12,500	0.034	63,977	0.195	0.168	-0.135	0.865		0.750		0.750
14 Pleasanton	35,315,090	36,121,288	37,455,483	38,992,201		-	-	-	-	50,000		2,475,645	-	-	4,284	-	0.044	-0.044	0.956		0.750		0.750
15 San Anselmo +	2,346,277	2,549,000	2,520,527	2,486,777		-	-	-	-	-		5,875,255	-	-	10,167	-	0.067	-0.067	0.933		0.750		0.750
16 Sausalito	5,910,758	5,787,599	5,840,302	5,962,361		-	-	-	-	-		3,200,001	-	-	5,537	-	0.050	-0.050	0.950		0.750		0.750
17 Tiburon (7/1/11)	3,158,309	3,259,487	3,122,699	3,259,507		-	-	-	-	-		23,242,745	-	-	40,221	-	0.133	-0.133	0.867		0.750		0.750
18 Union City	21,984,463	22,924,548	23,948,742	24,113,227		-	-	-	-	-													
<b>BCJPIA Total</b>	<b>184,857,166</b>	<b>188,365,762</b>	<b>194,477,914</b>	<b>205,025,234</b>		<b>125,000</b>	<b>173,900</b>	<b>11,013</b>	<b>249,617</b>	<b>115,000</b>	<b>-</b>	<b>193,181,519</b>	<b>137,383</b>	<b>0.071</b>	<b>334,294</b>	<b>0.411</b>	<b>0.385</b>	<b>-0.227</b>	<b>0.773</b>	<b>0.773</b>		<b>0.791</b>	
<b>CalTIP</b>																							
1 El Dorado County TA	2,350,912	2370266.47	2,417,671.80	2,466,025.24			-	-	-	-		\$ 2,401,219	\$ -	-	4,155	-	0.043	-0.043	0.957		0.750		1.000
2 Humboldt Transit	1,648,069	1796448.24	1,832,377.20	1,869,024.75			-	-	-	-		1,786,480	-	-	3,091	-	0.037	-0.037	0.963		0.750		1.000
3 Livermore Amador Valley TA	1,557,615	2824331.89	2,880,818.53	2,938,434.90			-	-	-	-		2,550,300	-	-	4,413	-	0.044	-0.044	0.956		0.750		1.000
4 Mendocino Transit	2,158,202	2200161.78	2,244,165.02	2,289,048.32			-	-	-	-		2,222,894	-	-	3,847	-	0.041	-0.041	0.959		0.750		1.000
5 Morongo Basin TA	1,100,689	1113376.74	1,135,644.27	1,158,357.16			-	-	-	-		1,127,017	-	-	1,950	-	0.029	-0.029	0.971		0.750		1.000
6 San Luis Obispo Regional TA	2,986,038	3048493.77	3,109,463.64	3,171,652.91			-	-	-	-		3,078,912	-	-	5,328	-	0.049	-0.049	0.951		0.750		1.000
7 South County Transit	351,974	353291.37	360,357.19	367,564.34			-	-	-	-		358,297	-	-	620	-	0.017	-0.017	0.983		0.750		1.000
8 Tahoe Transportation District	198,118	261245.47	266,470.38	271,799.79			-	-	-	-		249,409	-	-	432	-	0.014	-0.014	0.986		0.750		1.000
9 Western Contra Costa TA	578,368	613533.94	625,804.62	638,320.71			-	-	-	-		614,007	-	-	1,063	-	0.022	-0.022	0.978		0.750		1.000
10 Yolo County Trans. District	689,928	676838.12	690,374.88	704,182.38			-	-	-	-		690,331	-	-	1,195	-	0.023	-0.023	0.977		0.750		1.000
	<b>13,619,914</b>	<b>15,257,988</b>	<b>15,563,148</b>	<b>15,874,411</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,078,865</b>	<b>-</b>	<b>-</b>	<b>26,093</b>	<b>-</b>	<b>0.107</b>	<b>-0.107</b>	<b>0.893</b>	<b>0.893</b>		<b>1.000</b>	

**Employment Risk Management Authority  
Experience Modification Calculation  
~ 2018/2019 Proposed Operating Budget ~**

Calendar Year Payroll						Incurred Losses at 12/31/17 Individual Losses from \$25k and Capped at \$500k						Experience Modification Calculation											Prior Year	
Member	Actual 2012 Payroll	Actual 2013 Payroll	Actual 2014 Payroll	Actual 2015 Payroll	(Not Used) Actual 2016 Payroll	(Not Used or Updated) Program Year 2012/2013	Program Year 2013/2014	Program Year 2014/2015	Program Year 2015/2016	Program Year 2016/2017	(Not Used) Program Year 2017/2018	4 Year Average Payroll	4 Year Average Losses	4 Year Loss Rate \$100/PR	Average Expected Losses	Member Experience Ratio	Credibility Factor	Deviation from Norm Multiplied by Credibility	Factored Experience Modifier	JPA Capped* Factored Experience Modifier	Ind. Capped** Ex Mod (No factor applied)	JPA Capped* Factored Experience Modifier	Ind. Capped** Ex Mod (Capped) Change	
CSJVRMA																								
1 Angels Camp	\$ 2,121,012	\$ 2,388,203	\$ 2,562,119	\$ 2,907,392		-	-	-	-	-		\$ 2,494,682	\$ -	-	4,317	-	0.044	-0.044	0.956		0.750		0.750	
2 Atwater (7/1/00)	6,002,418	4,647,868	5,207,953	5,301,545		-	276,493	112,519	-	-		5,289,946	97,253	1.838	9,154	10.624	0.064	0.613	1.613		1.500		1.250	
3 Ceres	13,889,098	14,346,800	14,308,514	14,988,712		-	482,651	-	-	49,949		14,383,281	133,150	0.926	24,890	5.350	0.105	0.457	1.457		1.500		1.250	
4 Chowchilla (7/1/01)	3,161,572	3,576,926	3,920,401	3,710,943		-	-	-	-	-		3,592,461	-	-	6,217	-	0.052	-0.052	0.948		0.750		0.750	
5 Corcoran	3,454,923	4,140,115	4,118,108	3,948,137		-	-	-	-	-		3,915,321	-	-	6,775	-	0.055	-0.055	0.945		0.750		0.750	
6 Delano	10,651,075	10,973,343	14,761,274	17,210,292		-	245,666	-	-	90,000		13,398,996	83,917	0.626	23,186	3.619	0.101	0.265	1.265		1.500		1.500	
7 Dinuba (7/1/16)	8,899,573	9,361,965	10,356,233	10,309,110		-	-	-	-	-		9,731,720	-	-	16,840	-	0.086	-0.086	0.914		0.750		0.750	
8 Dos Palos (12/1/10)*	1,145,018	1,091,312	1,173,846	1,267,581		-	-	-	-	-		1,169,439	-	-	2,024	-	0.030	-0.030	0.970		0.750		0.750	
9 Escalon	1,909,338	1,603,824	1,548,275	1,688,219		-	-	-	-	-		1,687,414	-	-	2,920	-	0.036	-0.036	0.964		0.750		0.750	
10 Farmersville (7/1/16)	1,653,134	1,624,599	1,829,600	2,045,154		-	-	-	-	-		1,788,122	-	-	3,094	-	0.037	-0.037	0.963		0.750		0.750	
11 Fowler	1,691,133	1,808,461	1,871,921	1,936,485		-	-	-	-	-		1,827,000	-	-	3,162	-	0.037	-0.037	0.963		0.750		1.250	
12 Gustine	1,373,180	1,374,796	1,423,103	1,459,712		-	-	-	-	-		1,407,698	-	-	2,436	-	0.033	-0.033	0.967		0.750		0.750	
13 Hughson	886,378	830,982	833,570	917,729		-	-	150,000	-	-		867,165	37,500	4.324	1,501	24.990	0.026	0.618	1.618		1.500		0.750	
14 Huron (7/1/10)	991,241	999,518	854,739	1,048,253		-	-	-	-	-		973,438	-	-	1,684	-	0.027	-0.027	0.973		0.750		0.750	
15 Kerman	3,315,796	3,370,295	3,356,825	3,385,695		-	-	75,000	-	-		3,357,153	18,750	0.559	5,809	3.228	0.051	0.113	1.113		1.500		1.000	
16 Kingsburg (7/1/05)	2,883,926	2,972,419	3,219,466	3,306,373		-	-	-	-	25,000		3,095,546	6,250	0.202	5,357	1.167	0.049	0.008	1.008		0.750		0.750	
17 Lathrop (10/4/05)	4,731,110	4,778,870	5,160,267	5,261,035		-	-	-	-	-		4,982,821	-	-	8,623	-	0.062	-0.062	0.938		0.750		1.000	
18 Lemoore (7/1/13)	5,338,028	5,385,992	5,410,228	5,603,912		-	-	-	-	-		5,434,540	-	-	9,404	-	0.065	-0.065	0.935		0.750		0.750	
19 Livingston	3,361,821	3,182,393	2,969,071	3,092,642		-	-	-	-	-		3,151,482	-	-	5,454	-	0.049	-0.049	0.951		0.750		0.750	
20 Madera	14,783,946	13,785,177	14,238,573	15,568,388		-	-	-	-	-		14,594,021	-	-	25,254	-	0.106	-0.106	0.894		0.750		0.750	
21 McFarland	1,778,553	2,119,540	2,304,673	2,269,813		-	-	298,050	-	15,000		2,118,145	78,263	3.695	3,665	21.352	0.040	0.820	1.820		1.500		1.500	
22 Mendota (7/1/13)	1,649,416	1,711,073	1,828,943	2,070,990		-	-	-	-	-		1,815,106	-	-	3,141	-	0.037	-0.037	0.963		0.750		0.750	
23 Merced (7/1/03)	30,052,390	30,275,008	30,499,971	30,955,378		-	-	-	-	-		30,445,687	-	-	52,685	-	0.153	-0.153	0.847		0.750		0.750	
24 Newman	1,956,999	2,022,439	2,092,360	2,194,234		-	-	-	-	-		2,066,508	-	-	3,576	-	0.040	-0.040	0.960		0.750		0.750	
25 Oakdale (8/1/12)	8,335,920	7,448,496	6,839,102	6,235,119		332,228	-	-	65,002	-		7,214,659	16,251	0.225	12,485	1.302	0.074	0.022	1.022		1.302		1.500	
26 Orange Cove (7/7/07)	2,007,800	2,211,271	1,974,145	1,949,408		-	-	-	-	-		2,035,656	-	-	3,523	-	0.039	-0.039	0.961		0.750		0.750	
27 Partier	2,480,563	2,354,216	1,963,437	2,100,674		-	-	67,578	-	25,000		2,224,723	23,145	1.040	3,850	6.012	0.041	0.207	1.207		1.500		1.250	
28 Patterson (7/1/13)	4,994,353	5,526,487	5,909,430	6,304,647		-	-	-	-	-		5,683,729	-	-	9,835	-	0.066	-0.066	0.934		0.750		0.750	
29 Porterville	17,446,565	17,442,036	17,836,658	18,468,067		-	-	-	-	-		17,798,332	-	-	30,799	-	0.117	-0.117	0.883		0.750		0.750	
30 Reedley	6,436,016	6,802,580	6,988,388	7,741,870		-	-	-	-	-		6,992,214	-	-	12,100	-	0.073	-0.073	0.927		0.750		0.750	
31 Riverbank (7/1/12)	3,244,266	3,298,425	3,252,997	3,503,656		-	-	-	-	-		3,324,836	-	-	5,754	-	0.050	-0.050	0.950		0.750		0.750	
32 Sanger (4/18/16)	6,795,107	6,444,390	6,465,687	6,629,207		-	-	250,071	146,063	-		6,583,598	99,033	1.504	11,393	8.693	0.071	0.546	1.546		1.500		1.250	
33 San Joaquin (8/8/03)*	674,610	644,529	729,644	740,692		-	-	-	-	-		697,369	-	-	1,207	-	0.023	-0.023	0.977		0.750		0.750	
34 Selma	5,288,865	5,477,133	5,736,948	6,196,694		-	-	-	-	-		5,674,910	-	-	9,820	-	0.066	-0.066	0.934		0.750		0.750	
35 Shafter	5,726,183	6,021,976	10,005,223	11,139,254		-	220,209	-	134,346	-		8,223,159	88,639	1.078	14,230	6.229	0.079	0.415	1.415		1.500		1.250	
36 Sonoma 7/1/13)	2,669,520	2,904,692	2,938,019	2,926,436		-	-	-	-	-		2,859,667	-	-	4,949	-	0.047	-0.047	0.953		0.750		0.750	
37 Taft	3,313,028	3,417,435	6,088,753	7,133,598		-	-	-	75,000	-		4,988,204	18,750	0.376	8,632	2.172	0.062	0.072	1.072		1.500		0.750	
38 Tehachapi (7/1/13)	3,198,571	3,950,483	4,213,434	4,218,007		54,412	-	-	-	-		3,895,124	-	-	6,740	-	0.055	-0.055	0.945		0.750		1.428	
39 Tulare (7/1/12)	19,795,480	20,225,035	20,238,901	20,704,062		-	-	-	-	-		20,240,870	-	-	35,026	-	0.125	-0.125	0.875		0.750		0.750	
40 Wasco	2,908,322	2,872,006	2,806,714	2,946,769		-	-	-	50,000	-		2,883,453	12,500	0.434	4,990	2.505	0.047	0.071	1.071		1.500		0.750	
41 Woodlake (7/1/16)	1,514,931	1,330,300	1,432,988	1,589,029		-	-	-	-	-		1,466,812	-	-	2,538	-	0.034	-0.034	0.966		0.750		0.750	
CSJVRMA Total						386,640	1,225,019	655,168	768,461	204,949	-	236,375,000	713,399	0.302	409,039	1,744	0.426	0.317	1,317	1,250		1,238		
ERMMA 7/1/16																								
1 Hayward	\$ 74,331,768	\$ 76,538,447	\$ 76,627,164	\$ 87,545,215		-	-	-	-	41,081	15,000	\$ 78,760,648	10,270	0.013	136,293	0.075	0.246	-0.227	0.773		0.750		0.750	
2 Laguna Hills	3,181,510	3,255,162	3,331,103	3,569,757		-	-	-	-	-		3,334,383	-	-	5,770	-	0.051	-0.051	0.949		0.750		0.750	
						-	-	-																

**Employment Risk Management Authority  
Experience Modification Calculation  
~ 2018/2019 Proposed Operating Budget ~**

Calendar Year Payroll						Incurred Losses at 12/31/17 Individual Losses from \$25k and Capped at \$500k						Experience Modification Calculation										Prior Year		
	Actual 2012	Actual 2013	Actual 2014	Actual 2015	(Not Used) Actual 2016	(Not Used or Updated) Program Year	Program Year	Program Year	Program Year	Program Year	(Not Used) Program Year	4 Year Average	4 Year Average	4 Year Loss Rate	Average Expected	Member Experience	Credibility	Deviation from Norm	Factored Experience	JPA Capped*	Ind. Capped**	JPA Capped*	Ind. Capped**	
Member	Payroll	Payroll	Payroll	Payroll	Payroll	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	Payroll	Losses	\$100/PR	Losses	Ratio	Factor	Multiplied by Credibility	Modifier	Modifier	Ex Mod (No factor applied)	Modifier	Ex Mod (Capped Change)	
MPA																								
1 Antioch	\$ 24,072,622	\$ 25,006,196	\$ 26,961,175	\$ 26,819,735		-	-	-	-	-		\$ 25,714,932	\$ -	-	44,499	-	0.140	-0.140	0.860		0.750		0.750	
2 Brentwood	25,319,380	25,786,575	25,776,874	27,636,761		-	-	-	-	-		26,129,898	-	-	45,217	-	0.141	-0.141	0.859		0.750		0.750	
3 Clayton	2,049,023	2,080,121	2,051,793	2,103,188		-	-	-	-	-		2,071,031	-	-	3,584	-	0.040	-0.040	0.960		0.750		0.750	
4 Danville	6,925,327	7,120,634	7,649,030	7,878,120		-	-	-	-	-		7,393,278	-	-	12,794	-	0.075	-0.075	0.925		0.750		0.750	
5 El Cerrito	16,922,907	16,650,173	17,083,275	17,746,500		-	11,225	-	-	-		17,100,714	2,806	0.016	29,592	0.095	0.114	-0.104	0.896		0.750		0.750	
6 Hercules	5,860,900	5,562,411	5,835,313	5,784,403		-	-	-	-	25,000		5,760,757	6,250	0.108	9,969	0.627	0.066	-0.025	0.975		0.750		0.750	
7 LaFayette	3,480,721	3,637,718	3,821,626	3,884,001		-	-	-	-	-		3,706,017	-	-	6,413	-	0.053	-0.053	0.947		0.750		0.750	
8 Manteca	28,766,455	28,865,743	29,625,913	32,088,700		-	-	125,000	75,000	25,000		29,836,703	56,250	0.189	51,631	1.089	0.151	0.014	1.014		1.089		1.000	
9 Martinez	11,492,091	11,839,409	11,420,417	9,379,375		-	-	-	-	-		11,032,823	-	-	19,092	-	0.092	-0.092	0.908		0.750		0.750	
10 Moraga	3,029,754	3,155,568	3,188,207	3,259,021		-	-	-	-	-		3,158,138	-	-	5,465	-	0.049	-0.049	0.951		0.750		0.750	
11 Oakley (7/1/02)	1,733,029	2,062,579	2,953,654	3,135,326		-	-	-	-	-		2,471,147	-	-	4,276	-	0.044	-0.044	0.956		0.750		1.250	
12 Orinda	2,930,792	2,842,289	3,072,768	3,208,063		-	-	-	-	-		3,013,478	-	-	5,215	-	0.048	-0.048	0.952		0.750		0.750	
13 Pacifica (3/9/07)	16,143,244	16,296,512	16,582,762	17,312,674		-	-	-	-	-		16,583,798	-	-	28,698	-	0.113	-0.113	0.887		0.750		0.750	
14 Pinole	9,096,503	8,869,832	8,951,254	8,558,756		-	-	-	-	-		8,869,086	-	-	15,348	-	0.082	-0.082	0.918		0.750		0.750	
15 Pittsburg	20,652,941	20,823,410	21,789,503	23,359,152		-	215,808	-	171,944	75,000		21,656,252	115,688	0.534	37,475	3.087	0.129	0.269	1.269		1.500		1.250	
16 Pleasant Hill	11,141,989	10,442,498	10,935,656	11,113,716		74,857	-	-	25,000	-		10,908,465	6,250	0.057	18,877	0.331	0.091	-0.061	0.939		0.750		1.067	
17 San Pablo	11,873,671	13,132,240	14,201,126	13,901,596		-	-	-	-	-		13,277,158	-	-	22,976	-	0.101	-0.101	0.899		0.750		0.750	
18 San Ramon	24,438,479	24,193,743	24,849,020	27,011,123		-	-	-	-	-		25,123,091	-	-	43,475	-	0.139	-0.139	0.861		0.750		0.750	
19 Walnut Creek	30,483,476	30,961,642	32,766,735	33,680,557		461,689	-	-	-	-		31,973,103	-	-	55,328	-	0.157	-0.157	0.843		0.750		1.500	
20 MPA JPA Staff	1,324,973	1,327,263	1,494,922	1,523,765		-	-	-	20,952	-		1,417,731	5,238	0.369	2,453	2.135	0.033	0.037	1.037		1.500		N/A	
MPA Total	257,738,277	260,656,556	271,011,023	279,384,532		536,546	227,033	125,000	292,896	125,000	-	267,197,597	192,482	0.072	462,376	0.416	0.452	-0.264	0.736	0.750		0.787		
PARSAC																								
1 Amador	31,494	42,886	38,076	31,707		-	-	-	-	-		\$ 36,041	\$ -	-	62	-	0.005	-0.005	0.995		0.750		0.750	
2 Avalon	4,677,415	4,752,239	4,974,142	5,239,817		-	-	-	-	-		4,910,903	-	-	8,498	-	0.061	-0.061	0.939		0.750		0.750	
3 Belvedere (7/1/15)	2,143,219	2,115,189	2,199,898	2,274,560		-	-	-	-	-		2,183,217	-	-	3,778	-	0.041	-0.041	0.959		0.750		0.750	
4 Blue Lake	375,751	414,716	435,003	413,448		-	-	-	-	-		409,730	-	-	709	-	0.018	-0.018	0.982		0.750		0.750	
5 California City	4,873,751	5,730,694	5,780,471	6,942,695		-	-	-	-	75,000		5,831,903	18,750	0.322	10,092	1.858	0.067	0.057	1.057		1.500		1.250	
6 Calimesa	727,865	751,080	722,020	825,910		-	390,527	-	-	-		756,719	97,632	12.902	1,309	74.558	0.024	1.771	2.771		1.500		1.250	
7 Calistoga	4,004,251	4,171,029	4,195,992	4,334,096		-	-	-	-	-		4,176,342	-	-	7,227	-	0.057	-0.057	0.943		0.750		0.750	
8 Citrus Heights	15,927,651	16,711,963	17,220,540	18,923,855		-	-	-	-	-		17,196,002	-	-	29,757	-	0.115	-0.115	0.885		0.750		0.750	
9 Clearlake	2,593,697	2,729,741	2,383,066	2,923,436		-	-	-	-	-		2,657,485	-	-	4,599	-	0.045	-0.045	0.955		0.750		0.750	
10 Coalinga	6,003,358	5,691,324	5,808,964	5,243,776		75,000	-	-	-	-		5,686,856	-	-	9,841	-	0.066	-0.066	0.934		0.750		1.500	
11 Ferndale	550,515	516,449	603,325	632,475		-	-	-	-	-		575,691	-	-	996	-	0.021	-0.021	0.979		0.750		0.750	
12 Grass Valley	6,476,895	6,318,048	6,414,324	6,246,152		-	-	-	-	-		6,363,855	-	-	11,012	-	0.070	-0.070	0.930		0.750		0.750	
13 Highland	2,528,740	2,484,588	2,560,238	2,575,511		-	-	-	-	-		2,537,269	-	-	4,391	-	0.044	-0.044	0.956		0.750		0.750	
14 Menifee (10/1/08)	2,366,055	2,557,032	3,297,137	4,125,444		206,792	-	-	-	-		3,086,417	-	-	5,341	-	0.049	-0.049	0.951		0.750		1.500	
15 Nevada City	1,836,392	1,819,013	1,989,087	2,170,024		-	-	-	-	-		1,953,629	-	-	3,381	-	0.039	-0.039	0.961		0.750		0.750	
16 Pacific Grove	7,545,144	6,997,865	6,259,907	5,871,348		-	-	-	-	-		6,668,566	-	-	11,540	-	0.071	-0.071	0.929		0.750		0.750	
17 Placencia	11,103,371	10,839,489	10,928,431	9,999,751		272,382	-	-	-	-		10,717,761	-	-	18,547	-	0.091	-0.091	0.909		0.750		1.500	
18 Placerville	4,803,622	4,948,313	5,203,080	5,633,955		-	-	-	-	-		5,147,243	-	-	8,907	-	0.063	-0.063	0.937		0.750		0.750	
19 Plymouth	457,447	446,703	513,725	536,871		-	-	-	-	-		488,687	-	-	846	-	0.019	-0.019	0.981		0.750		0.750	
20 Point Arena	237,645	257,260	232,074	245,593		55,982	-	-	-	-		243,143	-	-	421	-	0.014	-0.014	0.986		0.750		1.500	
21 Rancho Cucamonga	28,345,325	27,442,074	28,998,641	28,258,081		-	-	-	-	-		28,261,030	-	-	48,905	-	0.147	-0.147	0.853		0.750		0.750	
22 Rancho Cucamonga FPD (7/1/16)	14,031,902	14,201,040	14,950,740	15,968,875		-	-	-	-	-		14,788,139	-	-	25,590	-	0.106	-0.106	0.894		0.750		0.750	
23 Rancho Santa Margarita (1/1/04)	1,871,706	2,031,160	1,949,053	2,333,843		-	-	-	-	-		2,046,441	-	-	3,541	-	0.040	-0.040	0.960		0.750		0.750	
24 San Juan Bautista	261,332	317,324	362,243	413,178		-	-	-	-	-		338,519	-	-	586	-	0.016	-0.016	0.984		0.750		0.750	
25 South Lake Tahoe	14,905,722	14,771,542	15,789,827	16,219,949																				

**Employment Risk Management Authority  
Experience Modification Calculation  
~ 2018/2019 Proposed Operating Budget ~**

Calendar Year Payroll						Incurred Losses at 12/31/17 Individual Losses from \$25k and Capped at \$500k						Experience Modification Calculation										Prior Year	
Member	Actual 2012 Payroll	Actual 2013 Payroll	Actual 2014 Payroll	Actual 2015 Payroll	(Not Used) Actual 2016 Payroll	(Not Used or Updated) Program Year 2012/2013	Program Year 2013/2014	Program Year 2014/2015	Program Year 2015/2016	Program Year 2016/2017	(Not Used) Program Year 2017/2018	4 Year Average Payroll	4 Year Average Losses	4 Year Loss Rate \$100/PR	Average Expected Losses	Member Experience Ratio	Credibility Factor	Deviation from Norm Multiplied by Credibility	Factored Experience Modifier	JPA Capped* Factored Experience Modifier	Ind. Capped** Ex Mod (No factor applied)	JPA Capped* Factored Experience Modifier	Ind. Capped** Ex Mod (Capped Change)
<b>PERMA</b>																							
1 Adelanto (7/1/03)	\$ 4,388,183	\$ 3,238,294	\$ 2,957,346	\$ 2,940,017		-	-	450,000	-	75,000		\$ 3,380,960	\$ 131,250	3.882	5,851	22.433	0.051	1.091	2.091		1.500		1.000
2 Banning (2/14/02)	12,812,684	13,350,074	13,073,020	13,270,275		475,000	-	92,681	415,718	-		13,126,513	127,100	0.968	22,715	5.595	0.100	0.461	1.461		1.500		1.500
3 Barstow (2/04/02)	13,601,018	14,755,158	14,011,746	12,928,713		-	-	155,198	-	-		13,824,159	38,800	0.281	23,922	1.622	0.103	0.064	1.064		1.500		0.750
4 Canyon Lake (7/1/11) from PARSAC	355,270	347,409	386,675	388,656		-	-	-	-	-		369,502	-	-	639	-	0.017	-0.017	0.983		0.750		0.750
5 Cathedral City (2/14/01)	18,776,721	16,108,886	16,784,452	18,565,939		-	-	-	-	-		17,559,000	-	-	30,385	-	0.116	-0.116	0.884		0.750		0.750
6 Coachella (10/01/00)	4,740,007	5,045,456	5,240,721	5,707,821		-	-	-	-	-		5,183,501	-	-	8,970	-	0.063	-0.063	0.937		0.750		0.750
7 Desert Hot Springs (yr.3)	6,208,765	6,413,645	3,985,102	3,481,082		-	-	-	-	-		5,022,148	-	-	8,691	-	0.062	-0.062	0.938		0.750		1.000
8 Eastvale (7/1/15)	668,136	692,048	873,544	755,018		-	-	-	-	-		747,186	-	-	1,293	-	0.024	-0.024	0.976		0.750		0.750
9 Hesperia (7/1/10) From PARSAC	11,498,002	11,446,006	12,645,910	11,815,631		-	-	-	1,274	-		11,851,387	319	0.003	20,508	0.016	0.095	-0.094	0.906		0.750		0.750
10 Holtville (7/1/08)	1,332,801	1,158,422	1,173,765	1,160,755		-	-	-	-	-		1,206,436	-	-	2,088	-	0.030	-0.030	0.970		0.750		0.750
11 ICTC (7/1/12)	308,371	409,347	468,749	468,578		-	-	-	-	-		413,761	-	-	716	-	0.018	-0.018	0.982		0.750		0.750
12 Jurupa Valley (11/2/15) - No Staff until 9/2015	-	-	555,000	1,090,219		-	-	-	-	-		411,305	-	-	712	-	0.018	-0.018	0.982		0.750		0.750
13 La Mesa (7/1/02)	20,084,231	20,263,077	20,632,210	20,916,633		-	-	19,041	-	-		20,474,038	4,760	0.023	35,430	0.134	0.125	-0.108	0.892		0.750		0.750
14 Murrieta (7/1/01)	20,998,098	22,729,026	23,722,451	23,422,177		-	-	-	-	-		22,717,938	-	-	39,313	-	0.132	-0.132	0.868		0.750		0.750
15 Palm Sps Tram (11/1/05)	3,608,670	3,775,505	3,914,503	4,475,625		-	-	-	-	-		3,943,576	-	-	6,824	-	0.055	-0.055	0.945		0.750		0.750
16 Perris (9/25/00)	4,727,857	4,637,423	5,545,431	5,701,034		-	-	-	-	-		5,152,936	-	-	8,917	-	0.063	-0.063	0.937		0.750		0.750
17 SDRTC (11/4/13)	507,361	517,864	462,019	580,983		-	-	-	-	-		517,057	-	-	895	-	0.020	-0.020	0.980		0.750		1.250
18 Stanton (7/1/01)	2,486,055	2,220,842	2,474,931	2,585,078		-	-	-	-	-		2,441,727	-	-	4,225	-	0.043	-0.043	0.957		0.750		0.750
19 Sunline (11/4/13)	12,203,731	13,039,508	14,052,659	15,285,967		11,000	-	-	140,752	1,951		13,645,466	35,676	0.261	23,613	1.511	0.102	0.052	1.052		1.500		1.000
20 Victorville (7/1/01)	17,532,317	17,857,047	20,554,844	21,901,180		-	-	-	-	-		19,461,347	-	-	33,677	-	0.122	-0.122	0.878		0.750		0.750
21 VVTA (7/1/12)	530,160	581,701	719,684	864,702		-	-	-	-	-		674,062	-	-	1,166	-	0.023	-0.023	0.977		0.750		0.750
<b>PERMA Total</b>	<b>157,368,438</b>	<b>158,586,736</b>	<b>164,234,762</b>	<b>168,306,082</b>		<b>486,000</b>	<b>-</b>	<b>716,920</b>	<b>557,744</b>	<b>76,951</b>	<b>-</b>	<b>162,124,004</b>	<b>337,904</b>	<b>0.208</b>	<b>280,550</b>	<b>1.204</b>	<b>0.352</b>	<b>0.072</b>	<b>1.072</b>	<b>1.072</b>		<b>0.908</b>	
<b>SCORE</b>																							
1 Biggs	\$ 404,123	\$ 383,142	\$ 383,261	\$ 380,549		-	-	-	-	-		\$ 387,769	\$ -	-	671	-	0.017	-0.017	0.983		0.750		1.000
2 Colfax	451,759	498,059	444,870	445,047		-	-	-	-	-		459,934	-	-	796	-	0.019	-0.019	0.981		0.750		0.750
3 Live Oak (7/1/04)	1,284,556	1,262,596	1,243,636	1,281,001		-	-	-	-	-		1,267,947	-	-	2,194	-	0.031	-0.031	0.969		0.750		0.750
4 Loomis (7/1/12)	673,118	707,003	706,570	738,548		-	-	-	-	-		706,310	-	-	1,222	-	0.023	-0.023	0.977		0.750		0.750
5 Mt. Shasta (7/1/01)	1,603,103	1,595,079	1,708,545	1,764,123		-	-	-	-	-		1,667,713	-	-	2,886	-	0.036	-0.036	0.964		0.750		0.750
6 Portola	659,378	650,959	618,406	721,331		-	-	-	-	-		662,519	-	-	1,146	-	0.023	-0.023	0.977		0.750		0.750
7 Rio Dell (7/1/02)	967,050	940,699	962,896	978,061		-	-	-	-	-		962,177	-	-	1,665	-	0.027	-0.027	0.973		0.750		0.750
8 Shasta Lake	3,094,845	3,193,800	3,226,333	3,431,994		-	-	-	-	-		3,236,743	-	-	5,601	-	0.050	-0.050	0.950		0.750		0.750
9 Susanville (7/1/04)	3,437,547	3,540,390	3,524,068	3,674,289		-	-	-	-	-		3,544,074	-	-	6,133	-	0.052	-0.052	0.948		0.750		0.750
10 Tulelake (7/1/15)	330,610	305,853	310,702	349,348		-	-	-	-	-		324,128	-	-	561	-	0.016	-0.016	0.984		0.750		0.750
11 Weed (7/1/15)	1,545,965	1,542,006	1,658,551	1,541,803		-	-	-	-	-		1,572,081	-	-	2,720	-	0.035	-0.035	0.965		0.750		0.750
12 Yreka	2,875,980	2,885,795	3,014,230	2,827,360		-	-	-	-	-		2,900,841	-	-	5,020	-	0.047	-0.047	0.953		0.750		0.750
<b>SCORE Total</b>	<b>17,328,034</b>	<b>17,505,381</b>	<b>17,802,068</b>	<b>18,133,454</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,692,234</b>	<b>-</b>	<b>-</b>	<b>30,616</b>	<b>-</b>	<b>0.116</b>	<b>-0.116</b>	<b>0.884</b>	<b>0.884</b>		<b>0.886</b>	

**Employment Risk Management Authority  
Experience Modification Calculation  
~ 2018/2019 Proposed Operating Budget ~**

Calendar Year Payroll						Incurred Losses at 12/31/17 Individual Losses from \$25k and Capped at \$500k						Experience Modification Calculation											Prior Year	
	Actual 2012	Actual 2013	Actual 2014	Actual 2015	(Not Used) Actual 2016	(Not Used or Updated) Program Year	Program Year	Program Year	Program Year	Program Year	(Not Used) Program Year	4 Year Average Payroll	4 Year Average Losses	4 Year Loss Rate \$100/PR	Average Expected Losses	Member Experience Ratio	Credibility Factor	Deviation from Norm Multiplied by Credibility	Factored Experience Modifier	JPA Capped* Factored Experience Modifier	Ind. Capped** Ex Mod (No factor applied)	JPA Capped* Factored Experience Modifier	Ind. Capped** Ex Mod (Capped Change)	
Member	Payroll	Payroll	Payroll	Payroll	Payroll	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018													
VCJPA																								
1 Alameda County	\$ 1,048,932	\$ 1,033,233	\$ 1,336,568	\$ 1,334,976		9,391	6,858	-	-	-		\$ 1,188,427	\$ 1,715	0.144	2,057	0.834	0.030	-0.005	0.995		0.834		1.500	
2 Burney Basin	76,395	79,932	94,116	54,817		-	-	-	-	-		76,315	-	-	132	-	0.008	-0.008	0.992		0.750		0.750	
3 Butte County	1,256,229	1,238,865	1,105,237	1,216,804		-	-	-	-	-		1,204,284	-	-	2,084	-	0.030	-0.030	0.970		0.750		0.750	
4 Coachella Valley (9/14/00)	3,581,260	3,649,461	3,826,348	4,405,282		-	-	-	-	-		3,865,588	-	-	6,689	-	0.054	-0.054	0.946		0.750		0.750	
5 Colusa	173,540	172,786	170,986	197,876		-	-	-	-	-		178,797	-	-	309	-	0.012	-0.012	0.988		0.750		0.750	
6 Compton Creek	85,563	87,227	94,076	96,876		-	-	-	-	-		90,935	-	-	157	-	0.008	-0.008	0.992		0.750		0.750	
7 Consolidated	1,149,013	1,156,938	1,183,261	1,304,677		-	-	-	-	-		1,198,472	-	-	2,074	-	0.030	-0.030	0.970		0.750		0.750	
8 Contra Costa County	2,794,749	2,800,224	2,903,940	3,023,168		-	-	24,926	-	-		2,880,520	6,232	0.216	4,985	1.250	0.047	0.012	1.012		1.250		1.000	
9 Delta VCD ( 7/1/08)	1,058,417	1,080,525	1,065,957	1,113,971		-	-	-	-	-		1,079,718	-	-	1,868	-	0.029	-0.029	0.971		0.750		0.750	
10 Durham (8/26/02)	58,405	60,541	63,765	59,646		-	-	-	-	-		60,589	-	-	105	-	0.007	-0.007	0.993		0.750		0.750	
11 Fresno	521,785	596,127	597,425	678,547		-	-	-	-	-		598,471	-	-	1,036	-	0.021	-0.021	0.979		0.750		0.750	
12 Glenn County	117,799	118,822	115,962	126,759		-	-	-	-	-		119,835	-	-	207	-	0.010	-0.010	0.990		0.750		0.750	
13 Greater Los Angeles	4,940,975	5,041,115	5,273,515	5,409,424		15,912	-	-	-	-		5,166,257	-	-	8,940	-	0.063	-0.063	0.937		0.750		0.750	
14 Kings MAD (7/1/09)	766,175	827,451	844,340	850,186		-	-	-	-	-		822,038	-	-	1,423	-	0.025	-0.025	0.975		0.750		0.750	
15 Lake County (2/1/04)	601,769	546,366	553,390	563,489		-	-	-	-	-		566,254	-	-	980	-	0.021	-0.021	0.979		0.750		0.750	
16 Los Angeles County West	2,628,882	2,685,477	2,532,089	2,605,775		-	-	-	-	-		2,613,056	-	-	4,522	-	0.045	-0.045	0.955		0.750		0.750	
17 Marin-Sonoma	3,197,489	3,210,667	3,151,665	3,055,514		-	-	-	-	-		3,153,834	-	-	5,458	-	0.049	-0.049	0.951		0.750		0.750	
18 Napa County	651,661	665,804	657,683	688,943		-	-	-	-	-		666,023	-	-	1,153	-	0.023	-0.023	0.977		0.750		0.750	
19 Northwest	1,144,918	1,243,499	1,384,784	1,518,556		-	-	-	-	-		1,322,939	-	-	2,289	-	0.032	-0.032	0.968		0.750		0.750	
20 Orange County	5,363,381	5,231,404	5,135,555	5,966,908		-	-	-	-	-		5,424,312	-	-	9,387	-	0.064	-0.064	0.936		0.750		0.750	
21 Oroville (7/1/02)	70,757	66,520	62,071	72,566		-	-	-	-	-		67,978	-	-	118	-	0.007	-0.007	0.993		0.750		0.750	
22 Placer County	1,098,553	1,177,254	1,259,077	1,357,506		-	-	-	-	-		1,223,098	-	-	2,117	-	0.031	-0.031	0.969		0.750		0.750	
23 Sacramento Yolo	4,293,806	4,222,298	4,322,281	4,265,067		-	-	-	-	-		4,275,863	-	-	7,399	-	0.057	-0.057	0.943		0.750		0.750	
24 San Gabriel Valley	1,627,476	1,699,414	1,841,425	1,868,251		-	16,307	260,147	151,184	-		1,759,141	106,910	6.077	3,044	35.120	0.037	1.253	2.253	1.500		1.500		
25 San Joaquin County	2,269,192	2,189,688	2,294,215	2,401,289		-	126,510	-	-	-		2,288,596	31,628	1.382	3,960	7.986	0.042	0.293	1.293	1.500		1.500		
26 San Mateo County	1,504,818	1,538,771	1,796,171	1,930,469		-	-	-	-	-		1,692,557	-	-	2,929	-	0.036	-0.036	0.964		0.750		0.750	
27 Santa Barbara County	397,101	405,425	376,374	417,616		-	-	-	-	-		399,129	-	-	691	-	0.017	-0.017	0.983		0.750		0.750	
28 Shasta	1,017,460	1,165,708	1,012,122	969,818		-	-	-	-	-		1,041,277	-	-	1,802	-	0.028	-0.028	0.972		0.750		0.750	
29 Sutter-Yuba	965,060	978,461	1,000,725	960,126		-	-	-	-	-		976,093	-	-	1,689	-	0.027	-0.027	0.973		0.750		0.750	
30 Tehama County	295,768	306,007	316,645	326,106		-	-	-	-	-		311,132	-	-	538	-	0.015	-0.015	0.985		0.750		0.750	
31 Turlock	748,429	737,212	781,807	821,556		-	-	-	-	-		772,251	-	-	1,336	-	0.024	-0.024	0.976		0.750		0.750	
32 West Valley	957,313	983,222	1,039,942	1,092,739		-	-	-	-	-		1,018,304	-	-	1,762	-	0.028	-0.028	0.972		0.750		0.750	
VCJPA Total	46,463,070	46,996,444	48,193,517	50,755,303		25,303	149,675	285,073	151,184	-	-	48,102,084	146,483	0.305	83,239	1.760	0.192	0.146	1.146	1.146		1.009		
Oakland H.A.	\$ 23,568,661	\$ 24,933,479	\$ 25,427,490	\$ 26,500,365		-	181,149	-	-	-	-	25,107,499	45,287	0.180	43,448	1.042	0.139	0.006	1.006	1.006		1.152		
Contra Costa H.A.	\$ 4,817,268	\$ 4,501,350	\$ 4,487,553	\$ 4,773,630		-	-	-	-	-	-	4,644,950	-	-	8,038	-	0.060	-0.060	0.940	0.940		0.939		
Totals	1,254,561,334	1,271,161,298	1,318,009,027	1,377,697,439		2,442,103	2,603,058	3,403,715	2,263,468	765,259	15,000	1,305,357,275	2,258,875	0.173	2,258,875	1.000	1.000	0.000	1.000					

# Employment Risk Management Authority

~ 2018/2019 Proposed Operating Budget ~

~ 80 % Confidence Level ~ 2.0 % Discount Factor ~

~ Excess Insurance \$2 million x \$1 million ~ \$4 million / \$10 million Aggregate ~

	Prior Year - 2017/2018		2018/2019 Proposed Budget	Increase/(Dec) Over Prior Year Budget	Percentage Change
	Projected Actual	Approved Budget			
<b><u>Claims Expense:</u></b>					
Funding for Pooled Losses (SIR to \$1M)	\$5,466,618	\$5,466,618	\$5,891,772	\$425,154	7.78%
Excess Insurance	235,697	235,697	298,737	63,040	26.75%
<b>Total Claims Costs</b>	<b>\$5,702,315</b>	<b>\$5,702,315</b>	<b>\$6,190,509</b>	<b>\$488,194</b>	<b>8.56%</b>
<b><u>Loss Prevention and Training:</u></b>					
Employee Reporting Mechanism	9,500	8,500	9,500	1,000	11.76%
Web-based Training: AB1825 & AB1234	18,000	18,000	18,000	0	0.00%
Training Bulletins	6,000	6,000	6,000	0	0.00%
Additional Web-based Training	12,000	12,000	12,000	0	0.00%
Hotline Services - Jackson Lewis & LCW	7,000	7,000	7,000	0	0.00%
Misc. Training Expenses	3,000	6,000	6,000	0	0.00%
Customized Training Sessions (Attorney firms), and Training Workshops (22 x \$2,150)	30,100 17,200	17,200 30,100	47,300	0	0.00%
<b>Total Loss Prevention and Training</b>	<b>\$102,800</b>	<b>\$104,800</b>	<b>\$105,800</b>	<b>\$1,000</b>	<b>0.95%</b>
<b><u>Administration:</u></b>					
Program Management	\$678,949	\$678,949	\$697,162	\$18,213	2.68%
Includes:					
• Training Workshops (Inhouse as per Bickmore contract - 25 x \$1,800 = \$36,000)					
Risk Assessments	12,300	5,000	10,000	5,000	100.00%
Claims System	5,000	5,000	5,000	0	0.00%
Legal Services	46,000	30,000	45,000	15,000	50.00%
Actuarial Study	9,950	9,950	9,950	0	0.00%
Financial Audit	9,450	9,450	9,950	500	5.29%
Claims Audit	0	0	5,900	5,900	
Board Meetings & Retreat	25,000	30,000	30,000	0	0.00%
Memberships and Conferences	950	1,500	6,700	5,200	346.67%
Accreditation	1,417	1,500	1,500	0	0.00%
Fidelity Bonds	1,139	1,200	1,200	0	0.00%
E & O Coverage	2,485	2,500	2,500	0	0.00%
Investment Management Services	28,000	30,000	30,000	0	0.00%
Website	7,500	7,500	0	(7,500)	-100.00%
Other Expenses	4,000	3,500	4,000	500	14.29%
<b>Total Administration</b>	<b>\$832,140</b>	<b>\$816,049</b>	<b>\$858,862</b>	<b>\$42,813</b>	<b>5.25%</b>
<b>Total Deposit Premium</b>	<b>\$6,637,255</b>	<b>\$6,623,164</b>	<b>\$7,155,171</b>	<b>\$532,007</b>	<b>8.03%</b>

## 2018/2019 member changes from the prior year include:

- ~ Increase in SIR from \$50,000 to \$75,000 for Pacifica in MPA
- ~ Increase in SIR from \$100,000 to \$250,000 for West Hollywood in PARSAC
- ~ Increase in SIR from \$25,000 to \$100,000 for Yucca Valley in PARSAC
- ~ Decrease in SIR from \$250,000 to \$100,000 for Murrieta in PERMA
- ~ Withdrawal of LP Fire from BCJPIA

**FINANCIAL MATTERS**

**SUBJECT: Review of Annual Retrospective Adjustment Calculation**

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**BACKGROUND AND STATUS:**

ERMA is currently in its 19<sup>th</sup> year of operation. As of March 31, 2018, ERMA's surplus is \$15,109,400, at the expected confidence level (CL).

ERMA continues to be in an excellent financial position, and is funded well above the 90% CL. ERMA's Financial Stability Plan (Plan), and specifically the Retrospective Adjustment Process (Process), calls for adjusting only program years that are a full five years old. Per the Process amended on February 19, 2016:

“...if an eligible program year is in a surplus position, the Board would consider issuing dividends (in whole or part at the Board's discretion) for any equity amount that exceeds the 90% confidence level to allow for continuing claims development in future years.

If a current program year not yet eligible to receive a retrospective adjustment is in a deficit position at any confidence level, the negative equity at that confidence level will be subtracted from the “Total Distribution Available” at that confidence level.”

Open program years fully five years old, and therefore “eligible” for adjustment, are 2009/10 through 2012/13. Based on the March 31, 2018, retained earnings balances, total equity at the 90% CL for all program years results in a surplus of \$10,051,787 (see the attached “Calculation of the Annual Retrospective Adjustment”).

Equity at the 90% CL for “eligible” program years, less the deficit balances from the 2014/15 through 2017/18 program years, yields a possible equity return to the membership in the amount of \$7,189,621. If that entire amount were to be returned to the membership in the form of a dividend, equity of \$2,862,166 at the 90% CL would remain. This satisfies the Plan, and specifically the Process, which maintains that:

“...the ERMA Program as a whole, must remain funded at the 90% confidence level after the issuance of the dividend.”

In addition, per the Plan, and specifically the Process:

“If no IBNR remains in a year in which all claims are closed, the Board would consider issuing dividends or levying an assessment to officially close out that year.”

Program years 2009/10 through 2011/12 are eligible to be closed under this provision.



**ERMA**  
**BOARD OF DIRECTORS MEETING**  
**May 1, 2018**

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At last year's April 2017, Board meeting, the Board considered an available and eligible dividend in the amount of \$6.49 million, and approved the release of \$3.0 million (roughly half) from which \$150,000 was netted and placed in the Capital Contribution Fund (Fund).

In line with last year's distribution philosophy, staff is recommending a dividend release in the amount of \$3.0 million, again roughly half of the \$7.2 million available, from which \$150,000 would be netted and placed in the Fund. This \$150,000 augmentation would bring the total contributions to the Fund over a four year period to the original desired balance of \$1.0 million for the funding of training and policy review initiatives. As with the past three annual contributions to the Fund, the allocation would be determined by each individual member's pro rata share based on 2018/19 premium contributions.

Staff is recommending the following allocation for the \$3.0 million equity distribution:

2009/10* -	\$ 128,607
2010/11* -	704,946
2011/12 -	<u>2,166,447</u>
TOTAL	<u>\$3,000,000</u>

\* - Program Years 2009/10 and 2010/11 would be formally closed by the Board.

**RECOMMENDATION:**

*Staff recommends the Board of Directors approve a dividend release in the amount of \$3,000,000, in conjunction with a contribution to the Capital Contribution Fund in the amount of \$150,000, which would be netted from the cash dividend. Staff further recommends that program years 2009/10 and 2010/11 be formally closed.*

**REFERENCE MATERIALS ATTACHED:**

- Calculation of the Annual Retrospective Adjustment

**Employment Risk Management Authority**  
**Program Retained Earnings by Member**  
As of March 31, 2018

**Calculation of the Annual Retrospective Adjustment**

Member	Retrospective Adjustment Eligible Program Years ~ Fully Five Years Old					Total Distribution Available**	~ Program Years Not Yet Eligible for Adjustment ~						Total All Program Years
	2009/10 Program Year	2010/11 Program Year	2011/12 Program Year	2012/13 Program Year	Member Subtotals		2013/14 Program Year	2014/15 Program Year	2015/16 Program Year	2016/17 Program Year	2017/18 Program Year	Member Subtotals	
BCJPIA	\$ 24,422	\$ 139,379	\$ 606,091	\$ 448,596	\$ 1,218,488		\$ 295,625	\$ 65,601	\$ 110,983	\$ 171,532	\$ 116,998	\$ 760,739	\$ 1,979,227
CalTIP											12,092	12,092	12,092
CHARMA	3,685				3,685								3,685
CSJVRMA	19,265	101,497	1,028,970	847,188	1,996,920		473,409	49,048	161,681	307,393	180,936	1,172,467	3,169,387
ERMAC										34,287	16,124	50,411	50,411
MBASIA			61,116	45,706	106,822						8,338	69,883	176,705
MPA	29,453	100,988	850,499	657,381	1,638,321		33,539	3,066	9,890	15,050			
PARSAC	21,311	153,519	723,140	609,297	1,507,267		385,423	38,078	144,510	220,350	122,738	911,099	2,549,420
PERMA	21,017	164,512	803,976	566,338	1,555,843		429,523	91,287	147,425	295,663	176,419	1,140,317	2,647,584
SCORE	2,667	17,840	65,218	41,722	127,447		432,057	96,851	124,837	172,248	122,668	948,661	2,504,504
VCJPA	4,704	16,438	160,792	176,765	358,699		29,429	6,565	11,462	16,728	11,386	75,570	203,017
Oakland HA	2,083	8,351	84,537	88,315	183,286		107,982	10,153	31,293	58,482	30,929	238,839	597,538
Contra Costa County HA		2,423	26,431	21,316	50,170		50,623	4,854	13,591	23,377	17,570	110,015	293,301
Capital Fund							12,979	1,089	2,635	4,695	2,807	24,205	74,375
Totals:													848,155
Equity at Expected C.L.	\$ 128,607	\$ 704,947	\$ 4,410,770	\$ 3,502,624	\$ 8,746,948	\$ 8,746,948	\$ 2,250,589	\$ 366,592	\$ 758,307	\$ 1,319,805	\$ 819,005	\$ 5,514,298	\$ 15,109,401
Equity at 90% C.L.	\$128,607	\$704,946	\$4,410,768	\$3,418,326	\$ 8,662,647	\$ 7,189,621	\$2,014,011	\$ (330,223)	\$ (290,153)	\$ (264,468)	\$ (588,182)	\$ 540,985	\$ 10,051,787

\*\* Negative equity in current program years is included in Total Distribution Available

Additional Information:					Subtotals:							Subtotals:	Totals:
IBNR at Expected as of 03/31/18:	0	0	0	110,493	\$ 110,493		329,009	880,527	2,072,426	3,062,202	3,241,040	\$ 9,585,204	\$ 9,695,697
Open claims as of 3/31/18:	0	0	0	1	1		2	8	9	8	0	27	28
Confidence Level Funding:	75%	75%	75%	80%			80%	80%	80%	80%	80%		

Program years with no open claims and no actuarial IBNR. Available for formal closure.

**LITIGATION MANAGEMENT**

**SUBJECT: Report from Kathy Maylin, Litigation Manager**

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**BACKGROUND AND STATUS:**

This time is reserved for Ms. Kathy Maylin, Litigation Manager, to report to the Board regarding any general litigation management and member support activities.

**RECOMMENDATION:**

*None.*

**CLAIMS MATTERS**

**SUBJECT: Closed Session Pursuant to Government Code Section 54956.95(a) to Discuss Claims**

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**BACKGROUND AND STATUS:**

The confidential Litigation Manager's Report will be distributed to the Board of Directors under separate cover. The Board will discuss the claims listed below during the closed session.

For the Board's reference, we have included the claim and corresponding page number from the Litigation Manager's Report.

<b>Claim</b>	<b>Litigation Mgr. Rpt. Pg. #</b>
Sibbitt/Terwilliger v. City of Pittsburg	Page 74
Jones/Hice v. City of Rialto	Page 85
Minor v. City of Coalinga	Page 84
Nekooee v. City of Rialto	Page 83

**RECOMMENDATION:**

*None.*

**REFERENCE MATERIALS ATTACHED:**

- Confidential Litigation Manager's Report (distributed under separate cover; copies to be turned in at the meeting)