



**EMPLOYMENT RISK MANAGEMENT AUTHORITY
UNDERWRITING COMMITTEE MEETING
AGENDA**

Monday, January 14, 2019
Immediately following the Coverage Committee Meeting

Via Teleconference
Dial: (443) 489-6347
Pin: 237 456#

All or portions of this meeting will be conducted by teleconference in accordance with Government Code Section 54953(b). Teleconference locations are as follows:

York, 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA
PERMA, 36-951 Cook Street, Suite 101, Palm Desert, CA
PARSAC, 10500 Civic Center Drive, Rancho Cucamonga, CA
Greater LA VCD, 12545 Florence Avenue, Santa Fe Springs, CA

Each location is accessible to the public, and members of the public may address the Underwriting Committee from any teleconference location

In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation to participate in this meeting, please contact Brittany Claypool at (916) 244-1109 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 Underwriting Committee 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/ROLL CALL**
- 2. APPROVAL OF AGENDA AS POSTED (OR AMENDED)**
- 3. PUBLIC COMMENTS** - This time is reserved for members of the public to address the Committee 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.



- 4. CONSENT CALENDAR** - If the Committee would like to discuss any item listed, it may be pulled from the Consent Calendar.

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- *A. Minutes – November 15, 2018, Underwriting Committee Meeting
Recommendation: Approve the Consent Calendar.

5. MEMBERSHIP MATTERS

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- *A. Review of Prospective New Member Application – Town of Fort Jones (SCORE)
Recommendation: Staff recommends the Committee approve the Town of Fort Jones as an underlying member of SCORE at a \$25,000 SIR, effective January 1, 2019.

6. CLOSING COMMENTS

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

- A. Underwriting Committee
B. Staff

7. ADJOURNMENT

CONSENT CALENDAR

SUBJECT: Consent Calendar

BACKGROUND AND STATUS:

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

RECOMMENDATION:

Approve the Consent Calendar.

REFERENCE MATERIALS ATTACHED:

A. Minutes – November 15, 2018, Underwriting Committee Meeting

EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)

MINUTES OF THE UNDERWRITING COMMITTEE MEETING OF NOVEMBER 15, 2018

A meeting of the ERMA Underwriting Committee was held via teleconference on Thursday, November 15, 2018, at the offices of Bickmore in Sacramento, City of Palm Desert, and City of Rancho Cucamonga.

COMMITTEE MEMBERS PRESENT: Scott Ellerbrock, PERMA
John Gillison, PARSAC
Truc Dever, GLAVCD

COMMITTEE MEMBERS ABSENT: None

OTHERS PRESENT: Jennifer Jobe, Executive Director
Chee Xiong, Senior Accountant
Yahaira Martinez, Bickmore

1. CALL TO ORDER

The meeting was called to order at 11:06 a.m. by President Scott Ellerbrock.

2. ROLL CALL

A roll call was taken, and it was determined a quorum was present.

3. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

John Gillison moved to approve the agenda as posted. Seconded by Truc Dever. A roll call vote was taken. The motion passed unanimously.

4. PUBLIC COMMENTS

None.

5. CONSENT CALENDAR

John Gillison moved to approve the Minutes – March 24, 2018, Underwriting Committee Meeting. Seconded by Truc Dever. A roll call vote was taken. The motion passed unanimously.

6. MEMBERSHIP MATTERS

A. Review of Prospective New Member Application – City of Santa Maria (ERMAC)

Ms. Jennifer Jobe, Executive Director, reported the City of Santa Maria is re-applying for membership in ERMA through ERMAC and requested a \$250,000 self-insured retention (SIR). She noted previously, when the City applied, they were approved for membership in ERMA at a \$500,000 SIR at the June 2016 Board meeting. Following the Board's approval, the City rescinded its application from consideration. The City reported payroll of \$47,947,627, an approximate 18% increase from the reported 2016 payroll of

\$40,716,921. Ms. Jobe stated the City reported 466 full-time and 70 part-time employees, and per the City's application, the City's legal counsel regularly reviews and updates their written personnel policies and procedures. The City incurred five employment related claims within the last seven fiscal years, totaling \$2,840,712. She noted since they were last considered in 2016, the City's loss history reflects two additional claims that were not reported in the 2016 loss run. The first claim occurred during the 2013/14 Program Year and was a sexual harassment claim that settled for \$35,000. The second claim occurred in the 2016/17 Program Year and was a wrongful termination claim that settled for \$75,000. The City has no open claims.

Ms. Jobe advised the two claims show the severity ratios as exceeded; however, due to the size of the City's payroll in combination with their recent loss experience, staff recommended approval at a \$500,000 SIR effective January 1, 2019. She noted staff informed the City of the possibility of the Board approving their membership with a higher SIR than requested, and they are amenable to such.

A Committee member expressed some concern with the City Attorney handling the City's claims, as ERMA has experienced issues in the past with members not reporting claims to ERMA. Ms. Jobe advised that she spoke with the City and was informed they have a risk manager, human resource staff, and support staff who are all involved in the handling of claims with the City Attorney but, ultimately it is the City Attorney who handles claims, because that is who has ultimate authority.

Ms. Jobe advised the City it is in compliance with AB 1825 training requirements, and staff is comfortable they have the appropriate processes and procedures in place.

The Committee inquired as to how the City is mitigating risk after experiencing the large losses. Ms. Jobe advised remedial action was taken by the City and additional training was conducted. She further advised it is her recommendation the committee approve the City as a member, notwithstanding their size and police department exposure.

Upon discussion, the Committee agreed to recommend the Board approve the City of Santa Maria with a \$500,000 SIR and the express condition that any EPL claims are to be defended by an approved member of ERMA's defense panel.

Truc Dever moved to recommend the Board of Directors approve the City of Santa Maria become a member of ERMA, effective January 1, 2019, at a \$500,000 SIR, with the caveat that all EPL claims are to be defended by an approved member of ERMA's defense panel. Seconded by John Gillison. A roll call vote was taken. The motion passed unanimously.

B. Review of Prospective New Member Application – Central Marin Fire Authority (BCJPIA)

Ms. Jobe reported the Central Marin Fire Authority consists of the City of Larkspur and the Town of Corte Madera's fire departments, which have separated from their respective cities to form this entity. The Authority is applying for membership in ERMA through

BCJPIA and has requested a \$100,000 SIR. The Authority reported payroll of \$5,874,158, and reported 37 full time employees. Per the Authority's application, they have written policies and procedures in place that have not been reviewed within the previous five years, however, revisions are planned for December 2018. Ms. Jobe noted the Authority has not incurred EPL-related claims within the last seven fiscal years and issued a letter attesting to "No Known Losses". As such, no Target Ratio Analysis was conducted.

Truc Dever moved to recommend the Board of Directors approve the Central Marin Fire Authority become a member of ERMA, effective January 1, 2019, with a \$100,000 SIR. Seconded by John Gillison. A roll call vote was taken. The motion passed unanimously.

7. CLOSING COMMENTS

A. Underwriting Committee

None.

B. Staff

None.

8. ADJOURNMENT

The meeting adjourned at 11:24 a.m. by general consent.



Jennifer L. Jobe, Executive Director

MEMBERSHIP MATTERS

SUBJECT: Review of Prospective New Member Application – Town of Fort Jones (SCORE)

BACKGROUND AND STATUS:

The Town of Fort Jones is applying for membership in ERMA as an underlying member of SCORE and has requested a \$25,000 self-insured retention (SIR). The Town reported payroll of \$462,893 in the 2017 calendar year.

The Town reports two full-time and five part-time employees, has incurred no EPL-related claims within the previous seven fiscal years and issued a letter attesting to “No Known Losses.” The information provided in the application indicates the Town has written personnel policies in place; however it has been many years since a thorough review was conducted. The Town has a small fire department comprised of two part-time employees and 20 volunteers and utilizes the services of a contracted City Attorney.

Due to the size of the Town’s payroll, coupled with no known losses, staff recommends the Committee consider the Town’s request for a retroactive approval of participation in ERMA at a \$25,000 SIR, effective January 1, 2019.

RECOMMENDATION:

Staff recommends the Committee approve of the Town of Fort Jones as an underlying member of SCORE at a \$25,000 SIR, effective January 1, 2019.

REFERENCE MATERIAL ATTACHED:

- Town of Fort Jones Completed Potential New Member Application
- Town of Fort Jones Premium Indication

EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)

LIABILITY COVERAGE APPLICATION

If completed electronically, this application will adjust to allow space for any answers. If not completed electronically, then additional sheets may be needed.

ENTITY NAME: <u>Town of Fort Jones</u>	Date: <u>December 12, 2018</u>	
EMPLOYMENT PRACTICES INFORMATION		
A. Policies and Procedures		
1.	Does the Entity have written personnel policies and procedures?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2.	Does the Entity distribute the manual/rules to all employees?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3.	Does the Entity have employees sign an acknowledgement form indicating they have read and understood the above-referenced policies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
4.	Are the following policies or procedures included in the manual? Check all that apply:	
	<input checked="" type="checkbox"/> Hiring	<input checked="" type="checkbox"/> Termination <input checked="" type="checkbox"/> Suspension
	<input checked="" type="checkbox"/> Medical Leave	<input checked="" type="checkbox"/> Unpaid Leave <input checked="" type="checkbox"/> Grievance Procedures
	<input checked="" type="checkbox"/> Drug & Alcohol Testing	<input checked="" type="checkbox"/> Discipline <input checked="" type="checkbox"/> Attendance
	<input checked="" type="checkbox"/> Family Medical Leave Act	<input checked="" type="checkbox"/> Anti-Harassment Policies
	<input type="checkbox"/> Written Job Description for all Positions	<input checked="" type="checkbox"/> Workplace Violence Policies
	<input type="checkbox"/> Annual Written Performance Evaluations for all Employees	
	<input type="checkbox"/> Employee Hotline/Complaint Procedure	
5.	Do the policies/rules include all protected categories under the Fair Employment and Housing Act (FEHA), Ca. Gov't. Code section 12940)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
6.	Does the Entity have legal counsel regularly review the manual/rules?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
7.	Have the above-referenced policies been updated within the past five years?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	If no, when was the manual or rules last reviewed? <u>Unknown</u>	
8.	Were the above-referenced policies formally approved and adopted by council/governing board?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
9.	Does the Entity have legal counsel to provide advice regarding disciplinary matters?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
10.	Does the entity have an orientation program for all employees that addresses workplace conduct, EPL policies and practices, and grievance procedures?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p><i>If you answered no to any of the above, please use this space to provide more information:</i></p> <p><u>Unknown when Employee Handbook was written or reviewed. Unknown when (or if) Employee Handbook was approved</u></p>		

B. Employee Information					
1.	Number of Full Time Employees: <u>2</u>				
2.	Number of Part time Employees: <u>5</u>				
3.	For each of the past five years, what has been your annual percentage turnover rate of employees?				
	<u>2014</u>	<u>0</u>	<u>0%</u>	<u>2015</u>	<u>0</u> <u>0%</u>
	<u>2016</u>	<u>0</u>	<u>0%</u>	<u>2017</u>	<u>0</u> <u>0%</u>
	<u>2018</u>	<u>0</u>	<u>0%</u>		
4.	How many involuntary employment terminations have occurred in the past two years?				
	<u>2017</u>	<u>None</u>	<u>2018</u>	<u>None</u>	

		<i>Involuntary employment termination with respect to this questionnaire means notification to an employee that such employee will no longer be employed whether such notification is effective immediately or in the future. Involuntary employment termination shall also include actual or alleged constructive discharge.</i>	
5.	Percentage of Employees with salaries less than \$100,000 100 %	Should = 100%	
6.	Percentage of Employees with salaries greater than \$100,000 0%		

C. Employment Practices Claims Handling			
1.	Who in the Entity has been designated to handle claims? City Manager		
2.	(a) With respect to oral or written claims, do you have a written procedure for obtaining information and conducting required follow up on the claim?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	(b) Do you require written claims for EEO-related complaints?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
	If yes to 2(a), describe the policy and procedure for receiving, reviewing, and responding to claims: Supervisor reports claims for subordinates. Manager reviews claims and makes decision. Appeal process through City Council.		
3.	Does the Employment Claims handler coordinate with the Workers' Compensation Administrator on all claims involving actual or potential industrial injuries? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
4.	Has your entity received any claim in the previous 7 completed fiscal years, including the partial current fiscal year, (including but not limited to Tort Claim, any and all claims filed with the DFEH, EEOC, Department of Labor or Federal Department of Justice, any civil lawsuit or other written claim) alleging the following?		
	(a) Allegations of discrimination or harassment under FEHA, Title VII or any other federal or state law relating to discrimination based on race, sex, religion, disability, national origin, marital status, age, sexual orientation, retaliation or any other protected legal status;	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	(b) Allegations of retaliation relating to an Employee engaging in protected activity involving any EEO-related complaint, protected leave status, worker's compensation claim, or any other protected activity or status;	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	(c) Actual or alleged constructive termination of an employment relationship in a manner which is alleged to have been against the law or wrongful, or in breach of an implied employment contract or breach of the covenant of good faith and fair dealing in the employment contract;	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	(d) Allegations of negligent or wrongful evaluation, wrongful demotion, wrongful discipline, failure to promote, failure to grant tenure, or wrongful deprivation of career opportunity;	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	(e) Allegations of misrepresentation or defamation made by an <i>Employee</i> which arise from an employment decision to hire, fire, promote, demote or discipline;	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	(f) Allegations of infliction of emotional distress, mental injury, mental anguish, shock, sickness, disease or disability made by an <i>Employee</i> which arise from an employment decision to hire, fire, promote, demote or discipline;	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	(g) Allegations of false imprisonment, detention, or malicious prosecution made by an <i>Employee</i> which arise from an employment decision to hire, fire, promote, demote or discipline;	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

	(h) Allegations of libel, slander, defamation of character, invasion of privacy made by an <i>Employee</i> which arise from an employment decision to hire, fire, promote, demote or discipline; and	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(i) Other personal injury allegations made by an <i>Employee</i> which arise from an employment decision to hire, fire, promote, demote or discipline.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If the answer is yes to any of the above, please attach a listing of the loss(es) showing a full description of each claim, including the date filed, the substance of the allegations, the disposition of the claim, and any monetary amounts paid in connection with the claim.		

D. Employment Practices Risk Management		
1.	Does the applicant have a Human Resources or Personnel Department?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	If no, please describe handling of this function: City Manager handles all HR and Personnel issues	
2.	Do you have any established set of grievance or complaint procedures as an effective means of resolving disputes prior to litigation?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
3.	Do you anticipate any "layoffs" during the next 24 months?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	If yes, please provide details.	
4.	Have you had any "layoffs" in the past 36 months?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	If yes, please provide details.	
5.	Is your entity in full compliance with the training requirements set forth in AB 1825?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	If no, please explain.	
6.	Briefly describe the procedure for maintaining AB 1825 training records:	
7.	Does your entity provide AB 1825 training for non-supervisory employees (i.e., "top to bottom" training)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
8.	Are elected officials trained on the entity's policy regarding harassment, discrimination, and retaliation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

E. DESIRED SELF-INSURED RETENTION						
<input checked="" type="checkbox"/> \$25K	<input type="checkbox"/> \$50K	<input type="checkbox"/> \$75K	<input type="checkbox"/> \$100K	<input type="checkbox"/> \$250K	<input type="checkbox"/> \$500K	
<p>Please attach the following:</p> <ul style="list-style-type: none"> • <i>Member application fee of \$2,500 for prospective JPAs. (Upon approval and completion of the first year of membership, a credit in the amount equal to the fee remitted upon application will be issued in the form of a premium credit.)</i> • <i>EPL individual loss information (including Date of Loss and total incurred) for the previous 7 completed fiscal years, including the partial current fiscal year;</i> • <i>Payroll information for the previous 7 completed calendar years;</i> • <i>Completed resolution authorizing participation in ERMA;</i> • <i>Completed intent to participate; and</i> • <i>Most Recent Financial Audit.</i> 						

The undersigned declares that no fact, circumstance, or situation indicating the probability of a claim or action is now known to any person proposed for this coverage; and it is agreed by all concerned that if there be knowledge of any such fact, circumstance or situation, any claim or action subsequently emanating therefrom shall be excluded from coverage under the coverage for herewith being applied. The undersigned being authorized by, and acting on behalf of, the applicant and all persons or concerns seeking coverage, has read and understands this application, and declares all statements set forth herein are true, complete, and accurate, and include all material information.

The undersigned further declares and represents that any occurrence taking place prior to the inception of the coverage for which is being applied, which may render inaccurate, untrue or incomplete any statement made herein will immediately be reported in writing to ERMA. The undersigned acknowledges and agrees that the submission and ERMA's receipt of such report, prior to the inception of the coverage for which being applied, is a condition precedent to coverage.

The undersigned acknowledges:

- (1) ERMA does not require the submittal of the aforementioned policies and procedures. ERMA does, however, rely on the information provided by the applicant in review of the application and the undersigned, therefore, declares and represents that the policies and procedures as represented above are the current policies and procedures of the entity.
- (2) ERMA's Board of Directors may recommend a risk assessment of any new member within 60 days of joining ERMA and/or a higher self-insured retention from what was requested, if an application for membership is approved.

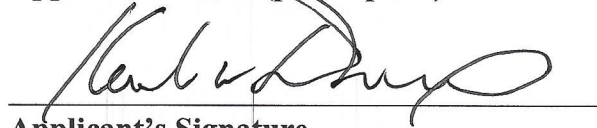
The undersigned further acknowledges and agrees this application contains requests for information and requests for data on a range of exposures, but such requests do not imply that coverage is afforded in the program for which is being applied.

Town of Fort Jones

Agency or Entity Name

Karl W Drexel

Applicant's Name (please print)



Applicant's Signature

City Administrator

Title

December 12, 2018

Date

EMPLOYMENT RISK MANAGEMENT AUTHORITY PREMIUM INDICATION

SCORE

Name of Entity Town of Fort Jones

2017 Payroll \$462,893

Coverage Period July 1, 2018 to June 30, 2019

CALCULATION

Member Retained Limit Options		\$25,000	\$50,000	\$75,000
Retained Limit Factor		1.14	1.00	0.90
Retained Limit Rate		0.440	0.386 *	0.347
Defense & Indemnity: Pooled Funding		\$2,037	\$1,787	\$1,608
Administration	0.0566	262	262	262
Loss Prevention & Training	0.0070	32	32	32
Subtotal		\$2,331	\$2,081	\$1,902
JPA Participation Credit	8.96%	(\$209)	(\$186)	(\$170)
Individual Experience Mod Factor **		1.000		
Off-Balance Factor		1.166		
TOTAL ERMA PREMIUM ***		\$2,475	\$2,209	\$2,019

* SCORE receives a \$.091 credit off the base rate due to its adjoining CJPRMA coverage in the layer from \$500K to \$1M.

** New members are assigned an experience modification factor of 1.000 their first year in ERMA.

*** Premium prorated based on date of inception of coverage.