



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

**Tuesday, April 30, 2019
9:00 a.m.**

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

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.

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.

6 *A. Minutes of February 8, 2019, Board of Directors Meeting and Summary of Action Items

15 *B. General Warrants from January 1, 2019, through April 15, 2019

16 *C. Claims Payments from January 1, 2019, through April 15, 2019

17 *D. Petty Cash Statement from January 1, 2019, through April 15, 2019

Recommendation: Approval of the Consent Calendar.

6. PRESENTATIONS

- 18 A. in2vate Program Update
 Recommendation: None

7. FINANCIAL MATTERS

- 19 *A. Actuarial Study and Rates for the 2019/20 Program Year
 Recommendation: Staff recommends the Board of Directors accept and file the actuarial study as presented.
- 110 *B. Review and Approval of Administrative and Operating Budget for the 2019/20 Program Year
 Recommendation: Staff recommends the Board of Directors approve the 2019/20 Proposed Operating Budget at the 80% Confidence Level.
- 154 *C. Review of Annual Retrospective Adjustment Calculation
 Recommendation: None

8. LITIGATION MATTERS

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

9. ADMINISTRATIVE MATTERS

- 159 A. ERMA 20th Annual Workshop
 Recommendation: Provide direction to staff.
- 160 *B. Draft Resolution Establishing Meeting Dates for the 2019/20 Program Year
 Recommendation: Staff recommends the Board of Directors consider the Resolution Establishing Meeting Dates for the 2019/20 Program Year.
- 162 *C. Proposed Amendment to Bylaws
 Recommendation: Staff recommends the Board of Directors approve the Bylaws, as amended, effective April 30, 2019.
- 185 *D. Proposed Amendments to 2019/20 Memorandum of Coverage
 Recommendation: Staff recommends the Board of Directors approve the Memorandum of Coverage, as amended, effective July 1, 2019.
- 216 *E. Proposed Amendments to 2019/20 Master Program Document
 Recommendation: Staff recommends the Board of Directors approve the Master Program Document, as amended, effective July 1, 2019.
- 248 *F. Approval of Assignment, Assumption and First Amendment to July 1, 2018 Agreement for Administrative, Litigation Management and Financial Services
 Recommendation: Staff recommends the Board of Directors approve the Assignment, Assumption and First Amendment of Agreement for Administrative, Litigation Management, and Financial Services.

* Reference materials enclosed with staff report.

- 251 *G. Proposed Amendments to Resolution Establishing Criteria for Approval of Investigators
Recommendation: Staff recommends the Board of Directors approve Resolution 2018-3 Establishing Criteria for Approval of Investigators.
- 256 *H. Approval of Resolution 2018-4 Establishing Target Performance Standards and Assistance Program
Recommendation: Staff recommends the Board of Directors approve Resolution No. 2018-4 Establishing Target Performance Standards and Assistance Program.
- 260 *I. Approval of Resolution 2018-5 Establishing Approval for Payments to Vendors
Recommendation: Staff recommends the Board Approve Resolution 2018-5 Establishing Approval for Payments to Vendors.
- 263 *J. AGRiP Governance & Leadership Conference Report
Recommendation: None
- 269 *K. Excess Coverage Marketing Update for the 2019/20 Program Year
Recommendation: None

10. MEMBERSHIP MATTERS

- 271 *A. Update Regarding City of Adelanto (PERMA) Performance Improvement Plan
Recommendation: None

11. TRAINING/LOSS PREVENTION MATTERS

- 275 *A. Update Regarding the Training Program for the 2018/19 Program Year
Recommendation: None
- 277 *B. Review of Training Program for the 2019/20 Program Year
Recommendation: Staff recommends the Board of Directors approve the slate of training workshop topics for the 2019/20 Program Year and provide direction to staff.

12. COVERAGE MATTERS

- 282 *A. City of Reedley Appeal of Coverage Denial
Recommendation: Provide direction to staff.

13. CLAIMS MATTERS

- 285 A. Pursuant to Government Code Section 54956.95(a), the Board of Directors will recess to closed session to discuss the following claims:
- Bernardino v. City of Porterville
 - Orellas v. City of Piedmont

* Reference materials enclosed with staff report.

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.

14. 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

15. ADJOURNMENT

NOTICES:

- The next Board of Directors meeting will be held on Tuesday, June 11, 2019, 9:00 a.m. at the York office in Sacramento, CA.

* Reference materials enclosed with staff report.

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 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 8, 2019, Board of Directors Meeting and Summary of Action Items
- B. General Warrants from January 1, 2019, through April 15, 2019
- C. Claims Payments from January 1, 2019, through April 15, 2019
- D. Petty Cash Statement from January 1, 2019, through April 15, 2019

EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)

MINUTES OF THE BOARD OF DIRECTORS MEETING OF FEBRUARY 8, 2019

A regular meeting of the Board of Directors of ERMA was held on February 8, 2019, at Wine & Roses in Lodi, CA.

BOARD MEMBERS PRESENT: Scott Ellerbrock, President, PERMA
John Gillison, Vice President, PARSAC
Truc Dever, Treasurer, VCJPA
Stuart Schillinger, BCJPIA
Robert Thompson, CalTIP
Sean Scully, CSJVRMA
Charlene Calica, CCCHA
Brett Miller, MBASIA
Linda Cox, MPA
Artesia Dupree, OHA
John Duckett, SCORE

BOARD MEMBERS ABSENT: Don White, ERMAC

ALTERNATE MEMBERS PRESENT: Todd Cusimano, BCJPIA
Nataline Jindoian, CCCHA
Shannon Esenwein, CSJVRMA
Kin Ong, PARSAC
Jamie Scott, VCJPA

ALTERNATE MEMBERS ABSENT: George Fink, CalTIP
Jamie Goldstein, MBASIA
Tracy Robinson, MPA
Drew Felder, OHA
Kerry Trost, PERMA
Roger Carroll, SCORE

OTHERS PRESENT: Jennifer Jobe, Executive Director
Nancy Broadhurst, Finance Manager
Kathy Maylin, Litigation Manager
Greg O'Dea, General Counsel
Jaesa McCulligan, BCJPIA
Jeanette Workman, CSJVRMA
Chrissy Mack, CalTIP/VCJPA
Marcus Beverly, ERMAC/SCORE
Lesley Murphy, Public Financial Management, Inc.
Michael Christian, Jackson Lewis
Seth Cole, Alliant Insurance Services
Jeff Johnston, York
Yahaira Martinez, York

1. CALL TO ORDER

The February 8, 2019, Board of Directors meeting was called to order at 9:02 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 John Duckett. The motion passed unanimously.

4. PUBLIC COMMENTS

None

5. CONSENT CALENDAR

Linda Cox moved to approve the Consent Calendar as follows: A) Minutes of December 12, 2018, Special Meeting of the Board of Directors; B) General Warrants from October 1, 2018, through December 31, 2018; C) Claims Payments from October 1, 2018, through December 31, 2018; D) Petty Cash Statement from October 1, 2018, through December 31, 2018; E) Treasurer's Reports as of September 30, 2018, and December 31, 2018; F) Financial Statement for the Quarter Ended December 31, 2018; and G) Notice of Intent to Withdraw – City of West Hollywood. Seconded by John Gillison. The motion passed unanimously.

6. GOALS AND OBJECTIVES

A. Review and Approval of ERMA Goals and Objectives Established at the 2019 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 7th Workshop. The three listed goals and objectives identified as priorities for the 2019/20 Program Year are as follows:

- 1) Ad Hoc Training Committee to focus upon tasks as identified by the Board relative to:
 - Management, distribution and addition of Capital Contribution Fund monies.
 - Development of guidelines to identify and aid member agencies with personnel policy updates and human resources training.
 - Development and implementation of an ERMA Management Academy.
- 2) Complete proposed revisions and amendments to ERMA governing documents.
- 3) Identify eDiscovery vendor options.

Linda Cox moved to approve the 2019 Goals and Objectives as presented; seconded by Brett Miller. The motion passed unanimously.

7. 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 are concerning new trends in which plaintiffs are less amenable to mediation; and when they do accept, unreasonable, unrealistic demands are often brought forth.

Ms. Maylin stated ERMA's most effective tool in decreasing 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 underlying members' managers are receiving proper training and support. Additionally, she advised documentation is important as more claims are arising out of lack of documentation when probationary or temporary employees are released from employment. She stated lax documentation is an antiquated practice as just because an employee is temporary or probationary, does not mean the reasons for letting that person go should not be properly documented.

8. CLAIMS MATTERS

A. Closed Session – Pursuant to Government Code Section 54956(a), the Board of Directors recessed to closed session at 9:18 a.m. to discuss the following claims:

- Aldaoud, et al. v. Adelanto
- Alvarez v. Delano
- Johnson v. Kingsburg
- Escobar v. Parlier
- Ornellas v. Piedmont
- Myers v. Pleasanton

B. Report from Closed Session

The Board reconvened to open session at 10:03 a.m., and no reportable action was taken.

9. MEMBERSHIP MATTERS

A. City of Adelanto Performance Improvement Plan

Ms. Jobe advised as of June 30, 2017, staff determined via target ratio calculations, the City of Adelanto (PERMA) significantly exceeded the maximums allowed for the three parameters tracked by ERMA: claim severity, claim frequency and loss ratio. As a result, the Board directed Ms. Maylin to conduct a risk assessment in December 2017. The Board discussed the City's continued participation at its November 2018 meeting and unanimously voted to terminate the City's participation, effective July 1, 2019. ERMA later received a notice from the City appealing the Board's decision to terminate coverage.

In response to the appeal, staff presented a Performance Improvement Plan (Plan) developed by staff for the City's consideration, which outlined requirements that must be met by the City in

order for the Board to consider rescission of the notice of termination. City representatives including Tom Madruga and Victor Pronto, City Attorneys; Jessie Flores, City Manager; Geriann Kingslan, Human Resources; Teri Nelson, Risk Manager, and Brenda Lopez, City Clerk, met via teleconference on January 22, 2019, with Ms. Jobe and Ms. Maylin to review and discuss the Plan. The Plan was accepted by Adelanto's City Council at a regularly scheduled meeting on January 23, 2019.

Ms. Jobe advised staff will provide an update at the April Board meeting regarding the status of the Plan.

John Gillison moved to accept the Performance Improvement Plan as presented and directed staff to proceed with the terms as outlined in the Agreement. Seconded by Truc Dever. The motion passed unanimously.

B. Review of Prospective New Member Application – Town of Fort Jones (SCORE)

Ms. Jobe reported the Underwriting Committee met on January 14, 2019, and reviewed the Town of Fort Jones' application for membership in ERMA as an underlying member of SCORE. She reviewed the Town's application stating 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". Ms. Jobe also noted 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.

She advised the Underwriting Committee and staff recommended approval of the Town's participation in ERMA at a \$25,000 self-insured retention (SIR), as requested by the Town, effective January 1, 2019, with the express condition the Town update its personnel policies and procedures and provide evidence of such by January 1, 2020.

Truc Dever moved to approve the Town of Fort Jones as an underlying member of SCORE at a \$25,000 SIR, effective January 1, 2019, with the express condition the Town update its personnel policies and procedures and provide evidence of such by January 1, 2020. Seconded by Linda Cox. The motion passed unanimously.

10. ADMINISTRATIVE MATTERS

A. Resolution 2018-1 of the Board of Directors of the Employment Risk Management Authority Establishing a Litigation Management Program

Ms. Jobe reported ERMA's Resolution 2014-3, Establishing a Litigation Management Program (LMP), has not been reviewed or revised since 2015, and staff determined the guidelines contained within the LMP, though generally sufficient, should be updated. The proposed updated LMP will more clearly inform panel counsel of 1) ERMA requirements and 2) information required by the Litigation Manager in order to more effectively manage claims.

Ms. Maylin reviewed the proposed changes to the LMP with the Board noting much of the language contained within the LMP is now directly relatable to public entity processes in the management of claims rather than private sector processes and language that does not apply to public entities.

Artesia Dupree moved to approve Resolution 2018-1, incorporating changes/updates to Resolution 2014-3, Resolution of the Board of Directors of the Employment Risk Management Authority Establishing a Litigation Management Program. Seconded by Brett Miller. The motion passed unanimously.

11. TRAINING/LOSS PREVENTION MATTERS

A. Training for the 2018/19 Program Year

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

To date, 40 of the 47 budgeted trainings have taken place or are scheduled. With the implementation of SB 1343 on January 1, 2019, staff has received numerous requests for additional trainings from member agencies seeking to comply with the expanded sexual harassment training requirements. Ms. Jobe advised it is anticipated that due to the expanded training requirements, ERMA will exceed the allocated number of trainings established for the 2018/19 program year. Therefore, staff recommended adding an additional 20 trainings. It was requested an update be provided to the Board in April so they may determine whether additional trainings are required.

Ms. Jobe stated in2vate will have a one-hour online training available by the end of the first quarter of 2019 that meets the expanded training requirements, and will provide the Board with an update at the April meeting.

John Gillison moved to approve the addition of 20 ERMA trainings to the 2018/19 program year. Seconded by Truc Dever. The motion passed unanimously.

12. COVERAGE MATTERS

A. Proposed Revisions to the Memorandum of Coverage for the 2018/19 Program Year, Effective January 1, 2019

In response to the #MeToo movement, a number of bills intended to protect employees from workplace harassment and retaliation under the Fair Employment Housing Act (FEHA) took effect on January 1, 2019. At staff's request, Mr. Greg O'Dea, Board Counsel, reviewed and provided recommended changes to the Memorandum of Coverage (MOC) for the 2018/19 program year, effective January 1, 2019.

In addition to the amendments proposed by Mr. O'Dea, additional amendments were made to Endorsement #1 to reflect new members as covered parties effective January 1, 2019: Central

Marin Fire Authority (BCJPIA) - \$250,000 SIR; the City of Santa Maria (ERMAC) - \$500,000 SIR; and the Town of Fort Jones (SCORE) - \$25,000 SIR.

The Coverage Committee met on January 14, 2019, to review the proposed revisions and recommended the Board approve the MOC for the 2018/19 program year, effective January 1, 2019, as presented.

Linda Cox moved to approve the all revisions to the Memorandum of Coverage for the 2018/19 Program Year, effective January 1, 2019, as presented. Seconded by John Duckett. The motion passed unanimously.

B. Excess Coverage and Marketing Strategy for 2018/19

Mr. Seth Cole, Alliant, reported following eight consecutive years with RSUI, in 2018, the Board directed Alliant to work with staff to ensure current pricing and coverage were in line with the market for the 2018/19 Program Year excess coverage renewal.

As a result of marketing efforts the prior year, the 2018/19 Program Year Each Claim Per Member limit increased from \$1 million to \$2 million, the Per Member Aggregate Limit increased from \$2 million to \$4 million, and the Policy Aggregate Limit remained at \$10 million. He advised RSUI is committed to a long-term partnership with ERMA, and barring any significant change in market conditions, a meaningful price increase at renewal is not expected. Mr. Cole recommended ERMA renew coverage with RSUI for the 2019/20 program year, and stated as ERMA continues to grow its membership, ERMA should continue to explore increased limits and possibly the program aggregate.

C. City of Barstow (Trujillo) Appeal of Denial of Coverage

Ms. Maylin reported the City of Barstow untimely reported an Equal Employment Opportunity Commission (EEOC) claim dated October 15, 2018, and in accordance with ERMA's MOC, the claim was subsequently denied. She reviewed the MOC guidelines for accepting claims and the late reporting clause.

The relief sought by the City in regard to the Trujillo v. Barstow claim is based on the fact that due to an unexpected staffing change in the position of Administrative Services Manager, the new individual in the position was not aware of the claim or ERMA's reporting requirements; and the City attempted to mediate the matter to fully resolve it at no cost to the City. However, following an unsuccessful mediation, the City was advised by the Department of Fair Employment and Housing (DFEH) it had until January 7, 2019, to file a Position Statement.

Following some discussion, the Board approved the City's appeal with a 25% increase to its SIR for the claim, per the penalty structure outlined in the MOC. The City's SIR is \$25,000 and was increased to \$31,250 for this claim.

John Gillison moved to grant the City of Barstow's appeal with a 25% increase to its SIR from \$25,000 to \$31,250. Seconded by Rob Thompson. The motion passed unanimously.

13. FINANCIAL MATTERS

A. Investment Performance Review Presented by PFM Asset Management LLC

Ms. Lesley Murphy, Senior Managing Consultant, Public Financial Management, Inc. (PFM) was in attendance to provide an update on ERMA's investment portfolio activity. Ms. Murphy discussed market conditions as of the quarter ended December 31, 2018.

Ms. Murphy provided an overview of ERMA's portfolio and stated for the past several quarters, PFM has positioned the portfolio with duration less than that of the benchmark. This benefited the portfolio for most of 2018 as the Fed raised rates and yields. However, in the fourth quarter, sudden shifts in market sentiment resulted in a sharp decrease in yields, leading to increases in market valuations of portfolio holdings and strong, positive total return. Ms. Murphy also stated the portfolio's conservatively short duration positioning, relative to the benchmark, somewhat hampered the performance of the portfolio compared to that of its benchmark.

Ms. Murphy further advised given the volatility in the credit markets recently, PFM's strategy over the past several months was to actively reduce exposure to most credit sectors by increasing the portfolio's allocation to U.S. Treasuries which helped cushion relative underperformance versus the benchmark in the quarter.

In closing, 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 advised she had reviewed ERMA's Investment Policy and stated it is in compliance with the California Government Code that mandates the investment of public funds. Ms. Murphy advised AB 1770 revises California Government Code, effective January 1, 2019, to clarify requirements for the purchase of asset-backed securities (ABS) or mortgage-backed securities (MBS) in two respects: 1) the maturity language was clarified to reflect how many investors already interpret this section that they may purchase securities with a maximum remaining maturity of five years or less; and 2) the bill eliminates the requirement that the issuer of these securities be rated "A" or better, as provided by NRSRO. The code still requires the specific security be rated "AA" or better as provided by NRSRO.

Ms. Murphy recommended ERMA revise the language in its Policy to mirror these changes made to the language used in Code, and noted this clarification to the language used in Code and ERMA's Policy does not necessitate a change to the investment procedures already in place for the management of the portfolio.

It was noted staff and ERMA's Treasurer, Ms. Truc Dever, have both reviewed the proposed amendments to the Policy and are in agreement with the suggested changes.

Truc Dever moved to approve the Investment Policy as revised; seconded by Brett Miller. The motion passed unanimously.

C. Review of Target Equity Ratios

President Ellerbrock advised that Ms. Broadhurst provided an in-depth presentation of the Target Equity Ratios to the Board at the 19th Annual Workshop.

Linda Cox moved to approve the Target Equity Benchmarking Ratio calculation as of June 30, 2018; seconded by John Gillison. The motion passed unanimously.

14. CLOSING COMMENTS

A. Board

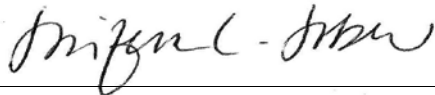
None

B. Staff

None

15. ADJOURNMENT

The February 8, 2019, ERMA Board of Directors meeting adjourned at 11:10 a.m. by general consent.



Jennifer Jobe, Executive Director

EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)
SUMMARY OF ACTION ITEMS
BOARD OF DIRECTORS MEETING OF FEBRUARY 8, 2019

- ❖ The following consent calendar items were approved by the Board:
 - A. Minutes of December 12, 2018, Special Meeting of the Board of Directors and Summary of Action Items
 - B. General Warrants from October 1, 2018, through December 31, 2018
 - C. Claims Payments from October 1, 2018, through December 31, 2018
 - D. Petty Cash Statement from October 1, 2018, through December 31, 2018
 - E. Treasurer's Report as of September 30, 2018, and December 31, 2018
 - F. Internal Financial Statements for the Quarter Ended December 31, 2018
 - G. Notice of Intent to Withdraw – City of West Hollywood
- ❖ The Board adopted the goals and objectives established for 2019.
- ❖ The Board approved and accepted the Performance Improvement Plan for the City of Adelanto.
- ❖ The Board approved the Town of Fort Jones as an underlying member of SCORE at a \$25,000 SIR.
- ❖ The Board approved the addition of 20 ERMA trainings for the 2018/19 Program Year.
- ❖ The Board approved revisions to the Memorandum of Coverage for the 2018/19 Program Year, effective January 1, 2019.
- ❖ The Board granted a coverage appeal for the City of Barstow for the Trujillo v. Barstow claim with a late reporting penalty of \$6,250 to the SIR for the claim.
- ❖ The Board approved the 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

Page: 1
User ID: lkokhanets

Ranges:	From:	To:	Check Date	From:	To:
Check Number	First	Last	1/1/2019	1/1/2019	4/15/2019
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
EFT000074	LO120	Longyear, O'Dea, & Lavra, LLP	1/11/2019	CBT GENERAL	PMCHK00000625	\$607.50
EFT000076	BI100	Bickmore	2/14/2019	CBT GENERAL	PMCHK00000630	\$9,421.71
EFT000077	JA100 EFT	Jackson Lewis P.C.	2/14/2019	CBT GENERAL	PMCHK00000630	\$2,150.00
EFT000079	AG100	in2vate, LLC	3/21/2019	CBT GENERAL	PMCHK00000632	\$6,000.00
EFT000080	BI100	Bickmore	3/21/2019	CBT GENERAL	PMCHK00000632	\$191,914.36
EFT000081	JA100 EFT	Jackson Lewis P.C.	3/21/2019	CBT GENERAL	PMCHK00000632	\$3,663.00
EFT000082	LO120	Longyear, O'Dea, & Lavra, LLP	3/21/2019	CBT GENERAL	PMCHK00000632	\$7,881.94
EFT000083	PC100	Administration	3/21/2019	CBT GENERAL	PMCHK00000632	\$3,863.15
G 003191	AG105	AGRIp	1/11/2019	CBT GENERAL	PMCHK00000626	\$1,166.79
G 003192	LI100	Liebert Cassidy Whitmore	1/11/2019	CBT GENERAL	PMCHK00000626	\$4,300.00
G 003193	WI120	Wine & Roses	1/11/2019	CBT GENERAL	PMCHK00000626	\$6,786.04
G 003194	EL100	Scott Ellerbrock	3/21/2019	CBT GENERAL	PMCHK00000633	\$441.44
G 003195	LI100	Liebert Cassidy Whitmore	3/21/2019	CBT GENERAL	PMCHK00000633	\$4,668.00
G 003196	RA100	City of Rancho Cucamonga	3/21/2019	CBT GENERAL	PMCHK00000633	\$159.96
* G 003197	WI120	Wine & Roses	3/21/2019	CBT GENERAL	PMCHK00000633	\$10,474.59
G 003198	WI120	Wine & Roses	3/21/2019	CBT GENERAL	PMCHK00000634	\$10,474.59

Total Checks:	16			Total Amount of Checks:		\$253,498.48
						=====

Ranges:	From:	To:	From:	To:
Check Number	First	Last	1/1/2019	4/15/2019
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 007064	BE100	Best Best and Krieger LLP	1/2/2019	CBT CLAIMS	PMCHK00000624	\$49,255.29
L 007065	HE125	Stephen F. Henry, Esq.	1/2/2019	CBT CLAIMS	PMCHK00000624	\$57,500.00
L 007066	LI100	Liebert Cassidy Whitmore	1/2/2019	CBT CLAIMS	PMCHK00000624	\$11,354.14
L 007067	LI100	Liebert Cassidy Whitmore	1/2/2019	CBT CLAIMS	PMCHK00000624	\$3,339.95
L 007068	LI100	Liebert Cassidy Whitmore	1/2/2019	CBT CLAIMS	PMCHK00000624	\$9,227.04
L 007069	LI100	Liebert Cassidy Whitmore	1/2/2019	CBT CLAIMS	PMCHK00000624	\$11,090.00
L 007070	LI100	Liebert Cassidy Whitmore	1/2/2019	CBT CLAIMS	PMCHK00000624	\$23,690.75
L 007071	WA130	Wagner & Pelayes Client Trust	1/2/2019	CBT CLAIMS	PMCHK00000624	\$300,000.00
L 007072	BR145	Micah Brawley	1/16/2019	CBT CLAIMS	PMCHK00000627	\$5,000.00
L 007073	CO160	Law Offices of Corren & Corren	1/16/2019	CBT CLAIMS	PMCHK00000627	\$3,000.00
L 007074	BE100	Best Best and Krieger LLP	1/31/2019	CBT CLAIMS	PMCHK00000628	\$3,673.46
L 007075	CU100	Curd, Galindo & Smith, Client	1/31/2019	CBT CLAIMS	PMCHK00000628	\$30,944.33
L 007076	FI100	Jose Antonio Figueroa	1/31/2019	CBT CLAIMS	PMCHK00000628	\$44,055.67
L 007077	JA100	Jackson Lewis P.C.	1/31/2019	CBT CLAIMS	PMCHK00000628	\$1,329.51
L 007078	JA100	Jackson Lewis P.C.	1/31/2019	CBT CLAIMS	PMCHK00000628	\$25,392.83
L 007079	JA100	Jackson Lewis P.C.	1/31/2019	CBT CLAIMS	PMCHK00000628	\$541.90
L 007080	JA100	Jackson Lewis P.C.	1/31/2019	CBT CLAIMS	PMCHK00000628	\$208.42
L 007081	LI100	Liebert Cassidy Whitmore	1/31/2019	CBT CLAIMS	PMCHK00000628	\$203.00
L 007082	LI100	Liebert Cassidy Whitmore	1/31/2019	CBT CLAIMS	PMCHK00000628	\$4,441.00
L 007083	LI100	Liebert Cassidy Whitmore	1/31/2019	CBT CLAIMS	PMCHK00000628	\$1,218.00
L 007084	LI100	Liebert Cassidy Whitmore	1/31/2019	CBT CLAIMS	PMCHK00000628	\$13,961.74
L 007085	LI100	Liebert Cassidy Whitmore	1/31/2019	CBT CLAIMS	PMCHK00000628	\$2,630.00
L 007086	LI100	Liebert Cassidy Whitmore	1/31/2019	CBT CLAIMS	PMCHK00000628	\$189.39
L 007087	LI100	Liebert Cassidy Whitmore	1/31/2019	CBT CLAIMS	PMCHK00000628	\$3,681.88
L 007088	BR150	Bryant Whitten, LLP Client Tru	2/13/2019	CBT CLAIMS	PMCHK00000629	\$100,000.00
L 007089	JA100	Jackson Lewis P.C.	3/6/2019	CBT CLAIMS	PMCHK00000631	\$406.00
L 007090	JA100	Jackson Lewis P.C.	3/6/2019	CBT CLAIMS	PMCHK00000631	\$3,825.00
L 007091	JA100	Jackson Lewis P.C.	3/6/2019	CBT CLAIMS	PMCHK00000631	\$1,108.97
L 007092	JA100	Jackson Lewis P.C.	3/6/2019	CBT CLAIMS	PMCHK00000631	\$138.00
L 007093	LI100	Liebert Cassidy Whitmore	3/6/2019	CBT CLAIMS	PMCHK00000631	\$3,248.79
L 007094	LI100	Liebert Cassidy Whitmore	3/6/2019	CBT CLAIMS	PMCHK00000631	\$1,160.00
L 007095	LI100	Liebert Cassidy Whitmore	3/6/2019	CBT CLAIMS	PMCHK00000631	\$12,351.14
L 007096	LI100	Liebert Cassidy Whitmore	3/6/2019	CBT CLAIMS	PMCHK00000631	\$406.00
L 007097	LI100	Liebert Cassidy Whitmore	3/6/2019	CBT CLAIMS	PMCHK00000631	\$11,996.13
L 007098	LI100	Liebert Cassidy Whitmore	3/6/2019	CBT CLAIMS	PMCHK00000631	\$29.00
L 007099	LI100	Liebert Cassidy Whitmore	3/6/2019	CBT CLAIMS	PMCHK00000631	\$22,308.50
L 007100	JA100	Jackson Lewis P.C.	4/2/2019	CBT CLAIMS	PMCHK00000635	\$8,806.00
L 007101	JA100	Jackson Lewis P.C.	4/2/2019	CBT CLAIMS	PMCHK00000635	\$7,616.95
L 007102	JA100	Jackson Lewis P.C.	4/2/2019	CBT CLAIMS	PMCHK00000635	\$87.00
L 007103	LI100	Liebert Cassidy Whitmore	4/2/2019	CBT CLAIMS	PMCHK00000635	\$4,544.00
L 007104	LI100	Liebert Cassidy Whitmore	4/2/2019	CBT CLAIMS	PMCHK00000635	\$8,876.76
L 007105	LI100	Liebert Cassidy Whitmore	4/2/2019	CBT CLAIMS	PMCHK00000635	\$812.00
L 007106	LI100	Liebert Cassidy Whitmore	4/2/2019	CBT CLAIMS	PMCHK00000635	\$12,789.02
L 007107	LI100	Liebert Cassidy Whitmore	4/2/2019	CBT CLAIMS	PMCHK00000635	\$841.00
L 007108	LI100	Liebert Cassidy Whitmore	4/2/2019	CBT CLAIMS	PMCHK00000635	\$321.57
L 007109	LI100	Liebert Cassidy Whitmore	4/2/2019	CBT CLAIMS	PMCHK00000635	\$277.00
L 007110	RO125	Jay S. Rothman & Associates	4/8/2019	CBT CLAIMS	PMCHK00000636	\$44,350.00
REMIT0000000000000001	ME140	Michael Mejia	4/8/2019		PMCHK00000636	\$0.00

Total Checks: 48

Total Amount of Checks: \$852,227.13

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Employment Risk Management Aut
VENDOR CHECK REGISTER REPORT
Payables Management

Page: 1
User ID: lkokhanets

Ranges:	From:	To:	Check Date	From:	To:
Check Number	First	Last	1/1/2019	1/1/2019	4/15/2019
Vendor ID	First	Last	Checkbook ID	CBT PETTY	CBT PETTY
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
1294	ME125	City of Merced	2/8/2019	CBT PETTY	PMTRX00000759	\$128.39
1295	MA135	City of Madera	2/8/2019	CBT PETTY	PMTRX00000759	\$184.56
1296	LI105	City of Livingston	2/8/2019	CBT PETTY	PMTRX00000759	\$143.21
1297	HU100	City of Hughson	2/21/2019	CBT PETTY	PMTRX00000759	\$199.25
1298	TE095	City of Tehachapi	3/7/2019	CBT PETTY	PMTRX00000762	\$30.00
1299	SA120	City of San Ramon	3/11/2019	CBT PETTY	PMTRX00000762	\$289.34
1300	YU105	Town of Yucca Valley	3/11/2019	CBT PETTY	PMTRX00000762	\$119.22
1301	ME140	Michael Mejia	3/21/2019	CBT PETTY	PMPAY00000001	\$49.48
1302	PL110	City of Pleasant Hill	3/25/2019	CBT PETTY	PMTRX00000762	\$101.62

Total Checks:	9			Total Amount of Checks:	\$1,245.07
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PRESENTATIONS

SUBJECT: in2vate Program Update

BACKGROUND AND STATUS:

ERMA contracts with *in2vate* to provide *ERMANet*, the application used to provide online employment practices-related training, manage training registrations and facilitate the anonymous reporting tool for notification of workplace wrong-doing.

Roger Duffield, President of *in2vate* will be in attendance to provide the Board with an overview of the program and updates on features and services available to ERMA members.

RECOMMENDATION:

None

ERMA
BOARD OF DIRECTORS MEETING
APRIL 30, 2019

FINANCIAL MATTERS

SUBJECT: Actuarial Study and Rates for the 2019/20 Program Year

BACKGROUND AND STATUS:

Derek Burkhalter, ERMA's actuary, has completed a draft actuarial analysis dated April 15, 2019. 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, 2019. Part two is a loss forecasting analysis to determine the appropriate contribution rates for the ERMA program in the 2019/20 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 0.2%. The past four years have seen increases of 1.1%, 0.6%, 4.8%, and 4.0%. The four years prior saw decreases of 8.0%, 11.2%, 16.8%, and 15.6%, respectively. Following is a grid showing the program year changes in Ultimate Loss projections:

Changes in Ultimate Loss for Open Program Years Based on Actuarial Study dated April 15, 2019					
Program Year	Status	Prior Year Ultimate Loss as of 6/30/18	Current Year Ultimate Loss as of 6/30/19	Change in Total Ultimate Loss	Percentage Change in Total Ultimate Loss
2011/2012	Open	1,917,000	1,917,000	-	0.0%
2012/2013	Open	2,101,000	1,972,000	(129,000)	-6.5%
2013/2014	Open	2,627,000	2,411,000	(216,000)	-9.0%
2014/2015	Open	4,112,000	4,006,000	(106,000)	-2.6%
2015/2016	Open	3,841,000	4,252,000	411,000	9.7%
2016/2017	Open	3,906,000	3,735,000	(171,000)	-4.6%
2017/2018	Open	4,416,000	4,558,000	142,000	3.1%
2018/2019	Open	4,590,000	4,760,000	170,000	3.6%
Open Program Year Totals		<u>\$ 62,178,033</u>	<u>\$ 62,280,562</u>	<u>\$ 101,000</u>	<u>0.2%</u>

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 2019/20 Program Year at the \$50,000 retention is .503 (per \$100 of payroll). The rate reflects a 5.4% increase over .477, the rate used in the 2018/19 Operating Budget, also at the 80% CL. Last year saw a 4.2% increase, the previous year 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 15, 2019, Prepared by Bickmore Actuarial



Bickmore — Actuarial

Actuarial Review of the Self-Insured Employment Practices Liability Program

Outstanding Liabilities as of June 30, 2019

Forecast for Program Year 2019-20

Presented to

Employment Risk Management Authority

April 15, 2019 - DRAFT



Monday, April 15, 2019

Ms. Jennifer Jobe
Administrator
Employment Risk Management Authority
c/o York
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 2019-20 program year to be \$4,693,000. 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 2019-20 claims translate to a rate of \$0.317 per \$100 of payroll for the \$50,000 to \$1,000,000 layer (\$0.344 when grossed up for the expected JPA credit).

In addition, we estimate the program's liability for outstanding claims to be \$13,722,000 as of June 30, 2019, 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 \$13,722,000 estimate is the minimum liability to be booked by the Authority at June 30, 2019 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.

Our conclusions regarding the Authority's liability for unpaid loss and loss adjustment expenses (LAE) at June 30, 2019 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, 2019

	Expected	Marginally Acceptable 70% CL	Recommended Range			Conservative 90% CL
			Low 75% CL	Target 80% CL	High 85% CL	
Loss and ALAE	\$13,595,000					
ULAE	680,000					
Investment Income Offset	<u>(553,000)</u>					
Discounted Loss and LAE	\$13,722,000	\$15,835,000	\$16,521,000	\$17,317,000	\$18,305,000	\$19,664,000
Assets	<u>27,852,000</u>					
Surplus or (Deficit)	\$14,130,000	\$12,017,000	\$11,331,000	\$10,535,000	\$9,547,000	\$8,188,000

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.

The table below shows our funding recommendations for Employment Risk Management Authority for the 2019-20 fiscal year.

Employment Risk Management Authority
Self-Insured Employment Practices Liability Program
Loss and ALAE Funding Guidelines for 2019-20
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	\$4,999,000					
Investment Income Offset	(306,000)					
Discounted Loss and ALAE*	\$4,693,000	\$5,965,000	\$6,373,000	\$6,856,000	\$7,467,000	\$8,278,000
Rate per \$100 of 2019-20 Payroll**	\$0.317	\$0.403	\$0.431	\$0.464	\$0.505	\$0.560
Rate per \$100 of 2019-20 Payroll Including JPA Credit**	\$0.344	\$0.438	\$0.468	\$0.503	\$0.548	\$0.607

*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, 2019. 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.

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 Actuarial

DRAFT

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

DRAFT

Mark Priven, FCAS, MAAA
Vice President and Principal – Specialty Actuarial, Bickmore Actuarial
Fellow, Casualty Actuarial Society
Member, American Academy of Actuaries

DRAFT

York Lee
Senior Analyst, Bickmore Actuarial

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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:

Program Overview Employment Practices Liability		
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
7/1/18-6/30/19	No Quota Share: 100% ERMA	Optional Commercial Coverage \$2,000,000 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, 2019, project ultimate loss costs for 2019-20, 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, 2019. 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 30th.

Our best estimate of the full value of the Authority's liability for outstanding claims within its self-insured retention (SIR) is \$14,275,000 as of June 30, 2019. 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).

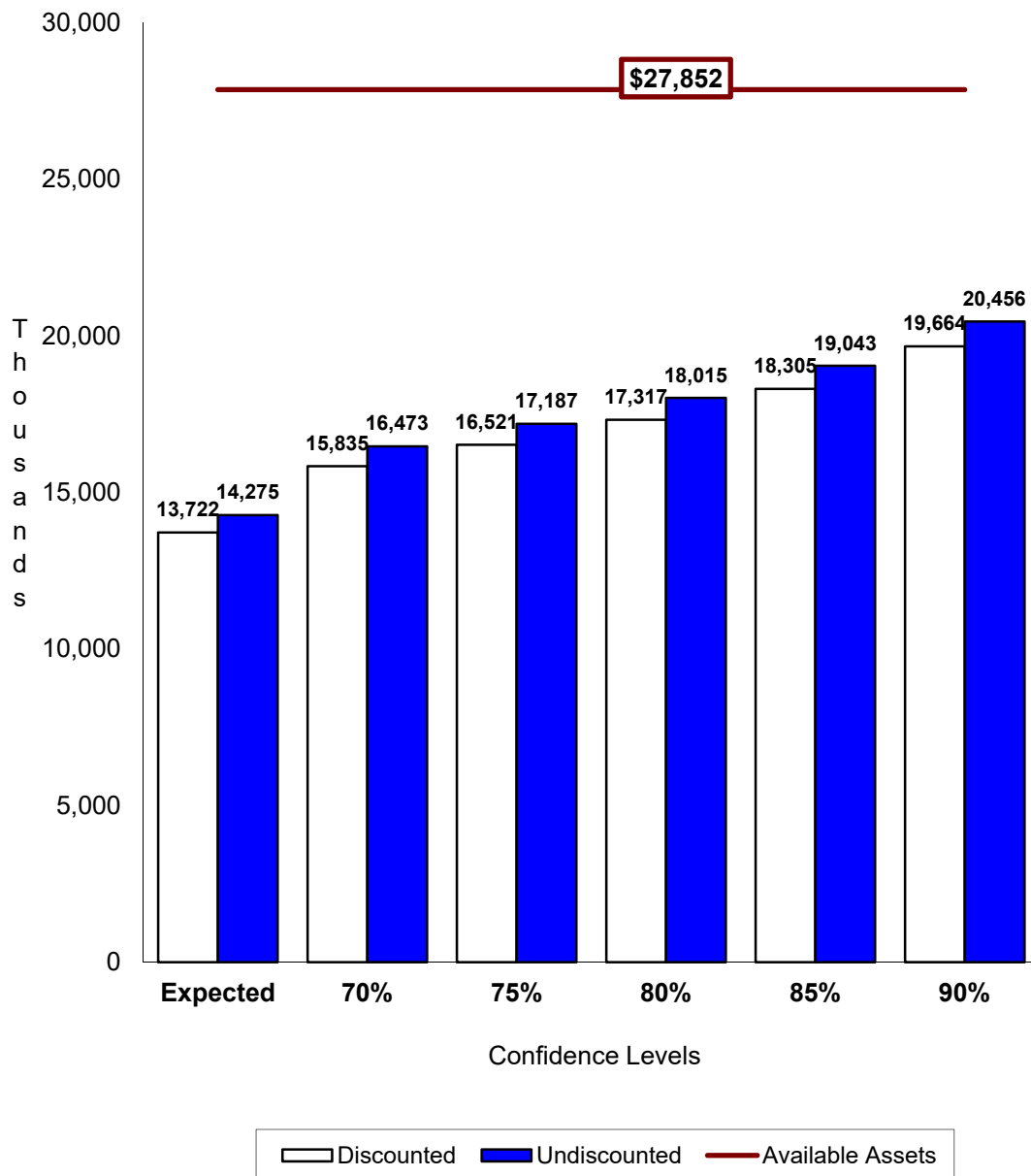
There is some measure of uncertainty associated with our best estimate because of the random nature of much of the process that determines ultimate claims costs. For this reason, we generally recommend that a program such as this include some funding margin for the possibility that actual loss costs 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 3.9% if the program is funded within the range indicated in the graph, resulting in a discounted liability for outstanding claims of \$13,722,000 as of June 30, 2019.

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, 2019



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, 2019, 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, 2019

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	46,274	44,263	90,537
2013-14	7,080	135,663	142,743
2014-15	411,192	376,418	787,610
2015-16	301,750	769,474	1,071,224
2016-17	864,956	1,668,960	2,533,916
2017-18	895,311	3,347,595	4,242,906
2018-19	218,680	4,508,000	4,726,680
Loss and ALAE	\$2,745,243	\$10,850,373	\$13,595,616
ULAE		680,000	680,000
Total	\$2,745,243	\$11,530,373	\$14,275,616

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.

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.

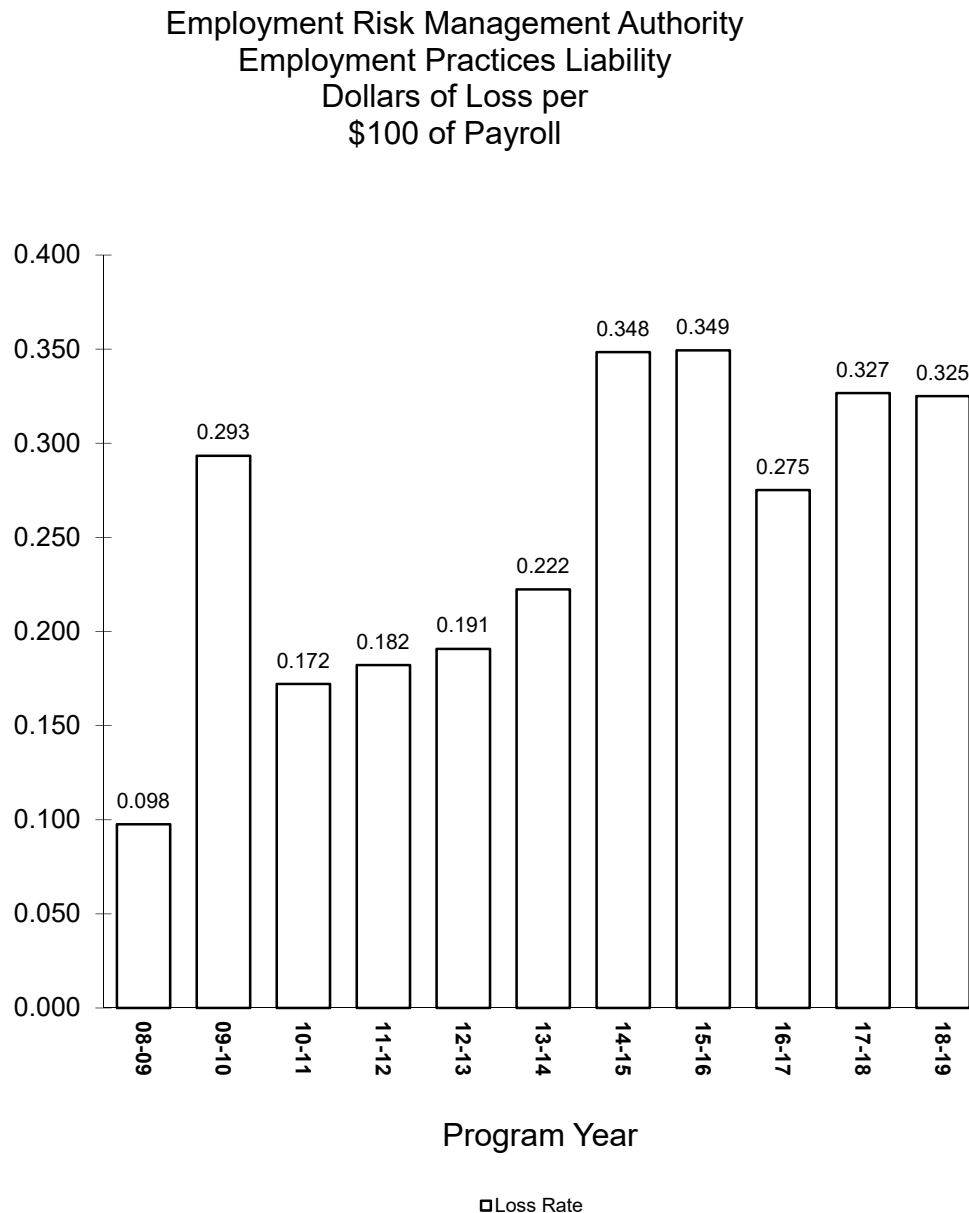
In general, we recommend funding each year's claims costs in that year. When surpluses or deficits have developed on outstanding liabilities and funding adjustments are necessary, they should be clearly identified as such so that the habit of funding each year's claims costs that year is maintained. 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 2018-19 loss rate of \$0.325 is similar to the average of the most recent three years. See Graph 2 below.

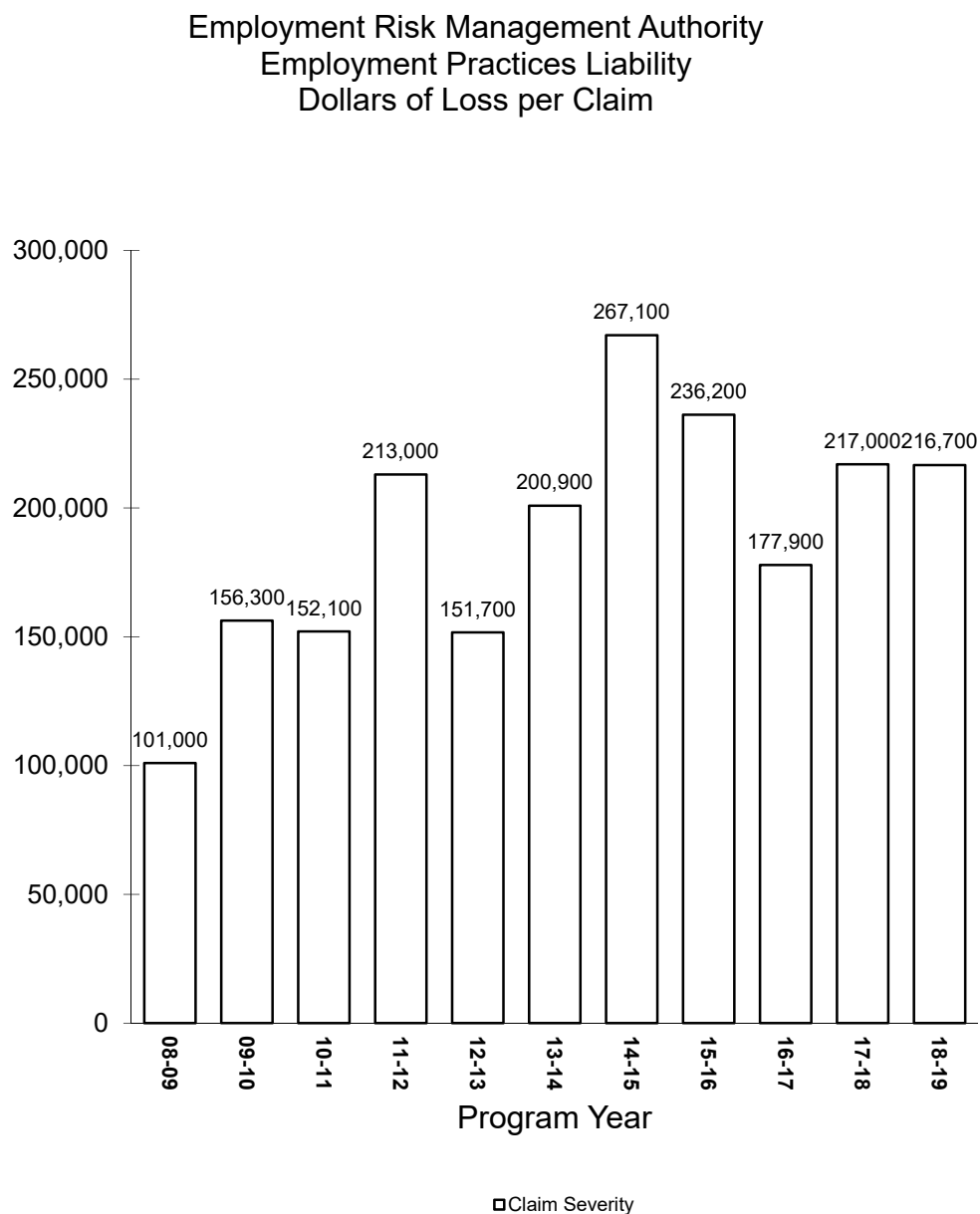
Graph 2



Severity

The program's average dollars of loss per claim, or severity, has also been generally increasing in recent years. The projected 2018-19 severity of \$216,700 is similar to the average of the most recent three years. See Graph 3 below.

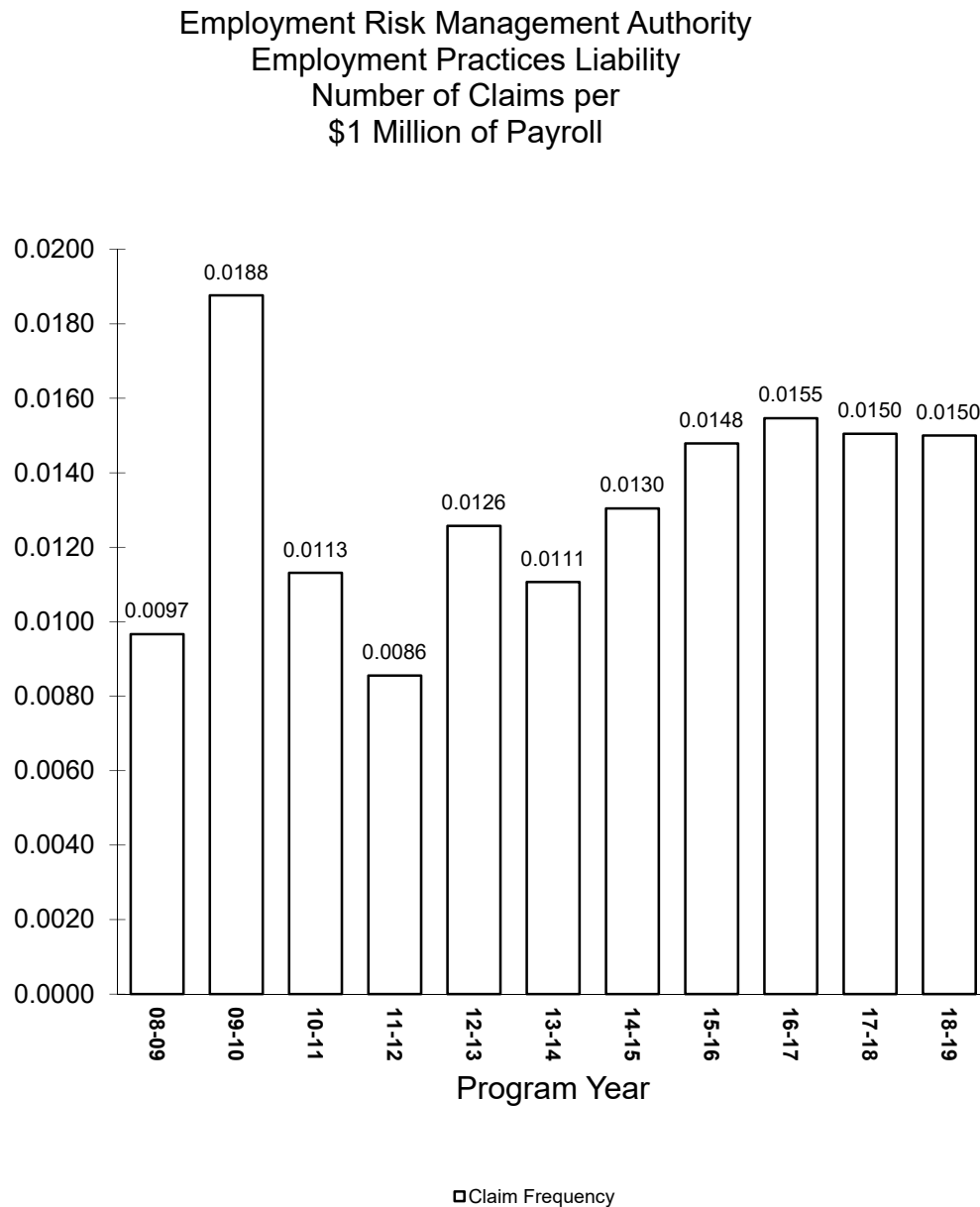
Graph 3



Frequency

The program's number of claims per \$1 million of payroll, or frequency, has been relatively stable since 2010-11. The projected 2018-19 frequency of 0.015 claims is similar to the average of the most recent three years. See Graph 4 below.

Graph 4



D. COMPARISON WITH PREVIOUS RESULTS

The prior report for Employment Risk Management Authority was dated April 11, 2018. In the table below we display actual versus expected development of incurred losses and ALAE by accident year between the December 31, 2017 evaluation date of the prior report and the December 31, 2018 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	0	0	0
2010-11	0	0	0
2011-12	0	0	0
2012-13	57,000	(70,000)	(127,000)
2013-14	166,000	(106,000)	(272,000)
2014-15	345,000	224,000	(121,000)
2015-16	1,080,000	1,470,000	390,000
2016-17	1,345,000	1,120,000	(225,000)
2017-18	344,000	435,000	91,000
Total	\$3,337,000	\$3,073,000	(\$264,000)

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

Based on the assumptions from the prior report, it was expected that incurred losses through accident year 2017-18 would increase by \$3,337,000 between the two evaluation dates. However, actual development was approximately \$3,073,000; or about \$264,000 less than expected. This is mainly due to favorable development in four of the six most recent accident years.

In the table below we display actual versus expected development of paid losses and ALAE by accident year between the December 31, 2017 evaluation date of the prior report and the December 31, 2018 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	0	0	0
2010-11	0	0	0
2011-12	0	0	0
2012-13	161,000	19,000	(142,000)
2013-14	307,000	265,000	(42,000)
2014-15	1,267,000	1,060,000	(207,000)
2015-16	1,300,000	1,926,000	626,000
2016-17	514,000	495,000	(19,000)
2017-18	71,000	10,000	(61,000)
Total	\$3,620,000	\$3,775,000	\$155,000

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

Based on the assumptions from the prior report, it was expected that paid losses through accident year 2017-18 would increase by \$3,620,000 between the two evaluation dates. However, actual development was approximately \$3,775,000; or about \$155,000 more than expected.

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	3,282,000	3,282,000	0
2010-11	1,826,000	1,826,000	0
2011-12	1,917,000	1,917,000	0
2012-13	2,101,000	1,972,000	(129,000)
2013-14	2,627,000	2,411,000	(216,000)
2014-15	4,112,000	4,006,000	(106,000)
2015-16	3,841,000	4,252,000	411,000
2016-17	3,906,000	3,735,000	(171,000)
2017-18	4,416,000	4,558,000	142,000
Total	\$58,925,000	\$58,856,000	(\$69,000)

As shown, overall we have decreased our estimated ultimate losses by \$69,000 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.

At the time of the prior report, we estimated the liability for outstanding claims as of June 30, 2018 to be \$12,782,000 at the discounted, expected level. Our current estimate as of June 30, 2019 is \$13,722,000, 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, 2018	Current Report at June 30, 2019	Change
(A) Case Reserves:	\$3,006,000	\$2,730,000	(\$276,000)
(B) IBNR Reserves:	9,655,000	10,865,000	1,210,000
(C) Claims Administration Reserves:	633,000	680,000	47,000
(D) Total Reserves:	\$13,294,000	\$14,275,000	\$981,000
(E) Offset for Investment Income:	(512,000)	(553,000)	(41,000)
(F) Total Outstanding Claim Liabilities:	\$12,782,000	\$13,722,000	\$940,000

As shown, our estimate of outstanding claims liabilities at the discounted, expected level has increased between June 30, 2018 and June 30, 2019, as reflected in our prior and current reports, respectively.

Total case reserves have decreased by \$276,000 since the prior year's evaluation. However, our estimate of IBNR reserves has increased by over \$1.2 million, reflecting the addition of the 2018-19 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 \$981,000 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 \$940,000 in our estimate of outstanding claim liabilities for loss and LAE.

At the time of the prior report, available assets were estimated to be \$28,035,000 as of June 30, 2018, which corresponded to the then-estimated discounted liability for outstanding claims above the 90% confidence level. Available assets are currently estimated to be \$27,852,000 as of June 30, 2019, 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, 2018	Current Report at June 30, 2019	Change
(A) Outstanding Liability at the Discounted Expected Level:	\$12,782,000	\$13,722,000	\$940,000
(B) Estimated Assets At June 30:	28,035,000	27,852,000	(183,000)
(C) Surplus/(Deficit):	\$15,253,000	\$14,130,000	(\$1,123,000)

As you can see, our estimate of the program's funding margin at the discounted, expected level has decreased by \$1,123,000 between June 30, 2018 (as previously estimated) and June 30, 2019 (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.

At the time of the prior report, our funding rate estimate for the 2018-19 year was \$0.325 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 2019-20 year is \$0.344 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 2018-19 Layer = \$50K - \$1M	Current Report 2019-20 Layer = \$50K - \$1M	Change
(A) Expected Loss Rate:	\$0.325	\$0.344	5.8%
(B) 60% Confidence Level:	0.366	0.387	5.7%
(C) 70% Confidence Level:	0.414	0.437	5.6%
(D) 80% Confidence Level:	0.477	0.503	5.5%
(E) 90% Confidence Level:	0.577	0.607	5.2%

As you can see, our funding recommendations at the discounted, expected level have increased between 2018-19 and 2019-20, as shown in our prior and current reports, respectively.

Our estimates of expected ultimate loss and ALAE have increased by about 5.8%.

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 2019-20 (See Appendix J).
- We were provided with an estimated June 30, 2019 asset balance figure of \$27,852,000 (See Exhibit 1).
- We received loss data evaluated as of December 31, 2018 (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 2018-19 retention-adjusted payroll exposure for the purposes of this analysis will be \$1,464,466,000 based upon information provided by the Authority (See Appendix L). For 2019-20, we assumed current members' payroll will increase by 1.0% from 2018-19.
- 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, 2018 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. While we have not independently audited or verified this information, we have reviewed it for reasonableness and internal consistency.
- 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 4.0% per year. We have assumed that claim severity increases at 2.0% 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.

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, 2019**

	Includes Quota Share Losses		Excludes Quota Share Losses	
	Undiscounted	NPV @2.00%	Undiscounted	NPV @2.00%
Expected Liabilities				
(1) Case Reserves	2,745,000		2,745,000	
(2) Actuarial Reserve	10,850,000		10,850,000	
(3) Claims Handling Expense	680,000		680,000	
(4) Subtotal	14,275,000	13,722,000	14,275,000	13,722,000
(5) Confidence Levels				
Expected	14,275,000	13,722,000	14,275,000	13,722,000
60%	15,289,000	14,696,000	15,289,000	14,696,000
70%	16,473,000	15,835,000	16,473,000	15,835,000
75%	17,187,000	16,521,000	17,187,000	16,521,000
80%	18,015,000	17,317,000	18,015,000	17,317,000
85%	19,043,000	18,305,000	19,043,000	18,305,000
90%	20,456,000	19,664,000	20,456,000	19,664,000

Funding Rates for Fiscal Year 2019-2020

	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%
Expected Rates								
(6) Ultimate Loss & ALAE	0.172	0.161	0.274	0.257	0.314	0.295	0.338	0.317
(7) Expected JPA Participation Credit	0.014	0.014	0.022	0.022	0.025	0.025	0.027	0.027
(8) ULAE	-	-	-	-	-	-	-	-
(9) Subtotal	0.186	0.175	0.296	0.279	0.339	0.320	0.365	0.344
(10) Confidence Levels								
Expected	0.186	0.175	0.296	0.279	0.339	0.320	0.365	0.344
60%	0.209	0.197	0.333	0.314	0.381	0.360	0.410	0.387
70%	0.236	0.222	0.376	0.355	0.431	0.407	0.464	0.437
75%	0.253	0.238	0.402	0.379	0.460	0.435	0.496	0.467
80%	0.272	0.256	0.432	0.408	0.495	0.468	0.533	0.503
85%	0.296	0.278	0.471	0.444	0.539	0.509	0.581	0.547
90%	0.328	0.309	0.522	0.492	0.598	0.564	0.644	0.607

	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%
Expected Rates								
(6) Ultimate Loss & ALAE	0.357	0.335	0.370	0.347	0.379	0.356	0.385	0.361
(7) Expected JPA Participation Credit	0.029	0.029	0.030	0.030	0.030	0.030	0.031	0.031
(8) ULAE	-	-	-	-	-	-	-	-
(9) Subtotal	0.386	0.364	0.400	0.377	0.409	0.386	0.416	0.392
(10) Confidence Levels								
Expected	0.386	0.364	0.400	0.377	0.409	0.386	0.416	0.392
60%	0.434	0.409	0.450	0.424	0.460	0.434	0.468	0.441
70%	0.491	0.463	0.508	0.479	0.520	0.491	0.529	0.498
75%	0.524	0.494	0.543	0.512	0.555	0.524	0.565	0.532
80%	0.564	0.532	0.584	0.551	0.598	0.564	0.608	0.573
85%	0.614	0.579	0.636	0.600	0.651	0.614	0.662	0.624
90%	0.681	0.642	0.706	0.665	0.721	0.681	0.734	0.691

ERMA - Employment Practices Liability

Funding Guidelines for Outstanding Liabilities at
December 31, 2018

(A) Estimated Ultimate Losses Incurred through 12/31/18: (From Appendix F)	\$61,236,000
(B) Estimated Paid Losses through 12/31/18: (From Appendix F)	48,229,000
(C) Estimated Liability for Claims Outstanding at 12/31/18: (From Appendix F)	<u>\$13,007,000</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 12/31/18: (Based on 5.0% of (C))	650,000
(E) Total Outstanding Liability for Claims at 12/31/18: ((C) + (D))	<u>\$13,657,000</u>
(F) Reserve Discount Factor (Based on a Discount Rate of 2.0%): (Appendix H, Page 1, (G))	0.959
(G) Discounted Outstanding Liability for Claims at 12/31/18: ((E) x (F))	<u>\$13,104,000</u>

	Marginally Acceptable		Recommended		Conservative
Confidence Level of Adequacy:	70%	75%	80%	85%	90%
(H) Confidence Level Factor: (From Appendix I)	1.154	1.204	1.262	1.334	1.433
(I) Margin for Adverse Experience: ((G) x [(H) - 1])	2,018,000	2,673,000	3,433,000	4,377,000	5,674,000
(J) Total Required Assets at 12/31/18: ((G) + (I))	<u>\$15,122,000</u>	<u>\$15,777,000</u>	<u>\$16,537,000</u>	<u>\$17,481,000</u>	<u>\$18,778,000</u>

ERMA - Employment Practices Liability

Funding Guidelines for Outstanding Liabilities at
June 30, 2019

(A) Estimated Ultimate Losses Incurred through 6/30/19: (From Appendix F)	\$63,616,000
(B) Estimated Paid Losses through 6/30/19: (From Appendix F)	50,021,000
(C) Estimated Liability for Claims Outstanding at 6/30/19: (From Appendix F)	<u>\$13,595,000</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 6/30/19: (Based on 5.0% of (C))	680,000
(E) Total Outstanding Liability for Claims at 6/30/19: ((C) + (D))	<u>\$14,275,000</u>
(F) Reserve Discount Factor (Based on a Discount Rate of 2.0%): (Appendix H, Page 1, (H))	0.961
(G) Discounted Outstanding Liability for Claims at 6/30/19: ((E) x (F))	<u>\$13,722,000</u>

Confidence Level of Adequacy:	Marginally Acceptable 70%	75%	Recommended 80%	85%	Conservative 90%
(H) Confidence Level Factor: (From Appendix I)	1.154	1.204	1.262	1.334	1.433
(I) Margin for Adverse Experience: ((G) x [(H) - 1])	2,113,000	2,799,000	3,595,000	4,583,000	5,942,000
(J) Total Required Assets at 6/30/19: ((G) + (I))	<u>\$15,835,000</u>	<u>\$16,521,000</u>	<u>\$17,317,000</u>	<u>\$18,305,000</u>	<u>\$19,664,000</u>
(K) Estimated Total Assets at 6/30/19: (Provided by the Authority)	27,852,000	27,852,000	\$27,852,000	27,852,000	27,852,000
(L) Indicated Funding Redundancy/ (Deficiency): ((K) - (J))	<u>\$12,017,000</u>	<u>\$11,331,000</u>	<u>\$10,535,000</u>	<u>\$9,547,000</u>	<u>\$8,188,000</u>

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)	\$4,760,000	\$0.325			
(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))	\$4,760,000	\$0.325			
(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))	\$4,469,000	\$0.305			
	Marginally Acceptable		Recommended		Conservative
	70%	75%	80%	85%	90%
(F) Confidence Level Factor: (From Appendix I)	1.271	1.358	1.461	1.591	1.764
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	1,211,000	1,600,000	2,060,000	2,641,000	3,414,000
(H) Recommended Funding in 2018-2019 for Claims Costs and Other Expenses: ((E) + (G))	\$5,680,000	\$6,069,000	\$6,529,000	\$7,110,000	\$7,883,000
(I) Rate per \$100 of Payroll: ((H) / \$14,644,656)	\$0.388	\$0.414	\$0.446	\$0.486	\$0.538

Payroll rates are per hundred dollars of 2018-2019 payroll of \$1,464,465,600.

ERMA - Employment Practices Liability

Funding Options for Program Year 2019-2020 (SIR = \$1,000,000)

	Dollar Amount	Payroll Rate			
(A) Estimated Ultimate Losses Incurred in Accident Year 2019-2020: (From Appendix F)	\$4,999,000	\$0.338			
(B) Estimated Claims Administration Fees Incurred in Accident Year 2019-2020: (From Exhibit 5, Page 1, (L))	0	0.000			
(C) Total Claims Costs Incurred in Accident Year 2019-2020: ((A) + (B))	\$4,999,000	\$0.338			
(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 2019-2020: ((C) x (D))	\$4,693,000	\$0.317			
	Marginally Acceptable	Recommended	Conservative		
	70%	75%	80%	85%	90%
(F) Confidence Level Factor: (From Appendix I)	1.271	1.358	1.461	1.591	1.764
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	1,272,000	1,680,000	2,163,000	2,774,000	3,585,000
(H) Recommended Funding in 2019-2020 for Claims Costs and Other Expenses: ((E) + (G))	\$5,965,000	\$6,373,000	\$6,856,000	\$7,467,000	\$8,278,000
(I) Rate per \$100 of Payroll: ((H) / \$14,791,100)	\$0.403	\$0.431	\$0.464	\$0.505	\$0.560

Payroll rates are per hundred dollars of 2019-2020 payroll of \$1,479,110,000.

ERMA - Employment Practices Liability

IBNR as of 6/30/19 at Expected Claims Level

Accident Year	Estimated Ultimate (A)	Reported as of 12/31/18 (B)	Estimated IBNR as of 12/31/18 (C)	Estimated Percent of IBNR Reported Between 1/1/19 and 6/30/19 (D)	Estimated IBNR Reported (E)	Estimated IBNR as of 6/30/19 (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	100.0%	0	0
2011-2012	1,916,982	1,916,982	0	33.0%	0	0
2012-2013	1,972,000	1,906,737	65,263	31.6%	21,000	44,263
2013-2014	2,411,000	2,216,337	194,663	30.3%	59,000	135,663
2014-2015	4,006,000	3,503,582	502,418	25.1%	126,000	376,418
2015-2016	4,252,000	3,280,526	971,474	20.8%	202,000	769,474
2016-2017	3,735,000	1,410,040	2,324,960	28.2%	656,000	1,668,960
2017-2018	4,558,000	435,405	4,122,595	18.8%	775,000	3,347,595
2018-2019	4,760,000	45,000	2,335,000	4.4%	207,000	4,508,000
Totals	\$63,616,151	\$50,719,778	\$10,516,373		\$2,046,000	\$10,850,373

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 1/1/19 and 6/30/19. 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 6/30/19. 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 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	3,281,809	3,281,809	3,281,809	3,281,809	3,281,817	3,281,809
2010-2011	1,834,737	1,838,388	1,834,724	1,838,371	1,825,608	1,825,609
2011-2012	1,945,737	1,959,156	1,945,699	1,959,100	1,916,982	1,916,982
2012-2013	1,983,006	1,938,088	1,981,030	1,939,254	1,959,997	1,972,000
2013-2014	2,384,779	2,488,361	2,445,523	2,572,712	2,497,740	2,411,000
2014-2015	4,088,680	3,756,439	3,999,189	3,695,436	3,185,595	4,006,000
2015-2016	4,346,697	5,343,820	4,192,726	4,556,465	3,901,986	4,252,000
2016-2017	3,223,351	3,457,278	3,787,991	4,109,909	4,639,761	3,735,000
2017-2018	4,479,011	709,413	4,413,451	4,349,691	4,735,290	4,558,000
2018-2019	4,629,150		4,684,427	4,681,604	5,060,000	4,760,000
Totals						\$63,616,151
Projected Losses for the Year 2018-2019 (G)						\$4,760,000
Projected Losses for the Year 2019-2020 (H)						\$4,999,000

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	2.108	4,956,226	8,966,576	0.553
2000-2001	2,245,413	2.028	4,553,698	9,292,217	0.490
2001-2002	751,089	1.949	1,463,872	10,273,001	0.142
2002-2003	2,992,869	1.875	5,611,629	11,811,545	0.475
2003-2004	1,973,193	1.803	3,557,667	13,465,566	0.264
2004-2005	6,416,832	1.733	11,120,370	13,034,897	0.853
2005-2006	3,616,204	1.667	6,028,212	13,246,828	0.455
2006-2007	5,810,921	1.603	9,314,906	14,832,535	0.628
2007-2008	3,528,296	1.541	5,437,104	16,206,068	0.335
2008-2009	1,211,783	1.482	1,795,862	15,889,066	0.113
2009-2010	3,281,809	1.425	4,676,578	13,976,587	0.335
2010-2011	1,825,609	1.370	2,501,084	12,929,682	0.193
2011-2012	1,916,982	1.317	2,524,665	12,512,904	0.202
2012-2013	1,972,000	1.267	2,498,524	11,994,297	0.208
2013-2014	2,411,000	1.218	2,936,598	12,273,675	0.239
2014-2015	4,006,000	1.171	4,691,026	12,695,186	0.370
2015-2016	4,252,000	1.125	4,783,500	13,110,094	0.365
2016-2017	3,735,000	1.082	4,041,270	14,269,303	0.283
2017-2018	4,558,000	1.040	4,740,320	14,303,137	0.331
2018-2019	4,760,000	1.000	4,760,000	14,644,656	0.325
Totals	\$63,616,151		\$91,993,111	259,727,820	\$0.354
12/13-16/17	16,376,000		18,950,918	64,342,555	0.295
13/14-17/18	18,962,000		21,192,714	66,651,395	0.318
(F) Selected SIR Rate:					\$0.325
Prior:					\$0.310
Program Year:	2018-2019	2019-2020			
(G) Factor to SIR:	1.000	1.000			
(H) Trend Factor:	1.000	1.040			
(I) Program Rate:	\$0.325	\$0.338			
(J) Trended Payroll (\$00):	14,644,656	14,791,100			
(K) Projected Program Losses:	4,760,000	4,999,000			
(L) Projected ULAE:	0	0			
(M) Projected Loss and ULAE:	\$4,760,000	\$4,999,000			

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 12/31/18 (B)	Reported Loss Development Factor (C)	Ultimate SIR Losses (D)	Program Reported Losses of 12/31/18 (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	1.000	3,281,809	3,281,809	1.000	3,281,809
2010-2011	1,825,609	1.005	1,834,737	1,825,609	1.005	1,834,737
2011-2012	1,916,982	1.015	1,945,737	1,916,982	1.015	1,945,737
2012-2013	1,906,737	1.040	1,983,006	1,906,737	1.040	1,983,006
2013-2014	2,216,337	1.076	2,384,779	2,216,337	1.076	2,384,779
2014-2015	3,503,582	1.167	4,088,680	3,503,582	1.167	4,088,680
2015-2016	3,280,526	1.325	4,346,697	3,280,526	1.325	4,346,697
2016-2017	1,410,040	2.286	3,223,351	1,410,040	2.286	3,223,351
2017-2018	435,405	10.287	4,479,011	435,405	10.287	4,479,011
2018-2019	45,000	102.870	4,629,150	45,000	102.870	4,629,150
Totals	\$50,719,778		\$63,094,708	\$50,719,778		\$63,094,708

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 Development

SIR 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	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	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	1,825,609		
2011-2012		40,319	834,141	1,873,169	2,003,952	1,916,982	1,916,982	1,916,982			
2012-2013		273,243	1,205,976	1,955,689	1,853,607	1,976,737	1,906,737				
2013-2014		31,256	1,896,999	2,258,871	2,322,259	2,216,337					
2014-2015		1,017,660	1,717,773	3,279,690	3,503,582						
2015-2016		729,306	1,810,500	3,280,526							
2016-2017		289,949	1,410,040								
2017-2018		435,405									
2018-2019	45,000										

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	1.000
2008-2009		2.329	1.070	0.871	1.005	1.000	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	1.000		
2010-2011	9.199	1.457	1.541	1.281	1.200	1.169	0.965	1.000			
2011-2012		20.689	2.246	1.070	0.957	1.000	1.000				
2012-2013		4.414	1.622	0.948	1.066	0.965					
2013-2014		60.692	1.191	1.028	0.954						
2014-2015		1.688	1.909	1.068							
2015-2016		2.482	1.812								
2016-2017		4.863									
2017-2018											
Average	6.080	7.848	1.659	1.133	1.027	1.012	1.018	0.999	1.001	0.999	1.000
Dollar-Weighted Averages	18.476										
3-yr		2.424	1.626	1.025	0.989	1.037	1.026	0.974	1.000	1.000	1.000
4-yr		3.305	1.625	1.034	1.027	1.039	1.022	0.970	0.999	0.996	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	10.000	4.500	1.725	1.135	1.085	1.035	1.025	1.010	1.005	1.000	1.000
Cumulated	102.870	10.287	2.286	1.325	1.167	1.076	1.040	1.015	1.005	1.000	1.000

ERMA - Employment Practices Liability
Reported Loss Development

SIR Losses Reported as of:

Accident Year	138 Months	150 Months	162 Months	174 Months	186 Months	198 Months	210 Months	222 Months	234 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	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	2,245,413
2001-2002	751,089	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	2,992,869			
2003-2004	1,973,193	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					
2005-2006	3,616,204	3,616,204	3,616,204						
2006-2007	5,810,921	5,810,921							
2007-2008	3,528,296								
2008-2009									
2009-2010									
2010-2011									
2011-2012									
2012-2013									
2013-2014									
2014-2015									
2015-2016									
2016-2017									
2017-2018									
2018-2019									

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	222-234 Months	234-Ult. Months
1999-2000	1.000	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	1.000		
2001-2002	1.000	1.000	1.000	1.000	1.000	1.000			
2002-2003	1.000	1.000	1.000	1.000	1.000				
2003-2004	1.000	1.000	1.000	1.000					
2004-2005	1.000	1.000	1.000						
2005-2006	1.000	1.000							
2006-2007	1.000								
2007-2008									
2008-2009									
2009-2010									
2010-2011									
2011-2012									
2012-2013									
2013-2014									
2014-2015									
2015-2016									
2016-2017									
2017-2018									
Average Dollar-Weighted Averages	1.000	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	1.000			
4-yr	1.000	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	1.000
Prior	1.000	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	1.000
Cumulated	1.000	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 12/31/18 (B)	Paid Loss Development Factor (C)	Ultimate SIR Losses (D)	Program Paid Losses of 12/31/18 (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	1.000	3,281,809	3,281,809	1.000	3,281,809
2010-2011	1,825,609	1.007	1,838,388	1,825,609	1.007	1,838,388
2011-2012	1,916,982	1.022	1,959,156	1,916,982	1.022	1,959,156
2012-2013	1,849,321	1.048	1,938,088	1,849,321	1.048	1,938,088
2013-2014	2,207,951	1.127	2,488,361	2,207,951	1.127	2,488,361
2014-2015	2,988,416	1.257	3,756,439	2,988,416	1.257	3,756,439
2015-2016	2,743,234	1.948	5,343,820	2,743,234	1.948	5,343,820
2016-2017	507,081	6.818	3,457,278	507,081	6.818	3,457,278
2017-2018	10,405	68.180	709,413	10,405	68.180	709,413
2018-2019	0	1,363.600	0	0	1,363.600	0
Totals	\$48,228,559		\$55,670,503	\$48,228,559		\$55,670,503

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	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	3,281,809	
2010-2011		77,828	297,686	566,584	1,253,035	1,349,213	1,824,935	1,825,609	1,825,609		
2011-2012		35,318	224,951	1,391,970	1,788,689	1,916,982	1,916,982	1,916,982			
2012-2013		469	417,576	1,326,002	1,766,562	1,829,899	1,849,321				
2013-2014			233,903	1,250,117	1,943,037	2,207,951					
2014-2015		75,635	637,301	1,928,300	2,988,416						
2015-2016		37,637	817,393	2,743,234							
2016-2017		12,475	507,081								
2017-2018		10,405									
2018-2019											

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	1.000
2008-2009		7.359	1.313	1.513	1.005	1.000	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	1.000		
2010-2011		3.825	1.903	2.212	1.077	1.353	1.000	1.000			
2011-2012		6.369	6.188	1.285	1.072	1.000	1.000				
2012-2013		890.354	3.175	1.332	1.036	1.011					
2013-2014			5.345	1.554	1.136						
2014-2015		8.426	3.026	1.550							
2015-2016		21.718	3.356								
2016-2017		40.648									
2017-2018											

	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	2.608	68.730	2.580	1.459	1.109	1.066	1.015	1.014	1.001	0.999	1.000
3-yr		15.601	3.507	1.487	1.083	1.097	1.049	1.000	1.000	1.000	1.000
4-yr			3.441	1.439	1.082	1.167	1.041	1.007	1.000	0.996	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	10.000	3.500	1.550	1.115	1.075	1.025	1.015	1.007	1.000	1.000
Cumulated	1,363.600	68.180	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

SIR Losses Paid as of:

Accident Year	138 Months	150 Months	162 Months	174 Months	186 Months	198 Months	210 Months	222 Months	234 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	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	2,245,413
2001-2002	751,089	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	2,992,869			
2003-2004	1,973,193	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					
2005-2006	3,616,204	3,616,204	3,616,204						
2006-2007	5,810,921	5,810,921							
2007-2008	3,528,296								
2008-2009									
2009-2010									
2010-2011									
2011-2012									
2012-2013									
2013-2014									
2014-2015									
2015-2016									
2016-2017									
2017-2018									
2018-2019									

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	222-234 Months	234-Ult. Months
1999-2000	1.000	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	1.000		
2001-2002	1.000	1.000	1.000	1.000	1.000	1.000			
2002-2003	1.000	1.000	1.000	1.000	1.000				
2003-2004	1.000	1.000	1.000	1.000					
2004-2005	1.000	1.000	1.000						
2005-2006	1.000	1.000							
2006-2007	1.000								
2007-2008									
2008-2009									
2009-2010									
2010-2011									
2011-2012									
2012-2013									
2013-2014									
2014-2015									
2015-2016									
2016-2017									
2017-2018									
Average Dollar-Weighted Averages	1.000	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	1.000			
4-yr	1.000	1.000	1.000	1.000	1.000				
Comparative Factors	1.006	1.004	1.004	1.002	1.002	1.001	1.001	1.001	1.002
Prior	1.000	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	1.000
Cumulated	1.000	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 12/31/18 (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	8,966,576	2,351,151	1.000	0.000	0.262	0	2,351,151
2000-2001	9,292,217	2,245,413	1.000	0.000	0.242	0	2,245,413
2001-2002	10,273,001	751,089	1.000	0.000	0.073	0	751,089
2002-2003	11,811,545	2,992,869	1.000	0.000	0.253	0	2,992,869
2003-2004	13,465,566	1,973,193	1.000	0.000	0.147	0	1,973,193
2004-2005	13,034,897	6,416,832	1.000	0.000	0.492	0	6,416,832
2005-2006	13,246,828	3,616,204	1.000	0.000	0.273	0	3,616,204
2006-2007	14,832,535	5,810,921	1.000	0.000	0.392	0	5,810,921
2007-2008	16,206,068	3,528,296	1.000	0.000	0.218	0	3,528,296
2008-2009	15,889,066	1,211,783	1.000	0.000	0.076	0	1,211,783
2009-2010	13,976,587	3,281,809	1.000	0.000	0.235	0	3,281,809
2010-2011	12,929,682	1,825,609	1.005	0.005	0.141	9,115	1,834,724
2011-2012	12,512,904	1,916,982	1.015	0.015	0.153	28,717	1,945,699
2012-2013	11,994,297	1,906,737	1.040	0.038	0.163	74,293	1,981,030
2013-2014	12,273,675	2,216,337	1.076	0.071	0.263	229,186	2,445,523
2014-2015	12,695,186	3,503,582	1.167	0.143	0.273	495,607	3,999,189
2015-2016	13,110,094	3,280,526	1.325	0.245	0.284	912,200	4,192,726
2016-2017	14,269,303	1,410,040	2.286	0.563	0.296	2,377,951	3,787,991
2017-2018	14,303,137	435,405	10.287	0.903	0.308	3,978,046	4,413,451
2018-2019	14,644,656	45,000	102.870	0.990	0.320	4,639,427	4,684,427
Totals	259,727,820	\$50,719,778				\$12,744,542	\$63,464,320

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 12/31/18 (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	8,966,576	2,351,151	1.000	0.000	0.262	0	2,351,151
2000-2001	9,292,217	2,245,413	1.000	0.000	0.242	0	2,245,413
2001-2002	10,273,001	751,089	1.000	0.000	0.073	0	751,089
2002-2003	11,811,545	2,992,869	1.000	0.000	0.253	0	2,992,869
2003-2004	13,465,566	1,973,193	1.000	0.000	0.147	0	1,973,193
2004-2005	13,034,897	6,416,832	1.000	0.000	0.492	0	6,416,832
2005-2006	13,246,828	3,616,204	1.000	0.000	0.273	0	3,616,204
2006-2007	14,832,535	5,810,921	1.000	0.000	0.392	0	5,810,921
2007-2008	16,206,068	3,528,296	1.000	0.000	0.218	0	3,528,296
2008-2009	15,889,066	1,211,783	1.000	0.000	0.076	0	1,211,783
2009-2010	13,976,587	3,281,809	1.000	0.000	0.235	0	3,281,809
2010-2011	12,929,682	1,825,609	1.007	0.007	0.141	12,762	1,838,371
2011-2012	12,512,904	1,916,982	1.022	0.022	0.153	42,118	1,959,100
2012-2013	11,994,297	1,849,321	1.048	0.046	0.163	89,933	1,939,254
2013-2014	12,273,675	2,207,951	1.127	0.113	0.263	364,761	2,572,712
2014-2015	12,695,186	2,988,416	1.257	0.204	0.273	707,020	3,695,436
2015-2016	13,110,094	2,743,234	1.948	0.487	0.284	1,813,231	4,556,465
2016-2017	14,269,303	507,081	6.818	0.853	0.296	3,602,828	4,109,909
2017-2018	14,303,137	10,405	68.180	0.985	0.308	4,339,286	4,349,691
2018-2019	14,644,656		1,363.600	0.999	0.320	4,681,604	4,681,604
Totals	259,727,820	\$48,228,559				\$15,653,543	\$63,882,102

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	8,966,576	2,351,151	2.108	4,956,226	0.553	0.262	1.000	0.262
2000-2001	9,292,217	2,245,413	2.028	4,553,698	0.490	0.242	1.000	0.242
2001-2002	10,273,001	751,089	1.949	1,463,872	0.142	0.073	1.000	0.073
2002-2003	11,811,545	2,992,869	1.875	5,611,629	0.475	0.253	1.000	0.253
2003-2004	13,465,566	1,973,193	1.803	3,557,667	0.264	0.147	1.000	0.147
2004-2005	13,034,897	6,416,832	1.733	11,120,370	0.853	0.492	1.000	0.492
2005-2006	13,246,828	3,616,204	1.667	6,028,212	0.455	0.273	1.000	0.273
2006-2007	14,832,535	5,810,921	1.603	9,314,906	0.628	0.392	1.000	0.392
2007-2008	16,206,068	3,528,296	1.541	5,437,104	0.335	0.218	1.000	0.218
2008-2009	15,889,066	1,211,783	1.482	1,795,862	0.113	0.076	1.000	0.076
2009-2010	13,976,587	3,281,809	1.425	4,676,578	0.335	0.235	1.000	0.235
2010-2011	12,929,682	1,825,609	1.370	2,501,084	0.193	0.141	1.000	0.141
2011-2012	12,512,904	1,916,982	1.317	2,524,665	0.202	0.153	1.000	0.153
2012-2013	11,994,297	1,961,000	1.267	2,484,587	0.207	0.163	1.000	0.163
2013-2014	12,273,675	2,437,000	1.218	2,968,266	0.242	0.263	1.000	0.263
2014-2015	12,695,186	3,923,000	1.171	4,593,833	0.362	0.273	1.000	0.273
2015-2016	13,110,094	4,845,000	1.125	5,450,625	0.416	0.284	1.000	0.284
2016-2017	14,269,303	3,235,000	1.082	3,500,270	0.245	0.296	1.000	0.296
2017-2018	14,303,137	4,479,000	1.040	4,658,160	0.326	0.308	1.000	0.308
2018-2019	14,644,656	4,629,000	1.000	4,629,000	0.316	0.320	1.000	0.320
Total/Avg	259,727,820	\$63,431,151		\$91,826,614	\$0.354			
12/13-16/17	64,342,555	16,401,000		18,997,581	0.295			
13/14-17/18	66,651,395	18,919,000		21,171,154	0.318			
Selected SIR Rate:					\$0.320			
Prior:					\$0.295			

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 2012-2013 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	150,769	13	1,959,997
2013-2014	208,145	12	2,497,740
2014-2015	212,373	15	3,185,595
2015-2016	216,777	18	3,901,986
2016-2017	220,941	21	4,639,761
2017-2018	225,490	21	4,735,290
2018-2019	230,000	22	5,060,000
Total		334	\$63,902,521

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	1.456	285,273	195,929	1.000	195,929
2000-2001	2,245,413	10	224,541	1.428	320,645	224,541	1.000	224,541
2001-2002	751,089	12	62,591	1.400	87,627	62,591	1.000	62,591
2002-2003	2,992,869	20	149,643	1.372	205,310	149,643	1.000	149,643
2003-2004	1,973,193	13	151,784	1.345	204,149	151,784	1.000	151,784
2004-2005	6,416,832	21	305,563	1.319	403,038	305,563	1.000	305,563
2005-2006	3,616,204	18	200,900	1.293	259,764	200,900	1.000	200,900
2006-2007	5,810,921	24	242,122	1.268	307,011	242,122	1.000	242,122
2007-2008	3,528,296	28	126,011	1.243	156,632	126,011	1.000	126,011
2008-2009	1,211,783	12	100,982	1.219	123,097	100,982	1.000	100,982
2009-2010	3,281,809	21	156,277	1.195	186,751	156,277	1.000	156,277
2010-2011	1,825,609	12	152,134	1.172	178,301	152,134	1.000	152,134
2011-2012	1,916,982	9	212,998	1.149	244,735	212,998	1.000	212,998
2012-2013	1,960,000	13	150,769	1.126	169,766	150,769	1.000	150,769
2013-2014	2,473,000	12	206,083	1.105	227,722	208,145	1.000	208,145
2014-2015	3,885,000	15	259,000	1.083	280,497	212,373	1.000	212,373
2015-2016	4,375,000	18	243,056	1.061	257,882	216,777	1.000	216,777
2016-2017	3,949,000	21	188,048	1.041	195,758	220,941	1.000	220,941
2017-2018	4,382,000	21	208,667	1.020	212,840	225,490	1.000	225,490
2018-2019	4,683,000	22	212,864	1.000	212,864	230,000	1.000	230,000

Average SIR Severity: \$225,983
Average 12/13-16/17 SIR Severity: 226,325
Average 13/14-17/18 SIR Severity: 234,940

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

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	896.7	0.013	1.456	0.019
2000-2001	10	10	10	929.2	0.011	1.428	0.016
2001-2002	12	12	12	1,027.3	0.012	1.400	0.017
2002-2003	20	20	20	1,181.2	0.017	1.372	0.023
2003-2004	13	13	13	1,346.6	0.010	1.345	0.013
2004-2005	21	21	21	1,303.5	0.016	1.319	0.021
2005-2006	18	18	18	1,324.7	0.014	1.293	0.018
2006-2007	24	24	24	1,483.3	0.016	1.268	0.020
2007-2008	28	28	28	1,620.6	0.017	1.243	0.021
2008-2009	12	12	12	1,588.9	0.008	1.219	0.010
2009-2010	21	21	21	1,397.7	0.015	1.195	0.018
2010-2011	12	12	12	1,293.0	0.009	1.172	0.011
2011-2012	9	9	9	1,251.3	0.007	1.149	0.008
2012-2013	13	13	13	1,199.4	0.011	1.126	0.012
2013-2014	12	13	12	1,227.4	0.010	1.105	0.011
2014-2015	15	17	15	1,269.5	0.012	1.083	0.013
2015-2016	18	23	18	1,311.0	0.014	1.061	0.015
2016-2017	21	14	21	1,426.9	0.015	1.041	0.016
2017-2018	21	17	21	1,430.3	0.015	1.020	0.015
2018-2019	34	0	22	1,464.5	0.015	1.000	0.015
Total	346	309	334	25,972.8			0.015
14/15-17/18	75	71	75	5,437.8			0.014

(H) Selected Frequency: 0.015
Prior: 0.013

Program Year:	2018-2019	2019-2020
(I) Trend Factor:	1.000	1.020
(J) Selected Frequency:	0.015	0.015
(K) Est. Payroll (\$000,000):	1,464.5	1,479.1
(L) Ultimate Claims:	22	22

Notes:

- | | |
|---|--|
| (A) From Appendix D, Page 4, (C). | (G) (E) x (F). |
| (B) From Appendix D, Page 5, (C). | (H) The selected frequency of 0.015 is based on (G). |
| (C) Selected from (A) and (B). | (I) From Appendix E, Page 1, Column (H). |
| (D) From Appendix L, Column (C) / 10,000. | (J) (H) x (I). |
| (E) (C) / (D). | (K) From Appendix L, Column (C) / 10,000. |
| (F) From Appendix E, Page 1, Column (H). | (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 12/31/2018 (A)	Reported Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
1999-2000	12	1.000	12	0.019
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	0.021
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	1.000	12	0.011
2014-2015	15	1.010	15	0.013
2015-2016	17	1.055	18	0.015
2016-2017	18	1.187	21	0.015
2017-2018	6	3.442	21	0.015
2018-2019	2	17.210	34	0.023
Total	295		346	0.016

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 12/31/2018 (A)	Closed Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
1999-2000	12	1.000	12	0.019
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	0.021
2008-2009	12	1.000	12	0.009
2009-2010	21	1.000	21	0.018
2010-2011	12	1.010	12	0.011
2011-2012	9	1.035	9	0.008
2012-2013	12	1.087	13	0.012
2013-2014	11	1.223	13	0.012
2014-2015	12	1.437	17	0.015
2015-2016	10	2.263	23	0.019
2016-2017	3	4.526	14	0.010
2017-2018	1	16.746	17	0.012
2018-2019	0	334.920	0	
Total	261		309	0.015

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	18
2006-2007	1	3	22	23	23	23	23	24	24	24	24	24	24	
2007-2008		14	24	25	27	27	28	28	28	28	28	28	28	
2008-2009		8	12	12	12	12	12	12	12	12	12			
2009-2010	2	10	20	23	21	21	21	21	21	21				
2010-2011	1	7	8	11	11	12	12	12	12					
2011-2012		2	9	10	10	9	9	9						
2012-2013		4	9	11	13	13	13							
2013-2014		3	11	12	12	12								
2014-2015		4	12	15	15									
2015-2016		10	16	17										
2016-2017		5	18											
2017-2018		6												
2018-2019	2													

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	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	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	1.000		
2007-2008		1.714	1.042	1.080	1.000	1.037	1.000	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	1.000				
2009-2010	5.000	2.000	1.150	0.913	1.000	1.000	1.000	1.000	1.000					
2010-2011	7.000	1.143	1.375	1.000	1.091	1.000	1.000	1.000						
2011-2012		4.500	1.111	1.000	0.900	1.000	1.000							
2012-2013		2.250	1.222	1.182	1.000	1.000								
2013-2014		3.667	1.091	1.000	1.000									
2014-2015		3.000	1.250	1.000										
2015-2016		1.600	1.063											
2016-2017		3.600												
2017-2018														
Average Claim-Weighted Averages	5.000	2.809	1.154	1.042	0.999	1.022	1.002	1.000	1.000	1.011	1.000	1.000	1.000	1.000
3-yr		2.421	1.128	1.053	0.971	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
4-yr		2.591	1.146	1.042	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	2.900	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	17.210	3.442	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

Claims Closed 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			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	18
2006-2007		1	3	13	19	23	23	23	23	24	24	24	24	
2007-2008		5	9	19	24	24	27	27	28	28	28	28		
2008-2009		1	7	7	11	12	12	12	12	12	12			
2009-2010		2	5	10	15	16	20	20	21	21				
2010-2011		1	4	6	9	10	11	12	12					
2011-2012		1	1	4	8	9	9	9						
2012-2013			4	7	11	12	12							
2013-2014			3	6	9	11								
2014-2015		1	3	7	12									
2015-2016			5	10										
2016-2017			3											
2017-2018		1												
2018-2019														

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	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	1.000
2006-2007		3.000	4.333	1.462	1.211	1.000	1.000	1.000	1.043	1.000	1.000	1.000		
2007-2008		1.800	2.111	1.263	1.000	1.125	1.000	1.037	1.000	1.000	1.000			
2008-2009		7.000	1.000	1.571	1.091	1.000	1.000	1.000	1.000	1.000				
2009-2010		2.500	2.000	1.500	1.067	1.250	1.000	1.050	1.000					
2010-2011		4.000	1.500	1.500	1.111	1.100	1.091	1.000						
2011-2012		1.000	4.000	2.000	1.125	1.000	1.000							
2012-2013			1.750	1.571	1.091	1.000								
2013-2014			2.000	1.500	1.222									
2014-2015		3.000	2.333	1.714										
2015-2016			2.000											
2016-2017														
2017-2018														
Average Claim-Weighted Averages														
3-yr			2.091	1.600	1.143	1.032	1.025	1.023	1.000	1.000	1.000	1.000	1.000	1.000
4-yr			2.000	1.667	1.135	1.106	1.019	1.028	1.012	1.000	1.000	1.000	1.000	1.000
Comparative Factors	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
Prior	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
Selected	20.000	3.700	2.000	1.575	1.175	1.125	1.050	1.025	1.010	1.000	1.000	1.000	1.000	1.000
Cumulated	334.920	16.746	4.526	2.263	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 2018-2019 Loss Rate Level (B)	Factor to 2019-2020 Loss Rate Level (C)	Factor to 2020-2021 Loss Rate Level (D)	Factor to 2021-2022 Loss Rate Level (E)	Factor to 2018-2019 Frequency Level (F)	Factor to 2019-2020 Frequency Level (G)	Factor to 2020-2021 Frequency Level (H)	Factor to 2021-2022 Frequency Level (I)	Factor to 2018-2019 Severity Level (J)
1997-1998	1.000	2.281	2.372	2.467	2.566	1.516	1.546	1.576	1.608	1.516
1998-1999	1.000	2.193	2.280	2.372	2.467	1.485	1.515	1.545	1.576	1.485
1999-2000	1.000	2.108	2.192	2.281	2.372	1.456	1.486	1.515	1.545	1.456
2000-2001	1.000	2.028	2.108	2.193	2.281	1.428	1.457	1.485	1.515	1.428
2001-2002	1.000	1.949	2.027	2.109	2.193	1.400	1.428	1.456	1.485	1.400
2002-2003	1.000	1.875	1.949	2.028	2.109	1.372	1.400	1.427	1.456	1.372
2003-2004	1.000	1.803	1.874	1.950	2.028	1.345	1.372	1.399	1.427	1.345
2004-2005	1.000	1.733	1.802	1.875	1.950	1.319	1.345	1.372	1.399	1.319
2005-2006	1.000	1.667	1.733	1.803	1.875	1.293	1.319	1.345	1.372	1.293
2006-2007	1.000	1.603	1.666	1.734	1.803	1.268	1.293	1.319	1.345	1.268
2007-2008	1.000	1.541	1.603	1.667	1.734	1.243	1.268	1.293	1.319	1.243
2008-2009	1.000	1.482	1.541	1.603	1.667	1.219	1.243	1.268	1.293	1.219
2009-2010	1.000	1.425	1.482	1.541	1.603	1.195	1.219	1.243	1.268	1.195
2010-2011	1.000	1.370	1.424	1.482	1.541	1.172	1.195	1.219	1.243	1.172
2011-2012	1.000	1.317	1.370	1.425	1.482	1.149	1.172	1.195	1.219	1.149
2012-2013	1.000	1.267	1.317	1.370	1.425	1.126	1.149	1.172	1.195	1.126
2013-2014	1.000	1.218	1.266	1.317	1.370	1.105	1.127	1.149	1.172	1.105
2014-2015	1.000	1.171	1.217	1.266	1.317	1.083	1.105	1.126	1.149	1.083
2015-2016	1.000	1.125	1.170	1.217	1.266	1.061	1.083	1.104	1.126	1.061
2016-2017	1.000	1.082	1.125	1.170	1.217	1.041	1.062	1.082	1.104	1.041
2017-2018	1.000	1.040	1.081	1.125	1.170	1.020	1.040	1.061	1.082	1.020
2018-2019	1.000	1.000	1.040	1.082	1.125	1.000	1.020	1.040	1.061	1.000
2019-2020	1.000	--	1.000	1.040	1.082	--	1.000	1.020	1.040	--
2020-2021	1.000	--	--	1.000	1.040	--	--	1.000	1.020	--
2021-2022	1.000	--	--	--	1.000	--	--	--	1.000	--

Notes:

- (A) No benefit level adjustment applied.
- (B) - (E) (A) adjusted for a 4.0% annual loss rate trend.
- (F) - (I) (A) adjusted for a 2.0% annual frequency trend.
- (J) (A) adjusted for a 2.0% 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	8,966,576	0.013
2000-2001	2,245,413	10	1.000	224,541	9,292,217	0.011
2001-2002	751,089	12	1.000	62,591	10,273,001	0.012
2002-2003	2,992,869	20	1.000	149,643	11,811,545	0.017
2003-2004	1,973,193	13	1.000	151,784	13,465,566	0.010
2004-2005	6,416,832	21	1.000	305,563	13,034,897	0.016
2005-2006	3,616,204	18	1.000	200,900	13,246,828	0.014
2006-2007	5,810,921	24	1.000	242,122	14,832,535	0.016
2007-2008	3,528,296	28	1.000	126,011	16,206,068	0.017
2008-2009	1,211,783	12	1.000	100,982	15,889,066	0.008
2009-2010	3,281,809	21	1.000	156,277	13,976,587	0.015
2010-2011	1,825,609	12	1.000	152,134	12,929,682	0.009
2011-2012	1,916,982	9	1.000	212,998	12,512,904	0.007
2012-2013	1,961,000	13	1.000	150,846	11,994,297	0.011
2013-2014	2,437,000	12	1.000	203,083	12,273,675	0.010
2014-2015	3,923,000	15	1.000	261,533	12,695,186	0.012
2015-2016	4,845,000	18	1.000	269,167	13,110,094	0.014
2016-2017	3,235,000	21	1.000	154,048	14,269,303	0.015
2017-2018	4,479,000	21	1.000	213,286	14,303,137	0.015

	Severity Trend Factors	Frequency Trend Factors
Latest 10 x 2017-2018	1.074	1.013
Latest 5 x 2017-2018	1.033	1.100
Prior	1.010	1.020
Default	1.030	0.975
Selected Residual Trend	1.020	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 12/31/2018</u>	<u>Calendar Period</u>	
		<u>1/1/2019 to 6/30/2019</u>	<u>7/1/2019 to 6/30/2020</u>
Prior			
Ultimate Loss	\$5,347,653	\$5,347,653	\$5,347,653
Paid in Calendar Period	-		
Paid to Date	5,347,653	5,347,653	5,347,653
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			
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			

ERMA - Employment Practices Liability

Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of 12/31/2018</u>	<u>Calendar Period</u>	
		<u>1/1/2019 to 6/30/2019</u>	<u>7/1/2019 to 6/30/2020</u>
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	\$1,972,000	\$1,972,000	\$1,972,000
Paid in Calendar Period	-	32,142	53,598
Paid to Date	1,849,321	1,881,463	1,935,061
Outstanding Liability	122,679	90,537	36,939
2013-2014			
Ultimate Loss	\$2,411,000	\$2,411,000	\$2,411,000
Paid in Calendar Period	-	60,306	81,792
Paid to Date	2,207,951	2,268,257	2,350,049
Outstanding Liability	203,049	142,743	60,951
2014-2015			
Ultimate Loss	\$4,006,000	\$4,006,000	\$4,006,000
Paid in Calendar Period	-	229,974	393,805
Paid to Date	2,988,416	3,218,390	3,612,195
Outstanding Liability	1,017,584	787,610	393,805
2015-2016			
Ultimate Loss	\$4,252,000	\$4,252,000	\$4,252,000
Paid in Calendar Period	-	437,542	580,603
Paid to Date	2,743,234	3,180,776	3,761,379
Outstanding Liability	1,508,766	1,071,224	490,621
2016-2017			
Ultimate Loss	\$3,735,000	\$3,735,000	\$3,735,000
Paid in Calendar Period	-	694,003	1,226,415
Paid to Date	507,081	1,201,084	2,427,499
Outstanding Liability	3,227,919	2,533,916	1,307,501

ERMA - Employment Practices Liability

Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of</u> <u>12/31/2018</u>	<u>Calendar Period</u>	
		<u>1/1/2019</u> <u>to</u> <u>6/30/2019</u>	<u>7/1/2019</u> <u>to</u> <u>6/30/2020</u>
2017-2018			
Ultimate Loss	\$4,558,000	\$4,558,000	\$4,558,000
Paid in Calendar Period	-	304,689	1,149,828
Paid to Date	10,405	315,094	1,464,922
Outstanding Liability	4,547,595	4,242,906	3,093,078
2018-2019			
Ultimate Loss	\$2,380,000	\$4,760,000	\$4,760,000
Paid in Calendar Period	-	33,320	349,774
Paid to Date	-	33,320	383,094
Outstanding Liability	2,380,000	4,726,680	4,376,906
2019-2020			
Ultimate Loss	-	-	\$4,999,000
Paid in Calendar Period	-	-	39,992
Paid to Date	-	-	39,992
Outstanding Liability	-	-	4,959,008
Totals			
Ultimate Loss	\$61,236,151	\$63,616,151	\$68,615,151
Paid in Calendar Period	-	1,791,976	3,875,807
Paid to Date	48,228,559	50,020,535	53,896,342
Outstanding Liability	13,007,592	13,595,616	14,718,809
Total Outstanding ULAE	377,100	413,054	468,423
Outstanding Liability plus ULAE	13,384,692	14,008,670	15,187,232

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 2016-2017, \$694,003 is expected to be paid between 1/1/19 and 6/30/19, \$1,201,084 will have been paid by 6/30/19, and the reserve for remaining payments on these claims should be \$2,533,916.
- 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, $\$1,226,415 = \$2,533,916 \times 48.4\%$.
- Paid to Date is Paid in Calendar Period plus Paid to Date from previous calendar period. For example, $\$2,427,499 = \$1,226,415 + \$1,201,084$.
- Outstanding Liability is Ultimate Loss minus Paid to Date. For example, $\$2,533,916 = \$3,735,000 - \$1,201,084$.

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 12/31/18:</u>		<u>Expected</u>	<u>Discounted</u>
<u>Current (Short Term)</u>	Loss and ALAE:	\$3,605,780	\$3,570,254
	ULAE:	96,350	95,401
	Short-Term Loss and LAE:	<u>\$3,702,130</u>	<u>\$3,665,655</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$9,401,812	\$8,910,300
	ULAE:	280,750	266,420
	Long-Term Loss and LAE:	<u>\$9,682,562</u>	<u>\$9,176,720</u>
<u>Total Liability</u>	Loss and ALAE:	\$13,007,592	\$12,480,554
	ULAE:	377,100	361,821
	Total Loss and LAE:	<u>\$13,384,692</u>	<u>\$12,842,375</u>
<u>Liabilities as of 6/30/19:</u>			
<u>Current (Short Term)</u>	Loss and ALAE:	\$3,835,815	\$3,798,023
	ULAE:	121,919	120,718
	Short-Term Loss and LAE:	<u>\$3,957,734</u>	<u>\$3,918,741</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$9,759,801	\$9,270,940
	ULAE:	291,135	276,336
	Long-Term Loss and LAE:	<u>\$10,050,936</u>	<u>\$9,547,276</u>
<u>Total Liability</u>	Loss and ALAE:	\$13,595,616	\$13,068,963
	ULAE:	413,054	397,054
	Total Loss and LAE:	<u>\$14,008,670</u>	<u>\$13,466,017</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 12/31/18:</u>						
<u>Current (Short Term)</u>	Loss and ALAE:	\$4,120,073	\$4,298,586	\$4,505,661	\$4,762,719	\$5,116,174
	ULAE:	110,093	114,863	120,396	127,265	136,710
	Short-Term Loss and LAE:	<u>\$4,230,166</u>	<u>\$4,413,449</u>	<u>\$4,626,057</u>	<u>\$4,889,984</u>	<u>\$5,252,884</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$10,282,486	\$10,728,001	\$11,244,798	\$11,886,340	\$12,768,460
	ULAE:	307,449	320,770	336,222	355,404	381,779
	Long-Term Loss and LAE:	<u>\$10,589,935</u>	<u>\$11,048,771</u>	<u>\$11,581,020</u>	<u>\$12,241,744</u>	<u>\$13,150,239</u>
<u>Total Liability</u>	Loss and ALAE:	\$14,402,559	\$15,026,587	\$15,750,459	\$16,649,059	\$17,884,634
	ULAE:	417,542	435,633	456,618	482,669	518,489
	Total Loss and LAE:	<u>\$14,820,101</u>	<u>\$15,462,220</u>	<u>\$16,207,077</u>	<u>\$17,131,728</u>	<u>\$18,403,123</u>
<u>Liabilities as of 6/30/19:</u>						
<u>Current (Short Term)</u>	Loss and ALAE:	\$4,382,919	\$4,572,820	\$4,793,105	\$5,066,563	\$5,442,567
	ULAE:	139,309	145,344	152,346	161,038	172,989
	Short-Term Loss and LAE:	<u>\$4,522,228</u>	<u>\$4,718,164</u>	<u>\$4,945,451</u>	<u>\$5,227,601</u>	<u>\$5,615,556</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$10,698,664	\$11,162,211	\$11,699,926	\$12,367,434	\$13,285,257
	ULAE:	318,892	332,709	348,736	368,632	395,989
	Long-Term Loss and LAE:	<u>\$11,017,556</u>	<u>\$11,494,920</u>	<u>\$12,048,662</u>	<u>\$12,736,066</u>	<u>\$13,681,246</u>
<u>Total Liability</u>	Loss and ALAE:	\$15,081,583	\$15,735,031	\$16,493,031	\$17,433,997	\$18,727,824
	ULAE:	458,201	478,053	501,082	529,670	568,978
	Total Loss and LAE:	<u>\$15,539,784</u>	<u>\$16,213,084</u>	<u>\$16,994,113</u>	<u>\$17,963,667</u>	<u>\$19,296,802</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 12/31/18 (A)	Discount Factor (B)	Discounted Reserve at 12/31/18 (C)	Full Value of Reserve at 6/30/19 (D)	Discount Factor (E)	Discounted Reserve at 6/30/19 (F)
2012-2013	122,679	0.980	120,272	90,537	0.982	88,927
2013-2014	203,049	0.977	198,305	142,743	0.979	139,679
2014-2015	1,017,584	0.975	991,673	787,610	0.975	767,712
2015-2016	1,508,766	0.973	1,468,389	1,071,224	0.974	1,043,733
2016-2017	3,227,919	0.968	3,123,451	2,533,916	0.972	2,463,319
2017-2018	4,547,595	0.955	4,344,672	4,242,906	0.963	4,086,482
2018-2019	2,380,000	0.939	2,233,792	4,726,680	0.948	4,479,111
Totals	\$13,007,592		\$12,480,554	\$13,595,616		\$13,068,963

(G) Discount Factor at 12/31/18 for Overall Reserve:	0.959
(H) Discount Factor at 6/30/19 for Overall Reserve:	0.961

Notes:

- (A) From Appendix F, Outstanding Liability at 12/31/18.
- (B) Based on Appendix H, Page 2, Column (E).
- (C) (A) x (B).
- (D) From Appendix F, Outstanding Liability at 6/30/19.
- (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 0.959, the discounted liability for outstanding claims is 95.9% 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	24.9%	2.0%	0.885	0.919	0.963
2	7.3%	2.0%	0.940	0.992	0.948
1	0.8%	2.0%	0.930	1.000	0.930
(G) Discount Factor for Future Funding:				2018-2019	0.939
				2019-2020	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, $94.0\% = [88.5\% / 1.020] + [7.3\% / (1.010)]$.
- (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%	2.051	1.601
90%	1.764	1.433
85%	1.591	1.334
80%	1.461	1.262
75%	1.358	1.204
70%	1.271	1.154
65%	1.194	1.110
60%	1.124	1.071
55%	1.060	1.034
50%	1.000	1.000
45%	0.942	0.967
40%	0.887	0.935
35%	0.831	0.902
30%	0.777	0.870
25%	0.720	0.836

To read table: For the above retention, there is a 90% chance that final loss settlements will be less than 1.764 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	0.919	0.963
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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)
7/1/2019	6/30/2020	2019-2020	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 12/31/18

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	1,906,737	0	0	1,906,737	0	0	1,906,737	0	1,906,737	1,906,737
2013-2014	2,216,337	0	0	2,216,337	0	0	2,216,337	0	2,216,337	2,216,337
2014-2015	3,503,582	0	0	3,503,582	0	0	3,503,582	0	3,503,582	3,503,582
2015-2016	3,280,526	0	0	3,280,526	0	0	3,280,526	0	3,280,526	3,280,526
2016-2017	1,410,040	0	0	1,410,040	0	0	1,410,040	0	1,410,040	1,410,040
2017-2018	435,405	0	0	435,405	0	0	435,405	0	435,405	435,405
2018-2019	45,000	0	0	45,000	0	0	45,000	0	45,000	45,000
Total	\$50,719,779	\$0	\$0	\$50,719,779	\$0	\$0	\$50,719,779	\$0	\$50,719,779	\$50,719,779

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 12/31/18

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	1,849,321	0	0	1,849,321	0	0	1,849,321	0	1,849,321	1,849,321
2013-2014	2,207,951	0	0	2,207,951	0	0	2,207,951	0	2,207,951	2,207,951
2014-2015	2,988,416	0	0	2,988,416	0	0	2,988,416	0	2,988,416	2,988,416
2015-2016	2,743,234	0	0	2,743,234	0	0	2,743,234	0	2,743,234	2,743,234
2016-2017	507,081	0	0	507,081	0	0	507,081	0	507,081	507,081
2017-2018	10,405	0	0	10,405	0	0	10,405	0	10,405	10,405
2018-2019	0	0	0	0	0	0	0	0	0	0
Total	\$48,228,559	\$0	\$0	\$48,228,559	\$0	\$0	\$48,228,559	\$0	\$48,228,559	\$48,228,559

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 12/31/18

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	57,417	0	0	57,417	0	0	57,417	0	57,417	57,417
2013-2014	8,386	0	0	8,386	0	0	8,386	0	8,386	8,386
2014-2015	515,165	0	0	515,165	0	0	515,165	0	515,165	515,165
2015-2016	537,292	0	0	537,292	0	0	537,292	0	537,292	537,292
2016-2017	902,959	0	0	902,959	0	0	902,959	0	902,959	902,959
2017-2018	425,000	0	0	425,000	0	0	425,000	0	425,000	425,000
2018-2019	45,000	0	0	45,000	0	0	45,000	0	45,000	45,000
Total	\$2,491,220	\$0	\$0	\$2,491,220	\$0	\$0	\$2,491,220	\$0	\$2,491,220	\$2,491,220

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 12/31/18

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	11	0	0	11	1	1
2014-2015	15	0	0	15	12	0	0	12	3	3
2015-2016	17	0	0	17	10	0	0	10	7	7
2016-2017	18	0	0	18	3	0	0	3	15	15
2017-2018	6	0	0	6	1	0	0	1	5	5
2018-2019	2	0	0	2	0	0	0	0	2	2
Total	295	0	0	295	261	0	0	261	34	34

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	1.598	8,966,576
2000-2001	5,960,370	1.559	9,292,217
2001-2002	6,754,110	1.521	10,273,001
2002-2003	7,959,262	1.484	11,811,545
2003-2004	9,299,424	1.448	13,465,566
2004-2005	9,224,980	1.413	13,034,897
2005-2006	9,606,112	1.379	13,246,828
2006-2007	11,027,907	1.345	14,832,535
2007-2008	12,352,186	1.312	16,206,068
2008-2009	12,413,333	1.280	15,889,066
2009-2010	11,190,222	1.249	13,976,587
2010-2011	10,606,794	1.219	12,929,682
2011-2012	10,523,889	1.189	12,512,904
2012-2013	10,339,911	1.160	11,994,297
2013-2014	10,842,469	1.132	12,273,675
2014-2015	11,499,263	1.104	12,695,186
2015-2016	12,172,789	1.077	13,110,094
2016-2017	13,576,882	1.051	14,269,303
2017-2018	13,954,280	1.025	14,303,137
2018-2019	14,644,656	1.000	14,644,656
2019-2020	14,791,100	1.000	14,791,100

Notes:

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

ERMA
Loss Experience Through 12/31/18

Appendix M

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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	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	1,849,321	1,906,737		14	14	1,911,840	1,969,257
2013/14	12	12	1	2,207,951	2,216,337		13	13	2,108,686	2,117,073
2014/15	14	15	3	2,988,416	3,503,582		13	14	3,117,965	3,909,615
2015/16	15	17	7	2,743,234	3,280,526		16	19	2,795,318	3,357,611
2016/17	10	18	15	507,081	1,410,040		13	21	959,674	2,165,757
2017/18	1	6	5	10,405	435,405		-	8	-	598,000
2018/19	-	2	2	-	45,000		-	1	-	5,000
Total	277	295	34	48,228,559	50,719,779		266	287	47,664,418	50,893,247

Year	First Dollar (to \$1M)				
	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	2,540,297	2,558,319
2011/12	48	30	-	2,706,380	2,706,380
2012/13	48	28	1	2,740,941	2,798,358
2013/14	46	31	3	2,971,368	3,033,377
2014/15	53	39	6	4,136,987	5,002,992
2015/16	57	46	11	3,969,687	4,648,815
2016/17	78	71	29	2,233,075	3,998,812
2017/18	68	63	41	387,213	1,988,999
2018/19	22	20	20	8,320	575,000
Total	1,044	737	112	66,449,958	72,066,744

ERMA
Loss Experience Through 12/31/17

Appendix M

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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	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	First Dollar (to \$1M)				
	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

Appendix M

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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	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	First Dollar (to \$1M)				
	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

Appendix M

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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	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	First Dollar (to \$1M)				
	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

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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	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	-	-	-	-	-		-	-	-	-
Total	214	224	23	36,168,951	38,620,596		195	204	35,067,963	37,603,592

Year	First Dollar (to \$1M)				
	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
Total	743	472	42	48,497,909	51,583,307

ERMA
Loss Experience Through 12/31/13

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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	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	-	-	-	-	-		-	-	-	-
Total	200	215	25	33,075,732	35,242,782		182	200	31,826,121	34,192,453

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	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	-	-
Total	695	450	84	44,542,140	47,792,133

ERMA
Loss Experience Through 12/31/12

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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	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	-	-	-	-	-		-	-	-	-
Total	189	201	23	31,578,426	33,675,226		170	185	30,130,319	32,724,348

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	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	-	-
Total	641	430	81	41,880,576	45,409,832

ERMA
Loss Experience Through 12/31/11

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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	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	-	-	-	-	-		-	-	-	-
Total	180	196	31	30,254,747	32,547,055		157	176	28,831,132	31,069,239

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	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	-	-	-	-	-
Total	585	397	71	39,803,029	43,069,788

ERMA
Loss Experience Through 12/31/10

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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	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
Total	162	176	25	27,235,420	30,929,372		142	156	25,969,017	29,531,960

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	-	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
Total	536	349	70	35,841,651	40,125,625

ERMA
Loss Experience Through 12/31/09

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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	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
Total	153	161	43	26,148,632	29,429,771		135	146	24,937,066	28,163,512

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	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
Total	489	311	99	34,159,276	37,696,390

ERMA
Loss Experience Through 12/31/08

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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

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Loss Experience Through 12/31/07

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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	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	-	-	-	-	-		-	-	-	-
Total	102	107	19	17,262,069	20,786,988		93	97	16,593,877	20,093,796

Year	First Dollar (to \$1M)				
	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
Total	378	233	78	23,014,653	26,775,318

ERMA
Loss Experience Through 12/31/06

Appendix M

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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	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	
Total	90	107	34	13,025,378	18,167,147		78	97		12,152,337	17,073,134	

Year	First Dollar (to \$1M)					
	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	
Total	324	214	80	17,829,652	23,430,236	

ERMA
Loss Experience Through 12/31/05

Appendix M

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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	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	-	-	-	-	-		-	-	-	-
Total	65	68	22	9,511,646	10,558,157		55	59	9,066,887	10,074,394

Year	First Dollar (to \$1M)				
	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
Total	279	185	79	13,584,213	14,720,377

ERMA
Loss Experience Through 12/31/04

Appendix M

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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	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	-	-	-	-	-		-	-	-	-
Total	49	50	20	6,054,427	6,912,128		42	45	5,779,325	6,625,030

Year	First Dollar (to \$1M)					
	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	
Total	232	144	74	9,112,501	10,106,928	

ERMA
Loss Experience Through 12/31/03

Appendix M

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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	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
Total	26	33	17	3,062,333	4,809,284		20	27	2,976,398	4,674,021

Year	First Dollar (to \$1M)					
	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	
Total	200	108	72	5,056,426	7,003,712	

ERMA
Loss Experience Through 12/31/02

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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	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	-	-	-	-	-		-	-	-	-
Total	14	16	8	1,196,238	1,828,970		10	11	1,223,419	1,834,152

Year	First Dollar (to \$1M)					
	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	-	-	
Total	160	77	80	2,556,458	3,258,222	

ERMA
Loss Experience Through 12/31/01

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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	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	-	-	-	-	-		-	-	-	-
Total	7	10	5	757,446	904,216		6	9	755,205	901,976

Year	First Dollar (to \$1M)					
	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	-	-	-	-	-	
Total	88	49	24	2,015,551	2,536,498	

ERMA
Loss Experience Through 12/31/00

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ERMA: Reported Claims and Losses

Year	Excess of Retention				Excess of \$50,000			
	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	-	-	-	-	-	-	-	-
Total	3	4	84,796	226,560	4	5	93,489	235,253

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

ERMA
Loss Experience Through 12/31/18

Appendix M
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By Member

Member	Reported Losses First Dollar		Reported Losses ERMA Layer		Reported Claims		
	Paid	Incurred	Paid	Incurred	1st Dollar Total	With Incurred Value>\$500	In ERMA Layer
BCJPIA	4,659,748	5,211,662	2,386,084	2,582,172	96	67	13
CalTIP	-	-	-	-	-	-	-
CCCMRMIA/MPA	15,745,827	16,264,512	12,329,973	12,675,226	212	125	55
CHARMA	2,087,103	2,087,103	1,359,259	1,359,259	43	24	10
CSJVRMA	12,741,846	13,677,659	10,103,918	10,669,294	196	141	64
ERMAC	492,625	511,564	-	-	3	3	-
MBASIA	179,573	518,812	-	-	16	12	-
PARSAC	13,664,211	15,026,706	9,492,105	10,126,265	226	156	74
PERMA	11,666,978	13,190,239	9,172,575	9,787,740	128	99	46
SCORE	1,233,469	1,275,501	980,778	980,778	18	14	8
VCJPA	2,830,543	2,893,657	1,749,276	1,783,911	57	44	18
City of Vacaville	560,209	560,209	402,111	402,111	9	5	3
Oakland Housing Authority	537,527	775,130	252,481	353,022	37	17	4
Contra Costa Housing Authority	50,298	73,990	-	-	3	3	-
Total	66,449,958	72,066,744	48,228,559	50,719,779	1,044	710	295

Percent of Total

Member	Reported Losses First Dollar		Reported Losses ERMA Layer		Reported Claims		
	Paid	Incurred	Paid	Incurred	1st Dollar Total	With Incurred Value>\$500	In ERMA Layer
BCJPIA	7%	7%	5%	5%	9%	9%	4%
CalTIP	0%	0%	0%	0%	0%	0%	0%
CCCMRMIA/MPA	24%	23%	26%	25%	20%	18%	19%
CHARMA	3%	3%	3%	3%	4%	3%	3%
CSJVRMA	19%	19%	21%	21%	19%	20%	22%
ERMAC	1%	1%	0%	0%	0%	0%	0%
MBASIA	0%	1%	0%	0%	2%	2%	0%
PARSAC	21%	21%	20%	20%	22%	22%	25%
PERMA	18%	18%	19%	19%	12%	14%	16%
SCORE	2%	2%	2%	2%	2%	2%	3%
VCJPA	4%	4%	4%	4%	5%	6%	6%
City of Vacaville	1%	1%	1%	1%	1%	1%	1%
Oakland Housing Authority	1%	1%	1%	1%	4%	2%	1%
Contra Costa Housing Authority	0%	0%	0%	0%	0%	0%	0%
Total	100%	100%	100%	100%	100%	100%	100%

ERMA
Loss Experience Through 12/31/18

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

Retention			Based on ERMA Losses																	
	Selected Current	Selected Prior	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	2017/18	All Years
25,000	1.140	1.140	1.204	1.077	1.098	1.067	1.095	1.084	1.110	1.201	1.105	1.138	1.130	1.130	1.142	1.083	1.128	1.186	1.448	1.117
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	0.838	0.927	0.913	0.939	0.923	0.926	0.897	0.837	0.909	0.881	0.896	0.884	0.885	0.933	0.897	0.847	0.831	0.908
100,000	0.820	0.820	0.696	0.856	0.835	0.884	0.860	0.856	0.799	0.725	0.835	0.773	0.817	0.785	0.787	0.875	0.814	0.719	0.702	0.828
250,000	0.490	0.480	0.312	0.504	0.518	0.635	0.566	0.521	0.383	0.262	0.453	0.419	0.523	0.387	0.379	0.607	0.476	0.273	0.211	0.491
500,000	0.190	0.190	0.003	0.170	0.195	0.322	0.263	0.229	0.096	-	0.090	0.210	0.264	0.122	0.125	0.325	0.143	0.083	0.004	0.197

ERMA - New Member 1st Year Claims Made Rate
Coverage for 2018-19 Occurrences Reported in 2019-20
\$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 2018-19 Claims to be Reported in 2019-20	Expected Loss Rate	75% CL	80% CL	85% CL
2018-19	\$230,000	0.015	40%	\$0.138	\$0.187	\$0.202	\$0.220

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) x (C) x (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 2019/20 Program Year

BACKGROUND AND STATUS:

Attached for the Board's consideration is the Proposed Draft Annual Budget for the 2019/20 program year. The budget features funding at the 80% confidence level (CL), the same CL used in the 2018/19 Approved Budget. The featured discount rate continues to be 2.0%.

The recommended 2019/20 Proposed Draft Budget at the 80% CL represents an overall increase of 9.3%, or \$662,559, over the 2018/19 Approved Budget. There are two drivers in the overall increase:

- The increase in payroll of 6.6%; and
- The increase in the funding rate of 5.4%.

Total premium reflects the following assumptions and significant factors:

- Funding for losses at the 80% CL at the actuarially-determined rate of .503 per \$100 of payroll (\$50,000 SIR); a 5.4% 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 \$2 million excess of \$1 million at the expiring rate of .0333;
- Actual payroll as of December 31, 2018;
- An increase in payroll of 6.6%;
- A 40.2% increase in the Loss Prevention and Training portion of the budget due to the increase of Customized Training/Workshops (these additional trainings were approved by the Board mid-year for the 2018/19 program year);
- A 3.0% increase in the Administration portion of the budget. Variances from last year's budget include:
 - Program Administration – 3.6% increase which consists of the 2% contractual increase with York based on the ending ABCP from the prior year (increases during the year due to three new members in the program);
 - Legal Services – 11.1%, or \$5,000, increase due to increased usage of attorney's time for coverage opinions;
 - Financial Audit – 2.5%, or \$250, contractual increase with Sampson and Sampson (second year of a three year contract);
 - Claims Audit – Biennial funded line item – budgeted in 2018/19;
 - Memberships and Conferences - \$800 increase due to increase in CAJPA dues; and
 - Fidelity Bonds – \$100 increase due to actual expected expense.

- The withdrawal of West Hollywood from PARSAC;
- The addition of Central Marin Fire Authority in BCJPIA (Larkspur and Corte Madera fire departments withdrew from the cities to form a new JPA. Payroll for the cities decreased accordingly);
- The addition of Santa Maria in ERMAC (effective 1/1/2019);
- The addition of Ft. Jones in SCORE (effective 1/1/2019); and
- No known SIR change requests as of this time.

Experience Modification Calculation:

Continuing the methodology that has been employed for the past ten 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 2019/20 Proposed Operating Budget at the 80% Confidence Level.

REFERENCE MATERIALS ATTACHED:

- 2019/20 Proposed Annual Budget at the 80% Confidence Level
- 2018/19 Approved Annual Budget at the 80% Confidence Level

Employment Risk Management Authority

~ 2019/2020 Draft Operating Budget ~

~ 80% Confidence Level ~ 2.0% Discount Factor ~

~ Excess Insurance \$2 million x \$1 million ~ \$4 million / \$10 million Aggregate ~

	Prior Year - 2018/2019		2019/2020	Increase/(Dec)	
	Projected Actual	Approved Budget	Draft Budget	Over Prior Year Budget	Percentage Change
<u>Claims Expense:</u>					
Funding for Pooled Losses (SIR to \$1M)	\$5,897,762	\$5,897,762	\$6,478,546	\$580,784	9.85%
Excess Insurance	299,049	299,049	312,639	13,591	4.54%
Total Claims Costs	\$6,196,810	\$6,196,810	\$6,791,185	\$594,375	9.59%
<u>Loss Prevention and Training:</u>					
Employee Reporting Mechanism	10,000	9,500	10,500	1,000	10.53%
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	6,200	7,000	6,500	(500)	-7.14%
Misc. Training Expenses	3,000	6,000	5,000	(1,000)	-16.67%
Customized Training / Workshops	90,300	47,300	90,300	43,000	90.91%
Total Loss Prevention and Training	\$145,500	\$105,800	\$148,300	\$42,500	40.17%
<u>Administration:</u>					
Program Management	\$709,942	\$698,706	\$724,141	\$25,435	3.64%
Includes:					
• Training Workshops					
(Inhouse as per York contract - 25 x \$1,800 = \$36,000)					
Risk Assessments	3,000	10,000	10,000	0	0.00%
Claims System	5,000	5,000	5,000	0	0.00%
Legal Services	43,500	45,000	50,000	5,000	11.11%
Actuarial Study	9,950	9,950	9,950	0	0.00%
Financial Audit	9,700	9,950	10,200	250	2.51%
Claims Audit	5,900	5,900	0	(5,900)	
Board Meetings & Retreat	24,500	30,000	30,000	0	0.00%
Memberships and Conferences	6,700	6,700	7,500	800	11.94%
Accreditation	1,417	1,500	1,500	0	0.00%
Fidelity Bonds	1,282	1,200	1,300	100	8.33%
E & O Coverage	1,941	2,500	2,500	0	0.00%
Investment Management Services	27,000	30,000	30,000	0	0.00%
Other Expenses	4,000	4,000	4,000	0	0.00%
Total Administration	\$853,832	\$860,406	\$886,091	\$25,685	2.99%
Total Deposit Premium	\$7,196,142	\$7,163,016	\$7,825,576	\$662,559	9.25%

2019/2020 member changes:

~ Withdrawal of West Hollywood in PARSAC (effective 7/1/19)
 ~ Addition of CMFA in BCJPIA
 (Larkspur and Corte Madera payroll decreased accordingly)

~ Addition of Santa Maria in ERMAC (effective 1/1/19) - 2019/20 First Full Year
 ~ Addition of Ft. Jones in SCORE (effective 1/1/19) - 2019/20 First Full Year

Employment Risk Management Authority

~ 2019/2020 Draft Operating Budget ~

Member Summary

~ 80% Confidence Level ~ 2.0% Discount Factor ~

Member Entities	Actual 2018 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 \$2M x \$1M	TOTAL Deposit Premium	Prior Year		
												Deposit Premium	Percentage Change	Change Net of Payroll
BCJPIA	229,699,946	904,833	21,022	125,603	1,051,458	0.789	829,921	0.988	819,985		819,985	743,804	10.2%	6.7%
CalTIP	21,654,834	105,939	1,982	11,841	119,762	0.889	106,522	0.988	105,246	5,354	110,601	102,596	7.8%	7.8%
CSJVRMA	285,426,971	1,390,340	26,121	156,076	1,572,537	1.250	1,965,672	0.988	1,942,138	114,171	2,056,309	1,906,006	7.9%	4.7%
ERMAC	153,114,547	133,064	14,013	83,725	230,802	0.903	208,493	0.988	205,997		205,997	102,249	101.5%	101.5%
MBASIA	57,382,172	45,693	5,251	31,377	82,322	1.037	85,351	0.988	84,329	22,953	107,282	96,130	11.6%	3.8%
MPA	331,210,310	1,473,938	30,311	181,111	1,685,360	0.840	1,415,851	0.988	1,398,900	132,484	1,531,384	1,264,411	21.1%	16.2%
PARSAC	222,082,602	862,682	20,324	121,438	1,004,444	0.946	950,669	0.988	939,287		939,287	1,220,212	-23.0%	-14.8%
PERMA	203,784,802	994,998	18,650	111,432	1,125,080	1.205	1,355,567	0.988	1,339,338		1,339,338	1,086,865	23.2%	18.5%
SCORE	21,910,292	88,847	2,005	11,981	102,833	0.883	90,817	0.988	89,730		89,730	80,652	11.3%	4.7%
VCJPA	59,467,956	303,543	5,442	32,518	341,504	1.151	392,942	0.988	388,238	23,787	412,025	367,045	12.3%	5.2%
Oakland H.A.	29,405,018	147,907	2,691	16,079	166,677	1.043	173,809	0.988	171,728	11,762	183,490	164,697	11.4%	8.2%
Contra Costa H.A.	5,320,183	26,761	487	2,909	30,157	0.940	28,359	0.988	28,020	2,128	30,148	28,350	6.3%	4.4%
Total	\$1,620,459,633	\$6,478,546	\$148,300	\$886,091	\$7,512,937		\$7,603,973		\$7,512,937	\$312,639	\$7,825,576	\$7,163,016	9.2%	2.7%

* Includes JPA Participation Credit

2017 Actual Payroll	\$1,520,381,818
2018 Actual Payroll	\$1,620,459,633
Percent Change	6.58%

Table of Rates			
Budget Item	Rates	Prior Year Rate	% Change
Funding for Losses - 2.0% Discounted 80% Confidence Level	\$0.5030	\$0.4770	5.45%
Excess Insurance: \$2M x \$1M ~ \$4M / \$10M Aggregate	0.0400	0.0400	0.00%
Loss Prevention & Training	0.0092	0.0070	30.74%
Administration	0.0547	0.0566	-3.39%

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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 TOTAL Deposit Premium	Prior Year Deposit Premium	Percentage Change	Current Year Payroll	Prior Year Payroll	Percentage Change	Current Year Ex Mod	Prior Year Ex Mod	Percentage Change	Current Year Average Payroll	Prior Year Average Payroll	Percentage Change	Current Year Average Losses	Prior Year Average Losses	Percentage Change
BCJPIA	\$819,985	\$743,804	10.2%	\$229,699,946	\$221,880,901	3.5%	0.789	0.773	2.1%	\$199,558,931	\$193,181,519	3.3%	150,051	\$137,383	9.2%
CalTIP	110,601	102,596	7.8%	21,654,834	20,638,603	4.9%	0.889	0.893	-0.4%	16,317,698	15,078,865	8.2%	-	-	
CSJVRMA	\$2,056,309	\$1,906,006	7.9%	\$285,426,971	\$276,492,646	3.2%	1.250	1.250	0.0%	\$246,851,819	\$236,375,000	4.4%	658,181	\$713,399	-7.7%
ERMAC	205,997	102,249	101.5%	153,114,547	85,959,423	78.1%	0.903	0.767	17.8%	86,242,169	82,095,031	5.1%	88,313	10,270	759.9%
MBASIA	\$107,282	\$96,130	11.6%	\$57,382,172	\$53,229,209	7.8%	1.037	1.025	1.2%	\$46,148,284	\$44,575,237	3.5%	91,348	\$87,741	4.1%
MPA	1,531,384	1,264,411	21.1%	331,210,310	315,821,765	4.9%	0.840	0.750	12.0%	276,988,274	267,197,597	3.7%	297,015	192,482	54.3%
PARSAC	\$939,287	\$1,220,212	-23.0%	\$222,082,602	\$241,906,438	-8.2%	0.946	1.250	-24.3%	\$193,215,258	\$209,183,254	-7.6%	274,341	\$587,926	-53.3%
PERMA	1,339,338	1,086,865	23.2%	203,784,802	194,633,979	4.7%	1.205	1.072	12.4%	171,061,537	162,124,004	5.5%	444,437	337,904	31.5%
SCORE	\$89,730	\$80,652	11.3%	\$21,910,292	\$20,557,794	6.6%	0.883	0.884	-0.1%	\$18,228,457	\$17,692,234	3.0%	-	-	
VCJPA	412,025	367,045	12.3%	59,467,956	55,554,010	7.0%	1.151	1.146	0.4%	49,737,272	48,102,084	3.4%	146,322	146,483	-0.1%
Oakland H.A.	\$183,490	\$164,697	11.4%	\$29,405,018	\$28,486,957	3.2%	1.043	1.006	3.7%	\$25,932,089	\$25,107,499	3.3%	56,006	\$45,287	23.7%
Contra Costa H.A.	30,148	28,350	6.3%	5,320,183	5,220,093	1.9%	0.940	0.940	0.0%	4,742,459	4,644,950	2.1%	-	-	
Total	\$7,825,576	\$7,163,017	9.2%	\$1,620,459,633	\$1,520,381,818	6.6%				\$1,335,024,246	\$1,305,357,274	2.3%	\$2,206,014	\$2,258,875	-2.3%

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Program Administration Fee Worksheet

				Original Contract Year		
				2018/2019		
Percentage Increase over previous year						\$697,162 2.47%
				Payroll	Payroll Calc %age	BRS Fees
Baseline as of 4/1/18 Date Joined				1,516,245,035		697,162
PERMA	San Jacinto	7/1/2019		3,358,185	0.002215	1,544
ERMAC	Santa Maria	1/1/2019		23,973,813	0.015811	11,023
SCORE	Fort Jones	1/1/2019		462,893	0.000305	213
Totals as of 6/30/19				1,544,039,926		\$709,942

				2019/2020		
				2019/2020		
Percentage Increase over previous year						\$724,141 2.00%
				Payroll	Payroll Calc %age	BRS Fees
Baseline as of 7/1/19						724,141
Totals as of 6/30/20				0		\$724,141

				2020/2021		
				2020/2021		
Percentage Increase over previous year						\$738,624 2.00%
				Payroll	Payroll Calc %age	BRS Fees
Baseline as of 7/1/20						738,624
Totals as of 6/30/21				0		\$738,624

Approved contract is for a 5 year period. Final two years of contract are not shown.

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~ BCJPIA ~

Member	Actual 2018 Payroll	SIR Selected	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 Premium	Increase Decrease
									2	3	4	5	6	7	8	Info Only: Prior Year (2018/2019) Experience Modification	9	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		Deposit Adjusted for Experience Modification	Premium Adjusted for Off Balance Factor		
1 Albany/Albany JPA	\$10,821,075	\$50,000	\$54,430	\$990	\$5,917	\$61,337	(\$3,026)	\$58,311	0.789	\$46,025	0.988	\$45,474	0.000	0.750	0.750	0.750	\$43,733	\$39,828	\$37,242	\$2,586
2 Brisbane	9,629,320	50,000	48,435	881	5,265	54,582	(2,693)	51,889	0.789	40,956	0.988	40,466	0.000	0.750	0.750	0.750	38,917	35,441	32,989	2,452
2 CMFA (1/1/19)	6,189,890	250,000	15,256	566	3,385	19,207	(948)	18,260	0.789	14,412	0.988	14,240	0.000	0.750	1.000		18,260	16,629		
3 Central Marin PA	5,034,939	100,000	20,767	461	2,753	23,981	(1,183)	22,798	0.789	17,994	0.988	17,779	0.000	0.750	0.750	0.750	17,098	15,571	12,299	3,272
3 Corte Madera (7/1/17)	3,277,001	100,000	13,516	300	1,792	15,608	(770)	14,838	0.789	11,712	0.988	11,572	0.000	0.750	0.750	0.750	11,129	10,135	18,770	(8,635)
4 Emeryville	5,197,196	50,000	26,142	476	2,842	29,459	(1,454)	28,006	0.789	22,105	0.988	21,841	0.000	0.750	0.750	0.750	21,004	19,129	17,192	1,937
4 Emeryville (MESA)	9,253,633	50,000	46,546	847	5,060	52,453	(2,588)	49,865	0.789	39,358	0.988	38,887	0.000	0.750	0.750	0.750	37,399	34,059	33,780	279
5 Fairfax	2,888,425	50,000	14,529	264	1,579	16,373	(808)	15,565	0.789	12,285	0.988	12,138	0.000	0.750	0.750	0.750	11,674	10,631	9,473	1,158
5 Larkspur	2,670,149	250,000	6,581	244	1,460	8,286	(409)	7,877	0.789	6,217	0.988	6,143	0.000	0.750	0.750	0.750	5,908	5,380	11,940	(6,560)
6 Los Altos (07/01/12)	14,603,898	100,000	60,235	1,337	7,986	69,557	(3,432)	66,125	0.789	52,193	0.988	51,568	0.797	0.797	0.832	1.082	55,016	50,103	57,136	(7,033)
6 Menlo Park (07/01/02)	29,278,317	250,000	72,162	2,679	16,010	90,852	(4,483)	86,369	0.789	68,171	0.988	67,355	1.744	1.500	1.000	0.750	86,369	78,656	53,723	24,933
7 Mill Valley (07/01/01)	16,782,771	50,000	84,417	1,536	9,177	95,130	(4,694)	90,437	0.789	71,382	0.988	70,527	0.000	0.750	0.750	0.750	67,827	61,770	59,127	2,643
7 Novato (09/01/07)	17,437,788	250,000	42,979	1,596	9,535	54,110	(2,670)	51,440	0.789	40,602	0.988	40,116	0.362	0.750	1.250	1.500	64,300	58,558	67,793	(9,235)
8 Piedmont	13,485,707	50,000	67,833	1,234	7,374	76,441	(3,772)	72,670	0.789	57,359	0.988	56,672	2.653	1.500	1.500	1.500	109,005	99,270	58,792	40,478
8 Pleasanton	43,193,719	75,000	195,538	3,953	23,619	223,110	(11,008)	212,102	0.789	167,413	0.988	165,409	0.000	0.750	0.750	0.750	159,076	144,870	137,371	7,499
9 San Anselmo	3,426,853	50,000	17,237	314	1,874	19,425	(958)	18,466	0.789	14,575	0.988	14,401	0.000	0.750	0.750	0.750	13,850	12,613	10,377	2,236
9 Sausalito	6,501,065	50,000	32,700	595	3,555	36,850	(1,818)	35,032	0.789	27,651	0.988	27,320	0.000	0.750	0.750	0.750	26,274	23,928	22,522	1,406
10 Tiburon (7/1/11)	3,447,463	25,000	19,768	316	1,885	21,969	(1,084)	20,885	0.789	16,485	0.988	16,287	0.000	0.750	0.750	0.750	15,664	14,265	13,841	424
10 Union City	26,580,737	75,000	120,331	2,433	14,535	137,298	(6,774)	130,524	0.789	103,023	0.988	101,790	0.000	0.750	0.750	0.750	97,893	89,151	89,436	(285)
Total	\$229,699,946		\$959,404	\$21,022	\$125,603	\$1,106,029	(\$54,571)	\$1,051,458		\$829,921		\$819,985					\$900,396	\$819,985	\$743,803	\$76,182
			(54,571)	JPA participation credit																
			\$904,833	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	\$465,549,212
Participating Payroll	229,699,946
Participation Credit	4.93%
2017 Payroll	\$221,880,901
2018 Payroll	229,699,946
Percentage Increase	3.52%

Retained Limit Rates - 80% C.L.		
SIR	Factor	Rates
\$25,000	1.14	\$0.573
50,000	1.00	0.503
75,000	0.90	0.453
100,000	0.82	0.412
250,000	0.49	0.246
500,000	0.19	0.096

Other Rates	
Description	Rates
Excess Insurance: \$2M x \$1M ~ \$4M / \$10M Aggregate	\$0.0400
Loss Prevention & Training	0.0092
Administration	0.0547

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~ CalTIP ~

											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>												
1											2	3	4	5	6	7	8	Info Only:	9	10	11						
											JPA Experience Modification Factor	Dep Prem Adjusted for Experience Modification	Ex Mod 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 (2018/2019) Experience Modification	Deposit Adjusted for Experience Modification	Off-Balance Factor	Premium Adjusted for Off Balance Factor	Excess Insurance \$2M x \$1M	TOTAL Deposit Premium	Prior Year Deposit Premium	Increase (Decrease)		
Member	Actual 2018 Payroll	SIR Selected	Payroll/100 Pool Rate	Funding For Losses	Loss Prevention & Training	Admin. Costs	Deposit Premium	Participation Credit	Net Deposit Premium																		
1 El Dorado County TA	\$3,438,251	\$50,000	\$0.503	\$17,294	\$315	\$1,880	\$19,489	(\$285)	\$19,204	0.889	\$17,081	0.988	\$16,877	0.000	0.750	0.750	0.750	\$14,403	1.172	\$16,877		\$16,877	\$15,924	\$953			
2 Humboldt Transit	2,404,118	75,000	0.453	10,883	220	1,315	12,418	(181)	12,237	0.889	10,884	0.988	10,754	0.000	0.750	0.750	0.750	9,178	1.172	10,754		10,754	9,826	928			
3 Livermore Amador Valley TA	1,398,699	50,000	0.503	7,035	128	765	7,928	(116)	7,812	0.889	6,949	0.988	6,866	0.000	0.750	0.750	0.750	5,859	1.172	6,866	559	7,425	6,868	557			
4 Mendocino Transit	2,583,340	50,000	0.503	12,994	236	1,413	14,643	(214)	14,429	0.889	12,834	0.988	12,680	0.000	0.750	0.750	0.750	10,822	1.172	12,680	1,033	13,714	13,456	258			
5 Morongo Basin TA	1,493,632	50,000	0.503	7,513	137	817	8,466	(124)	8,343	0.889	7,420	0.988	7,332	0.000	0.750	0.750	0.750	6,257	1.172	7,332		7,332	6,163	1169			
6 San Luis Obispo Regional TA	4,809,783	50,000	0.503	24,193	440	2,630	27,263	(398)	26,865	0.889	23,895	0.988	23,609	0.000	0.750	0.750	0.750	20,149	1.172	23,609	1,924	25,533	22,953	2580			
7 South County Transit	440,532	50,000	0.503	2,216	40	241	2,497	(36)	2,461	0.889	2,189	0.988	2,162	0.000	0.750	0.750	0.750	1,845	1.172	2,162	176	2,339	2,384	-45			
8 Tahoe Transportation District	3,200,451	50,000	0.503	16,098	293	1,750	18,141	(265)	17,876	0.889	15,900	0.988	15,710	0.000	0.750	0.750	0.750	13,407	1.172	15,710	1,280	16,990	15,774	1216			
9 Western Contra Costa TA	933,377	50,000	0.503	4,695	85	510	5,291	(77)	5,213	0.889	4,637	0.988	4,582	0.000	0.750	0.750	0.750	3,910	1.172	4,582		4,582	4,436	146			
10 Yolo County Trans. District	952,651	50,000	0.503	4,792	87	521	5,400	(79)	5,321	0.889	4,733	0.988	4,676	0.000	0.750	0.750	0.750	3,991	1.172	4,676	381	5,057	4,812	245			
Total	\$21,654,834			\$107,715	\$1,982	\$11,841	\$121,538	(\$1,775)	\$119,762		\$106,522		\$105,246	\$89,822					\$105,246		\$5,354		\$110,601	\$102,596	\$8,005		
											(1,775) JPA participation credit																
											\$105,939																
											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	\$148,242,082
Participating Payroll	21,654,834
Participation Credit	1.46%
2017 Payroll	\$20,638,603
2018 Payroll	21,654,834
Percentage Increase	4.92%

Retained Limit Rates - 80% C.L.		
SIR	Factor	Rates
\$25,000	1.14	\$0.573
50,000	1.00	0.503
75,000	0.90	0.453
100,000	0.82	0.412
250,000	0.49	0.246
500,000	0.19	0.096

Other Rates	
Description	Rates
Excess Insurance: \$2M x \$1M ~ \$4M / \$10M Aggregate	\$0.0400
Loss Prevention & Training	0.0092
Administration	0.0547

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~ 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										2345				67		8		Info Only: 9		10		11			Prior Year		
Member	Actual 2018	SIR	Payroll/100 Pool	Funding For	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	Capped Ind. Ex Mod Including .25 capped change over prior year	Prior Year (2018/2019) Experience Modification	Adjusted for Experience Modification	Off-Balance Factor	Premium Adjusted for Off Balance Factor	Excess Insurance \$2M x \$1M	TOTAL Deposit Premium	Prior Year Deposit Premium	Prior Year Increase (Decrease)			
1 Angels Camp	\$2,777,974	\$25,000	\$0.573	\$15,929	\$254	\$1,519	\$17,703	(\$1,117)	\$16,586	1.250	\$20,733	0.988	\$20,484	0.000	0.750	0.750	0.750	\$12,440	1.283	\$15,966	\$1,111	\$17,077	\$16,531	\$546			
2 Atwater (7/01/00)	5,310,488	25,000	0.573	30,451	486	2,904	33,841	(2,135)	31,707	1.250	39,633	0.988	39,159	3.306	1.500	1.500	1.500	47,560	1.283	61,043	2,124	63,167	61,116	2,051			
3 Ceres	14,631,988	25,000	0.573	83,903	1,339	8,001	93,243	(5,881)	87,361	1.250	109,202	0.988	107,894	0.144	0.750	1.250	1.500	109,202	1.283	140,160	5,853	146,013	163,178	(17,165)			
4 Chowchilla (07/01/01)	4,156,084	25,000	0.573	23,832	380	2,273	26,485	(1,671)	24,814	1.250	31,018	0.988	30,646	0.000	0.750	0.750	0.750	18,611	1.283	23,887	1,662	25,549	22,275	3,274			
5 Corcoran	3,949,019	25,000	0.573	22,644	361	2,159	25,165	(1,587)	23,578	1.250	29,472	0.988	29,120	0.000	0.750	0.750	0.750	17,683	1.283	22,697	1,580	24,276	22,883	1,393			
6 Delano	19,088,159	25,000	0.573	109,455	1,747	10,438	121,640	(7,673)	113,967	1.250	142,459	0.988	140,754	1.403	1.403	1.403	1.500	159,870	1.283	205,193	7,635	212,828	199,278	13,550			
7 Dinuba (7/1/16)	10,536,727	100,000	0.412	43,460	964	5,762	50,186	(3,166)	47,020	1.250	58,775	0.988	58,072	0.000	0.750	0.750	0.750	35,265	1.283	45,263	4,215	49,477	48,178	1,299			
8 Dos Palos (12/1/10)	1,444,379	25,000	0.573	8,282	132	790	9,204	(581)	8,624	1.250	10,780	0.988	10,651	0.000	0.750	0.750	0.750	6,468	1.283	8,301	578	8,879	7,153	1,726			
9 Escalon	2,041,877	25,000	0.573	11,709	187	1,117	13,012	(821)	12,191	1.250	15,239	0.988	15,057	0.000	0.750	0.750	0.750	9,143	1.283	11,736	817	12,552	11,158	1,394			
10 Farmersville (7/1/16)	2,303,881	75,000	0.453	10,430	211	1,260	11,900	(751)	11,150	1.250	13,937	0.988	13,770	0.000	0.750	0.750	0.750	8,362	1.283	10,733	922	11,654	11,083	571			
11 Fowler	1,886,263	25,000	0.573	10,816	173	1,031	12,020	(758)	11,262	1.250	14,078	0.988	13,909	6,026	1.500	1.000	0.750	11,262	1.283	14,455	755	15,209	14,564	645			
12 Gustine	1,419,177	25,000	0.573	8,138	130	776	9,044	(570)	8,473	1.250	10,592	0.988	10,465	0.000	0.750	0.750	0.750	6,355	1.283	8,157	568	8,724	8,247	477			
13 Hughson	996,779	25,000	0.573	5,716	91	545	6,352	(401)	5,951	1.250	7,439	0.988	7,350	21,116	1.500	1.500	1.500	8,927	1.283	11,458	399	11,857	7,779	4,078			
14 Huron (07/01/10)	1,088,812	25,000	0.573	6,243	100	595	6,938	(438)	6,501	1.250	8,126	0.988	8,029	0.000	0.750	0.750	0.750	4,876	1.283	6,258	436	6,693	6,592	101			
15 Kerman (07/01/00)	3,879,700	25,000	0.573	22,247	355	2,121	24,724	(1,559)	23,164	1.250	28,955	0.988	28,608	1,190	1.190	1.250	1.500	28,955	1.283	37,164	1,552	38,716	34,438	4,278			
16 Kingsburg (07/01/05)	3,541,538	25,000	0.573	20,308	324	1,937	22,569	(1,424)	21,145	1.250	26,431	0.988	26,115	5,962	1.500	1.417	1.167	29,962	1.283	38,457	1,417	39,873	25,352	14,521			
17 Lathrop (10/4/05)	6,540,966	25,000	0.573	37,507	599	3,577	41,683	(2,629)	39,053	1.250	48,817	0.988	48,232	0.000	0.750	0.750	0.750	29,290	1.283	37,594	2,616	40,210	36,681	3,529			
18 Lemoore (07/01/13)	7,575,401	25,000	0.573	43,439	693	4,142	48,274	(3,045)	45,230	1.250	56,537	0.988	55,860	0.000	0.750	0.750	0.750	33,922	1.283	43,539	3,030	46,569	39,268	7,301			
19 Livingston	4,142,846	25,000	0.573	23,756	379	2,265	26,400	(1,665)	24,735	1.250	30,919	0.988	30,549	0.000	0.750	0.750	0.750	18,551	1.283	23,811	1,657	25,468	22,142	3,326			
20 Madera	18,767,890	25,000	0.573	107,619	1,718	10,263	119,599	(7,544)	112,055	1.250	140,069	0.988	138,392	0.000	0.750	0.750	0.750	84,041	1.283	107,867	7,507	115,374	104,924	10,450			
21 McFarland	2,647,349	50,000	0.503	13,316	242	1,448	15,006	(947)	14,060	1.250	17,574	0.988	17,364	24,042	1.500	1.500	1.500	21,089	1.283	27,068	1,059	28,127	28,158	(31)			
22 Mendota (07/01/13)	2,303,571	25,000	0.573	13,209	211	1,260	14,680	(926)	13,754	1.250	17,192	0.988	16,986	0.000	0.750	0.750	0.750	10,315	1.283	13,240	921	14,161	12,889	1,272			
23 Merced (07/01/03)	34,926,178	100,000	0.412	144,057	3,196	19,098	166,351	(10,493)	155,858	1.250	194,823	0.988	192,490	0.088	0.750	0.750	0.750	116,894	1.283	150,033	13,970	164,003	148,905	15,098			
24 Newman	2,700,353	25,000	0.573	15,484	247	1,477	17,208	(1,085)	16,123	1.250	20,153	0.988	19,912	0.000	0.750	0.750	0.750	12,092	1.283	15,520	1,080	16,600	14,328	2,272			
25 Oakdale (8/1/12)	5,541,135	50,000	0.503	27,872	507	3,030	31,409	(1,981)	29,428	1.250	36,785	0.988	36,344	1,423	1.423	1.423	1.302	41,864	1.283	53,733	2,216	55,949	57,987	(2,038)			
26 Orange Cove (07/07/07)	1,928,958	50,000	0.503	9,703	177	1,055	10,934	(690)	10,244	1.250	12,805	0.988	12,652	0.000	0.750	0.750	0.750	7,683	1.283	9,861	772	10,633	10,608	25			
27 Parlier	2,748,207	50,000	0.503	13,823	252	1,503	15,578	(983)	14,595	1.250	18,244	0.988	18,026	6,683	1.500	1.500	1.500	21,893	1.283	28,099	1,099	29,199	20,799	8,400			
28 Patterson (07/01/13)	8,730,706	50,000	0.503	43,915	799	4,774	49,489	(3,122)	46,367	1.250	57,959	0.988	57,265	0.000	0.750	0.750	0.750	34,775	1.283	44,634	3,492	48,126	41,795	6,331			
29 Porterville	20,834,525	25,000	0.573	119,469	1,907	11,393	132,769	(8,375)	124,394	1.250	155,493	0.988	153,631	0.000	0.750	0.750	0.750	93,296	1.283	119,745	8,334	128,078	116,052	12,026			
30 Reedley	8,279,157	25,000	0.573	47,474	758	4,527	52,759	(3,328)	49,431	1.250	61,789	0.988	61,049	0.000	0.750	0.750	0.750	37,073	1.283	47,584	3,312	50,895	45,417	5,478			
31 Riverbank (7/1/12)	3,471,922	50,000	0.503	17,464	318	1,898	19,680	(1,241)	18,439	1.250	23,048	0.988	22,772	0.000	0.750	0.750	0.750	13,829	1.283	17,749	1,389	19,138	17,805	1,333			
32 Sanger (4/18/16)	8,768,006	25,000	0.573	50,278	802	4,794	55,874	(3,524)	52,350	1.250	65,438	0.988	64,654	11,165	1.500	1.500	1.500	78,525	1.283	100,787	3,507	104,294	89,440	14,854			
33 San Joaquin (08/08/03)	612,314	25,000	0.573	3,511	56	335	3,902	(246)	3,656	1.250	4,570	0.988	4,515	0.000	0.750	0.750	0.750	2,742	1.283	3,519	245	3,764	3,802	(38)			
34 Selma	6,429,071	50,000	0.503	32,338	588	3,516	36,442	(2,299)	34,143	1.250	42,679	0.988	42,168	0.000	0.750	0.750	0.750	25,608	1.283	32,867	2,572	35,439	32,771	2,668			
35 Shafter	13,310,231	25,000	0.573	76,324	1,218	7,278	84,820	(5,350)	79,470	1.250	99,337	0.988	98,148	1,056	1.056	1.250	1.500	99,337	1.283	127,499	5,324	132,823	143,872	(11,049)			
36 Sonora (07/01/13)	3,162,020	25,000	0.573	18,132	289	1,729	20,150	(1,271)	18,879	1.250	23,599	0.988	23,316	0.000	0.750	0.750	0.750	14,159	1.283	18,173	1,265	19,438	18,748	690			
37 Taft	7,616,629	25,000	0.573	43,675	697	4,165	48,537	(3,062)	45,476	1.250	56,845	0.988	56,164	0.968	0.968	1.250	1.500	56,845	1.283	72,960	3,047	76,006	61,027	14,979			
38 Tehachapi (7/1/13)	4,949,213	25,000	0.573	28,380	453	2,706	31,539	(1,989)	29,550	1.250	36,937	0.988	36,495	0.000	0.750	0.750	0.750	22,162	1.283	28,445	1,980	30,425					

Employment Risk Management Authority

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~ ERMAC ~

Member	Actual 2018 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 Premium	Increase (Decrease)
										2	3	4	5	6	7	8	Info Only: Prior Year (2018/2019) Experience Modification	9	10	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 Ind. Ex Mod Including .25 capped change over prior year	Prior Year (2018/2019) Experience Modification	Deposit Adjusted for Experience Modification	Off-Balance Factor	Premium Adjusted for Off Balance Factor		
1 Hayward (7/1/16)	\$101,478,933	\$500,000	\$0.096	\$96,983	\$9,287	\$55,490	\$161,761	(\$14,959)	\$146,801	0.903	\$132,612	0.988	\$131,024	0.806	0.806	0.806	0.750	\$118,337	1.036	\$122,595	\$91,148	\$31,447
2 Laguna Hills (7/1/16)	3,235,027	100,000	0.412	13,343	296	1,769	15,408	(1,425)	13,983	0.903	12,632	0.988	12,480	0.000	0.750	0.750	0.750	10,487	1.036	10,865	11,101	(236)
3 Santa Maria (1/1/19)	48,400,587	500,000	0.096	46,256	4,429	26,466	77,152	(7,135)	70,017	0.903	63,250	0.988	62,492			1.000		70,017	1.036	72,537		
Total	\$153,114,547			\$156,583	\$14,013	\$83,725	\$254,321	(\$23,519)	\$230,802		\$208,493		\$205,997					\$198,841		\$205,997	\$102,249	\$31,211
(23,519) JPA participation credit										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								
\$133,064 Net funding																						

Total JPA Payroll	\$165,569,280
Participating Payroll	153,114,547
Participation Credit	9.25%
2017 Payroll	\$91,114,972
2018 Payroll	153,114,547
Percentage Increase	68.05%

Retained Limit Rates - 80% C.L.		
SIR	Factor	Rates
\$25,000	1.14	\$0.573
50,000	1.00	0.503
75,000	0.90	0.453
100,000	0.82	0.412
250,000	0.49	0.246
500,000	0.19	0.096

Other Rates	
Description	Rates
Excess Insurance: \$2M x \$1M ~ \$4M / \$10M Aggregate	\$0.0400
Loss Prevention & Training	0.0092
Administration	0.0547

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Retained Limit Rates - 80% C.L.		
SIR	Factor	Rates
\$25,000	1.14	\$0.573
50,000	1.00	0.503
75,000	0.90	0.453
100,000	0.82	0.412
250,000	0.49	0.246
500,000	0.19	0.096

<i>Other Rates</i>	
Description	Rates
Excess Insurance: \$2M x \$1M ~ \$4M / \$10M Aggregate	\$0.0400
Loss Prevention & Training	0.0092
Administration	0.0547

Employment Risk Management Authority

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~ 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				
	Actual 2018	SIR	Payroll/100 Pool	Funding For	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	Capped Ind. Ex Mod Including .25 capped change over prior year	Prior Year (2018/2019) Experience Modification	Deposit Adjusted for Experience Modification	Off-Balance Factor	Premium Adjusted for Off Balance Factor	Excess Insurance \$2M x \$1M	TOTAL Deposit Premium	Prior Year Deposit Premium	Increase (Decrease)	
Member	Payroll	Selected	Rate	Losses																					
1 Antioch	\$32,077,410	\$50,000	\$0.503	\$161,349	\$2,936	\$17,540	\$181,825	(\$16,590)	\$165,236	0.840	\$138,813	0.988	\$137,151	0.000	0.750	0.750	0.750	\$123,927	0.926	\$114,814	\$12,831	\$127,645	\$108,995	\$18,650	
2 Brentwood	32,742,510	50,000	0.503	164,695	2,997	17,904	185,595	(16,934)	168,662	0.840	141,691	0.988	139,994	0.701	0.750	0.750	0.750	126,496	0.926	117,195	13,097	130,292	104,458	25,834	
3 Clayton	2,271,038	50,000	0.503	11,423	208	1,242	12,873	(1,175)	11,698	0.840	9,828	0.988	9,710	0.000	0.750	0.750	0.750	8,774	0.926	8,129	908	9,037	7,351	1,686	
4 Danville	8,728,844	50,000	0.503	43,906	799	4,773	49,478	(4,514)	44,964	0.840	37,773	0.988	37,321	0.000	0.750	0.750	0.750	33,723	0.926	31,243	3,492	34,735	28,672	6,063	
5 El Cerrito	20,838,781	50,000	0.503	104,819	1,907	11,395	118,121	(10,777)	107,344	0.840	90,178	0.988	89,099	0.000	0.750	0.750	0.750	80,508	0.926	74,588	8,336	82,924	67,249	15,675	
6 Hercules	7,245,302	50,000	0.503	36,444	663	3,962	41,069	(3,747)	37,322	0.840	31,353	0.988	30,978	1.780	1.500	1.000	0.750	37,322	0.926	34,577	2,898	37,476	23,216	14,260	
7 LaFayette	4,429,383	50,000	0.503	22,280	405	2,422	25,107	(2,291)	22,816	0.840	19,168	0.988	18,938	0.000	0.750	0.750	0.750	17,112	0.926	15,854	1,772	17,626	14,219	3,407	
8 Manteca	37,885,634	50,000	0.503	190,565	3,467	20,716	214,748	(19,594)	195,155	0.840	163,947	0.988	161,984	1.496	1.496	1.339	1.089	261,312	0.926	242,098	15,154	257,252	174,592	82,660	
9 Martinez	13,790,322	50,000	0.503	69,365	1,262	7,541	78,168	(7,132)	71,036	0.840	59,677	0.988	58,962	0.000	0.750	0.750	0.750	53,277	0.926	49,360	5,516	54,876	43,412	11,464	
10 Moraga	3,858,750	50,000	0.503	19,410	353	2,110	21,873	(1,996)	19,877	0.840	16,698	0.988	16,499	0.000	0.750	0.750	0.750	14,908	0.926	13,812	1,544	15,355	11,940	3,415	
11 Oakley (07/01/02)	9,130,868	50,000	0.503	45,928	836	4,993	51,757	(4,722)	47,035	0.840	39,513	0.988	39,040	0.000	0.750	0.750	0.750	35,276	0.926	32,682	3,652	36,334	35,253	1,081	
12 Orinda	3,629,613	50,000	0.503	18,257	332	1,985	20,574	(1,877)	18,697	0.840	15,707	0.988	15,519	0.000	0.750	0.750	0.750	14,023	0.926	12,991	1,452	14,443	11,497	2,946	
13 Pacifica (03/09/07)	18,018,205	75,000	0.453	81,568	1,649	9,853	93,070	(8,492)	84,578	0.840	71,053	0.988	70,203	0.000	0.750	0.750	0.750	63,434	0.926	58,769	7,207	65,977	56,708	9,269	
14 Pinole	9,109,957	50,000	0.503	45,823	834	4,981	51,638	(4,711)	46,927	0.840	39,423	0.988	38,951	0.000	0.750	0.750	0.750	35,195	0.926	32,607	3,644	36,251	27,817	8,434	
15 Pittsburg	27,352,663	50,000	0.503	137,584	2,503	14,957	155,044	(14,146)	140,898	0.840	118,367	0.988	116,949	2.229	1.500	1.500	1.500	211,347	0.926	195,806	10,941	206,747	163,972	42,775	
16 Pleasant Hill	12,389,614	50,000	0.503	62,320	1,134	6,775	70,228	(6,408)	63,821	0.840	53,615	0.988	52,973	6.561	1.500	1.000	0.750	63,821	0.926	59,128	4,956	64,084	42,544	21,540	
17 San Pablo	15,215,439	100,000	0.412	62,758	1,392	8,320	72,470	(6,612)	65,858	0.840	55,326	0.988	54,664	0.000	0.750	0.750	0.750	49,393	0.926	45,762	6,086	51,848	38,012	13,836	
18 San Ramon	32,890,385	50,000	0.503	165,439	3,010	17,985	186,434	(17,010)	169,423	0.840	142,331	0.988	140,627	0.000	0.750	0.750	0.750	127,068	0.926	117,724	13,156	130,880	98,893	31,987	
19 Walnut Creek	39,605,592	50,000	0.503	199,216	3,625	21,657	224,498	(20,483)	204,014	0.840	171,390	0.988	169,338	0.000	0.750	0.750	0.750	153,011	0.926	141,760	15,842	157,602	205,610	(48,008)	
Total	\$331,210,310			\$1,643,149	\$30,311	\$181,111	\$1,854,571	(\$169,211)	\$1,685,360		\$1,415,851		\$1,398,900					\$1,509,925		\$1,398,900	\$132,484	\$1,531,384	\$1,264,410	\$266,974	

(169,211) JPA participation credit
\$1,473,938 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	\$363,010,370
Participating Payroll	331,210,310
Participation Credit	9.12%
2017 Payroll	\$315,821,765
2018 Payroll	331,210,310
Percentage Increase	4.87%

Retained Limit Rates - 80% C.L.		
SIR	Factor	Rates
\$25,000	1.14	\$0.573
50,000	1.00	0.503
75,000	0.90	0.453
100,000	0.82	0.412
250,000	0.49	0.246
500,000	0.19	0.096

Other Rates	
Description	Rates
Excess Insurance: \$2M x \$1M ~ \$4M / \$10M Aggregate	\$0.0400
Loss Prevention & Training	0.0092
Administration	0.0547

Employment Risk Management Authority

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~ PARSAC ~

Member	1									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 Premium	Increase (Decrease)
	Actual 2018 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	Dep Prem 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	Info Only: Prior Year (2018/2019) Experience Modification	Deposit Adjusted for Experience Modification	Off-Balance Factor	Premium Adjusted for Off Balance Factor			
1 Amador	\$40,620	\$25,000	\$233	\$4	\$22	\$259	(\$20)	\$239	0.946	\$226	0.988	\$223	0.000	0.750	0.750	0.750	0.750	\$179	1.069	\$191	\$212	(\$21)
2 Avalon	6,475,507	25,000	37,132	593	3,541	41,265	(3,211)	38,054	0.946	36,017	0.988	35,586	0.000	0.750	0.750	0.750	0.750	28,541	1.069	30,503	36,060	(5,557)
3 Belvedere (7/1/15)	2,351,741	25,000	13,485	215	1,286	14,987	(1,166)	13,820	0.946	13,080	0.988	12,924	0.000	0.750	0.750	0.750	0.750	10,365	1.069	11,078	13,116	(2,038)
4 Blue Lake	450,698	25,000	2,584	41	246	2,872	(224)	2,649	0.946	2,507	0.988	2,477	0.000	0.750	0.750	0.750	0.750	1,986	1.069	2,123	2,348	(225)
5 California City	6,595,411	100,000	27,203	604	3,606	31,413	(2,445)	28,969	0.946	27,418	0.988	27,090	6.288	1.500	1.500	1.500	1.500	43,453	1.069	46,441	54,643	(8,202)
6 Calimesa	1,411,694	25,000	8,095	129	772	8,996	(700)	8,296	0.946	7,852	0.988	7,758	0.000	0.750	1.250	1.500	1.500	10,370	1.069	11,083	8,567	2,516
7 Calistoga	5,703,945	25,000	32,708	522	3,119	36,349	(2,829)	33,520	0.946	31,725	0.988	31,345	0.000	0.750	0.750	0.750	0.750	25,140	1.069	26,869	29,161	(2,292)
8 Citrus Heights	18,696,051	100,000	77,114	1,711	10,223	89,048	(6,930)	82,118	0.946	77,722	0.988	76,791	0.000	0.750	0.750	0.750	0.750	61,589	1.069	65,824	74,968	(9,144)
9 Clearlake	3,892,585	25,000	22,321	356	2,129	24,806	(1,930)	22,875	0.946	21,651	0.988	21,391	0.553	0.750	0.750	0.750	0.750	17,156	1.069	18,336	19,526	(1,190)
10 Coalinga	4,959,828	25,000	28,441	454	2,712	31,607	(2,460)	29,147	0.946	27,587	0.988	27,256	1.371	1.371	1.000	0.750	0.750	29,147	1.069	31,151	50,289	(19,138)
11 Ferndale	656,777	25,000	3,766	60	359	4,185	(326)	3,860	0.946	3,653	0.988	3,609	0.000	0.750	0.750	0.750	0.750	2,895	1.069	3,094	3,604	(510)
12 Grass Valley	7,227,435	25,000	41,444	661	3,952	46,057	(3,584)	42,473	0.946	40,199	0.988	39,718	0.000	0.750	0.750	0.750	0.750	31,855	1.069	34,045	35,003	(958)
13 Highland	2,823,158	25,000	16,189	258	1,544	17,991	(1,400)	16,591	0.946	15,702	0.988	15,514	0.000	0.750	0.750	0.750	0.750	12,443	1.069	13,299	14,737	(1,438)
14 Menifee (10/1/08)	6,100,132	25,000	34,979	558	3,336	38,873	(3,025)	35,848	0.946	33,929	0.988	33,523	0.000	0.750	0.750	0.750	0.750	26,886	1.069	28,735	47,559	(18,824)
15 Nevada City	2,554,277	25,000	14,647	234	1,397	16,277	(1,267)	15,011	0.946	14,207	0.988	14,037	0.000	0.750	0.750	0.750	0.750	11,258	1.069	12,032	13,472	(1,440)
16 Pacific Grove	6,590,870	50,000	33,152	603	3,604	37,359	(2,907)	34,452	0.946	32,607	0.988	32,217	0.000	0.750	0.750	0.750	0.750	25,839	1.069	27,616	31,012	(3,396)
17 Placentia	12,175,819	100,000	50,220	1,114	6,658	57,993	(4,513)	53,480	0.946	50,616	0.988	50,010	0.000	0.750	0.750	0.750	0.750	40,110	1.069	42,868	77,483	(34,615)
18 Placerville	6,459,088	50,000	32,489	591	3,532	36,612	(2,849)	33,763	0.946	31,955	0.988	31,573	0.000	0.750	0.750	0.750	0.750	25,322	1.069	27,064	29,424	(2,360)
19 Plymouth	628,673	25,000	3,605	58	344	4,006	(312)	3,694	0.946	3,497	0.988	3,455	0.000	0.750	0.750	0.750	0.750	2,771	1.069	2,961	2,853	108
20 Point Arena	364,741	25,000	2,091	33	199	2,324	(181)	2,143	0.946	2,029	0.988	2,004	0.000	0.750	0.750	0.750	0.750	1,608	1.069	1,718	2,730	(1,012)
21 Rancho Cucamonga	30,893,097	250,000	76,142	2,827	16,893	95,862	(7,460)	88,402	0.946	83,669	0.988	82,668	2.011	1.500	1.000	0.750	0.750	88,402	1.069	94,481	78,172	16,309
22 Rancho Cucamonga FPD (7/1/16)	17,732,745	75,000	80,276	1,623	9,697	91,596	(7,128)	84,467	0.946	79,945	0.988	78,988	0.000	0.750	0.750	0.750	0.750	63,351	1.069	67,707	77,173	(9,466)
23 Rancho Santa Margarita (1/1/04)	2,649,876	25,000	15,195	243	1,449	16,886	(1,314)	15,572	0.946	14,739	0.988	14,562	0.000	0.750	0.750	0.750	0.750	11,679	1.069	12,482	14,205	(1,723)
24 San Juan Bautista	588,647	25,000	3,375	54	322	3,751	(292)	3,459	0.946	3,274	0.988	3,235	0.000	0.750	0.750	0.750	0.750	2,594	1.069	2,773	2,690	83
25 South Lake Tahoe	18,428,864	100,000	76,012	1,687	10,077	87,775	(6,831)	80,945	0.946	76,611	0.988	75,694	0.000	0.750	0.750	0.750	0.750	60,708	1.069	64,883	101,694	(36,811)
26 Tehama	32,330	25,000	185	3	18	206	(16)	190	0.946	180	0.988	178	0.000	0.750	0.750	0.750	0.750	142	1.069	152	168	(16)
27 Trinidad	345,867	25,000	1,983	32	189	2,204	(172)	2,033	0.946	1,924	0.988	1,901	0.000	0.750	0.750	0.750	0.750	1,524	1.069	1,629	1,850	(221)
28 Truckee	9,592,170	25,000	55,003	878	5,245	61,126	(4,757)	56,370	0.946	53,352	0.988	52,713	0.000	0.750	0.750	0.750	0.750	42,277	1.069	45,184	49,968	(4,784)
29 Twentynine Palms	2,565,482	25,000	14,711	235	1,403	16,349	(1,272)	15,076	0.946	14,269	0.988	14,098	0.000	0.750	0.750	0.750	0.750	11,307	1.069	12,085	12,590	(505)
30 Watsonville	29,831,752	250,000	73,526	2,730	16,312	92,569	(7,204)	85,365	0.946	80,795	0.988	79,828	1.457	1.457	1.457	1.432	124,398	1.069	132,953	123,090	9,863	
32 Wheatland	1,635,694	25,000	9,379	150	894	10,424	(811)	9,612	0.946	9,098	0.988	8,989	0.000	0.750	0.750	0.750	0.750	7,209	1.069	7,705	8,169	(464)
33 Wildomar (7/1/08)	1,223,142	25,000	7,014	112	669	7,795	(607)	7,188	0.946	6,803	0.988	6,722	0.000	0.750	0.750	0.750	0.750	5,391	1.069	5,762	6,271	(509)
34 Yountville	3,363,749	25,000	19,288	308	1,839	21,436	(1,668)	19,767	0.946	18,709	0.988	18,485	0.000	0.750	1.250	1.500	1.500	24,709	1.069	26,408	28,261	(1,853)
35 Yucaipa	4,879,316	50,000	24,543	447	2,668	27,658	(2,152)	25,505	0.946	24,140	0.988	23,851	0.000	0.750	0.750	0.750	0.750	19,129	1.069	20,444	21,303	(859)
36 Yucca Valley	2,160,821	100,000	8,913	198	1,182	10,292	(801)	9,491	0.946	8,983	0.988	8,875	0.000	0.750	0.750	0.750	0.750	7,118	1.069	7,608	10,932	(3,324)
Total	\$222,082,602		\$947,445	\$20,324	\$121,438	\$1,089,207	(\$84,763)	\$1,004,444		\$950,669		\$939,287					\$878,853		\$939,287	\$1,083,303	(\$144,016)	
			(84,763)	JPA participation credit					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									
			\$862,682	Net funding																		

Total JPA Payroll	\$285,376,860
Participating Payroll	222,082,602
Participation Credit	7.78%
2017 Payroll	\$241,906,438
2018 Payroll	222,082,602
Percentage Increase	-8.19%

Retained Limit Rates - 80% C.L.		
SIR	Factor	Rates
\$25,000	1.14	\$0.573
50,000	1.00	0.503
75,000	0.90	0.453
100,000	0.82	0.412
250,000	0.49	0.246
500,000	0.19	0.096

Other Rates	
Description	Rates
Excess Insurance: \$2M x \$1M - \$4M / \$10M Aggregate	\$0.0400
Loss Prevention & Training	0.0092
Administration	0.0547

Employment Risk Management Authority

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~ PERMA ~

Member	Actual 2018 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 Premium	Increase (Decrease)
										2	3	4	5	6	7	8	Info Only: Prior Year (2018/2019) Experience Modification	9	10	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 ind. Ex Mod Including .25 capped change over prior year		Deposit Adjusted for Experience Modification	Off-Balance Factor	Premium Adjusted for Off Balance Factor		
1 Adelanto (07/1/03)	\$3,174,253	\$250,000	\$0.246	\$7,824	\$290	\$1,736	\$9,850	(\$810)	\$9,040	1.205	\$10,892	0.988	\$10,762	52.000	1.500	1.500	1.500	\$13,560	1.269	\$17,212	\$11,292	\$5,920
2 Banning (02/14/02)	16,389,782	25,000	0.573	93,982	1,500	8,962	104,444	(8,586)	95,858	1.205	115,496	0.988	114,113	5.351	1.500	1.500	1.500	143,788	1.269	182,508	156,207	26,301
3 Barstow (02/04/02)	15,598,520	25,000	0.573	89,445	1,428	8,529	99,402	(8,172)	91,231	1.205	109,920	0.988	108,604	5.089	1.500	1.500	1.500	136,846	1.269	173,697	103,582	70,115
4 Canyon Lake (7/1/11)	494,702	25,000	0.573	2,837	45	271	3,153	(259)	2,893	1.205	3,486	0.988	3,444	0.000	0.750	0.750	0.750	2,170	1.269	2,754	2,447	307
5 Cathedral City (02/14/01)	22,999,326	25,000	0.573	131,883	2,105	12,576	146,564	(12,049)	134,515	1.205	162,073	0.988	160,132	0.737	0.750	0.750	0.750	100,887	1.269	128,055	106,566	21,489
6 Coachella (10/01/00)	5,963,822	25,000	0.573	34,198	546	3,261	38,005	(3,124)	34,880	1.205	42,026	0.988	41,523	0.000	0.750	0.750	0.750	26,160	1.269	33,205	29,966	3,239
7 Desert Hot Springs (07/01/01)	5,517,435	25,000	0.573	31,638	505	3,017	35,160	(2,890)	32,270	1.205	38,880	0.988	38,415	0.000	0.750	0.750	0.750	24,202	1.269	30,720	23,081	7,639
8 Eastvale (7/1/15)	1,385,475	25,000	0.573	7,945	127	758	8,829	(726)	8,103	1.205	9,763	0.988	9,646	0.000	0.750	0.750	0.750	6,077	1.269	7,714	4,233	3,481
9 Hesperia (7/1/10)	12,301,998	50,000	0.503	61,879	1,126	6,727	69,732	(5,732)	63,999	1.205	77,110	0.988	76,187	0.016	0.750	0.750	0.750	48,000	1.269	60,925	53,707	7,218
10 Holtville (7/1/08)	1,268,229	25,000	0.573	7,272	116	693	8,082	(664)	7,417	1.205	8,937	0.988	8,830	0.000	0.750	0.750	0.750	5,563	1.269	7,061	6,426	635
11 ICTC (7/1/12)	644,765	25,000	0.573	3,697	59	353	4,109	(338)	3,771	1.205	4,544	0.988	4,489	0.000	0.750	0.750	0.750	2,828	1.269	3,590	2,809	781
12 Jurupa Valley (11/2/15)	1,471,695	25,000	0.573	8,439	135	805	9,378	(771)	8,607	1.205	10,371	0.988	10,247	0.000	0.750	0.750	0.750	6,456	1.269	8,194	6,432	1,762
13 La Mesa (07/01/02)	24,012,160	25,000	0.573	137,691	2,198	13,130	153,018	(12,579)	140,439	1.205	169,210	0.988	167,184	0.137	0.750	0.750	0.750	105,329	1.269	133,694	116,679	17,015
14 Murrieta (07/01/01)	26,173,617	100,000	0.412	107,956	2,395	14,312	124,663	(10,248)	114,415	1.205	137,854	0.988	136,204	0.000	0.750	0.750	0.750	85,811	1.269	108,920	94,197	14,723
15 Palm Sps Tram (11/01/05)	4,906,556	25,000	0.573	28,135	449	2,683	31,267	(2,570)	28,697	1.205	34,576	0.988	34,162	0.000	0.750	0.750	0.750	21,523	1.269	27,318	23,113	4,205
16 Perris (09/25/00)	7,175,027	25,000	0.573	41,143	657	3,923	45,723	(3,759)	41,964	1.205	50,561	0.988	49,956	0.000	0.750	0.750	0.750	31,473	1.269	39,949	32,756	7,193
17 San Jacinto (07/01/18)	3,824,668	25,000	0.573	21,931	350	2,091	24,373	(2,004)	22,369	1.205	26,952	0.988	26,629	0.000	0.750	0.750	1.000	16,777	1.269	21,295	22,459	(1,164)
18 SDRTC (11/04/13)	589,513	25,000	0.573	3,380	54	322	3,757	(309)	3,448	1.205	4,154	0.988	4,104	0.000	0.750	0.750	0.750	2,586	1.269	3,282	4,572	(1,290)
19 Stanton (07/01/01)	3,474,381	25,000	0.573	19,923	318	1,900	22,141	(1,820)	20,320	1.205	24,483	0.988	24,190	0.000	0.750	0.750	0.750	15,240	1.269	19,344	15,538	3,806
20 SunLine (11/04/13)	16,474,031	50,000	0.503	82,864	1,508	9,008	93,380	(7,677)	85,704	1.205	103,261	0.988	102,025	1.640	1.500	1.500	1.500	128,556	1.269	163,175	125,461	37,714
21 Victorville (07/01/01)	28,539,240	25,000	0.573	163,650	2,612	15,606	181,867	(14,951)	166,916	1.205	201,111	0.988	198,704	0.000	0.750	0.750	0.750	125,187	1.269	158,899	139,163	19,736
22 VVTA (7/1/12)	1,405,607	25,000	0.573	8,060	129	769	8,957	(736)	8,221	1.205	9,905	0.988	9,787	0.000	0.750	0.750	0.750	6,166	1.269	7,826	6,179	1,647
Total	\$203,784,802			\$1,095,771	\$18,650	\$111,432	\$1,225,854	(\$100,774)	\$1,125,080		\$1,355,567		\$1,339,338					\$1,055,184		\$1,339,338	\$1,086,865	\$252,473
				(100,774)	JPA participation credit																	
				\$994,998	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	\$247,891,956
Participating Payroll	203,784,802
Participation Credit	8.22%
2017 Payroll	\$194,633,979
2018 Payroll	203,784,802
Percentage Increase	4.70%

Retained Limit Rates - 80% C.L.		
SIR	Factor	Rates
\$25,000	1.14	\$0.573
50,000	1.00	0.503
75,000	0.90	0.453
100,000	0.82	0.412
250,000	0.49	0.246
500,000	0.19	0.096

Other Rates	
Description	Rates
Excess Insurance: \$2M x \$1M - \$4M / \$10M Aggregate	\$0.0400
Loss Prevention & Training	0.0092
Administration	0.0547

Employment Risk Management Authority
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~ SCORE ~

										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			
Member	Actual 2018 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	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 (2018/2019) Experience Modification	Deposit Adjusted for Experience Modification	Off-Balance Factor	Premium Adjusted for Off Balance Factor	Prior Year Deposit Premium	Increase (Decrease)	
1 Biggs (7/1/17)	\$401,784	\$25,000	\$0.465	\$1,869	\$37	\$220	\$2,125	(\$193)	\$1,932	0.883	1,706	0.988	1,686	0.000	0.750	0.750	0.750	1,449	1.154	1,672	1,591	81	
2 Colfax	686,920	25,000	0.465	3,195	63	376	3,633	(331)	3,303	0.883	2,917	0.988	2,882	0.000	0.750	0.750	0.750	2,477	1.154	2,858	3,175	(317)	
3 Fort Jones (1/1/19)	529,759	25,000	0.465	2,464	48	290	2,802	(255)	2,547	0.883	2,250	0.988	2,223			1.000		2,547	1.154	2,939			
4 Live Oak (07/01/04)	1,386,600	25,000	0.465	6,449	127	758	7,334	(667)	6,667	0.883	5,888	0.988	5,818	0.000	0.750	0.750	0.750	5,000	1.154	5,770	5,593	177	
5 Loomis (7/1/12)	945,312	25,000	0.465	4,397	87	517	5,000	(455)	4,545	0.883	4,014	0.988	3,966	0.000	0.750	0.750	0.750	3,409	1.154	3,934	3,438	496	
6 Mt. Shasta (07/01/01)	2,187,871	25,000	0.465	10,176	200	1,196	11,573	(1,053)	10,520	0.883	9,291	0.988	9,180	0.000	0.750	0.750	0.750	7,890	1.154	9,104	8,349	755	
7 Portola	690,092	25,000	0.465	3,210	63	377	3,650	(332)	3,318	0.883	2,930	0.988	2,895	0.000	0.750	0.750	0.750	2,489	1.154	2,872	3,004	(132)	
8 Rio Dell (07/01/02)	1,017,410	25,000	0.465	4,732	93	556	5,382	(490)	4,892	0.883	4,320	0.988	4,269	0.000	0.750	0.750	0.750	3,669	1.154	4,234	4,090	144	
9 Shasta Lake	4,059,564	25,000	0.465	18,882	372	2,220	21,473	(1,953)	19,520	0.883	17,239	0.988	17,033	0.000	0.750	0.750	0.750	14,640	1.154	16,893	15,680	1,213	
10 Susanville (07/01/04)	3,992,735	25,000	0.465	18,571	365	2,183	21,120	(1,921)	19,199	0.883	16,955	0.988	16,752	0.000	0.750	0.750	0.750	14,399	1.154	16,615	15,945	670	
11 Tulelake (7/1/15)	398,502	25,000	0.465	1,854	36	218	2,108	(192)	1,916	0.883	1,692	0.988	1,672	0.000	0.750	0.750	0.750	1,437	1.154	1,658	1,497	161	
12 Weed (7/1/15)	2,123,163	100,000	0.335	7,103	194	1,161	8,459	(769)	7,689	0.883	6,791	0.988	6,709	0.000	0.750	0.750	0.750	5,767	1.154	6,654	5,448	1,206	
13 Yreka	3,490,580	25,000	0.465	16,235	319	1,909	18,464	(1,679)	16,784	0.883	14,823	0.988	14,645	0.000	0.750	0.750	0.750	12,588	1.154	14,525	12,841	1,684	
Total	\$21,910,292			\$99,137	\$2,005	\$11,981	\$113,123	(\$10,290)	\$102,833	\$90,817 \$89,730				\$77,762						\$89,730	\$80,651	\$6,139	
										(10,290) JPA participation credit													
										\$88,847 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	\$24,087,153
Participating Payroll	21,910,292
Participation Credit	9.10%
2017 Payroll	\$20,557,794
2018 Payroll	21,910,292
Percentage Increase	6.58%

Retained Limit Rates - 80% C.L.		
SIR	Factor	Rates
\$25,000	1.14	\$0.465
50,000	1.00	0.408 **
75,000	0.90	0.367
100,000	0.82	0.335
250,000	0.49	0.200
500,000	0.19	0.078

Other Rates	
Description	Rates
Excess Insurance: \$2M x \$1M - \$4M / \$10M Aggregate	\$0.0400
Loss Prevention & Training	0.0092
Administration	0.0547

** SCORE receives a \$.095 credit off the base rate due to its adjoining CJPRMA coverage in the layer from \$500K to \$1M.

Employment Risk Management Authority

~ 2019/2020 Draft 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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										JPA Experience		Dep Prem Adjusted for Experience		Dep Prem Adjusted for Off Balance		Individual Experience		Capped Individual Experience		Capped Ind. Ex Mod Including .25 capped change over prior year		Prior Year (2018/2019) Experience		Deposit Adjusted for Experience		Off-Balance		Premium Adjusted for Off Balance		Excess Insurance \$2M x \$1M		TOTAL Deposit Premium		Prior Year Deposit Premium		Increase (Decrease)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
Member	Actual 2018 Payroll	SIR Selected	Payroll/100 Pool Rate	Funding For Losses	Loss Prevention & Training	Admin. Costs	Deposit Premium	JPA Participation Credit	Net Deposit Premium	Modification Factor	Modification	Factor	Factor	Modification Factor	Modification	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Factor	Fac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Total JPA Payroll	\$60,163,759
Participating Payroll	59,467,956
Participation Credit	-9.88%
2017 Payroll	\$55,554,010
2018 Payroll	59,467,956
Percentage Increase	7.05%

Retained Limit Rates - 80% C.L.		
SIR	Factor	Rates
\$25,000	1.14	\$0.573
50,000	1.00	0.503
75,000	0.90	0.453
100,000	0.82	0.412
250,000	0.49	0.246
500,000	0.19	0.096

Other Rates	
Description	Rates
Excess Insurance: \$2M x \$1M ~ \$4M / \$10M Aggregate	\$0.0400
Loss Prevention & Training	0.0092
Administration	0.0547

Employment Risk Management Authority

~ 2019/2020 Draft Operating Budget ~

~ Oakland Housing Authority ~

Member	Actual 2018 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 \$2M x \$1M	TOTAL Deposit Premium	Prior Year Deposit Premium	Increase (Decrease)
Oakland H.A.	\$29,405,018	\$50,000	\$147,907	\$2,691	\$16,079	\$166,677		\$166,677	1.043	\$173,809	0.988	\$171,728	\$11,762	\$183,490	\$164,697	\$18,793
Total	\$29,405,018		\$147,907	\$2,691	\$16,079	\$166,677	\$0	\$166,677		\$173,809		\$171,728	\$11,762	\$183,490	\$164,697	\$18,793

Participation Credit N/A

2017 Payroll	\$28,486,957
2018 Payroll	29,405,018
Percentage Increase	3.22%

Retained Limit Rates - 80% C.L.		
SIR	Factor	Rates
\$25,000	1.14	\$0.573
50,000	1.00	0.503
75,000	0.90	0.453
100,000	0.82	0.412
250,000	0.49	0.246
500,000	0.19	0.096

Other Rates	
Description	Rates
Excess Insurance: \$2M x \$1M ~ \$4M / \$10M Aggregate	\$0.0400
Loss Prevention & Training	0.0092
Administration	0.0547

Employment Risk Management Authority

~ 2019/2020 Draft Operating Budget ~

~ Contra Costa County Housing Authority ~

Member	Actual 2018 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	Excess Insurance \$2M x \$1M	TOTAL Deposit Premium	Prior Year Deposit Premium	Increase (Decrease)
Contra Costa H.A.	\$5,320,183	\$50,000	\$26,761	\$487	\$2,909	\$30,157		\$30,157	0.940	\$28,359	0.988	\$28,020	\$2,128	\$30,148	\$28,350	\$1,798
Total	\$5,320,183		\$26,761	\$487	\$2,909	\$30,157	\$0	\$30,157		\$28,359		\$28,020	\$2,128	\$30,148	\$28,350	\$1,798

Participation Credit N/A

2017 Payroll	\$5,220,093
2018 Payroll	5,320,183
Percentage Increase	1.92%

Retained Limit Rates - 80% C.L.		
SIR	Factor	Rates
\$25,000	1.14	\$0.573
50,000	1.00	0.503
75,000	0.90	0.453
100,000	0.82	0.412
250,000	0.49	0.246
500,000	0.19	0.096

Other Rates	
Description	Rates
Excess Insurance: \$2M x \$1M ~ \$4M / \$10M Aggregate	\$0.0400
Loss Prevention & Training	0.0092
Administration	0.0547

**Employment Risk Management Authority
Experience Modification Calculation
~ 2019/2020 Draft Operating Budget ~**

Calendar Year Payroll						Incurred Losses at 12/31/18 Individual Losses from \$25k and Capped at \$500k						Experience Modification Calculation										Prior Year	
	Actual 2013 Payroll	Actual 2014 Payroll	Actual 2015 Payroll	Actual 2016 Payroll	(Not Used) Actual 2017 Payroll	(Not Used or Updated) Program Year 2013/2014	Program Year 2014/2015	Program Year 2015/2016	Program Year 2016/2017	Program Year 2017/2018	(Not Used) Program Year 2018/2019	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)
BCJPIA																							
1 Albany/Albany JPA	\$ 8,509,376	\$ 8,872,594	\$ 9,780,063	\$ 9,800,501		-	-	-	-	-		\$ 9,240,634	\$ -	- \$ 15,269	-	0.083	-0.083	0.917		0.750		0.750	
2 Brisbane	6,889,424	7,374,403	8,491,299	8,700,279		-	-	-	-	-		7,863,851	-	- 12,994	-	0.077	-0.077	0.923		0.750		0.750	
3 Central Marin PA (formerly Twin Cities) +	5,544,993	5,503,543	4,902,795	4,680,063		-	-	-	-	-		5,157,849	-	- 8,523	-	0.062	-0.062	0.938		0.750		0.750	
4 Corte Madera (7/1/17)	5,151,163	5,515,504	5,390,374	5,778,674		-	-	-	-	-		5,458,929	-	- 9,020	-	0.064	-0.064	0.936		0.750		0.750	
5 Emeryville (Includes MESA)	10,729,725	11,322,378	12,699,712	12,998,017		-	-	-	-	-		11,937,458	-	- 19,726	-	0.095	-0.095	0.905		0.750		0.750	
6 Emeryville MESA	Inc.	Inc.	Inc.	Inc.		-	-	-	-	-		2,480,324	-	- 4,099	-	0.043	-0.043	0.957		0.750		0.750	
7 Fairfax	2,358,747	2,456,789	2,469,190	2,636,569		-	-	-	-	-		5,570,267	-	- 9,204	-	0.065	-0.065	0.935		0.750		0.750	
8 Larkspur	5,366,320	5,435,284	5,774,706	5,704,758		-	-	-	-	-		11,507,420	15,158	0.132	19,015	0.797	0.093	-0.019	0.981	0.797	1.082		
9 Los Altos (7/1/12)	11,299,928	11,531,648	12,491,902	10,706,200		26,785	11,013	49,617	-	-		24,039,634	69,280	0.288	39,723	1.744	0.134	0.100	1.100	1.500	0.750		
10 Menlo Park (7/1/02)	22,404,763	22,490,925	24,010,597	27,252,249		-	-	-	277,119	-		14,534,846	-	- 24,018	-	0.104	-0.104	0.896		0.750		0.750	
11 Mill Valley (7/1/01)	13,516,069	14,187,706	15,381,285	15,054,322		-	-	-	-	-		16,154,784	9,652	0.060	26,694	0.362	0.110	-0.070	0.930	0.750	1.500		
12 Novato (9/1/07)	15,291,222	15,522,912	17,155,164	16,649,838		147,115	-	38,608	-	-		11,405,328	50,000	0.438	18,846	2.653	0.092	0.153	1.153	1.500	1.500		
13 Piedmont	10,662,110	11,376,475	11,664,074	11,918,651		-	-	175,000	-	25,000		38,122,798	-	- 62,995	-	0.169	-0.169	0.831	0.750	0.750		0.750	
14 Pleasanton	36,121,288	37,455,483	38,992,201	39,922,220		-	-	-	-	-		2,536,759	-	- 4,192	-	0.044	-0.044	0.956	0.750	0.750		0.750	
15 San Anselmo +	2,549,000	2,520,527	2,486,777	2,590,732		-	-	-	-	-		5,852,870	-	- 9,671	-	0.066	-0.066	0.934	0.750	0.750		0.750	
16 Sausalito	5,787,599	5,840,302	5,962,361	5,821,219		-	-	-	-	-		3,222,189	-	- 5,324	-	0.049	-0.049	0.951	0.750	0.750		0.750	
17 Tiburon (7/1/11)	3,259,487	3,122,699	3,259,507	3,247,062		-	-	-	-	-		24,472,994	-	- 40,440	-	0.135	-0.135	0.865	0.750	0.750		0.750	
18 Union City	22,924,548	23,948,742	24,113,227	26,905,460		-	-	-	-	-													
BCJPIA Total	188,365,762	194,477,914	205,025,234	210,366,814		173,900	11,013	263,225	277,119	25,000		199,558,931	150,051	0.075	329,754	0.455	0.387	-0.211	0.789	0.789		0.773	
CalTIP (7/1/17)																							
1 El Dorado County TA	2,370,266	2417671.80	2,466,025.24	3,083,889.00			-	-	-	-		\$ 2,584,463	\$ -	- \$ 4,271	-	0.044	-0.044	0.956		0.750		0.750	
2 Humboldt Transit	1,796,448	1832377.20	1,869,024.75	2,204,675.00			-	-	-	-		1,925,631	-	- 3,182	-	0.038	-0.038	0.962		0.750		0.750	
3 Livermore Amador Valley TA	2,824,332	2880818.53	2,938,434.90	1,308,339.00			-	-	-	-		2,487,981	-	- 4,111	-	0.043	-0.043	0.957		0.750		0.750	
4 Mendocino Transit	2,200,162	2244165.02	2,289,048.32	2,440,587.00			-	-	-	-		2,293,491	-	- 3,790	-	0.041	-0.041	0.959		0.750		0.750	
5 Morongo Basin TA	1,113,377	1135644.27	1,158,357.16	1,193,205.00			-	-	-	-		1,150,146	-	- 1,901	-	0.029	-0.029	0.971		0.750		0.750	
6 San Luis Obispo Regional TA	3,048,494	3109463.64	3,171,652.91	4,402,713.00			-	-	-	-		3,433,081	-	- 5,673	-	0.051	-0.051	0.949		0.750		0.750	
7 South County Transit	353,291	360357.19	367,564.34	419,832.00			-	-	-	-		375,261	-	- 620	-	0.017	-0.017	0.983		0.750		0.750	
8 Tahoe Transportation District	261,245	266470.38	271,799.79	1,751,626.00			-	-	-	-		637,785	-	- 1,054	-	0.022	-0.022	0.978		0.750		0.750	
9 Western Contra Costa TA	613,534	625804.62	638,320.71	890,176.00			-	-	-	-		691,959	-	- 1,143	-	0.023	-0.023	0.977		0.750		0.750	
10 Yolo County Trans. District	676,838	690374.88	704,182.38	880,203.00			-	-	-	-		737,900	-	- 1,219	-	0.024	-0.024	0.976		0.750		0.750	
CalTIP Total	15,257,988	15,563,148	15,874,411	18,575,245			-	-	-	-		16,317,698	-	- 26,964	-	0.111	-0.111	0.889	0.889		0.893		

**Employment Risk Management Authority
Experience Modification Calculation
~ 2019/2020 Draft Operating Budget ~**

Calendar Year Payroll						Incurred Losses at 12/31/18 Individual Losses from \$25k and Capped at \$500k						Experience Modification Calculation										Prior Year	
Member	Actual 2013 Payroll	Actual 2014 Payroll	Actual 2015 Payroll	Actual 2016 Payroll	(Not Used) 2017 Payroll	(Not Used or Updated) Program Year 2013/2014	Program Year 2014/2015	Program Year 2015/2016	Program Year 2016/2017	Program Year 2017/2018	(Not Used) Program Year 2018/2019	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	\$ 2,388,203	\$ 2,562,119	\$ 2,907,392	\$3,153,794		-	-	-	-	-		\$ 2,752,877	\$ -	-	\$ 4,549	-	0.045	-0.045	0.955		0.750		0.750
2 Arwater (7/1/00)	4,647,868	5,207,953	5,301,545	5,439,893		276,493	112,519	-	-	-		5,149,315	28,130	0.546	8,509	3.306	0.062	0.143	1.143	1.500		1.500	
3 Ceres	14,346,800	14,308,514	14,988,712	15,590,041		482,651	-	-	14,129	-		14,808,517	3,532	0.024	24,470	0.144	0.105	-0.090	0.910	0.750		1.500	
4 Chowchilla (7/1/01)	3,576,926	3,920,401	3,710,943	3,651,982		-	-	-	-	-		3,715,063	-	-	6,139	-	0.053	-0.053	0.947	0.750		0.750	
5 Corcoran	4,140,115	4,118,108	3,948,137	3,914,771		-	-	-	-	-		4,030,283	-	-	6,660	-	0.055	-0.055	0.945	0.750		0.750	
6 Delano	10,973,343	14,761,274	17,210,292	17,453,033		245,666	-	-	140,000	-		15,099,486	35,000	0.232	24,951	1.403	0.106	0.043	1.043	1.403	1.500		1.500
7 Dinuba (7/1/16)	9,361,965	10,356,233	10,309,110	11,079,439		-	-	-	-	-		10,276,687	-	-	16,981	-	0.088	-0.088	0.912	0.750		0.750	
8 Dos Palos (12/1/0)*	1,091,312	1,173,846	1,267,581	1,298,263		-	-	-	-	-		1,207,751	-	-	1,996	-	0.030	-0.030	0.970	0.750		0.750	
9 Escalon	1,603,824	1,548,275	1,688,219	1,805,937		-	-	-	-	-		1,661,564	-	-	2,746	-	0.035	-0.035	0.965	0.750		0.750	
10 Farmersville (7/1/16)	1,624,599	1,829,600	2,045,154	2,385,811		-	-	-	-	-		1,971,291	-	-	3,257	-	0.038	-0.038	0.962	0.750		0.750	
11 Fowler	1,808,461	1,871,921	1,936,485	1,915,691		-	-	-	-	75,000		1,883,140	18,750	0.996	3,112	6.026	0.038	0.189	1.189	1.500		0.750	
12 Gustine	1,374,796	1,423,103	1,459,712	1,535,290		-	-	-	-	-		1,448,225	-	-	2,393	-	0.033	-0.033	0.967	0.750		0.750	
13 Hughson	830,982	833,570	917,729	995,296		-	124,828	-	-	-		894,394	31,207	3.489	1,478	21.116	0.026	0.521	1.521	1.500		1.500	
14 Huron (7/1/10)	999,518	854,739	1,048,253	1,127,219		-	-	-	-	-		1,007,432	-	-	1,665	-	0.027	-0.027	0.973	0.750		0.750	
15 Kerman	3,370,295	3,356,825	3,385,695	3,553,492		-	26,871	-	-	-		3,416,577	6,718	0.197	5,646	1.190	0.051	0.010	1.010	1.190	1.500		1.500
16 Kingsburg (7/1/05)	2,972,419	3,219,466	3,306,373	3,274,608		-	-	-	125,831	-		3,193,217	31,458	0.985	5,277	5.962	0.049	0.243	1.243	1.500		1.167	
17 Lathrop (10/4/05)	4,778,870	5,160,267	5,261,035	5,900,778		-	-	-	-	-		5,275,238	-	-	8,717	-	0.063	-0.063	0.937	0.750		0.750	
18 Lemoore (7/1/13)	5,385,992	5,410,228	5,603,912	5,747,492		-	-	-	-	-		5,536,906	-	-	9,149	-	0.064	-0.064	0.936	0.750		0.750	
19 Livingston	3,182,393	2,969,071	3,092,642	3,493,421		-	-	-	-	-		3,184,382	-	-	5,262	-	0.049	-0.049	0.951	0.750		0.750	
20 Madera	13,785,177	14,238,573	15,568,388	16,743,464		-	-	-	-	-		15,083,901	-	-	24,925	-	0.106	-0.106	0.894	0.750		0.750	
21 McFarland	2,119,540	2,304,673	2,269,813	2,627,754		-	-	298,050	72,283	-		2,330,445	92,583	3.973	3,851	24.042	0.042	0.963	1.963	1.500		1.500	
22 Mendota (7/1/13)	1,711,073	1,828,943	2,070,990	2,219,972		-	-	-	-	-		1,957,745	-	-	3,235	-	0.038	-0.038	0.962	0.750		0.750	
23 Merced (7/1/03)	30,275,008	30,499,971	30,955,378	31,885,102		-	-	-	-	18,006		30,903,865	4,502	0.015	51,066	0.088	0.152	-0.139	0.861	0.750		0.750	
24 Newman	2,022,439	2,092,360	2,194,234	2,416,386		-	-	-	-	-		2,181,355	-	-	3,605	-	0.040	-0.040	0.960	0.750		0.750	
25 Oakdale (8/1/12)	7,448,496	6,839,102	6,235,119	7,129,086		-	-	65,002	-	-		6,912,951	16,251	0.235	11,423	1.423	0.072	0.030	1.030	1.423	1.302		1.302
26 Orange Cove (7/1/07)	2,211,271	1,974,145	1,949,408	1,851,368		-	-	-	-	-		1,996,548	-	-	3,299	-	0.039	-0.039	0.961	0.750		0.750	
27 Partier	2,354,216	1,963,437	2,100,674	1,965,000		-	67,578	-	-	25,000		2,095,832	23,145	1.104	3,463	6.683	0.040	0.225	1.225	1.500		1.500	
28 Patterson (7/1/13)	5,526,487	5,909,430	6,304,647	7,029,962		-	-	-	-	-		6,192,632	-	-	10,233	-	0.068	-0.068	0.932	0.750		0.750	
29 Porterville	17,442,036	17,836,658	18,468,067	19,574,393		-	-	-	-	-		18,330,289	-	-	30,289	-	0.117	-0.117	0.883	0.750		0.750	
30 Reedley	6,802,580	6,988,388	7,741,870	7,658,877		-	-	-	-	-		7,297,929	-	-	12,059	-	0.074	-0.074	0.926	0.750		0.750	
31 Riverbank (7/1/12)	3,298,425	3,252,997	3,503,656	3,469,749		-	-	-	-	-		3,381,207	-	-	5,587	-	0.050	-0.050	0.950	0.750		0.750	
32 Sanger (4/18/16)	6,444,390	6,465,687	6,629,207	7,734,489		-	250,071	253,089	-	-		6,818,443	125,790	1.845	11,267	11.165	0.071	0.726	1.726	1.500		1.500	
33 San Joaquin (8/8/03)*	644,529	729,644	740,692	706,478		-	-	-	-	-		705,336	-	-	1,166	-	0.023	-0.023	0.977	0.750		0.750	
34 Selma	5,477,133	5,736,948	6,196,694	5,988,578		-	-	-	-	-		5,849,838	-	-	9,666	-	0.066	-0.066	0.934	0.750		0.750	
35 Shafter	6,021,976	10,005,223	11,139,254	12,266,567		220,209	-	68,782	-	-		9,858,255	17,196	0.174	16,290	1.056	0.086	0.005	1.005	1.056	1.500		1.500
36 Sonora 7/1/13)	2,904,692	2,938,019	2,926,436	3,288,898		-	-	-	-	-		3,014,511	-	-	4,981	-	0.048	-0.048	0.952	0.750		0.750	
37 Taft	3,417,435	6,088,753	7,133,598	7,644,079		-	-	38,849	-	-		6,070,966	9,712	0.160	10,032	0.968	0.067	-0.002	0.998	0.968	1.500		1.500
38 Tehachapi (7/1/13)	3,950,483	4,213,434	4,218,007	4,377,082		-	-	-	-	-		4,189,752	-	-	6,923	-	0.056	-0.056	0.944	0.750		0.750	
39 Tulare (7/1/12)	20,225,035	20,238,901	20,704,062	21,610,202		-	-	-	-	15,000		20,694,550	3,750	0.018	34,196	0.110	0.125	-0.111	0.889	0.750		0.750	
40 Wasco	2,872,006	2,806,714	2,946,769	3,309,700		-	-	275,000	-	-		2,983,797	68,750	2.304	4,930	13.944	0.047	0.612	1.612	1.500		1.500	
41 Woodlake (7/1/16)	1,330,300	1,432,988	1,589,029	1,605,018		-	-	-	-	-		1,489,334	-	-	2,461	-	0.033	-0.033	0.967	0.750		0.750	
CSJVRMA Total	226,743,408	241,270,501	252,974,913	266,418,455		1,225,019	581,867	998,772	352,243	133,006		246,851,819	658,181	0.267	407,902	1.614	0.430	0.264	1.264	1.250		1.250	
ERMAC (7/1/16)																							
1 Hayward	\$ 76,538,447	\$ 76,627,164	\$ 87,545,215	\$90,791,035		-	-	-	441,564	-		\$ 82,875,465	\$ 110,391	0.133	\$ 136,945	0.806	0.249	-0.048	0.952		0.806		0.750
2 Laguna Hills	3,255,162	3,331,103	3,569,757	3,310,792		-	-	-	-	-		3,366,704	-	-	5,563	-	0.050	-0.050	0.950	0.750		0.750	
ERMAC Total	79,793,609	79,958,267	91,114,972	94,101,827		-	-	-	441,564	-		86,242,169	88,313	0.1024009	142,508	0.620	0.254	-0.097	0.903	0.903		0.767	
MBASIA (7/1/11)																							
1 Capitola	\$ 5,015,075	\$ 5,395,766	\$ 5,444,913	\$5,959,658		-	-	-	-	95,000		\$ 5,453,853	\$ 23,750	0.435	\$ 9,012	2.635	0.064	0.105	1.105		1.500		0.750
2 Del Ray Oaks	870,138	982,823	1,049,636	1,009,975		-	-	-	60,052	-		978,143	15,013	1.535	1,616	9.289	0.027	0.224	1.224	1.500		1.500	
3 Gonzales	2,495,106	2,448,561	2,593,836	2,799,904		-	-	-	-	-		2,584,352	-	-	4,270	-	0.044	-0.044	0.956	0.750		0.750	
4 Greenfield	2,663,048	2,932,982	2,839,735	3,300,449		223,687	-	50,000	-	28,000		2,934,054	19,500	0.665	4,848	4.022	0.047	0.142	1.142	1.500		1.500	
5 Hollister	10,707,459	11,751,525	12,303,341	13,640,783		-	-	-	-	-		12,100,777	-	-	19,996	-	0.095	-0.095	0.905	0.750		0.750	
6 King City	2,331,485	2,677,571	2,609,217	2,627,976		-	-	-	-	-		2,561,562	-	-	4,233	-	0.044	-0.044	0.956	0.750		0.750	
7 Marina	8,587,783	8,189,375	8,635,588	8,595,638		-	-	-	-	-		8,502,096	-	-	14,049	-	0.080	-0.080	0.920				

**Employment Risk Management Authority
Experience Modification Calculation
~ 2019/2020 Draft Operating Budget ~**

Calendar Year Payroll						Incurred Losses at 12/31/18 Individual Losses from \$25k and Capped at \$500k						Experience Modification Calculation										Prior Year	
Member	Actual 2013 Payroll	Actual 2014 Payroll	Actual 2015 Payroll	Actual 2016 Payroll	(Not Used) Actual 2017 Payroll	(Not Used or Updated) Program Year 2013/2014	Program Year 2014/2015	Program Year 2015/2016	Program Year 2016/2017	Program Year 2017/2018	(Not Used) Program Year 2018/2019	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)
MPA																							
1 Antioch	\$ 25,006,196	\$ 26,961,175	\$ 26,819,735	\$27,369,276		-	-	-	-	-		\$ 26,539,096	\$ -	-	\$ 43,854	-	0.141	-0.141	0.859		0.750		0.750
2 Brentwood	25,786,575	25,776,874	27,636,761	28,666,125		-	-	-	-	125,000		26,966,584	31,250	0.116	44,560	0.701	0.142	-0.042	0.958		0.750		0.750
3 Clayton	2,080,121	2,051,793	2,103,188	2,062,344		-	-	-	-	-		2,074,362	-	-	3,428	-	0.039	-0.039	0.961		0.750		0.750
4 Danville	7,120,634	7,649,030	7,878,120	7,918,011		-	-	-	-	-		7,641,449	-	-	12,627	-	0.076	-0.076	0.924		0.750		0.750
5 El Cerrito	16,650,173	17,083,275	17,746,500	18,840,958		11,225	-	-	-	-		17,580,227	-	-	29,050	-	0.115	-0.115	0.885		0.750		0.750
6 Hercules	5,562,411	5,835,313	5,784,403	6,294,550		-	-	-	69,070	-		5,869,169	17,268	0.294	9,698	1.780	0.066	0.052	1.052		1.500		0.750
7 LaFayette	3,637,718	3,821,626	3,884,001	4,100,552		-	-	-	-	-		3,860,974	-	-	6,380	-	0.054	-0.054	0.946		0.750		0.750
8 Manteca	28,865,743	29,625,913	32,088,700	35,434,889		-	188,674	45,000	-	-		31,503,811	77,891	0.247	52,057	1.496	0.154	0.076	1.076		1.496		1.089
9 Martinez	11,839,409	11,420,417	9,379,375	10,528,583		-	-	-	-	-		10,791,946	-	-	17,833	-	0.090	-0.090	0.910		0.750		0.750
10 Moraga	3,155,568	3,188,207	3,259,021	3,122,572		-	-	-	-	-		3,181,342	-	-	5,257	-	0.049	-0.049	0.951		0.750		0.750
11 Oakley (7/1/02)	2,062,579	2,953,654	3,135,326	6,482,454		-	-	-	-	-		3,658,503	-	-	6,045	-	0.052	-0.052	0.948		0.750		0.750
12 Orinda	2,842,289	3,072,768	3,208,063	3,355,987		-	-	-	-	-		3,119,777	-	-	5,155	-	0.048	-0.048	0.952		0.750		0.750
13 Pacifica (3/9/07)	16,296,512	16,582,762	17,312,674	17,328,037		-	-	-	-	-		16,879,996	-	-	27,893	-	0.112	-0.112	0.888		0.750		0.750
14 Pinole	8,869,832	8,951,254	8,558,756	7,600,654		-	-	-	-	-		8,495,124	-	-	14,037	-	0.080	-0.080	0.920		0.750		0.750
15 Pittsburg	20,823,410	21,789,503	23,359,152	24,783,244		215,808	-	259,344	75,000	-		22,688,827	83,586	0.368	37,491	2.229	0.130	0.160	1.160		1.500		1.500
16 Pleasant Hill	10,442,498	10,935,656	11,113,716	11,524,440		-	-	475,000	-	-		10,954,078	118,750	1.084	18,101	6.561	0.091	0.504	1.504		1.500		0.750
17 San Pablo	13,132,240	14,201,126	13,901,596	14,881,003		-	-	-	-	-		14,028,991	-	-	23,182	-	0.103	-0.103	0.897		0.750		0.750
18 San Ramon	24,193,743	24,849,020	27,011,123	28,982,280		-	-	-	-	-		26,259,042	-	-	43,391	-	0.140	-0.140	0.860		0.750		0.750
19 Walnut Creek	30,961,642	32,766,735	33,680,557	36,414,063		-	-	-	-	-		33,455,749	-	-	55,283	-	0.158	-0.158	0.842		0.750		0.750
20 MPA JPA Staff	1,327,263	1,494,922	1,523,765	1,410,962		-	-	20,952	-	-		1,439,228	5,238	0.364	2,378	2.203	0.033	0.039	1.039		1.500		1.500
MPA Total	260,656,556	271,011,023	279,384,532	296,900,984		227,033	188,674	800,296	144,070	125,000		276,988,274	297,015	0.107	457,700	0.649	0.455	-0.160	0.840	0.840		0.750	
PARSAC																							
1 Amador	42,886	38,076	31,707	35,858		-	-	-	-	-		\$ 37,132	\$ -	-	\$ 61	-	0.005	-0.005	0.995		0.750		0.750
2 Avalon	4,752,239	4,974,142	5,239,817	5,423,728		-	-	-	-	-		5,097,482	-	-	8,423	-	0.062	-0.062	0.938		0.750		0.750
3 Belvedere (7/1/15)	2,115,189	2,199,898	2,274,560	2,334,006		-	-	-	-	-		2,230,913	-	-	3,686	-	0.041	-0.041	0.959		0.750		0.750
4 Blue Lake	414,716	435,003	413,448	426,713		-	-	-	-	-		422,470	-	-	698	-	0.018	-0.018	0.982		0.750		0.750
5 California City	5,730,694	5,780,471	6,942,695	7,158,119		-	-	-	41,139	225,000		6,402,995	66,535	1.039	10,580	6.288	0.069	0.366	1.366		1.500		1.500
6 Calimesa	751,080	722,020	825,910	740,142		390,527	-	-	-	-		759,788	-	-	1,255	-	0.024	-0.024	0.976		1.500		1.500
7 Calistoga	4,171,029	4,195,992	4,334,096	4,756,533		-	-	-	-	-		4,364,413	-	-	7,212	-	0.057	-0.057	0.943		0.750		0.750
8 Citrus Heights	16,711,963	17,220,540	18,923,855	18,789,739		-	-	-	-	-		17,911,524	-	-	29,597	-	0.116	-0.116	0.884		0.750		0.750
9 Clearlake	2,729,741	2,383,066	2,923,436	3,347,602		-	-	-	-	10,405		2,845,961	2,601	0.091	4,703	0.553	0.046	-0.021	0.979		0.750		0.750
10 Coalina	5,691,324	5,808,964	5,243,776	5,319,362		-	-	-	-	50,000		5,515,857	12,500	0.227	9,114	1.371	0.064	0.024	1.024		1.371		0.750
11 Ferndale	516,449	603,325	632,475	643,269		-	-	-	-	-		598,880	-	-	990	-	0.021	-0.021	0.979		0.750		0.750
12 Grass Valley	6,318,048	6,414,324	6,246,152	6,467,533		-	-	-	-	-		6,361,514	-	-	10,512	-	0.069	-0.069	0.931		0.750		0.750
13 Highland	2,484,588	2,560,238	2,575,511	2,597,995		-	-	-	-	-		2,554,583	-	-	4,221	-	0.044	-0.044	0.956		0.750		0.750
14 Menifee (10/1/08)	2,557,032	3,297,137	4,125,444	4,730,530		-	-	-	-	-		3,677,536	-	-	6,077	-	0.052	-0.052	0.948		0.750		0.750
15 Nevada City	1,819,013	1,989,087	2,170,024	2,377,877		-	-	-	-	-		2,089,000	-	-	3,452	-	0.040	-0.040	0.960		0.750		0.750
16 Pacific Grove	6,997,865	6,259,907	5,871,348	5,942,571		-	-	-	-	-		6,267,923	-	-	10,357	-	0.069	-0.069	0.931		0.750		0.750
17 Placencia	10,839,489	10,928,431	9,999,751	11,245,111		-	-	-	-	-		10,753,196	-	-	17,769	-	0.090	-0.090	0.910		0.750		0.750
18 Placerville	4,948,313	5,203,080	5,633,955	6,146,313		-	-	-	-	-		5,482,915	-	-	9,060	-	0.064	-0.064	0.936		0.750		0.750
19 Plymouth	446,703	513,725	536,871	555,144		-	-	-	-	-		513,111	-	-	848	-	0.020	-0.020	0.980		0.750		0.750
20 Point Arena	257,260	232,074	245,593	291,096		-	-	-	-	-		256,506	-	-	424	-	0.014	-0.014	0.986		0.750		0.750
21 Rancho Cucamonga	27,442,074	28,998,641	28,258,081	29,333,940		-	-	-	379,000	-		28,508,184	94,750	0.332	47,107	2.011	0.146	0.148	1.148		1.500		0.750
22 Rancho Cucamonga FPD (7/1/16)	14,201,040	14,950,740	15,968,875	16,417,869		-	-	-	-	-		15,384,631	-	-	25,422	-	0.107	-0.107	0.893		0.750		0.750
23 Rancho Santa Margarita (1/1/04)	2,031,160	1,949,053	2,333,843	2,560,400		-	-	-	-	-		2,218,614	-	-	3,666	-	0.041	-0.041	0.959		0.750		0.750
24 San Juan Bautista	317,324	362,243	413,178	473,213		-	-	-	-	-		391,490	-	-	647	-	0.017	-0.017	0.983		0.750		0.750
25 South Lake Tahoe	14,771,542	15,789,827	16,219,949	17,215,677		-	-	-	-	-		15,999,249	-	-	26,437	-	0.109	-0.109	0.891		0.750		0.750
26 Tehama	44,414	44,468	37,731	33,714		-	-	-	-	-		40,082	-	-	66	-	0.005	-0.005	0.995		0.750		0.750
27 Trinidad	282,133	293,696	309,516	320,282		-	-	-	-	-		301,407	-	-	498	-	0.015	-0.015	0.985		0.750		0.750
28 Truckee	7,945,359	8,558,216	7,799,707	8,525,098		-	-	-	-	-		8,207,095	-	-	13,562	-	0.078	-0.078	0.922		0.750		0.750
29 Twentynine Palms	2,475,048	2,064,330	2,126,882	2,256,892		-	-	-	-	-		2,230,788	-	-	3,686	-	0.041	-0.041	0.959		0.750		0.750
30 Watsonville	24,319,820	24,220,252	25,360,911	27,248,330		-	-	243,566	-	-		25,287,328	60,892	0.241	41,785	1.457	0.138	0.063	1.063		1.457		1.432
32 Wheatland	1,173,144	1,256,933	1,327,896	1,461,750		-	-	-	-	-		1,304,931	-	-	2,156	-	0.031	-0.031	0.969		0.750		0.750
33 Wildomar (7/1/08)	664,043	763,436	967,518	1,024,591		-	-	-	-	-		854,897	-	-	1,413	-	0.025	-0.025	0.975		0.750		0.750
34 Yountville	1,766,406	1,838,992	1,955,270	1,882,338		32,068	-	-	-	-		1,860,752	-	-	3,075	-	0.037	-0.037	0.963		0.750		1.500
35 Yucaipa	3,4																						

**Employment Risk Management Authority
Experience Modification Calculation
~ 2019/2020 Draft Operating Budget ~**

Calendar Year Payroll						Incurred Losses at 12/31/18 Individual Losses from \$25k and Capped at \$500k						Experience Modification Calculation										Prior Year	
Member	Actual 2013 Payroll	Actual 2014 Payroll	Actual 2015 Payroll	Actual 2016 Payroll	(Not Used) Actual 2017 Payroll	(Not Used) or Updated) Program Year 2013/2014	Program Year 2014/2015	Program Year 2015/2016	Program Year 2016/2017	Program Year 2017/2018	(Not Used) Program Year 2018/2019	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)
PERMA																							
1 Adelanto (7/1/03)	\$ 3,238,294	\$ 2,957,346	\$ 2,940,017	\$ 2,502,384		-	550,000	-	250,000	200,000		\$ 2,909,510	\$ 250,000	8.593	\$ 4,808	52.000	0.047	2.381	3.381		1.500		1.500
2 Banning (2/14/02)	13,350,074	13,073,020	13,270,275	14,252,065		-	42,212	409,761	25,000	-		13,486,358	119,243	0.884	22,285	5.351	0.101	0.437	1.437		1.500		1.500
3 Barstow (2/04/02)	14,755,158	14,011,746	12,928,713	14,789,478		-	475,000	-	-	-		14,121,274	118,750	0.841	23,334	5.089	0.103	0.421	1.421		1.500		1.500
4 Canyon Lake (7/1/11) from PARSAC	347,409	386,675	388,656	439,435		-	-	-	-	-		390,544	-	-	645	-	0.017	-0.017	0.983		0.750		0.750
5 Cathedral City (2/14/01)	16,108,886	16,784,452	18,565,939	20,175,933		-	-	-	87,241	-		17,908,803	21,810	0.122	29,593	0.737	0.116	-0.030	0.970		0.750		0.750
6 Coachella (10/01/00)	5,045,456	5,240,721	5,707,821	5,635,149		-	-	-	-	-		5,407,287	-	-	8,935	-	0.064	-0.064	0.936		0.750		0.750
7 Desert Hot Springs (yr.3)	6,413,645	3,985,102	3,481,082	3,892,237		-	-	-	-	-		4,443,016	-	-	7,342	-	0.058	-0.058	0.942		0.750		0.750
8 Eastvale (7/1/15)	692,048	873,544	755,018	784,796		-	-	-	-	-		776,351	-	-	1,283	-	0.024	-0.024	0.976		0.750		0.750
9 Hesperia (7/1/10) From PARSAC	11,446,006	12,645,910	11,815,631	11,543,778		-	-	1,274	-	-		11,862,831	319	0.003	19,602	0.016	0.094	-0.093	0.907		0.750		0.750
10 Holtville (7/1/08)	1,158,422	1,173,765	1,160,755	1,184,853		-	-	-	-	-		1,169,449	-	-	1,932	-	0.030	-0.030	0.970		0.750		0.750
11 ICTC (7/1/12)	409,347	468,749	468,578	509,701		-	-	-	-	-		464,094	-	-	767	-	0.019	-0.019	0.981		0.750		0.750
12 Jurupa Valley (11/2/15) - No Staff until 9/2015	-	555,000	1,090,219	1,071,916		-	-	-	-	-		679,284	-	-	1,122	-	0.023	-0.023	0.977		0.750		0.750
13 La Mesa (7/1/02)	20,263,077	20,632,210	20,916,633	22,037,448		-	19,041	-	-	-		20,962,342	4,760	0.023	34,638	0.137	0.125	-0.108	0.892		0.750		0.750
14 Murrieta (7/1/01)	22,729,026	23,722,451	23,422,177	24,532,558		-	-	-	-	-		23,601,553	-	-	39,000	-	0.133	-0.133	0.867		0.750		0.750
15 Palm Sps Tram (11/1/05)	3,775,505	3,914,503	4,475,625	4,798,159		-	-	-	4,246	-		4,240,948	1,062	-	7,008	-	0.056	-0.056	0.944		0.750		0.750
16 Perris (9/25/00)	4,637,423	5,545,431	5,701,034	6,196,159		-	-	-	-	-		5,520,012	-	-	9,121	-	0.064	-0.064	0.936		0.750		0.750
17 San Jacinto (7/1/18)	3,383,810	3,489,178	2,653,364	2,782,506		-	-	-	-	-		3,077,215	-	1.000	5,085	1.000	0.048	0.000	1.000		1.000		
18 SDRTC (11/4/13)	517,864	462,019	580,983	667,310		-	-	-	-	-		557,044	-	-	920	-	0.020	-0.020	0.980		0.750		0.750
19 Stanton (7/1/01)	2,220,842	2,474,931	2,585,078	2,744,578		-	-	-	-	-		2,506,357	-	-	4,142	-	0.043	-0.043	0.957		0.750		0.750
20 Sunline (11/4/13)	13,039,508	14,052,659	15,285,967	16,071,138		-	-	131,458	26,951	-		14,612,318	39,602	0.271	24,146	1.640	0.105	0.067	1.067		1.500		1.500
21 Victorville (7/1/01)	17,857,047	20,554,844	21,901,180	25,971,469		-	-	-	-	-		21,571,135	-	-	35,644	-	0.127	-0.127	0.873		0.750		0.750
22 VVTA (7/1/12)	581,701	719,684	864,702	1,009,164		-	-	-	-	-		793,813	-	-	1,312	-	0.024	-0.024	0.976		0.750		0.750
PERMA Total	161,970,547	167,723,940	170,959,446	183,592,214		-	1,086,253	542,493	393,438	200,000		171,061,537	444,437	0.260	282,665	1.572	0.358	0.205	1.205	1.205		1.072	
SCORE																							
1 Biggs (7/1/17)	\$ 383,142	\$ 383,261	\$ 380,549	\$ 386,860		-	-	-	-	-		\$ 383,453	\$ -	-	\$ 634	-	0.017	-0.017	0.983		0.750		0.750
2 Colfax	498,059	444,870	445,047	645,079		-	-	-	-	-		508,264	-	-	840	-	0.020	-0.020	0.980		0.750		0.750
3 Live Oak (7/1/04)	1,262,596	1,243,636	1,281,001	1,357,810		-	-	-	-	-		1,286,261	-	-	2,125	-	0.031	-0.031	0.969		0.750		0.750
4 Loomis (7/1/12)	707,003	706,570	738,548	735,943		-	-	-	-	-		722,016	-	-	1,193	-	0.023	-0.023	0.977		0.750		0.750
5 Mt. Shasta (7/1/01)	1,595,079	1,708,545	1,764,123	1,943,730		-	-	-	-	-		1,752,869	-	-	2,896	-	0.036	-0.036	0.964		0.750		0.750
6 Portola	650,959	618,406	721,331	796,713		-	-	-	-	-		696,852	-	-	1,151	-	0.023	-0.023	0.977		0.750		0.750
7 Rio Dell (7/1/02)	940,699	962,896	978,061	1,006,121		-	-	-	-	-		971,944	-	-	1,606	-	0.027	-0.027	0.973		0.750		0.750
8 Shasta Lake	3,193,800	3,226,333	3,431,994	3,587,737		-	-	-	-	-		3,359,966	-	-	5,552	-	0.050	-0.050	0.950		0.750		0.750
9 Susanville (7/1/04)	3,540,390	3,524,068	3,674,289	3,972,225		-	-	-	-	-		3,677,743	-	-	6,077	-	0.052	-0.052	0.948		0.750		0.750
10 Tulelake (7/1/15)	305,853	310,702	349,348	354,832		-	-	-	-	-		330,184	-	-	546	-	0.016	-0.016	0.984		0.750		0.750
11 Weed (7/1/15)	1,542,006	1,658,551	1,541,803	1,699,522		-	-	-	-	-		1,610,471	-	-	2,661	-	0.035	-0.035	0.965		0.750		0.750
12 Yreka	2,885,795	3,014,230	2,827,360	2,986,353		-	-	-	-	-		2,928,435	-	-	4,839	-	0.047	-0.047	0.953		0.750		0.750
SCORE Total	17,505,381	17,802,068	18,133,454	19,472,925		-	-	-	-	-		18,228,457	-	-	30,121	-	0.117	-0.117	0.883	0.883		0.884	

**Employment Risk Management Authority
Experience Modification Calculation
~ 2019/2020 Draft Operating Budget ~**

Calendar Year Payroll						Incurred Losses at 12/31/18 Individual Losses from \$25k and Capped at \$500k						Experience Modification Calculation										Prior Year	
	Actual 2013	Actual 2014	Actual 2015	Actual 2016	(Not Used) Actual 2017	(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	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019												
VCJPA																							
1 Alameda County	\$ 1,033,233	\$ 1,336,568	\$ 1,334,976	\$1,447,199		6,858	-	-	-	-		\$ 1,287,994	\$ -	-	\$ 2,128	-	0.031	-0.031	0.969		0.750		0.834
2 Burney Basin	79,932	94,116	54,817	48,172		-	-	-	-	-		69,259	-	-	114	-	0.007	-0.007	0.993		0.750		0.750
3 Butte County	1,238,865	1,105,237	1,216,804	1,305,293		-	-	-	-	-		1,216,550	-	-	2,010	-	0.030	-0.030	0.970		0.750		0.750
4 Coachella Valley (9/14/00)	3,649,461	3,826,348	4,405,282	4,434,691		-	-	-	-	-		4,078,945	-	-	6,740	-	0.055	-0.055	0.945		0.750		0.750
5 Colusa	172,786	170,986	197,876	207,436		-	-	-	-	-		187,271	-	-	309	-	0.012	-0.012	0.988		0.750		0.750
6 Compton Creek	87,227	94,076	96,876	110,501		-	-	-	-	-		97,170	-	-	161	-	0.009	-0.009	0.991		0.750		0.750
7 Consolidated	1,156,938	1,183,261	1,304,677	1,341,775		-	-	-	-	-		1,246,663	-	-	2,060	-	0.031	-0.031	0.969		0.750		0.750
8 Contra Costa County	2,800,224	2,903,940	3,023,168	3,162,039		-	24,926	-	-	-		2,972,343	6,232	0.210	4,912	1.269	0.047	0.013	1.013		1.269		1.250
9 Delta VCD (7/1/08)	1,080,525	1,065,957	1,113,971	1,212,742		-	-	-	-	-		1,118,299	-	-	1,848	-	0.029	-0.029	0.971		0.750		0.750
10 Durham (8/26/02)	60,541	63,765	59,646	63,249		-	-	-	-	-		61,800	-	-	102	-	0.007	-0.007	0.993		0.750		0.750
11 Fresno	596,127	597,425	678,547	783,378		-	-	-	-	-		663,869	-	-	1,097	-	0.022	-0.022	0.978		0.750		0.750
12 Glenn County	118,822	115,962	126,759	131,002		-	-	-	-	-		123,136	-	-	203	-	0.010	-0.010	0.990		0.750		0.750
13 Greater Los Angeles	5,041,115	5,273,515	5,409,424	5,647,762		-	-	-	-	-		5,342,954	-	-	8,829	-	0.063	-0.063	0.937		0.750		0.750
14 Kings MAD (7/1/09)	827,451	844,340	850,186	898,298		-	-	-	-	-		855,069	-	-	1,413	-	0.025	-0.025	0.975		0.750		0.750
15 Lake County (2/1/04)	546,366	553,390	563,489	577,729		-	-	-	-	-		560,244	-	-	926	-	0.020	-0.020	0.980		0.750		0.750
16 Los Angeles County West	2,685,477	2,532,089	2,605,775	2,943,903		-	-	-	-	-		2,691,811	-	-	4,448	-	0.045	-0.045	0.955		0.750		0.750
17 Marin-Sonoma	3,210,667	3,151,665	3,055,514	3,010,559		-	-	-	-	-		3,107,101	-	-	5,134	-	0.048	-0.048	0.952		0.750		0.750
18 Napa County	665,804	657,683	688,943	710,647		-	-	-	-	-		680,769	-	-	1,125	-	0.023	-0.023	0.977		0.750		0.750
19 Northwest	1,243,499	1,384,784	1,518,556	1,622,363		-	-	-	-	-		1,442,301	-	-	2,383	-	0.033	-0.033	0.967		0.750		0.750
20 Orange County	5,231,404	5,135,555	5,966,908	6,199,879		-	-	-	-	-		5,633,437	-	-	9,309	-	0.065	-0.065	0.935		0.750		0.750
21 Oroville (7/1/02)	66,520	62,071	72,566	74,370		-	-	-	-	-		68,882	-	-	114	-	0.007	-0.007	0.993		0.750		0.750
22 Placer County	1,177,254	1,259,077	1,357,506	1,421,940		-	-	-	-	-		1,303,944	-	-	2,155	-	0.031	-0.031	0.969		0.750		0.750
23 Sacramento Yolo	4,222,298	4,322,281	4,265,067	4,353,798		-	-	-	-	-		4,290,861	-	-	7,090	-	0.057	-0.057	0.943		0.750		0.750
24 San Gabriel Valley	1,699,414	1,841,425	1,868,251	2,108,694		16,307	185,647	371,362	-	-		1,879,446	139,252	7.409	3,106	44.839	0.038	1.645	2.645	1.500		1.500	
25 San Joaquin County	2,189,688	2,294,215	2,401,289	2,372,822		126,510	-	-	-	-		2,314,503	-	-	3,825	-	0.042	-0.042	0.958		0.750		1.500
26 San Mateo County	1,538,771	1,796,171	1,930,469	1,956,127		-	-	-	-	-		1,805,384	-	-	2,983	-	0.037	-0.037	0.963		0.750		0.750
27 Santa Barbara County	405,425	376,374	417,616	427,538		-	-	-	-	-		406,738	-	-	672	-	0.017	-0.017	0.983		0.750		0.750
28 Shasta	1,165,708	1,012,122	969,818	980,333		-	-	-	-	-		1,031,995	-	-	1,705	-	0.028	-0.028	0.972		0.750		0.750
29 Sutter-Yuba	978,461	1,000,725	960,126	1,000,006		-	-	-	-	-		984,830	-	-	1,627	-	0.027	-0.027	0.973		0.750		0.750
30 Tehama County	306,007	316,645	326,106	331,540		-	-	-	-	-		320,075	-	-	529	-	0.015	-0.015	0.985		0.750		0.750
31 Turlock	737,212	781,807	821,556	844,600		-	-	-	-	-		796,294	-	-	1,316	-	0.024	-0.024	0.976		0.750		0.750
32 West Valley	983,222	1,039,942	1,092,739	1,273,438		-	-	-	-	-		1,097,335	-	-	1,813	-	0.029	-0.029	0.971		0.750		0.750
VCJPA Total	46,996,445	48,193,517	50,755,303	53,003,823		149,675	210,573	371,362	-	-		49,737,272	146,322	0.294	82,187	1.780	0.193	0.151	1.151	1.151		1.146	
Oakland H.A.	\$ 24,933,479	\$ 25,427,490	\$ 26,500,365	\$ 26,867,023		181,149	25,000	-	199,025	-		\$ 25,932,089	\$ 56,006	0.216	\$ 42,851	1.307	0.139	0.043	1.043	1.043		1.006	
Contra Costa H.A.	\$ 4,501,350	\$ 4,487,553	\$ 4,773,630	\$ 5,207,303		-	-	-	-	-		\$ 4,742,459	-	-	\$ 7,837	-	0.060	-0.060	0.940	0.940		0.940	
Totals	1,254,044,581	1,299,817,500	1,357,132,067	1,429,102,837		2,603,058	2,103,380	3,269,714	2,287,650	891,411		1,335,024,246	2,206,014	0.165	2,206,014	1.000	1.000	0.000	1.000				

Employment Risk Management Authority

~ 2018/2019 FINAL 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	Increase/(Dec)	Percentage
	Projected Actual	Approved Budget	Final Budget	Over Prior Year Budget	Change
<u>Claims Expense:</u>					
Funding for Pooled Losses (SIR to \$1M)	\$5,466,618	\$5,466,618	\$5,897,762	\$431,144	7.89%
Excess Insurance	235,697	235,697	299,049	63,352	26.88%
Total Claims Costs	\$5,702,315	\$5,702,315	\$6,196,810	\$494,495	8.67%
<u>Loss Prevention and Training:</u>					
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	30,100	17,200			
Training Workshops (22 x \$2,150)	17,200	30,100	47,300	0	0.00%
Total Loss Prevention and Training	\$102,800	\$104,800	\$105,800	\$1,000	0.95%
<u>Administration:</u>					
Program Management	\$678,949	\$678,949	\$698,706	\$19,757	2.91%
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%
Total Administration	\$832,140	\$816,049	\$860,406	\$44,357	5.44%
Total Deposit Premium	\$6,637,255	\$6,623,164	\$7,163,016	\$539,852	8.15%

2018/2019 member changes from the prior year (approved in May, 2018) 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
- ~ Increase in SIR from \$100,000 to \$250,000 for Adelanto in PERMA
- ~ Decrease in SIR from \$250,000 to \$100,000 for Murrieta in PERMA
- ~ Withdrawal of LP Fire from BCJPIA

2018/2019 member changes since May 1, 2018 meeting:

- ~ Addition of the City of San Jacinto in PERMA ~ \$25,000 SIR
- ~ Decrease in SIR from \$75,000 to \$50,000 for McFarland in CSJVRMA
- ~ Addition of Fire Department to the City of Greenfield in MBASIA

Employment Risk Management Authority

~ 2018/2019 FINAL Operating Budget ~

Member Summary

~ 80 % Confidence Level ~ 2.0% Discount Factor ~

									Deposit Premium			Prior Year Comparison		
									Deposit Premium		TOTAL Deposit Premium			
									Actual 2017	Funding For Losses *		Loss Prevention & Training	Admin. Costs	Deposit Premium
Member Entities	Payroll													
BCJPIA	\$221,880,901	\$830,690	\$15,440	\$125,566	\$971,696	0.773	\$751,510	0.990	\$743,804		\$743,804	\$784,685	-5.2%	-1.6%
CaTIP	20,638,603	97,222	1,436	11,680	110,338	0.893	98,479	0.990	97,469	5,127	102,596	\$101,264	1.3%	1.3%
CSJVRMA	276,492,646	1,275,495	19,241	156,471	1,451,207	1.250	1,814,009	0.990	1,795,408	110,597	1,906,006	1,787,694	6.6%	2.8%
ERMAC	85,959,423	80,003	5,982	48,646	134,630	0.767	103,308	0.990	102,249		102,249	107,777	-5.1%	-5.1%
MBASIA	53,229,209	39,913	3,704	30,123	73,740	1.025	75,614	0.990	74,838	21,292	96,130	82,384	16.7%	9.4%
MPA	315,821,765	1,332,459	21,977	178,728	1,533,164	0.750	1,149,873	0.990	1,138,083	126,329	1,264,411	1,212,684	4.3%	-2.6%
PARSAC	241,906,438	832,657	16,834	136,898	986,389	1.250	1,232,853	0.990	1,220,212		1,220,212	1,179,233	3.5%	-1.6%
PERMA	194,633,979	900,635	13,544	110,146	1,024,326	1.072	1,098,125	0.990	1,086,865		1,086,865	819,944	32.6%	24.9%
SCORE	20,557,794	79,160	1,431	11,634	92,225	0.884	81,488	0.990	80,652		80,652	76,107	6.0%	0.4%
VCJPA	55,554,010	268,745	3,866	31,439	304,050	1.146	348,396	0.990	344,823	22,222	367,045	305,591	20.1%	15.3%
Oakland H.A.	28,486,957	135,883	1,982	16,121	153,986	1.006	154,891	0.990	153,302	11,395	164,697	173,592	-5.1%	-11.2%
Contra Costa H.A.	5,220,093	24,900	363	2,954	28,217	0.940	26,534	0.990	26,262	2,088	28,350	27,734	2.2%	2.0%
Total	\$1,520,381,818	\$5,897,762	\$105,800	\$860,406	\$6,863,968		\$6,935,077		\$6,863,968	\$299,049	\$7,163,016	\$6,658,688	7.6%	4.1%

* Includes JPA Participation Credit

2017 Actual Payroll	\$1,470,030,652
Percent Change	3.43%

Table of Rates	
Budget Item	Rates
Funding for Losses - 2.0% Discounted 80% Confidence Level	\$0.4770
Excess Insurance: \$2M x \$1M ~ \$4M / \$10M Aggregate	0.0400
Loss Prevention & Training	0.0070
Administration	0.0566

Employment Risk Management Authority

~ 2018/2019 FINAL Operating Budget ~

Prior Year Comparison

Member Entities	DEPOSIT PREMIUM CHANGE			CURRENT PAYROLL CHANGE			EX MOD CALCULATION								
	Current Year			Prior Year			EX MOD CHANGE			AVERAGE PAYROLL CHANGE			AVERAGE LOSS CHANGE		
	TOTAL Deposit Premium	Deposit Premium	Percentage Change	Current Year Payroll	Prior Year Payroll	Percentage Change	Current Year Ex Mod	Prior Year Ex Mod	Percentage Change	Current Year Average Payroll	Prior Year Average Payroll	Percentage Change	Current Year Average Losses	Prior Year Average Losses	Percentage Change
BCJPIA	\$743,804	\$784,685	-5.2%	\$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	102,596	101,264	1.3%	20,638,603	18,575,245	11.1%	0.893	1.000	-10.7%	15,078,865					
CSJVRMA	1,906,006	1,787,694	6.6%	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	102,249	107,777	-5.1%	85,959,423	94,101,827	-8.7%	0.767	1.000	-23.3%	82,095,031	78,537,703	4.5%	10,270	126,591	-91.9%
MBASIA	96,130	82,384	16.7%	53,229,209	49,607,745	7.3%	1.025	0.967	6.0%	44,575,237	44,232,559	0.8%	87,741	58,851	49.1%
MPA	1,264,411	1,212,684	4.3%	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	1,220,212	1,179,233	3.5%	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	1,086,865	819,944	32.6%	194,633,979	180,809,708	7.6%	1.072	0.908	18.1%	162,124,004	159,444,104	1.7%	337,904	190,010	77.8%
SCORE	80,652	76,107	6.0%	20,557,794	19,472,925	5.6%	0.884	0.886	-0.3%	17,692,234	16,570,889	6.8%	-	-	
VCJPA	367,045	305,591	20.1%	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.	164,697	173,592	-5.1%	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.	28,350	27,734	2.2%	5,220,093	5,207,303	0.2%	0.940	0.939	0.1%	4,644,950	4,749,605	-2.2%	-	-	0.0%
Total	\$7,163,016	\$6,658,688	7.6%	\$1,520,381,818	\$1,470,030,652	3.4%				\$1,305,357,275	\$1,269,874,385	2.8%	\$2,258,875	\$2,173,435	3.9%

Employment Risk Management Authority
~ 2018/2019 FINAL Operating Budget ~
Bickmore Fee Worksheet

	Original Contract Year		
	Current Year - 2018/2019		
			\$697,162
Percentage Increase over previous year			2.54%
	Payroll	Payroll Calc %age	BRS Fees
Baseline as of 4/1/18	1,516,245,035		697,162
PERMA San Jacinto	3,358,185	0.002215	1,544
Totals as of 6/30/19	1,519,603,220		\$698,706

	2019/2020		
			\$712,680
Percentage Increase over previous year			2.00%
	Payroll	Payroll Calc %age	BRS Fees
Baseline as of 7/1/19			712,680
Totals as of 6/30/20	0		\$712,680

	2020/2021		
			\$726,934
Percentage Increase over previous year			2.00%
	Payroll	Payroll Calc %age	BRS Fees
Baseline as of 7/1/20			726,934
Totals as of 6/30/21	0		\$726,934

Approved contract is for a 5 year period. Final two years of contract are not shown.

Employment Risk Management Authority

~ 2018/2019 FINAL Operating Budget ~

~ BCJPIA ~

										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>									
1										2	3	4	5	6	7	8	Info Only:	9	10	11			
										JPA Experience	Dep Prem Adjusted for Experience	Dep Prem Off-Balance	Dep Prem Adjusted for Off Balance	Individual Experience	Capped Individual Experience	Ex Mod Including .25 capped change over prior year	Prior Year <i>(2017/2018)</i> Experience Modification	Deposit Adjusted for Experience	Off-Balance	Premium Adjusted for Off Balance	Prior Year Deposit	Increase	
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	Modification Factor	Modification	Factor	Factor	Modification Factor	Modification	change over prior year	Experience Modification	Experience Modification	Off-Balance Factor	Factor	Premium Adjusted for Off Balance Factor	Premium	Increase (Decrease)
1 Albany/Albany JPA	\$10,382,672	\$50,000	\$0.477	\$49,525	\$723	\$5,876	\$56,124	(\$2,723)	\$53,400	0.773	\$41,300	0.990	\$40,876	0.000	0.750	0.750	0.750	\$40,050	0.930	\$37,242	\$36,172	\$1,070	
2 Brisbane	9,197,185	50,000	0.477	43,871	640	5,205	49,715	(2,413)	47,303	0.773	36,584	0.990	36,209	0.000	0.750	0.750	0.750	35,477	0.930	32,989	32,112	877	
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	0.990	13,500	0.000	0.750	0.750	0.750	13,227	0.930	12,299	14,384	(2,084)	
4 Corte Madera (7/1/17)	6,221,073	100,000	0.391	24,333	433	3,521	28,287	(1,373)	26,914	0.773	20,815	0.990	20,602	0.000	0.750	0.750	1.000	20,185	0.930	18,770	23,680	(4,910)	
5 Emeryville	4,793,089	50,000	0.477	22,863	334	2,712	25,909	(1,257)	24,652	0.773	19,066	0.990	18,870	0.000	0.750	0.750	0.750	18,489	0.930	17,192	16,351	842	
6 Emeryville (MESA)	9,417,552	50,000	0.477	44,922	655	5,330	50,907	(2,470)	48,436	0.773	37,461	0.990	37,077	0.000	0.750	0.750	0.750	36,327	0.930	33,780	31,624	2,156	
7 Fairfax	2,641,046	50,000	0.477	12,598	184	1,495	14,276	(693)	13,583	0.773	10,505	0.990	10,398	0.000	0.750	0.750	0.750	10,188	0.930	9,473	9,731	(258)	
8 Larkspur	6,151,456	250,000	0.229	14,084	428	3,481	17,994	(873)	17,120	0.773	13,241	0.990	13,105	0.000	0.750	0.750	0.750	12,840	0.930	11,940	11,414	526	
9 Los Altos (07/01/12)	13,123,439	100,000	0.391	51,331	913	7,427	59,671	(2,896)	56,775	0.773	43,910	0.990	43,460	1.082	1.082	1.082	1.250	61,445	0.930	57,136	54,840	2,296	
10 Menlo Park (07/01/02)	27,678,124	250,000	0.229	63,372	1,926	15,663	80,961	(3,929)	77,033	0.773	59,577	0.990	58,966	0.411	0.750	0.750	0.750	57,774	0.930	53,723	54,527	(804)	
11 Mill Valley (07/01/01)	16,484,232	50,000	0.477	78,630	1,147	9,329	89,106	(4,324)	84,782	0.773	65,570	0.990	64,898	0.000	0.750	0.750	0.750	63,586	0.930	59,127	55,564	3,563	
12 Novato (09/01/07)	17,463,450	250,000	0.229	39,984	1,215	9,883	51,082	(2,479)	48,604	0.773	37,590	0.990	37,205	2.035	1.500	1.500	1.376	72,905	0.930	67,793	61,098	6,695	
13 Piedmont	12,293,059	50,000	0.477	58,638	855	6,957	66,450	(3,225)	63,226	0.773	48,899	0.990	48,397	1.644	1.500	1.000	0.750	63,226	0.930	58,792	43,991	14,801	
14 Pleasanton	42,004,560	75,000	0.429	180,326	2,923	23,771	207,020	(10,046)	196,974	0.773	152,339	0.990	150,777	0.195	0.750	0.750	0.750	147,730	0.930	137,371	134,374	2,997	
15 San Anselmo	2,892,949	50,000	0.477	13,799	201	1,637	15,638	(759)	14,879	0.773	11,507	0.990	11,389	0.000	0.750	0.750	0.750	11,159	0.930	10,377	9,562	815	
16 Sausalito	6,278,839	50,000	0.477	29,950	437	3,553	33,940	(1,647)	32,293	0.773	24,976	0.990	24,720	0.000	0.750	0.750	0.750	24,220	0.930	22,522	21,486	1,036	
17 Tiburon (7/1/11)	3,434,481	25,000	0.544	18,676	239	1,944	20,859	(1,012)	19,846	0.773	15,349	0.990	15,192	0.000	0.750	0.750	0.750	14,885	0.930	13,841	13,462	379	
18 Union City	27,347,240	75,000	0.429	117,402	1,903	15,476	134,781	(6,540)	128,241	0.773	99,181	0.990	98,164	0.000	0.750	0.750	0.750	96,180	0.930	89,436	90,561	(1,125)	
Total	\$221,880,901			\$880,248	\$15,440	\$125,566	\$1,021,254	(\$49,558)	\$971,696		\$751,510		\$743,804					\$799,894		\$743,804	\$714,933	\$28,871	

(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: \$2M x \$1M - \$4M / \$10M Aggregate	\$0.0400
Loss Prevention & Training	0.0070
Administration	0.0566

Employment Risk Management Authority

~ 2018/2019 FINAL 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					
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	\$232	\$1,890	\$18,050	(\$24)	\$18,026	0.893	\$16,089	0.990	\$15,924	0.000	0.750	0.750	1.000	\$13,520	1.178	\$15,924		\$15,924	\$16,364	(\$440)
2 Humboldt Transit	2,259,983	75,000	9,702	157	1,279	11,138	(15)	11,124	0.893	9,928	0.990	9,826	0.000	0.750	0.750	1.000	8,343	1.178	9,826		9,826	10,668	-842
3 Livermore Amador Valley TA	1,328,830	50,000	6,339	92	752	7,183	(10)	7,173	0.893	6,402	0.990	6,337	0.000	0.750	0.750	1.000	5,380	1.178	6,337	532	6,868	7,378	-510
4 Mendocino Transit	2,603,358	50,000	12,418	181	1,473	14,072	(19)	14,054	0.893	12,543	0.990	12,415	0.000	0.750	0.750	1.000	10,540	1.178	12,415	1,041	13,456	13,763	-307
5 Morongo Basin TA	1,292,280	50,000	6,164	90	731	6,985	(9)	6,976	0.893	6,226	0.990	6,163	0.000	0.750	0.750	1.000	5,232	1.178	6,163		6,163	6,331	-169
6 San Luis Obispo Regional TA	4,440,740	50,000	21,182	309	2,513	24,004	(32)	23,973	0.893	21,396	0.990	21,177	0.000	0.750	0.750	1.000	17,979	1.178	21,177	1,776	22,953	24,828	-1875
7 South County Transit	461,254	50,000	2,200	32	261	2,493	(3)	2,490	0.893	2,222	0.990	2,200	0.000	0.750	0.750	1.000	1,868	1.178	2,200	185	2,384	2,368	17
8 Tahoe Transportation District	3,051,845	50,000	14,557	212	1,727	16,497	(22)	16,475	0.893	14,704	0.990	14,553	0.000	0.750	0.750	1.000	12,356	1.178	14,553	1,221	15,774	9,878	5896
9 Western Contra Costa TA	930,194	50,000	4,437	65	526	5,028	(7)	5,021	0.893	4,482	0.990	4,436	0.000	0.750	0.750	1.000	3,766	1.178	4,436		4,436	4,723	-288
10 Yolo County Trans. District	930,905	50,000	4,440	65	527	5,032	(7)	5,025	0.893	4,485	0.990	4,439	0.000	0.750	0.750	1.000	3,769	1.178	4,439	372	4,812	4,964	-152
Total	\$20,638,603		\$97,368	\$1,436	\$11,680	\$110,484	(\$146)	\$110,338		\$98,479		\$97,469					\$82,753		\$97,469	\$5,127	\$102,596	\$101,264	\$1,332
									(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: \$2M x \$1M ~ \$4M / \$10M Aggregate	\$0.0400
Loss Prevention & Training	0.0070
Administration	0.0566

Employment Risk Management Authority

~ 2018/2019 FINAL 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		9		10		11							
										JPA Experience Modification	Dep Prem Adjusted for Experience	Off-Balance Factor	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 Factor	Premium Adjusted for Off Balance	Excess Insurance \$2M 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	Factor	Modification	Factor	Factor	Factor	Modification	prior year	Modification	Modification	Factor	Factor	\$2M x \$1M	Premium	Premium	Premium	Premium	Premium	Premium	Premium	Premium	Premium	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	0.990	\$20,124	0.000	0.750	0.750	0.750	\$12,199	1.261	\$15,387	\$1,144	\$16,531	\$18,434	(\$1,903)											
2 Atwater (7/01/00)	5,476,157	25,000	0.544	29,778	381	3,099	33,258	(2,112)	31,146	1.250	38,933	0.990	38,534	10,624	1.500	1.500	1.250	46,719	1.261	58,926	2,190	61,116	51,786	9,331											
3 Ceres	14,621,088	25,000	0.544	79,507	1,017	8,274	88,798	(5,639)	83,159	1.250	103,949	0.990	102,883	5,350	1.500	1.500	1.250	124,738	1.261	157,330	5,848	163,178	148,411	14,767											
4 Chowchilla (07/01/01)	3,853,637	25,000	0.544	20,955	268	2,181	23,404	(1,486)	21,918	1.250	27,397	0.990	27,117	0.000	0.750	0.750	0.750	16,438	1.261	20,733	1,541	22,275	21,346	929											
5 Corcoran	3,958,828	25,000	0.544	21,527	275	2,240	24,043	(1,527)	22,516	1.250	28,145	0.990	27,857	0.000	0.750	0.750	0.750	16,887	1.261	21,299	1,584	22,883	22,882	1											
6 Delano	17,855,729	25,000	0.544	97,096	1,243	10,105	108,443	(6,887)	101,556	1.250	126,945	0.990	125,644	3,619	1.500	1.500	1.500	152,334	1.261	192,136	7,142	199,278	198,213	1,065											
7 Dinuba (7/1/16)	10,880,247	100,000	0.391	42,557	757	6,157	49,471	(3,142)	46,330	1.250	57,912	0.990	57,318	0.000	0.750	0.750	0.750	34,747	1.261	43,826	4,352	48,178	48,960	(782)											
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	0.990	8,708	0.000	0.750	0.750	0.750	5,279	1.261	6,658	495	7,153	7,588	(435)											
9 Escalon	1,930,391	25,000	0.544	10,497	134	1,092	11,724	(745)	10,979	1.250	13,724	0.990	13,583	0.000	0.750	0.750	0.750	8,234	1.261	10,386	772	11,158	10,556	602											
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	0.990	13,279	0.000	0.750	0.750	0.750	8,050	1.261	10,153	930	11,083	11,471	(388)											
11 Fowler	1,923,045	25,000	0.544	10,457	134	1,088	11,679	(742)	10,938	1.250	13,672	0.990	13,532	0.000	0.750	1.000	1.250	10,938	1.261	13,795	769	14,564	18,237	(3,672)											
12 Gustine	1,426,840	25,000	0.544	7,759	99	807	8,666	(550)	8,115	1.250	10,144	0.990	10,040	0.000	0.750	0.750	0.750	6,086	1.261	7,677	571	8,247	8,974	(726)											
13 Hughson	1,027,149	25,000	0.544	5,585	71	581	6,238	(396)	5,842	1.250	7,303	0.990	7,228	24,990	1.500	1.000	0.750	5,842	1.261	7,368	411	7,779	5,817	1,962											
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	0.990	8,025	0.000	0.750	0.750	0.750	4,865	1.261	6,136	456	6,592	6,589	4											
15 Kerman (07/01/00)	3,676,460	25,000	0.544	19,992	256	2,081	22,328	(1,418)	20,910	1.250	26,138	0.990	25,870	3,228	1.500	1.250	1.000	26,138	1.261	32,967	1,471	34,438	27,299	7,139											
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	23,798	0.990	23,554	1,167	1.167	1.000	0.750	19,039	1.261	24,013	1,339	25,352	19,140	6,212											
17 Lathrop (10/4/05)	6,345,978	25,000	0.544	34,508	442	3,591	38,541	(2,448)	36,093	1.250	45,117	0.990	44,654	0.000	0.750	0.750	1.000	27,070	1.261	34,143	2,538	36,681	45,331	(8,650)											
18 Lemoore (07/01/13)	6,793,489	25,000	0.544	36,942	473	3,845	41,259	(2,620)	38,639	1.250	48,298	0.990	47,803	0.000	0.750	0.750	0.750	28,979	1.261	36,551	2,717	39,268	33,594	5,674											
19 Livingston	3,830,666	25,000	0.544	20,830	267	2,168	23,265	(1,477)	21,787	1.250	27,234	0.990	26,955	0.000	0.750	0.750	0.750	16,340	1.261	20,610	1,532	22,142	20,419	1,723											
20 Madera	18,152,193	25,000	0.544	98,708	1,263	10,273	110,244	(7,001)	103,242	1.250	129,053	0.990	127,730	0.000	0.750	0.750	0.750	77,432	1.261	97,663	7,261	104,924	97,865	7,059											
21 McFarland	2,822,186	50,000	0.477	13,462	196	1,597	15,255	(969)	14,287	1.250	17,858	0.990	17,675	21,352	1.500	1.500	1.500	21,430	1.261	27,029	1,129	28,158	24,393	3,765											
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	0.990	15,691	0.000	0.750	0.750	0.750	9,512	1.261	11,997	892	12,889	12,976	(87)											
23 Merced (07/01/03)	33,627,926	100,000	0.391	131,532	2,340	19,031	152,903	(9,710)	143,192	1.250	178,991	0.990	177,155	0.000	0.750	0.750	0.750	107,394	1.261	135,454	13,451	148,905	140,901	8,004											
24 Newman	2,478,770	25,000	0.544	13,479	172	1,403	15,054	(956)	14,098	1.250	17,623	0.990	17,442	0.000	0.750	0.750	0.750	10,574	1.261	13,336	992	14,328	14,124	204											
25 Oakdale (8/1/12)	6,656,911	50,000	0.477	31,753	463	3,767	35,984	(2,285)	33,699	1.250	42,123	0.990	41,691	1,302	1.302	1.302	1.500	43,863	1.261	55,324	2,663	57,987	72,339	(14,353)											
26 Orange Cove (07/07/07)	2,044,488	50,000	0.477	9,752	142	1,157	11,051	(702)	10,350	1.250	12,937	0.990	12,804	0.000	0.750	0.750	0.750	7,762	1.261	9,790	818	10,608	9,701	907											
27 Parlier	2,084,659	50,000	0.477	9,944	145	1,180	11,269	(716)	10,553	1.250	13,191	0.990	13,056	6,012	1.500	1.500	1.250	15,829	1.261	19,965	834	20,799	16,725	4,074											
28 Patterson (07/01/13)	8,055,172	50,000	0.477	38,423	561	4,559	43,542	(2,765)	40,777	1.250	50,971	0.990	50,449	0.000	0.750	0.750	0.750	30,583	1.261	38,573	3,222	41,795	36,837	4,958											
29 Porterville	20,077,330	25,000	0.544	109,177	1,397	11,362	121,936	(7,744)	114,192	1.250	142,740	0.990	141,276	0.000	0.750	0.750	0.750	85,644	1.261	108,021	8,031	116,052	114,412	1,640											
30 Reedley	7,857,246	25,000	0.544	42,726	547	4,447	47,719	(3,031)	44,689	1.250	55,861	0.990	55,288	0.000	0.750	0.750	0.750	33,517	1.261	42,274	3,143	45,417	44,766	651											
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	0.990	21,491	0.000	0.750	0.750	0.750	13,028	1.261	16,432	1,373	17,805	18,182	(377)											
32 Sanger (4/18/16)	8,013,974	25,000	0.544	43,578	558	4,535	48,671	(3,091)	45,580	1.250	56,975	0.990	56,391	8,693	1.500	1.500	1.250	68,370	1.261	86,234	3,206	89,440	73,629	15,810											
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	0.990	4,629	0.000	0.750	0.750	0.750	2,806	1.261	3,539	263	3,802	4,129	(327)											
34 Selma	6,316,007	50,000	0.477	30,127	440	3,574	34,141	(2,168)	31,973	1.250	39,966	0.990	39,556	0.000	0.750	0.750	0.750	23,980	1.261	30,245	2,526	32,771	31,380	1,391											
35 Shafter	12,891,212	25,000	0.544	70,100	897	7,295	78,292	(4,972)	73,320	1.250	91,650	0.990	90,710	6,229	1.500	1.500	1.250	109,980	1.261	138,715	5,156	143,872	116,773	27,099											
36 Sonora (07/01/13)	3,243,551	25,000	0.544	17,638	226	1,836	19,699	(1,251)	18,448	1.250	23,060	0.990	22,824	0.000	0.750	0.750	0.750	13,836	1.261	17,451	1,297	18,748	19,223	(475)											
37 Taft	8,057,857	25,000	0.544	43,817	561	4,560	48,938	(3,108)	45,830	1.250	57,287	0.990	56,700	2,172	1.500	1.000	0.750	45,830	1.261	57,804	3,223	61,027	44,679	16,348											
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	33,271	0.990	32,930	0.000	0.750	1.178																			

Employment Risk Management Authority

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~ ERMAC ~

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		
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	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	Prior Year Deposit Premium	Increase (Decrease)
1 Hayward (7/1/16)	\$82,550,154	\$500,000	\$74,815	\$5,744	\$46,716	\$127,276	(\$7,263)	\$120,013	0.767	\$92,092	0.990	\$91,148	0.075	0.750	0.750	0.750	\$90,010	1.013	\$91,148	\$97,456	(\$6,308)
2 Laguna Hills (7/1/16)	3,409,269	100,000	13,335	237	1,929	15,502	(885)	14,617	0.767	11,216	0.990	11,101	0.000	0.750	0.750	0.750	10,963	1.013	11,101	10,321	781
Total	\$85,959,423		\$88,150	\$5,982	\$48,646	\$142,778	(\$8,148)	\$134,630		\$103,308		\$102,249					\$100,973		\$102,249	\$107,777	(\$5,527)
			(8,148)	JPA participation credit					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								
			\$80,003	Net funding																	

Total JPA Payroll	\$150,635,260
Participating Payroll	85,959,423
Participation Credit	5.71%
2016 Payroll	\$91,114,972
2017 Payroll	85,959,423
Percentage Increase	-5.66%

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: \$2M x \$1M ~ \$4M / \$10M Aggregate	\$0.0400
Loss Prevention & Training	0.0070
Administration	0.0566

Employment Risk Management Authority

~ 2018/2019 FINAL Operating Budget ~

~ MBASIA ~

											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					
											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 \$2M x \$1M	TOTAL Deposit Premium	Prior Year Deposit Premium	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 Capitola	\$6,015,372	\$500,000	\$0.091	\$5,452	\$419	\$3,404	\$9,275	(\$941)	\$8,333	1.025	\$8,545	0.990	\$8,457	0.000	0.750	0.750	0.750	\$6,250	1.210	\$7,564	\$2,406	\$9,970	\$8,843	\$1,127			
2 Del Ray Oaks	1,018,757	500,000	0.091	923	71	577	1,571	(159)	1,411	1.025	1,447	0.990	1,432	7.105	1.500	1.000	0.750	1,411	1.210	1,708	408	2,115	1,499	617			
3 Gonzales	3,181,254	500,000	0.091	2,883	221	1,800	4,905	(498)	4,407	1.025	4,519	0.990	4,473	0.000	0.750	0.750	0.750	3,305	1.210	4,000	1,273	5,273	4,155	1,118			
4 Greenfield	3,767,526	500,000	0.091	3,415	262	2,132	5,809	(590)	5,219	1.025	5,352	0.990	5,297	11.631	1.500	1.500	1.250	7,829	1.210	9,475	1,507	10,982	7,430	3,552			
Greenfield Fire Dept.	778,598	500,000	0.091	706	54	441	1,200	(122)	1,079	1.025	1,106	0.990	1,095	11.631	1.500	1.500	1.250	1,618	1.210	1,958	311	2,269					
5 Hollister	14,860,294	500,000	0.091	13,468	1,034	8,410	22,912	(2,325)	20,586	1.025	21,109	0.990	20,893	0.000	0.750	0.750	1.000	15,440	1.210	18,685	5,944	24,629	25,474	(845)			
6 King City	2,855,610	500,000	0.091	2,588	199	1,616	4,403	(447)	3,956	1.025	4,056	0.990	4,015	0.000	0.750	0.750	1.000	2,967	1.210	3,591	1,142	4,733	4,908	(175)			
7 Marina	8,922,530	500,000	0.091	8,086	621	5,049	13,757	(1,396)	12,361	1.025	12,675	0.990	12,545	0.000	0.750	0.750	0.750	9,271	1.210	11,219	3,569	14,788	12,755	2,033			
8 Sand City	2,494,186	500,000	0.091	2,260	174	1,411	3,846	(390)	3,455	1.025	3,543	0.990	3,507	0.000	0.750	0.750	0.750	2,591	1.210	3,136	998	4,134	3,572	562			
9 Scotts Valley	5,123,539	500,000	0.091	4,643	357	2,899	7,899	(802)	7,098	1.025	7,278	0.990	7,204	0.000	0.750	0.750	0.750	5,323	1.210	6,442	2,049	8,492	7,608	884			
10 Soledad	4,211,545	500,000	0.091	3,817	293	2,383	6,493	(659)	5,834	1.025	5,983	0.990	5,921	2.968	1.500	1.000	0.750	5,834	1.210	7,061	1,685	8,745	6,142	2,604			
Total	\$53,229,209			\$48,242	\$3,704	\$30,123	\$82,069	(\$8,329)	\$73,740		\$75,614		\$74,838					\$61,840		\$74,838	\$21,292	\$96,130	\$82,384	\$13,746			
											(8,329)	JPA participation credit															
											\$39,913	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							Greenfield	13,251				

Total JPA Payroll*	\$52,450,612
Participating Payroll	53,229,209
Participation Credit	10.15%
2016 Payroll	\$49,607,745
2017 Payroll	53,229,209
Percentage Increase	7.30%

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: \$2M x \$1M ~ \$4M / \$10M Aggregate	\$0.0400
Loss Prevention & Training	0.0070
Administration	0.0566

Employment Risk Management Authority

~ 2018/2019 FINAL Operating Budget ~

~ MPA ~

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					
	Actual	SIR	Funding	Loss	Admin.	Deposit	JPA	Net	JPA	Dep Prem	Dep Prem	Individual	Capped	Capped Ind.	Prior Year	Deposit		Premium	Excess	TOTAL	Prior Year			
Member	2017	Selected	For	Prevention	Costs	Premium	Participation	Deposit	Experience	Adjusted for	Adjusted for	Experience	Individual	Ex Mod	(2017/2018)	Adjusted for	Off-Balance	Adjusted for	Insurance	Deposit	Deposit	Deposit	Increase	
	Payroll		Losses	& Training			Credit	Premium	Modification	Experience	Off-Balance	Modification	Modification	Including .25	Experience	Experience	Factor	Off-Balance	\$2M x \$1M	Premium	Premium	(Decrease)		
1 Antioch	\$32,424,275	\$50,000	\$154,664	\$2,256	\$18,349	\$175,269	(\$15,998)	\$159,272	0.750	\$119,454	0.990	\$118,229	0.000	0.750	0.750	0.750	0.804	\$96,025	\$12,970	\$108,995	\$92,247	\$16,748		
2 Brentwood	31,074,714	50,000	148,226	2,162	17,586	167,974	(15,332)	152,642	0.750	114,482	0.990	113,308	0.000	0.750	0.750	0.750	0.804	92,028	12,430	104,458	96,618	7,840		
3 Clayton	2,186,675	50,000	10,430	152	1,237	11,820	(1,079)	10,741	0.750	8,056	0.990	7,973	0.000	0.750	0.750	0.750	0.804	6,476	875	7,351	6,951	400		
4 Danville	8,529,442	50,000	40,685	594	4,827	46,106	(4,208)	41,898	0.750	31,423	0.990	31,101	0.000	0.750	0.750	0.750	0.804	25,260	3,412	28,672	26,687	1,985		
5 El Cerrito	20,005,704	50,000	95,427	1,392	11,322	108,141	(9,871)	98,270	0.750	73,703	0.990	72,947	0.095	0.750	0.750	0.750	0.804	59,247	8,002	67,249	63,502	3,747		
6 Hercules	6,906,525	50,000	32,944	481	3,909	37,333	(3,408)	33,926	0.750	25,444	0.990	25,183	0.627	0.750	0.750	0.750	0.804	20,454	2,763	23,216	21,215	2,001		
7 LaFayette	4,229,892	50,000	20,177	294	2,394	22,865	(2,087)	20,778	0.750	15,583	0.990	15,423	0.000	0.750	0.750	0.750	0.804	12,527	1,692	14,219	13,821	398		
8 Manteca	37,132,165	50,000	177,120	2,584	21,014	200,718	(18,321)	182,397	0.750	136,798	0.990	135,395	1.089	1.089	1.089	1.000	0.804	159,739	14,853	174,592	155,309	19,283		
9 Martinez	12,914,506	50,000	61,602	899	7,309	69,809	(6,372)	63,437	0.750	47,578	0.990	47,090	0.000	0.750	0.750	0.750	0.804	38,246	5,166	43,412	35,486	7,926		
10 Moraga	3,552,034	50,000	16,943	247	2,010	19,201	(1,753)	17,448	0.750	13,086	0.990	12,952	0.000	0.750	0.750	0.750	0.804	10,519	1,421	11,940	10,524	1,416		
11 Oakley (07/01/02)	8,106,705	50,000	38,669	564	4,588	43,821	(4,000)	39,821	0.750	29,866	0.990	29,560	0.000	0.750	1.000	1.250	0.804	32,011	3,243	35,253	34,975	278		
12 Orinda	3,420,186	50,000	16,314	238	1,936	18,488	(1,687)	16,800	0.750	12,600	0.990	12,471	0.000	0.750	0.750	0.750	0.804	10,129	1,368	11,497	11,311	186		
13 Pacifica (03/09/07)	18,291,939	75,000	78,527	1,273	10,352	90,152	(8,229)	81,923	0.750	61,442	0.990	60,812	0.000	0.750	0.750	0.750	0.804	49,391	7,317	56,708	58,403	(1,695)		
14 Pinole	8,275,070	50,000	39,472	576	4,683	44,731	(4,083)	40,648	0.750	30,486	0.990	30,173	0.000	0.750	0.750	0.750	0.804	24,507	3,310	27,817	25,618	2,199		
15 Pittsburg	25,932,604	50,000	123,699	1,805	14,676	140,179	(12,795)	127,384	0.750	95,538	0.990	94,558	3.087	1.500	1.500	1.250	0.804	153,599	10,373	163,972	133,716	30,257		
16 Pleasant Hill	11,738,410	50,000	55,992	817	6,643	63,452	(5,792)	57,660	0.750	43,245	0.990	42,802	0.331	0.750	0.817	1.067	0.804	37,849	4,695	42,544	52,687	(10,143)		
17 San Pablo	13,147,976	100,000	51,427	915	7,441	59,783	(5,457)	54,326	0.750	40,744	0.990	40,327	0.000	0.750	0.750	0.750	0.804	32,753	5,259	38,012	42,593	(4,581)		
18 San Ramon	29,419,162	50,000	140,329	2,047	16,649	159,025	(14,515)	144,510	0.750	108,383	0.990	107,271	0.000	0.750	0.750	0.750	0.804	87,125	11,768	98,893	97,683	1,210		
19 Walnut Creek	38,533,782	50,000	183,806	2,681	21,807	208,294	(19,012)	189,282	0.750	141,962	0.990	140,506	0.000	0.750	1.250	1.500	0.804	190,197	15,414	205,610	233,337	(27,727)		
Total	\$315,821,765		\$1,486,456	\$21,977	\$178,728	\$1,687,161	(\$153,997)	\$1,533,164		\$1,149,873		\$1,138,083				\$1,415,761		\$1,138,083	\$126,329	\$1,264,411	\$1,212,684	\$51,727		

(153,997) JPA participation credit

\$1,332,459 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%

2016 Payroll \$295,490,022

2017 Payroll 315,821,765

Percentage Increase 6.88%

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: \$2M x \$1M - \$4M / \$10M Aggregate	\$0.0400
Loss Prevention & Training	0.0070
Administration	0.0566

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Total JPA Payroll	\$276,176,100	Retained Limit Rates - 80% C.L.		
Participating Payroll	241,906,438	SIR	Factor	Rates
Participation Credit	8.76%	\$25,000	1.14	\$0.544
		50,000	1.00	0.477
2016 Payroll	\$230,170,584	75,000	0.90	0.429
2017 Payroll	241,906,438	100,000	0.82	0.391
Percentage Increase	5.10%	250,000	0.48	0.229
		500,000	0.19	0.091

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~ PERMA ~

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 Premium	Increase Decrease
										2	3	4	5	6	7	8	Info Only:	9	10	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 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		
1 Adelanto (07/1/03)	\$2,804,616	\$250,000	\$0.229	\$6,421	\$195	\$1,587	\$8,204	(\$672)	\$7,532	1.072	\$8,075	0.990	\$7,992	22.433	1.500	1.250	1.000	\$9,415	1.199	\$11,292	\$10,914	\$378
2 Banning (02/14/02)	15,571,310	25,000	0.544	84,674	1,084	8,812	94,569	(7,742)	86,827	1.072	93,083	0.990	92,129	5.595	1.500	1.500	1.500	130,241	1.199	156,207	125,776	30,430
3 Barstow (02/04/02)	15,488,188	25,000	0.544	84,222	1,078	8,765	94,064	(7,701)	86,364	1.072	92,586	0.990	91,637	1.622	1.500	1.000	0.750	86,364	1.199	103,582	65,260	38,322
4 Canyon Lake (7/1/11)	487,923	25,000	0.544	2,653	34	276	2,963	(243)	2,721	1.072	2,917	0.990	2,887	0.000	0.750	0.750	0.750	2,041	1.199	2,447	1,939	508
5 Cathedral City (02/14/01)	21,245,925	25,000	0.544	115,531	1,478	12,023	129,033	(10,563)	118,470	1.072	127,005	0.990	125,703	0.000	0.750	0.750	0.750	88,852	1.199	106,566	89,028	17,539
6 Coachella (10/01/00)	5,974,186	25,000	0.544	32,486	416	3,381	36,283	(2,970)	33,313	1.072	35,713	0.990	35,347	0.000	0.750	0.750	0.750	24,985	1.199	29,966	24,865	5,100
7 Desert Hot Springs (07/01/01)	4,601,543	25,000	0.544	25,022	320	2,604	27,947	(2,288)	25,659	1.072	27,507	0.990	27,225	0.000	0.750	0.750	1.000	19,244	1.199	23,081	22,900	181
8 Eastvale (7/1/15)	843,838	25,000	0.544	4,589	59	478	5,125	(420)	4,705	1.072	5,044	0.990	4,993	0.000	0.750	0.750	0.750	3,529	1.199	4,233	3,463	770
9 Hesperia (7/1/10)	12,030,252	50,000	0.477	57,384	837	6,808	65,030	(5,324)	59,706	1.072	64,008	0.990	63,351	0.016	0.750	0.750	0.750	44,779	1.199	53,707	45,347	8,360
10 Holtville (7/1/08)	1,281,145	25,000	0.544	6,967	89	725	7,781	(637)	7,144	1.072	7,658	0.990	7,580	0.000	0.750	0.750	0.750	5,358	1.199	6,426	5,228	1,198
11 ICTC (7/1/12)	559,992	25,000	0.544	3,045	39	317	3,401	(278)	3,123	1.072	3,348	0.990	3,313	0.000	0.750	0.750	0.750	2,342	1.199	2,809	2,249	560
12 Jurupa Valley (11/2/15)	1,282,341	25,000	0.544	6,973	89	726	7,788	(638)	7,150	1.072	7,666	0.990	7,587	0.000	0.750	0.750	0.750	5,363	1.199	6,432	4,730	1,702
13 La Mesa (07/01/02)	23,262,084	25,000	0.544	126,495	1,619	13,164	141,278	(11,566)	129,712	1.072	139,057	0.990	137,631	0.134	0.750	0.750	0.750	97,284	1.199	116,679	97,242	19,438
14 Murrieta (07/01/01)	25,084,295	100,000	0.391	98,115	1,746	14,196	114,056	(9,337)	104,719	1.072	112,263	0.990	111,112	0.000	0.750	0.750	0.750	78,539	1.199	94,197	52,242	41,955
15 Palm Sps Tram (11/01/05)	4,607,936	25,000	0.544	25,057	321	2,608	27,985	(2,291)	25,694	1.072	27,546	0.990	27,263	0.000	0.750	0.750	0.750	19,271	1.199	23,113	21,172	1,941
16 Perris (09/25/00)	6,530,512	25,000	0.544	35,512	454	3,696	39,662	(3,247)	36,415	1.072	39,038	0.990	38,638	0.000	0.750	0.750	0.750	27,311	1.199	32,756	27,341	5,415
17 San Jacinto	3,358,185	25,000	0.544	18,261	234	1,900	20,395	(1,670)	18,726	1.072	20,075	0.990	19,869	0.000	0.750	1.000	1.000	18,726	1.199	22,459	27,341	(4,882)
18 SDRTC (11/04/13)	683,648	25,000	0.544	3,718	48	387	4,152	(340)	3,812	1.072	4,087	0.990	4,045	0.000	0.750	1.000	1.250	3,812	1.199	4,572	4,908	(335)
19 Stanton (07/01/01)	3,097,789	25,000	0.544	16,845	216	1,753	18,814	(1,540)	17,274	1.072	18,518	0.990	18,328	0.000	0.750	0.750	0.750	12,955	1.199	15,538	12,111	3,427
20 SunLine (11/04/13)	16,861,855	50,000	0.477	80,431	1,173	9,542	91,147	(7,462)	83,685	1.072	89,714	0.990	88,794	1.511	1.500	1.250	1.000	104,606	1.199	125,461	84,176	41,285
21 Victorville (07/01/01)	27,744,606	25,000	0.544	150,870	1,931	15,701	168,501	(13,794)	154,707	1.072	165,853	0.990	164,153	0.000	0.750	0.750	0.750	116,030	1.199	139,163	114,601	24,562
22 VVTA (7/1/12)	1,231,809	25,000	0.544	6,698	86	697	7,481	(612)	6,869	1.072	7,364	0.990	7,288	0.000	0.750	0.750	0.750	5,152	1.199	6,179	4,453	1,726
Total	\$194,633,979			\$991,968	\$13,544	\$110,146	\$1,115,659	(\$91,333)	\$1,024,326		\$1,098,125		\$1,086,865					\$906,199		\$1,086,865	\$847,285	\$239,580
				(91,333)	JPA participation credit																	
				\$900,635	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	194,633,979
Participation Credit	8.19%
2016 Payroll	\$180,809,708
2017 Payroll	194,633,979
Percentage Increase	7.65%

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: \$2M x \$1M - \$4M / \$10M Aggregate	\$0.0400
Loss Prevention & Training	0.0070
Administration	0.0566

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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	0.073

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%

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Employment Risk Management Authority

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~ VCJPA ~

										1				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)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													
										2		3		4		5		6		7		8 Capped Ind. Ex Mod Including .25 capped change over prior year		9 Info Only: (2017/2018) Experience Modification		10 Deposit Adjusted for Experience Off-Balance Factor		11 Premium Adjusted for Off Balance Factor																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			

Employment Risk Management Authority

~ 2018/2019 FINAL 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 \$2M x \$1M	TOTAL Deposit Premium	Prior Year Deposit Premium	Increase (Decrease)
Oakland H.A.	\$28,486,957	\$50,000	\$135,883	\$1,982	\$16,121	\$153,986		\$153,986	1.006	\$154,891	0.990	\$153,302	\$11,395	\$164,697	\$173,592	(\$8,895)
Total	\$28,486,957		\$135,883	\$1,982	\$16,121	\$153,986	\$0	\$153,986		\$154,891		\$153,302	\$11,395	\$164,697	\$173,592	(\$8,895)

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	<u>28,486,957</u>	50,000	1.00	0.477
Percentage Increase	<u>6.03%</u>	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>	
Description	Rates
Excess Insurance: \$2M x \$1M ~ \$4M / \$10M Aggregate	\$0.0400
Loss Prevention & Training	0.0070
Administration	0.0566

Employment Risk Management Authority

~ 2018/2019 FINAL 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 \$2M x \$1M	TOTAL Deposit Premium	Prior Year Deposit Premium	Increase (Decrease)
Contra Costa H.A.	\$5,220,093	\$50,000	\$24,900	\$363	\$2,954	\$28,217		\$28,217	0.940	\$26,534	0.990	\$26,262	\$2,088	\$28,350	\$27,734	\$616
Total	\$5,220,093		\$24,900	\$363	\$2,954	\$28,217	\$0	\$28,217		\$26,534		\$26,262	\$2,088	\$28,350	\$27,734	\$616

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	0.091	

Other Rates	
Description	Rates
Excess Insurance: \$2M x \$1M ~ \$4M / \$10M Aggregate	\$0.0400
Loss Prevention & Training	0.0070
Administration	0.0566

**Employment Risk Management Authority
Experience Modification Calculation
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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)
BCJPIA																							
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.	Inc.	Inc.	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		-	-	-	-	-													
BCJPIA Total	184,857,166	188,365,762	194,477,914	205,025,234		125,000	173,900	11,013	249,617	115,000	-	193,181,519	137,383	0.071	334,294	0.411	0.385	-0.227	0.773	0.773		0.791	
CalTIP																							
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
CalTIP Total	13,619,914	15,257,988	15,563,148	15,874,411		-	-	-	-	-	-	15,078,865	-	-	26,093	-	0.107	-0.107	0.893	0.893		1.000	

**Employment Risk Management Authority
Experience Modification Calculation
~ 2018/2019 FINAL 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	by Credibility	Modifier	Modifier	Ex Mod (No factor applied)	Modifier	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		1.167		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 Parlier	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		
ERM MAC 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	
ERM MAC Total						-	-	-	-	41,081	15,000	82,095,031	10,270	0.01251	142,063	0.072	0.251	-0.						

**Employment Risk Management Authority
Experience Modification Calculation
~ 2018/2019 FINAL 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 Multiplied	Factored Experience	JPA Capped* Factored	Ind. Capped** Ex Mod	JPA Capped* Factored	Ind. Capped** Ex Mod
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	by Credibility	Modifier	Modifier	(No factor applied)	Modifier	(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,																				

**Employment Risk Management Authority
Experience Modification Calculation
~ 2018/2019 FINAL 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)
PERMA																							
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 (1/1/05)	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
PERMA Total	157,368,438	158,586,736	164,234,762	168,306,082		486,000	-	716,920	557,744	76,951	-	162,124,004	337,904	0.208	280,550	1.204	0.352	0.072	1.072	1.072		0.908	
SCORE																							
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
SCORE Total	17,328,034	17,505,381	17,802,068	18,133,454		-	-	-	-	-	-	17,692,234	-	-	30,616	-	0.116	-0.116	0.884	0.884		0.886	

**Employment Risk Management Authority
Experience Modification Calculation
~ 2018/2019 FINAL 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 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)
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				

FINANCIAL MATTERS

SUBJECT: Review of Annual Retrospective Adjustment Calculation

BACKGROUND AND STATUS:

Historically, ERMA has considered the annual retrospective adjustment calculation (Calculation) each year at the April Board meeting, using the program year equity balances as of March 31st as these numbers include the actuary's revalued reserves. From 2004 through 2008, this timeframe was necessary in order for the Board to approve assessments prior to year-end so that the additional contribution could be budgeted by the JPA's and cities.

Although the turn-around time to produce the March 31st financials by the April Board meeting was difficult, the Calculation continued to be produced for that meeting in subsequent years when assessments were no longer necessary. In 2013, when the Calculation resulted in a dividend rather than an assessment, the timeframe continued.

Recently, with the change in the agenda packet being distributed two weeks prior to the meeting rather than one week prior, it became difficult to produce the financial statements in time to perform the Calculation. At the May 1, 2018, Board meeting, the Board discussed changes to the Financial Stability Plan (Plan) to incorporate the Budget Control Provision. At that time, the Plan was further amended to change the Retrospective Adjustment Process section, noting the process would now be considered at the June Board meeting, rather than the April meeting. Staff agreed to continue to provide a preliminary indication of the results of the Calculation at the April meeting.

The results of the preliminary Calculation are attached for the Board's review. The results reveal a net dividend in the amount of \$7.3 million could be available for release in June, 2019. Staff will be present to guide the Board through the analysis.

RECOMMENDATION:

None

REFERENCE MATERIALS ATTACHED:

- Preliminary Calculation of the Annual Retrospective Adjustment

Employment Risk Management Authority

Preliminary Calculation of the Annual Retrospective Adjustment ~ Updated Reserves as of New Actuarial Study dated April 11, 2019

Member	Retrospective Adjustment Eligible Program Years ~ Fully Five Years Old				Total Distribution Available**	~ Program Years Not Yet Eligible for Adjustment ~						Total All Program Years
	2011/12 Program Year	2012/13 Program Year	2013/14 Program Year	Prog Year Subtotals		2014/15 Program Year	2015/16 Program Year	2016/17 Program Year	2017/18 Program Year	2018/19 Program Year	Prog Year Subtotals	
Capital Fund												774,824
Totals:												
Equity at Expected at 12/31/18	\$ 2,326,972	\$ 3,574,660	\$ 2,306,284	\$ 8,207,916		\$ 403,054	\$ 814,733	\$ 1,372,271	\$ 1,208,729	\$ 796,339	\$ 4,595,127	\$ 13,577,867
Equity at 90% CL at 12/31/18 *	\$ 2,326,972	\$ 3,490,723	\$ 2,068,948	\$ 7,886,643	\$ 5,551,692	\$ (293,138)	\$ (259,743)	\$ (229,002)	\$ (684,852)	\$ (868,217)	\$ (2,334,951)	\$ 6,326,516
Equity at 90% CL with Revalued IBNR	\$ 2,326,972	\$ 3,667,115	\$ 2,464,384	\$ 8,458,471	\$ 7,328,719	\$ 164,031	\$ (73,931)	\$ 439,649	\$ (765,601)	\$ (290,220)	\$ (526,071)	\$ 8,707,224

* Preliminary Retro Presented at the February 2019 Annual Workshop

** Negative equity in current program years is included in Total Distribution Available

** Negative equity in current program years is included in Total Distribution Available

Additional Information:				Subtotals:						Subtotals:	
IBNR at Expected as of 12/31/18	\$0	\$ 207,040	\$ 420,296	\$627,336	\$ 645,902	\$ 596,753	\$ 2,538,958	\$ 3,977,025	\$ 2,196,456	\$ 9,955,094	\$10,582,430
UPDATED IBNR at Exp as of 12/31/18	\$0	\$ 74,590	\$ 199,427	\$274,017	\$ 537,570	\$ 1,015,615	\$ 2,366,078	\$ 4,117,940	\$ 2,279,223	\$ 10,316,426	\$10,590,443
Open Claims as of 12/31/18	0	1	1	2	3	7	15	5	2	32	34
Confidence Level Funding:	75%	80%	80%		80%	80%	80%	80%	80%		

LITIGATION MANAGEMENT

SUBJECT: Report from Kathy Maylin, Litigation Manager

BACKGROUND AND STATUS:

This time is reserved for Kathy Maylin, Litigation Manager, to report to the Board regarding any general litigation management and member support activities.

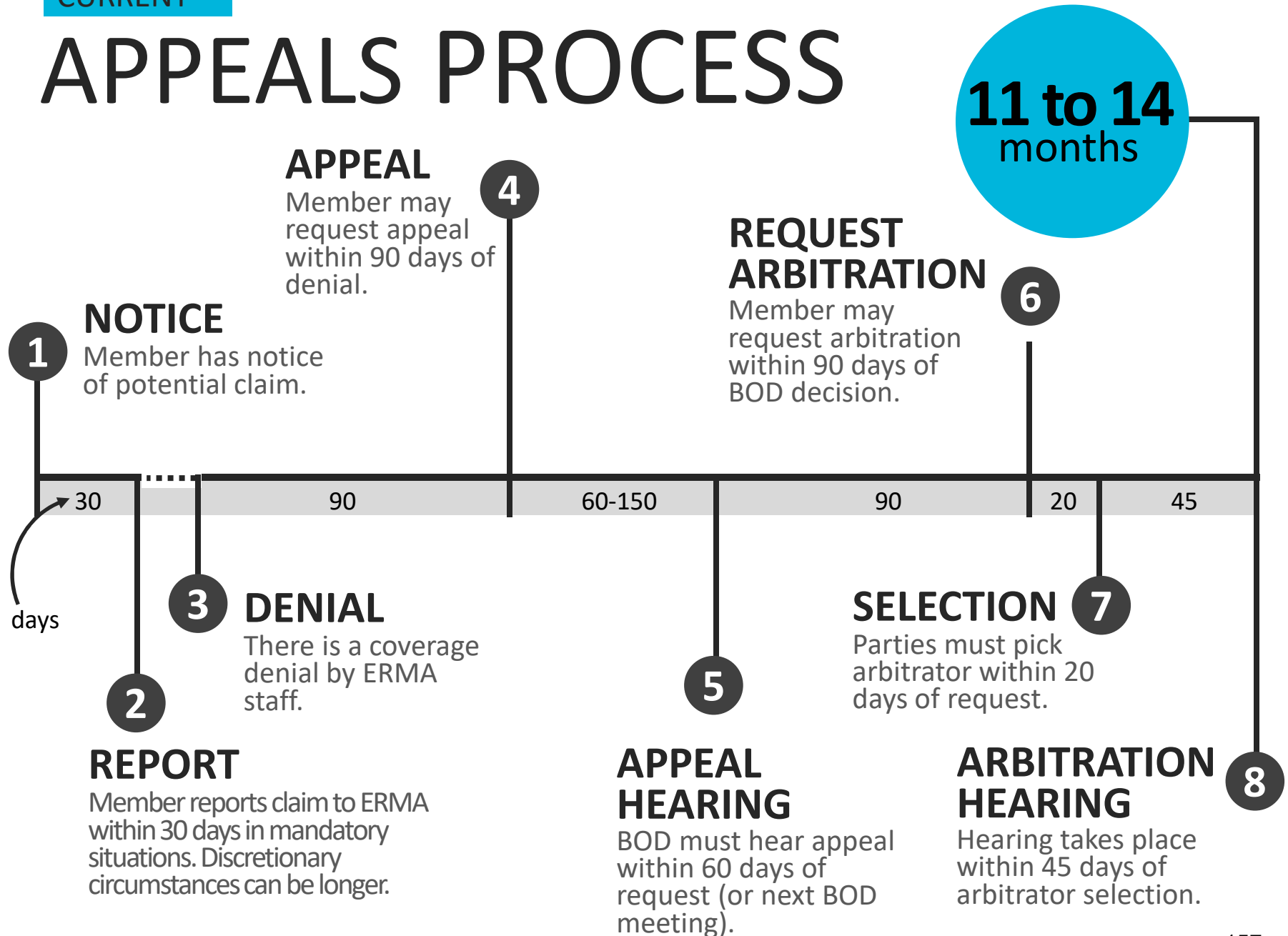
RECOMMENDATION:

None

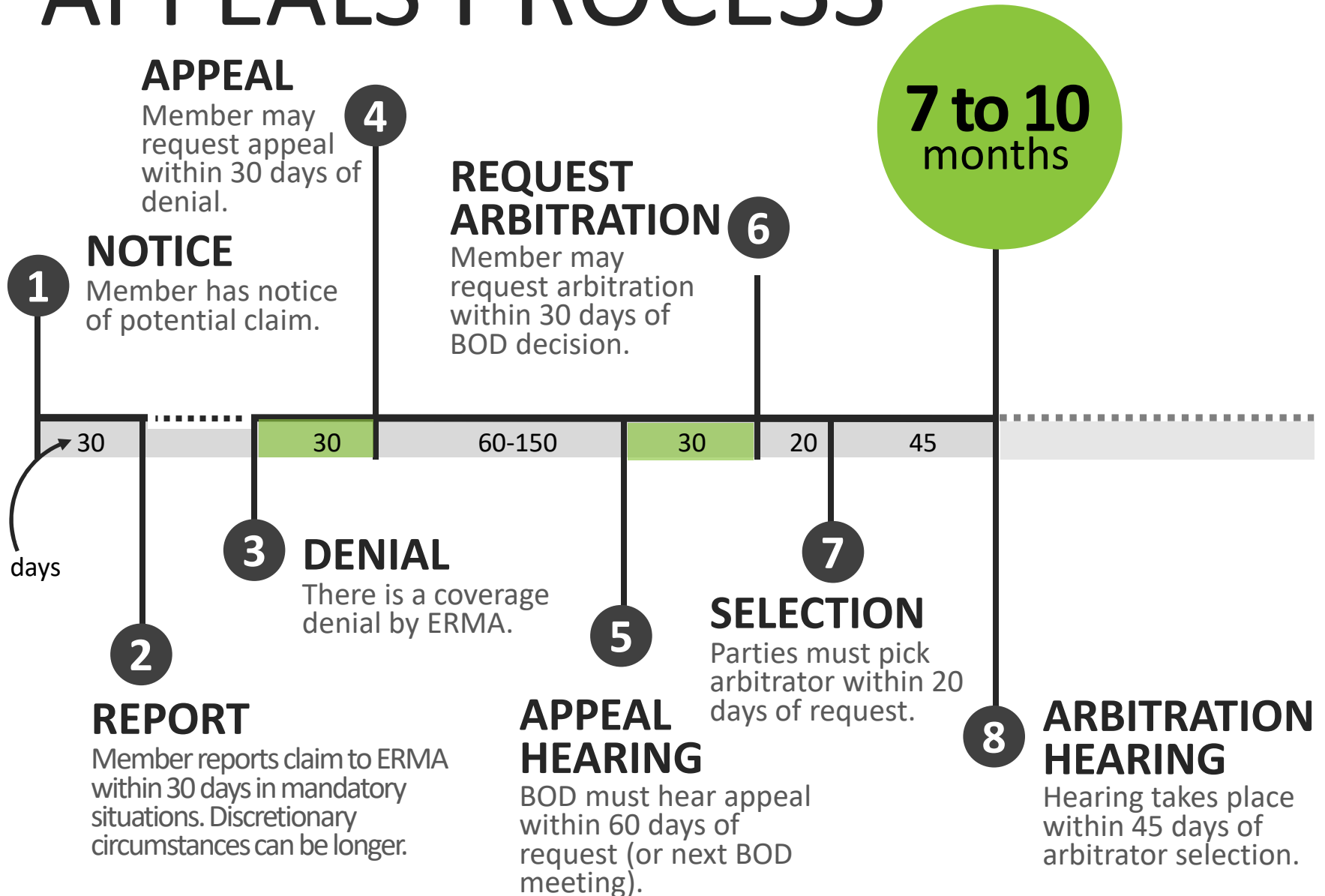
REFERENCE MATERIALS ATTACHED:

- Timeline of the Appeals Process

APPEALS PROCESS



APPEALS PROCESS



ADMINISTRATIVE MATTERS

SUBJECT: ERMA 20th Annual Workshop

BACKGROUND AND STATUS:

Upon approval of Resolution 2018-2, the proposed meeting dates for the 20th Annual Workshop and Board meeting are Thursday and Friday, February 6 & 7, 2020.

Staff requests direction from the Board regarding the desired venue for the 2020 workshop. The 2019 Annual Workshop was held at Wine & Roses in Lodi and previously, the Dream Inn in Santa Cruz. Staff has received a proposal from both venues for the 2020 Workshop.

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

VENUE	ROOM RATE	TOTAL
Wine & Roses 2019	\$189/night plus tax	\$7,832
Dream Inn 2018	\$199/night plus tax	\$10,149
Dream Inn 2017	\$169/night plus tax	\$8,589

Estimates for the 2019 Annual Workshop are as follows:

VENUE	ROOM RATE	TOTAL
Dream Inn	\$189/night plus tax	\$8,960
Wine & Roses	\$194/night plus tax	\$9,565

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

RECOMMENDATION:

Provide direction to staff.

ADMINISTRATIVE MATTERS

SUBJECT: Draft Resolution Establishing Meeting Dates for the 2019/20 Program Year

BACKGROUND AND STATUS:

Attached is a resolution with proposed meeting dates for the 2019/20 Program Year. The proposed dates are:

- Monday, November 4, 2019
- Thursday & Friday, February 6 & 7, 2020 (Annual Workshop/Board Meeting)
- Tuesday, April 28, 2020
- Tuesday, June 9, 2020

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 2019/20 Program Year.

REFERENCE MATERIALS ATTACHED:

- Draft Resolution Establishing Meeting Dates for the 2019/20 Program Year

DRAFT RESOLUTION NO. 2018-2

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
EMPLOYMENT RISK MANAGEMENT AUTHORITY
ESTABLISHING MEETING DATES FOR THE 2019/20 FISCAL YEAR**

BE IT RESOLVED THAT:

The following meeting dates are hereby established for the 2019/20 fiscal year:

<u>Monday, November 4, 2019</u> York 1750 Creekside Oaks Dr., #200 Sacramento, CA 9:00 a.m.	<u>Tuesday, April 28, 2020</u> York 1750 Creekside Oaks Dr., #200 Sacramento, CA 9:00 a.m.
<u>Friday, February 7, 2020</u> TBD 9:00 a.m.	<u>Tuesday, June 9, 2020</u> York 1750 Creekside Oaks Dr., #200 Sacramento, CA 9:00 a.m.

ANNUAL WORKSHOP/BOARD MEETING

Thursday, February 6, 2020
TBD
11:00 a.m. – 5 p.m.

Friday, February 7, 2020
TBD
9:00 a.m. – 12 noon

This Resolution was adopted by the Board of Directors at a regular meeting of the Board on April 30, 2019, in Sacramento, California, by the following vote:

AYES _____
NOES _____
ABSTAIN _____
ABSENT _____

PRESIDENT

ATTEST:

EXECUTIVE DIRECTOR

ADMINISTRATIVE MATTERS

SUBJECT: Proposed Amendment to Bylaws

BACKGROUND AND STATUS:

As part of a comprehensive review of ERMA's governing documents, staff and Board Counsel reviewed the Bylaws, As Amended Effective April 18, 2016. A proposed change was presented to the Board for review and consideration at the February 2019, Annual Workshop.

Following is a summary of the proposed change:

PROPOSED CHANGE	SECTION & PAGE #:
Require Members to satisfy all costs arising under the Retained Limit, such as defense fees; investigation fees; expert costs; vendor costs and related costs, to ensure that ERMA's partners and vendors are compensated by Members for the cost incurred within the Retained Limit.	1. Article III: Definitions (Page 6) 2. Article XIV: Billings (Page 15)

Greg O'Dea will provide the Board of Directors with a review of the proposed update to ERMA's Bylaws.

RECOMMENDATION:

Staff recommends the Board of Directors approve the Bylaws, as amended, effective April 30, 2019.

REFERENCE MATERIALS ATTACHED:

- Draft Bylaws, As Amended, Effective April 30, 2019 – redline

EMPLOYMENT RISK MANAGEMENT AUTHORITY

(ERMA)

BYLAWS

AS AMENDED EFFECTIVE APRIL ~~1830~~, 201~~9~~6

**EMPLOYMENT RISK MANAGEMENT AUTHORITY
(ERMA)
BYLAWS
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BYLAWS

ARTICLE I

PREAMBLE

The Employment Risk Management Authority (*ERMA*) is established for the purpose of operating and maintaining a cooperative program of self-insurance and risk management in the area of Employment Practices Liability and to provide a forum for the discussion, study, development, training and implementation of practices and procedures in that area.

ARTICLE II

PURPOSES

The purposes of *ERMA* are:

- A. To provide a self-insurance and risk management program, a system that will achieve the following objectives for the benefit of *ERMA's Members*:
 - 1. Reduced costs of pooled coverage and of excess commercial insurance or reinsurance through effective loss prevention and control practices and combined purchasing power;
 - 2. Reduced cost of claims administrative services through central management, volume, and combined purchasing power;
 - 3. Increased stability of pooled rates and rates in the excess commercial insurance or reinsurance markets through the size of combined membership, longer duration of commercial insurance or reinsurance agreements, and effective loss control practices; and

4. Reduced severity and frequency of losses of members through training and the implementation of standard practices and procedures.
- B. To achieve through training, loss prevention and audit compliance techniques:
1. Established reserve funds for easing the financial impact of large losses on the *Members*; and
 2. Increased awareness of policies and practices causing losses and providing guidance in the alleviation of such policies and practices.
- C. To provide funding programs:
1. To pay claims and benefits as authorized by *ERMA's Members*;
 2. To establish reserves for expected future claims payment;
 3. To jointly purchase reinsurance or excess commercial insurance, where such purchase is advantageous to the *Members* as a whole; and
 4. To jointly purchase administrative and other services including risk management, consulting, brokerage, claims administration, claims adjusting, safety and loss prevention, data processing, legal, and related services.

ARTICLE III

DEFINITIONS

The terms in these Bylaws shall be as defined herein and in the *Agreement* creating the Employment Risk Management Authority, unless otherwise specified herein.

| \\Brisk\corp\Clients\ERMA\Admin\Documents\Governing\Bylaws\Bylaws_Final_4-18-2016.doc

- A. "Agreement" shall mean the Joint Powers Agreement creating the Employment Risk Management Authority.
- B. "Alternate" shall mean the person designated by the *Member* to act as a director of *ERMA* in the absence of the *Representative*. The *Alternate* shall have the same responsibility, power and authority as the *Representative*.
- C. "ERMA" shall mean the Employment Risk Management Authority, an agency created by the *Agreement*.
- D. "Board" or "Board of Directors" shall mean the governing body of *ERMA* composed of one *Representative* of each *Member*.
- E. "Coverage Programs" shall mean coverages provided by *ERMA* pursuant to a *Memorandum of Coverage* and/or provided by a purchased *Excess Insurance* or reinsurance.
- F. "Deposit Premium" shall mean the annual dollar amount determined by the *Board of Directors* or Executive Committee which is payable by each *Member* as its established share of the funding required to cover the financial obligations of a *Coverage Program* in which the *Member* participates.
- G. "Excess Insurance" shall mean that commercial insurance or reinsurance purchased by *ERMA* to cover losses in excess of *ERMA's Coverage Program* limits and/or each *Member's Retained Limit*.
- H. "Master Program Document" shall mean the document that sets forth the operations, policies and procedures of a given *Coverage Program*.

- I. "Member" shall mean a governmental entity, including any commissions, agencies, districts, authorities, boards, or other similar government entity under the direct control of the governmental entity, that is eligible to participate in a joint powers authority. A Member is one who has been accepted into ERMA and is a Named Covered Party in the Memorandum of Coverage and Endorsements thereto.
- J. "Memorandum of Coverage" shall mean the negotiated agreement among the Members of the Authority adopted annually by the Board of Directors specifying the type, amount, and conditions of coverage provided to each participant.
- K. "Program Year" shall mean a period of time determined by the *Board* or Executive Committee, usually 12 months, into which each *Coverage Program* shall be segregated for purposes of accounting and record-keeping.
- L. "Representative" shall mean the person designated by the *Member* to act as a director of *ERMA*. The *Representative* shall have the authority to bind the *Member* on any and all matters relating to the business of *ERMA*.

- M. "Retained Limit" shall mean the amount of a claim, [including all defense fees, investigation costs, expert costs, vendor costs and any other related costs](#) which the *Member* must incur or become liable for before *ERMA*, or any applicable purchased *Coverage Program*, is obligated to pay.

ARTICLE IV

OFFICES

The principal office for the transaction of business of *ERMA* and receipt of all notices is hereby fixed and located as described in Appendix A attached hereto and incorporated herein by reference. The *Board* or Executive Committee shall have the authority to change the location of the principal office.

Other business offices may at any time be established by the *Board* or Executive Committee at any place or places where *ERMA* is authorized to do business.

ARTICLE V

DIRECTORS

Each Participating JPA in *ERMA* and the Oakland Housing Authority and Housing Authority of the County of Contra Costa shall appoint a *Representative* to the *Board of Directors*. The appointment shall be in writing, directed to *ERMA* at its designated principal office and shall remain in effect until the receipt of a notice designating a replacement. Each Participating JPA in *ERMA*, the Oakland Housing Authority and the Housing Authority of the County of Contra Costa shall also designate an *Alternate*, in the manner described above, to act in the absence of its duly appointed *Representative*.

Any newly approved Participating JPA shall also appoint a Representative and an Alternate. Any newly approved individual members shall not be allowed a Representative and Alternate.

ARTICLE VI
ELECTION, APPOINTMENT AND DUTIES OF OFFICERS

A. ELECTION OF OFFICERS

The President, Vice President, and Treasurer/Auditor shall be elected, as individuals, from among the *Representatives* to the *Board of Directors* and serve for a term of two years.

Voting for officers will be conducted at the *Board* meeting immediately preceding July 1. Each Representative shall cast one vote for each office. The *Board* or Executive Committee may designate a nominating committee to facilitate this process. The candidate receiving a plurality of votes for the particular office will be elected and will assume the office upon his/her election. In the event of a tie vote, with no candidate receiving a plurality, those not involved in the tie vote will be eliminated and the remaining candidates will draw lots.

The President, Vice President, and Treasurer/Auditor will serve for their elected term of office until termination of employment or office with a *Member*; or until removal from office by the affirmative vote of two-thirds of the *Members* of the entire *Board of Directors*. Vacancies in the offices of President, Vice President, or Treasurer/Auditor will be filled by a majority vote of the remaining Representatives until the next scheduled election.

All information received by the *Board of Directors* in a closed session shall be confidential. However, a *Representative*, or an *Alternate* acting in the place of a *Representative*, who is also on the *Member's* legislative body may disclose information obtained in a closed session that has direct financial or liability implications for that *Member* to the following individuals:

1. Legal counsel of that *Member* for purposes of obtaining advice on whether the matter has direct financial or liability implications for that *Member*.

2. Other individuals of the *Member's* legislative body present in a closed session of that *Member*.

B. APPOINTMENT OF OFFICERS

The President will appoint such other officers as deemed appropriate subject to approval of the *Board* or Executive Committee.

C. DUTIES OF OFFICERS

1. President - The President will preside at all meetings of *ERMA*. The President shall appoint the members of committees as necessary or appropriate for carrying out the activities of *ERMA*. Committees appointed by the President may hold office beyond the President's term subject to the approval of the new President. The President shall execute documents on behalf of *ERMA* as authorized by the *Board of Directors* or Executive Committee and shall serve as the primary liaison between this and any other organization.
2. Vice President - In the absence of or temporary incapacity of the President, the Vice-President shall exercise the functions covered in "1" above. The Vice-President shall also serve as the auditor/controller of *ERMA*.
3. Treasurer/Auditor - The duties of the Treasurer/Auditor shall be those specified in Sections 6505.5 or 6505.6 of the California Government Code, to receive and safekeep all money coming into the treasury, and to comply with all laws governing the deposit and investment of funds. Per Section 53607, the Treasurer will submit a monthly report of investment transactions to the *Board* or Executive Committee, as well as a report to the *Board* or Executive Committee on a regular basis that shall disclose the information as outlined in Section 53646.

4. Administrator - The Administrator shall perform all duties specified in *the Master Program Document*, and shall be present at all meetings to perform such duties as the *Board* or Executive Committee may specify.

ARTICLE VII

BOARD OF DIRECTORS MEETINGS

There shall be at least one regular meeting of the *Board of Directors* each year, which shall be designated as the annual membership meeting. The President may request special meetings of the *Board* as needs dictate. Special meetings may also be called by at least one-third of the representatives to the *Board*. Notice of such special meetings shall be delivered personally, by electronic mail, by electronic facsimile transmission or by mail, as provided by state law to each *Representative* to the *Board* at least twenty-four (24) hours before the time of such meeting.

A regular or special meeting of the *Board* may be canceled or postponed by the President by notice delivered personally, by electronic mail, by electronic facsimile transmission or by mail, as provided by state law to each *Representative* to the *Board* at least twenty-four (24) hours before the time of such meeting. The annual membership meeting may be postponed but not canceled.

No business may be transacted by the *Board* or other appointed committees without a quorum of its respective *Members* being present. A quorum of the *Board* shall consist of a majority of its *Members*. Unless otherwise required, a majority of the *Members* present must vote in favor of a motion to approve it.

An agenda of each *Board* meeting shall be published and posted at the principal office of *ERMA* in accordance with applicable state law.

Official minutes of the *Board* meetings shall be kept by *ERMA* in a minute book at its principal office and shall be distributed to the *Members* within 15 business days.

ARTICLE VIII
DUTIES OF DIRECTORS

The *Board of Directors* shall be responsible for governing *ERMA* either directly or by delegation to other bodies or persons unless prohibited by law or the *Agreement* and shall exercise all those powers not specifically reserved to the *Members* in the *Agreement*. Each *Representative* shall be entitled to cast one vote in all matters requiring a vote, except in the case of an actual or potential conflict of interest.

ARTICLE IX
EXECUTIVE COMMITTEE

There may be an Executive Committee, pursuant to Article IX of the Joint Powers *Agreement*. The members of the Committee shall be the President, Vice President, Treasurer/Auditor, and up to ten other *Representatives* of the *Board of Directors*. The *Representatives* who are not officers shall be elected by the *Board* in the same manner and at the same time as the elected officers and shall serve a two-year term commensurate with the terms of the officers. One-half of the *Representatives* who are not officers shall be elected by the *Board* in the same manner and at the same time as the elected officers and shall serve a two-year term commensurate with the terms of the officers. The other one-half of the *Representatives* who are not officers shall be elected in the same manner as the officers. However, their two-year terms shall commence on July 1 of each alternate year.

The Executive Committee will meet as required by business, but not less than two times a year. Such meetings will be duly noticed and an agenda will be distributed to all *Board* members. The *Board* Secretary, or other designated officer, will keep minutes of the meetings and send copies of such minutes to all *Board* members.

All meetings of the Executive Committee shall be conducted in accordance with the Ralph M. Brown Act (Government Code § 54950, et seq.)

The Executive Committee shall have the same authority as that of the *Board* except for those authorities specifically reserved unto the *Members* in Article VII. A. of the Joint Powers *Agreement*.

Any action taken by the Executive Committee may be appealed to the *Board* by filing a written request with the *Administrator* within sixty (60) days from the date of such action. Upon receipt of such request, the Administrator shall place the request for appeal on the agenda of the next regularly scheduled *Board* meeting. The decision of the *Board* shall be final.

ARTICLE X
ADMINISTRATOR

There will be an *ERMA* Administrator appointed by the *Board*. The Administrator shall be responsible for the day-to-day administration, management, and operation of *ERMA*'s programs of risk management and he/she will be subject to the direction and control of the *Board* and Executive Committee. The Administrator may, but need not be, a consultant or an employee of a corporation or *ERMA*.

The Administrator, either personally or through delegation, shall:

1. Monitor the status of *ERMA*'s programs and operations, losses, administrative and operational costs, service companies' and brokers' performance and report to the *Board* or Executive Committee;
2. Prepare a budget in accordance with Article XII;
3. Prepare a report at least annually that compares each fiscal year's budgeted to actual expenditures;
4. Engage the services of an independent financial auditor selected by the *Board* or Executive Committee and present the findings to the *Board* or Executive Committee;
5. Invoice *Members* for *Deposit Premiums* and other amounts due;
6. Report to the *Board* or Executive Committee any invoices not paid and outstanding for more than thirty (30) days;
7. Prepare vouchers, invoices, or other demands for payment, and submit the demands

to the Treasurer/Auditor and/or another authorized signer for payment;

8. Maintain detailed financial records of all income, expenses, cash deposits, and withdrawals;
9. Maintain financial records according to generally accepted accounting principles including the Governmental Accounting Standards Board guidelines;
10. Present timely quarterly and annual financial statements to the *Board* or Executive Committee;
11. Assist the *Board* or Executive Committee in selecting brokers, insurance companies, actuaries, auditors, loss control service providers, investment advisors, and claims administrators;
12. Select and supervise *ERMA* employees and agents as authorized by the *Board* or Executive Committee;
13. Conduct the business of *ERMA* in a manner consistent with the standards set forth by the California Association of Joint Powers Authorities (CAJPA) for their accreditation program; and
14. Perform whatever functions necessary and within the Administrator's authority to manage the daily activities of *ERMA* and its *Coverage Programs*.

ERMA shall compensate the Administrator or his/her employer for services to *ERMA* in such amount and manner as may be fixed from time-to-time by the *Board* or Executive Committee. Details respecting compensation, termination, and other employment related matters pertaining to the Administrator shall be governed by the Bylaws and such terms and conditions as the *Board* or

Executive Committee shall set forth in a contract or agreement.

ARTICLE XI
COVERAGE PROGRAM

ERMA shall establish a *Coverage Program* in the area of Employment Practices Liability. The *Board* or Executive Committee shall establish the levels of coverage to be offered for the program, determine the financial contributions to be required of participants at each level, and establish procedures for the administration of the program.

ARTICLE XII
BUDGET

On or before June 20 of each year, the *Board* or Executive Committee shall adopt the budget for the next fiscal year.

ARTICLE XIII
RECEIPT AND DISBURSEMENT OF FUNDS

Revenues of *ERMA* shall be received at its principal office. The Treasurer/Auditor shall safeguard and invest funds in accordance with *ERMA's* investment policy.

The Board of Directors shall establish all bank accounts and authorized signers by resolution. All checks disbursing funds of *ERMA* shall be signed by the appropriate number of officers as established by action of the *Board* or Executive Committee.

A register of all checks issued since the previous *Board* or Executive Committee meeting shall be provided at each subsequent *Board* or Executive Committee meeting for approval.

The Administrator shall be authorized to make all expenditures for goods or services without specific approval, to the extent such funds have been included and approved by adoption of the budget or as previously approved by the *Board* or Executive Committee.

ARTICLE XIV

BILLINGS

A. ANNUAL BILLINGS

Each year, not later than July 1, *ERMA* shall bill each *Member* for all *Deposit Premiums* for the next *Program Year*. The annual billing shall be due and payable on July 15, and shall be delinquent if not paid on or before the last working day in July.

B. ADDITIONAL BILLINGS

There may be additional billings in accordance with *ERMA*'s governing documents, which billings may include but are not limited to those portions of a *Member's Retained Limit* which a *Member* has failed to pay or is habitually late in paying.

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B. INTEREST ON DELINQUENT AMOUNTS PAYABLE

Interest shall accrue on all delinquent amounts due and payable to *ERMA* at a rate of seven (7) percent per annum unless otherwise approved by the *Board*. The Board shall have the discretion to waive interest due on a delinquent amount but only one time per member every five years.

C. FAILURE TO PAY BILLINGS OR INTEREST

Failure to pay billings or the accrued interest may result in expulsion of the *Member* from *ERMA* in accordance with the *ERMA Agreement*.

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D. DUTIES OF WITHDRAWN OR EXPELLED MEMBERS

Withdrawn or expelled *Members*, or individual participants of a *Member*, which have formerly participated in a *Coverage Program* shall be required to pay all applicable billings for the *Program Years* in which they participated and such subsequent years for which continuing services are required. Delinquent billings shall be treated in the same manner as set forth above as if the withdrawn or expelled *Member*, or individual participants of a *member*, still participated in a *Coverage Program*.

E. PENALTIES FOR NON-PAYMENT BY FORMER MEMBER

Failure to pay billings or accrued interest thereon shall constitute breach of the *Agreement* between the former *Member*, or individual participants of a *member*, and *ERMA*. The former *Member* shall be liable for the billings, accrued interest, and all costs incurred by *ERMA* in the enforcement of all provisions set forth in this Document.

ARTICLE XV

AUDITS

A. FINANCIAL AUDIT

The *Board* or Executive Committee shall cause to be made, by a qualified CPA, an annual audit of the accounts and records of *ERMA*. The minimum requirements of the audit shall be those prescribed by state law.

In accordance with Government Code Section 6505 and within six (6) months of the end of each fiscal year, a copy of the annual audit shall be filed with the State Controller and with the county where *ERMA* conducts its principal operations.

ERMA shall bear all costs of the audit. Such costs shall be charged against the operating funds of *ERMA*.

ARTICLE XVI

NEW MEMBERS

Any public agency acceptable to the *Board of Directors* or Executive Committee shall be eligible for membership in *ERMA*. A prospective member will submit the information required for application to *ERMA*.

Upon review of a prospective *Member's* application, by the Underwriting Committee, the Administrator will prepare a report that will be presented to the *Board of Directors* or Executive Committee and the prospective *Member* will be invited to attend a meeting of the *Board of Directors* or Executive Committee to respond to questions concerning the application. The affirmative vote of two-thirds of the *Representatives* of the entire *Board of Directors* or Executive Committee is necessary for admission to *ERMA*.

ARTICLE XVII

EXECUTION OF CONTRACTS

The *Board* or Executive Committee may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name and on behalf of *ERMA*, and such authorization may be general or confined to specific instances. Unless so authorized by the *Board of Directors* or Executive Committee, no officer, agent or employee shall have any authority to bind *ERMA* by any contract or to pledge its credit or to render it liable for any purpose.

ARTICLE XVIII

NOTICES

Notices to *ERMA* shall be in writing and delivered to the mailing address of *ERMA*. Notices to *Members* shall be in writing and delivered to the appointed *Representative* or mailed to the address of record.

Reportable claims against *Members* shall be forwarded to the mailing address of *ERMA*.

ARTICLE XIX

EFFECTIVE DATE

These Bylaws shall be effective April 18~~30~~, 201~~69~~. The adoption of the Bylaws shall supersede any prior amendments, by resolution or otherwise and to the extent that prior amendments are not included or are contradictory to any provisions contained herein, they are hereby specifically revoked.

ARTICLE XX

AMENDMENTS

These Bylaws may be amended by a majority vote of the entire *Board of Directors* or Executive Committee provided that any amendment is compatible with the purposes of *ERMA*, is not in conflict with the *Agreement*, and has been submitted to the *Board of Directors* or Executive Committee at least thirty (30) days in advance. Any such amendment shall be effective immediately, unless otherwise designated.

ARTICLE XXI
SEVERABILITY

Should any portion, term, condition or provision of these Bylaws be decided by a court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or be otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions and provisions shall not be affected thereby.

ARTICLE XXII
SUBORDINATION

Should any portion, term, condition or provision of these Bylaws be in conflict with the *Agreement*, the terms of the Bylaws will be subordinate to the *Agreement*.

ARTICLE XXIII
RECORD RETENTION POLICY

ERMA's records will be retained in accordance with the policy adopted by the *Board* or Executive Committee.

APPENDIX "A"

The principal address of the Employment Risk Management Authority (*ERMA*) for the transaction of business and receipt of all notices shall be:

Employment Risk Management Authority (*ERMA*)

1750 Creekside Oaks Drive, Suite 200

Sacramento, CA 95833

Phone (800) 541-4591 Fax (916) 244-1199

ADMINISTRATIVE MATTERS

SUBJECT: Proposed Amendments to 2019/20 Memorandum of Coverage

BACKGROUND AND STATUS:

As part of a comprehensive review of ERMA's governing documents, staff and Board Counsel reviewed the Memorandum of Coverage. Proposed changes were presented to the Board for review and consideration at the February 2019, Annual Workshop.

Following is a summary of the proposed changes:

PROPOSED CHANGES	SECTION & PAGE #:
Reduce the time to appeal a coverage decision from 60 days to 30 calendar days in order to promote a prompt resolution of coverage dispute and for consistency with the 30 day period for appeal of other staff decisions.	1. <i>Section VII – Conditions, Item 7. Arbitration: Page 16</i>
Reduce the time period between the Board of Directors' decision and a request for arbitration from 90 days to 30 calendar days in order to promote a prompt resolution of the coverage dispute.	2. <i>Section VII – Conditions, Item 7. Arbitration: Page 16</i>

Greg O'Dea will provide the Board of Directors with a review of the proposed changes to ERMA's Memorandum of Coverage.

RECOMMENDATION:

Staff recommends the Board of Directors approve the Memorandum of Coverage, as amended, effective July 1, 2019.

REFERENCE MATERIALS ATTACHED:

- Draft 2019/20 Memorandum of Coverage – redline

EMPLOYMENT RISK MANAGEMENT AUTHORITY
(ERMA)

MEMORANDUM OF COVERAGE

FOR THE ~~2018/19~~2019/20 PROGRAM
YEAR EFFECTIVE ~~JANUARY~~JULY 1,
2019

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MEMORANDUM OF COVERAGE FOR THE EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)

In consideration of the payment of the deposit premium, the *Authority* agrees with the *Members* as follows:

SECTION I - COVERAGE

The *Authority* will pay up to the *Limit of Coverage* those sums on behalf of the *Covered Party* for the *Ultimate Net Loss*, less the *Retained Limit*, that the *Covered Party* becomes legally obligated to pay as *Damages* because of a *Wrongful Employment Practice*, as that term is herein defined and to which this Memorandum applies, caused by an *Occurrence* during the *Coverage Period*, except as otherwise excluded.

This Memorandum of Coverage does not provide insurance, but instead provides for pooled risk sharing. This Memorandum is a negotiated agreement amongst the *Covered Parties* of the *Authority* and none of the parties to the Memorandum is entitled to rely on any contract interpretation principles which require interpretation of ambiguous language against the drafter of such Memorandum. This Memorandum shall be applied according to the principles of contract law, giving full effect to the intent of the *Covered Parties* of the *Authority*, acting through the Board of Directors in adopting this Memorandum of Coverage. Since the *Authority* is not an insurer, it has no obligation to issue reservation of rights letters, and failure to provide notice to a *Covered Party* of any coverage issue or dispute shall not operate to waive any of the provisions of this Memorandum. Since this Memorandum does not provide insurance, neither the *Authority* nor any *Covered Parties* shall be liable for or subject to any legal action or proceeding as to any claim alleging breach of the implied covenant of good faith and fair dealing with respect to any dispute between the *Authority* and any *Covered Parties* that may arise under this Memorandum.

SECTION II - DEFINITIONS

1. “*Authority*” means the Employment Risk Management Authority.
2. “*Claim*” means: (a) a written demand or notice which is made or brought by an *Employee*, or an oral demand or notice by an *Employee* which is memorialized by the *Covered Party* in writing within fifteen (15) days of the oral demand or notice, and (b) seeks or alleges *Damages* or alleges other injury, harm, or invasion of rights, and (c) which contains an allegation that a *Wrongful Employment Practice* or a series of *Wrongful Employment Practices* has been committed during the *Coverage Period*. *Claim* includes a civil action, an administrative proceeding or charge commenced before the Equal Employment Opportunity Commission or similar state or other agency having jurisdiction over the *Covered Party*, or an alternative dispute resolution proceeding, or action brought by a person or entity acting on behalf of an *Employee* of the *Covered Party*.

Claim does not include a *Union Grievance*, or any type of criminal proceeding, or any claim arising under the FLSA or any California Wage Orders or any similar federal or state law. *Claim* does not include a dispute arising out of a contract for employment between the *Covered Party* and any individual or *Employee*, including but not limited to any dispute regarding the validity or enforceability of such contract.

Claim does not include an internal administrative or disciplinary proceeding pursuant to the terms and conditions of employment.

A *Claim* shall be deemed to be made on the earliest date such written demand or notice is received by a *Covered Party*.

3. "Coverage Period" means that term prescribed for coverage by the *Authority* as set forth in the Declarations page.
4. "Covered Party" means:
 - (A) The *Member* and any additional entities named in the Declarations page.
 - (B) Any person who is an *Employee* of a *Covered Party* identified in Section (A) herein, whether or not compensated, while acting in an official capacity for or on behalf of such *Covered Party*, including while acting on any outside board at the direction of such *Covered Party*.

Covered Party shall not include any person, whether or not compensated, who is not acting in the course and scope of his or her employment or whose conduct, as a matter of law, is not within the course and scope of his or her employment by the *Covered Party* at the time of the act or acts alleged in a *Claim*.

- (C) All entities named in Endorsement #2, and any officer, director or employee thereof while acting in an official capacity for or on behalf of such entity and in the course and scope of his or her duties. Except for those expressly identified in Endorsement #2, no other person, organization, or entity shall be deemed to be a "Covered Party" under Endorsement #2.
 - (D) Notwithstanding sections (B) and (C) above, the defense and indemnity coverage afforded by this Memorandum to a past or present *Employee* of a *Covered Party* is not broader than the *Covered Party's* duty to defend and indemnify its *Employee*, pursuant to California Government Code Section 815, 815.3, 825 to 825.6, 995 to 996.6, inclusive, and any amendments thereof. If the *Covered Party* which employs the *Employee* is not obligated under the California Government Code to provide a defense or to provide indemnity for a *Claim*, or if said *Covered Party* refuses to provide such defense and/or indemnity to said *Employee*, then this Memorandum shall not provide any such defense or indemnity coverage to said *Employee*. All immunities, defenses, rights, and privileges afforded to a *Covered Party* under California Government Code Section 815, 815.3, 825 to 825.6, 995 to 996.6, inclusive, and any amendments thereof, shall

be afforded to the *Authority* to bar any defense or indemnity coverage under this Memorandum to that *Covered Party's Employee*.

5. "Damages" means compensation in money which a *Covered Party* is legally obligated to pay as a result of a *Claim*. *Damages* include: (1) attorney fees not based on contract, awarded against the *Covered Party*, (2) interest on judgments, or (3) costs for which the *Covered Party* is liable either by adjudication, or by compromise with the written consent of the *Authority*, if the fees, interest, or costs arise from an *Occurrence* to which this coverage applies.

Damages with respect to *Wrongful Employment Practice* shall not include those sums owed by a *Covered Party* as contract *Damages*, prospective salary, wages, or benefits, any salary, wage or benefits resulting from an order that a *Covered Party* hire an applicant or from promotion or reinstatement, or any *Damages* owing under an express contract of employment or an express obligation to make severance payments in the event of termination of employment.

Damages with respect to *Wrongful Employment Practice* also shall not include amounts awarded under a labor grievance or arbitration pursuant to a collective bargaining agreement, nor sums paid pursuant to any judgment or agreement, whether injunctive or otherwise, to undertake actions to correct past discriminatory or unlawful conduct or to establish practices or procedures designed to eliminate or prevent future discriminatory or other unlawful conduct, or any non-monetary relief.

6. "Defense Costs" means all fees and expenses incurred by any *Covered Party*, caused by and relating to the adjustment, investigation, defense, or litigation of a *Claim* to which this coverage applies, including attorney's fees, court costs, interest on judgments accruing after entry of judgment, and the time and travel expenses of the Litigation Manager for attendance at trials, mediations, arbitrations and settlement conferences. *Defense Costs* shall not include attorney fees or costs awarded to a prevailing plaintiff against the *Covered Party*.

Defense Costs shall not include the office expenses, salaries of *Employees*, or expenses of the *Covered Party* or the *Authority*. *Defense Costs* shall not include investigation costs incurred by investigators or adjusting expenses that were not approved by ERMA prior to the costs being incurred. *Defense Costs* are included within, and are not in addition to, the applicable *Limit of Coverage*.

Defense Costs shall not include any fee or expense relating to coverage issues or disputes between the *Authority* and any *Covered Party*.

7. "Discrimination" means termination of the employment relationship, a demotion, a failure or refusal to hire or promote, denial of an employment benefit, or the taking of any adverse or differential employment action because of race, color, creed, religion, age, sex, disability, pregnancy, sexual orientation, national origin, AIDS, or other protected category or characteristic established pursuant to any applicable federal, state, or local statute or ordinance.

8. “Employee” means any person whose labor or services is engaged and directed by a *Covered Party*, whether past, present or future, including a volunteer, official, or applicant for employment. This includes part-time, seasonal, and temporary labor or services, as well as any person employed in a supervisory, managerial, or confidential position. *Employee* shall not include leased employees, independent contractors or subcontractors, agents, or servants of any *Covered Party*, unless the *Covered Party* has the right to and does control and direct the details of their work rather than the result of that work. *Employee* also shall not include the spouse, child, unborn fetus, parent, brother, or sister of the *Employee*. *Employee* shall not include any person performing labor or services, either voluntarily or involuntarily, while incarcerated in any state or local correctional or penal institution or facility of any nature, or who performs labor or services, either voluntarily or involuntarily, as a condition of or in satisfaction of any penal sentence.

The exclusion of independent contractors or subcontractors from the definition of *Employee* shall not apply to a *Claim* for harassment specifically authorized under Cal. Gov. Code 12940 (j)(1) and (5).

9. “Harassment” means:

(A) Unwelcome sexual advances, requests for sexual favors, or other verbal, visual or physical conduct of a sexual nature, including those which:

- (1) are made a condition of employment with the *Covered Party*;
- (2) are used as a basis for employment decisions by the *Covered Party*; or
- (3) create a work environment that interferes with performance or creates an intimidating, hostile or offensive working environment; or

(B) Workplace conduct (i.e. *Harassment* of a non-sexual nature) committed in violation of law or because of any protected category or characteristic which creates a work environment that interferes with performance, or creates an intimidating, hostile, or offensive working environment.

10. “Limit of Coverage” shall be the amount of coverage stated in the Declarations Page, or sublimits as stated therein for each *Covered Party* per *Occurrence*, subject to any lower sublimit stated in this Memorandum. The *Limit of Coverage* shall include the *Covered Party’s Retained Limit*. For each *Occurrence*, there shall be only one *Limit of Coverage* regardless of the number of claimants or *Covered Parties* against whom a *Claim* is made, or the number of *Coverage Periods* through which the *Occurrence* continues. In the event that a structured settlement, whether purchased from or through a third-party, or paid directly by the *Covered Party* in installments, is utilized in the resolution of a *Claim* or suit, the *Authority* will pay only up to the amount stated in the Declarations in present value of the *Claim*, as determined on the date of settlement, regardless of whether the full value of the settlement exceeds the amount stated in the Declarations.

11. “Member” means a governmental entity, including any commissions, agencies, districts, authorities, boards, or other similar government entity under the direct control of the governmental entity, that is eligible to participate in a joint powers authority. A *Member* is one who has been accepted into ERMA and, is a Named Covered Party in the Memorandum of Coverage and Endorsements thereto.
12. “Occurrence” means an act, policy, or course of conduct by a *Covered Party* during the *Coverage Period* which results in a *Claim* for *Wrongful Employment Practice* during the *Coverage Period* if the first act, policy or course of conduct occurred during the *Coverage Period*.

All allegations by the same *Employee* in the same *Claim* shall be considered one *Occurrence* for the purpose of the *Limit of Coverage*, and such *Occurrence* shall be deemed to exist on the date of the alleged first act, policy, or conduct, in the event of an allegation of multiple acts, policies, or course of conduct.

Regardless of the number of *Covered Parties*, all *Claims* by all *Employees* arising from the same act, policy, or course of conduct shall be considered as one *Occurrence* for the purpose of the *Limit of Coverage*.

13. “Retained Limit” means the amount of *Ultimate Net Loss*, identified in the applicable Declaration, which the *Covered Party* becomes liable to pay before the *Authority* is obligated to make payment.

For each *Occurrence*, there shall be only one *Retained Limit* regardless of the number of claimants or *Covered Parties* against whom a *Claim* is made, or *Coverage Periods* during which the *Occurrence* continues.

14. “Retaliation” means retaliatory treatment against an *Employee* of the *Covered Party* on account of such *Employee’s* exercise or attempted exercise of his or her rights under the law.
15. “Ultimate Net Loss” means the total of all *Defense Costs* incurred by the *Covered Parties* and all *Damages* for which the *Covered Parties* are liable either by adjudication or by compromise with the written consent of the *Authority*, arising from an *Occurrence* to which this coverage applies.
16. “Union Grievance” is limited to labor negotiations with respect to wages or working conditions, union organizing efforts, or unfair labor practice charges within the jurisdiction of the National Labor Relations Board or the Public Employment Relations Board.
17. “Workplace Tort” means any of the following acts alleged to have been committed in violation of law or because of any protected category or characteristic:
 - (A) Actual or 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;

- (B) Allegations of negligent or wrongful evaluation, wrongful demotion, wrongful discipline, failure to promote, failure to grant tenure, or wrongful deprivation of career opportunity;
- (C) Allegations of misrepresentation or defamation made by an *Employee* which arise from an employment decision to hire, fire, promote or demote;
- (D) Allegations of infliction of emotional distress, mental injury, mental anguish, shock, sickness, disease or disability made by an *Employee* which arise from an employment decision to hire, fire, promote or demote;
- (E) Allegations of false imprisonment, detention, or malicious prosecution made by an *Employee* which arise from an employment decision to hire, fire, promote or demote;
- (F) Allegations of libel, slander, defamation of character, invasion of privacy made by an *Employee* which arise from an employment decision to hire, fire, promote or demote; or
- (G) Other allegations made by an *Employee* which arise from an employment decision to hire, fire, promote or demote.

Workplace Torts do not include *Damages* determined to be owing under a written contract of employment or obligation to make payments, including but not limited to severance payments, in the event of the termination of employment.

Workplace Torts shall not include any allegations other than those set forth above.

- 18. “Wrongful Employment Practice” means any actual or alleged *Wrongful Termination, Discrimination, Harassment, Retaliation, or Workplace Tort*.
- 19. “Wrongful Termination” means termination of an employment relationship in a manner which is alleged to have been committed in violation of law or because of any protected category or characteristic or in breach of an implied agreement to continue employment.

Wrongful Termination shall not include *Damages* determined to be owing under an express contract of employment or an express obligation to make payments in the event of the termination of employment.

SECTION III - DEFENSE AND SETTLEMENT

The *Authority* shall have no duty to assume charge of investigation or defense of any *Claim*. However, 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. Such cooperation shall include, but not be limited to, executing all documents necessary to effectuate a settlement. If the *Covered Party’s* lack of cooperation prevents

settlement of the claim for a reasonable amount, defined as the amount the *Authority* is willing to pay and the claimant is willing to accept, and increases the potential liability for *Damages* and continued *Defense Costs*, the *Covered Party* shall pay or shall reimburse the *Authority* for those *Defense Costs* incurred after the claim could have been settled, and for any *Damages* awarded or settlement agreed upon in excess of the amount for which the claim could have been settled, or, in the alternative, the *Authority* shall have the right to tender the claim back to the *Covered Party* and coverage shall cease.

If the *Authority* assumes the control of the handling of a *Claim*, the *Covered Parties* shall be obligated to pay at the discretion of the *Authority* any sum necessary for the defense and settlement of a *Claim*, or to satisfy liability imposed by law, up to the applicable *Retained Limit*.

No *Claim* shall be settled for an amount in excess of the *Retained Limit* without the prior written consent of the *Authority*, and the *Authority* shall not be required to contribute to any settlement to which it has not consented.

SECTION IV - ERMA'S LIMIT OF COVERAGE

Regardless of the number of (1) *Covered Parties* under this Memorandum, (2) persons or organizations who sustain injury or damage, (3) *Claims* made or suits brought, or (4) *Coverage Periods involved*, the *Authority's* liability is limited as follows:

With respect to coverage provided, the *Authority's* liability for any one *Occurrence* shall be limited to the *Ultimate Net Loss* which is in excess of the *Covered Party's Retained Limit*, but then only up to the sum set forth in the Declarations as the *Authority's Limit of Coverage* for any one *Occurrence*. In the event that a structured settlement, whether purchased from or through a third party, or paid directly by the *Covered Party* in installments, is utilized in the resolution of a *Claim* or suit, the *Authority* will pay only up to the amount stated in the Declarations in present value of the *Claim*, as determined on the date of settlement, regardless of whether the full value of the settlement exceeds the amount stated in the Declarations.

Nothing contained herein shall operate to increase the *Authority's Limit of Coverage* under this Memorandum.

SECTION V - COVERAGE PERIOD AND TERRITORY

This Memorandum applies to *Wrongful Employment Practice* that occurs anywhere in the world during the *Coverage Period* identified in the applicable Declaration.

SECTION VI - EXCLUSIONS

This Memorandum does not cover:

1. **Bodily Injury.** We do not cover *Claims*:

- (A) for bodily injury, sickness, disease or death of any person; or
- (B) brought by the person's domestic partner, spouse, child, parent, brother or sister as a result of such bodily injury, sickness, disease or death.

This does not apply to *Claims* for emotional distress, mental anguish or humiliation that arise from a *Wrongful Employment Practice*.

2. **Compliance with ADA Requirements.** We do not cover any costs or expenses incurred to make premises accessible to persons with disabilities as required by:

- (A) the Americans with Disabilities Act of 1990;
- (B) any similar federal, state or local law;
- (C) any amendments to such laws; or
- (D) any regulations promulgated under any such laws.

3. **Contractual Liability.** We do not cover the liability of others assumed by the *Covered Party* in a contract or agreement. This does not apply to liability that the *Covered Party* would have had in the absence of the contract or agreement.

4. **ERISA, COBRA WARN Act, and FLSA Liability.** We do not cover any liability imposed on the *Covered Party* under:

- (A) the Employee Retirement Income Security Act of 1974;
- (B) the Comprehensive Omnibus Budget Reconciliation Act;
- (C) the Worker Adjustment and Retraining Notification Act;
- (D) the Fair Labor Standards Act, including but not limited to any wage and hour or other claim arising under the FLSA or any California Wage Orders or any similar federal or state law;
- (E) any similar federal, state or local laws;
- (F) any amendments to such laws; or

- (G) any regulations promulgated under any such laws.
5. **Fines, Multiplied Damages, or Non-Monetary Relief.** We do not cover:
- (A) fines, taxes, penalties, or liquidated Damages;
 - (B) the multiplied portion of any Damage award that is subject to a multiplier;
 - (C) non-monetary relief; or
 - (D) any punitive damages or other uninsurable amounts.
6. **Intentional Conduct Done with Willful and Conscious Disregard.** We do not cover *Claims* for injury or *Damages* caused by intentional conduct done by the *Covered Party* with willful and conscious disregard of the rights or safety of others, or with malice. However, where the *Covered Party* did not authorize, ratify, participate in, consent to, or have knowledge of such conduct by its *Employee*, and the *Claim* against the *Covered Party* is based solely on its vicarious liability arising from its relationship with such *Employee*, this exclusion does not apply to said *Covered Party*.
7. **Intentional Violations of Laws and Orders.** We do not cover *Claims* that arise out of a *Covered Party's* intentional failure to comply with, or reckless disregard of, any law, order or regulation relating to employment practices.
8. **Prior Wrongful Employment Practices.** We do not cover liability arising out of any *Claim*, fact, circumstance, situation, transaction or event concerning a *Wrongful Employment Practice* of which any *Covered Party* had received a prior *Claim*, or which was the subject of any notice given under any insurance policy or coverage prior to the *Covered Party* obtaining coverage under this Memorandum.
9. **Property Damage.** We do not cover *Claims* for damage to or destruction of any tangible property, including loss of its use.
10. **Strikes and Lockouts.** We do not cover *Claims* that arise out of a lockout, strike, picket line, replacement or other similar actions resulting from labor disputes or labor negotiations.
11. **Ultimate Net Loss.** We do not cover *Ultimate Net Loss* arising out of relief, or redress, in any form other than money *Damages* or seeking only injunctive or non-monetary relief, regardless of whether a prevailing claimant may be entitled to recover attorney's fees and costs.
12. **Actions for Administrative or Equitable Relief.** We do not cover any action, in any forum, for injunctive, administrative, declaratory, or other non-monetary form of relief, including specific performance, nor hearings of internal administrative matters or actions involving the review of any final administrative order or decision made as the result of an administrative hearing, regardless of whether such action seeks *Damages* or attorneys' fees. This exclusion is in addition to, and does not conflict with, Exclusion 11, above.

13. **Workers' Compensation or Similar Law.** We do not cover obligations under a workers' compensation law, Labor Code 132a, disability benefits or unemployment compensation law, or any similar law. This exclusion does not apply to *Retaliation* or *Discrimination* for filing a workers' compensation *Claim* or a *Claim* for disability benefits.
14. **Actions by Inmates or Prisoners.** We do not cover *Claims* for injury or *Damages* brought by any person:
 - (A) performing labor or services, either voluntarily or involuntarily, while incarcerated in any state or local correctional or penal institution or facility; or
 - (B) performing labor or services, either voluntarily or involuntarily, as a condition of or in satisfaction of any penal sentence.

SECTION VII – CONDITIONS

1. Covered Party's Duties in the Event of Occurrence, Claim, or Suit

The following provisions are conditions precedent to coverage under this Memorandum. The *Covered Party's* failure to comply with any of these provisions shall void the coverage provided herein.

- (A) The *Covered Party* shall notify the *Authority* within 30 days upon receipt of notice of a *Claim* by an *Employee*.

Written notice containing particulars sufficient to identify the claimant(s), the *Covered Party(ies)*, and also reasonably obtainable information with respect to the time, place, and circumstances thereof, and the names and addresses of the *Covered Party* and of available witnesses, shall be given to the *Authority* or any of its authorized agents as soon as possible.

- (B) Any *Claim*, except one which the Litigation Manager has discretion to accept, which is not reported to the *Authority* within 30 days, as required by subsection (A) herein, shall be considered untimely and shall be denied.

The *Covered Party* may appeal the denial of such *Claim* to the *Authority's* Board of Directors in accordance with the appeal procedure set forth in Section 7 below. The Board shall consider the following factors in its determination of the appeal:

- (1) Late reported *Claims* are strongly disfavored. Relief from denial of coverage for a *Claim* reported more than 90 days late shall not be granted, absent extraordinary circumstances as determined by the Board, in its sole discretion.
- (2) An appeal based on the *Covered Party's* lack of familiarity with the definition of a *Claim* and/or its obligation to timely report the *Claim* to the *Authority* shall be

strongly disfavored, since the *Covered Party* is responsible for understanding the definition of a *Claim* and adhering to the reporting requirements set forth herein.

- (3) An appeal based on the absence of the employee designated by the *Covered Party* as responsible for reporting *Claims* must be verified, and the employee must have been absent during the entire time the *Claim* was not reported.
- (4) An appeal of any late-reported *Claim* which the Board, in its sole discretion, determines may result in any financial or other prejudice to the *Authority* shall be denied regardless of any provision set forth herein or any other basis for the appeal.

Each appeal shall be considered on its own merits, and the Board's decision on any one appeal shall not establish any precedent for future appeals.

For all late-reported *Claims* for which the *Covered Party's* appeal of the denial of coverage is granted, the Board shall increase the *Covered Party's Retained Limit* as follows:

PENALTY STRUCTURE

SIR	Penalty	Percentage of Penalty to SIR
\$25,000	\$6,250	25%
\$50,000	\$12,500	25%
\$75,000	\$18,750	25%
\$100,000	\$25,000	25%
\$250,000	\$37,500	15%
\$500,000	\$50,000	10%

This provision shall not be construed as limiting the Board's power to deny an appeal of any late-reported *Claim*.

- (C) If a suit is brought against the *Covered Party*, in addition to the information required by subparagraph (A), the *Covered Party* shall be obligated to forward immediately to the *Authority* every demand, notice, summons, or other process received by it or its representative.
- (D) The *Covered Party* shall cooperate with the *Authority* and upon its request assist in making settlements, in the conduct of suits, and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the *Covered Party* because of *Wrongful Employment Practice* with respect to which coverage is afforded under this Memorandum. The *Covered Party* shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. In all matters in which the *Authority* has selected defense counsel, the *Covered Party* shall refrain from interference with the *Authority's* control of the defense, and shall cooperate fully with the defense counsel and the *Authority* in respect to the defense of the *Covered Parties* in the *Claim* or suit.

With regard to the settlement of any *Claim* or suit, if the *Covered Party's* refusal to cooperate with the *Authority* in the conduct of the defense, execution of documents, enforcement of any right of contribution or indemnity, or in any other manner prevents settlement of the claim for a reasonable amount, defined as the amount the *Authority* is willing to pay and the claimant is willing to accept, and increases the potential liability for *Damages* and continued *Defense Costs*, the *Covered Party* shall pay or shall reimburse the *Authority* for those *Defense Costs* incurred after the claim could have been settled, and for any *Damages* awarded or settlement agreed upon in excess of the amount for which the claim could have been settled, or, in the alternative, the *Authority* shall have the right to tender the claim back to the *Covered Party* and coverage shall cease.

- (E) The *Authority* shall be entitled to complete access of the *Covered Party's Claim* file, the defense attorney's complete file, and all investigation material and reports, including all evaluations and information on negotiations. The *Covered Party through assigned defense counsel* shall be responsible to report on the progress of the litigation and any significant developments to the *Authority*, and to provide the *Authority* with simultaneous copies of all correspondence provided to the *Covered Party* by its defense attorneys and/or agents.
- (F) If the *Covered Party* is not in substantial compliance with the requirements of Government Code §12950.1 (AB 1825) during the *Coverage Period* for an *Occurrence* related to that code section, the *Covered Party's Retained Limit* shall be doubled for such claim. Proof of substantial compliance shall be provided at the request of the *Authority* and in the form set forth in Resolution No. 2010-2, or any superseding Resolution, which requires documentation to confirm compliance with the sexual harassment training mandated by State law.

2. Bankruptcy or Insolvency

Bankruptcy or insolvency of the *Covered Party* shall not relieve the *Authority* of any of its obligations hereunder.

3. Other Coverage

If any *Covered Party* has coverage with any insurer, joint powers authority or other source which covers a loss also covered hereunder (whether on a primary, excess or contingent basis), the *Covered Party* shall, as soon as practicable after reporting a *Claim* to the *Authority*, or upon request of the *Authority*, provide the *Authority* with copies of all applicable policies, memorandums or documents evidencing such coverage, and shall cooperate in all respects with the *Authority* with respect to such coverage, including but not limited to the tendering of any *Claim* and providing the *Authority* with copies of all communications between the *Covered Party* and any entity providing coverage for such *Claim*.

If insurance or any other coverage with any insurer, joint powers authority or other

source is available to the *Covered Party* covering a loss also covered hereunder (whether on primary, excess, or contingent basis), the coverage hereunder shall be in excess of, and shall not contribute with, such other insurance or coverage.

This coverage shall be in excess of, and shall not contribute with, any insurance or coverage which names a *Covered Party* herein as an additional *Covered Party* or additional insured party, where coverage is extended to a loss also covered hereunder. In order for the coverage herein to apply, the *Covered Party* must pay the full amount of its *Retained Limit*. Payment of the *Retained Limit* by the *Covered Party* is required in addition to and despite any payments from any other source for or on behalf of that *Covered Party*, unless the *Covered Party* has purchased insurance coverage solely and expressly for the purpose of satisfying its *Retained Limit*, in which case that insurance coverage may be used by the *Covered Party* in payment of its *Retained Limit*.

4. Accumulation of Limits

A *Claim* which contains allegations extending to a duration of more than one *Coverage Period* shall be treated as a single *Occurrence* arising during the *Coverage Period* when the first act takes place without regard to any review process or appeal relating to such conduct.

5. Severability of Interests

The term *Covered Party* is used severally and not collectively, but the inclusion herein of more than one *Covered Party* shall not operate to increase the limits of the *Authority's* liability or the *Retained Limit* applicable per *Occurrence*.

6. Subrogation

The *Authority* shall be subrogated to the extent of any payment hereunder to all the *Covered Parties'* rights of recovery thereof and the *Covered Parties* shall do nothing after loss to prejudice such right and shall do everything necessary to secure such right. Any amounts so recovered shall be apportioned as follows:

- (A) The highest layer of coverage shall be reimbursed first and if there are sufficient recoveries then the next highest layer shall be reimbursed until all recoveries are used up.
- (B) The expenses of all such recovery proceedings shall be paid before any reimbursements are made. If there is no recovery in the proceedings conducted by the *Authority*, it shall bear the expenses thereof.

7. Arbitration

Decisions by the *Authority* whether to assume control of the negotiation, investigation, defense, appeal, or settlement of a *Claim*, or whether or not coverage exists for a particular *Claim* or part of a *Claim* or any other dispute that arises under and in connection with the Memorandum shall be made by the Board of Directors of the

Authority. An appeal to the Board from a coverage decision or opinion by staff or general counsel must be made in writing to the *Authority* by the *Covered Party* ~~within ninety (90)-~~ thirty (30) calendar days of receipt of such opinion or decision. If, either prior to or following the Board's decision, a new coverage opinion or decision is sent by staff or general counsel to the *Covered Party*, a new ~~ninety (90)-~~ thirty (30) calendar day period commences from receipt of such new opinion or decision in which the *Covered Party* may appeal to the Board.

The Board will take action on any appeal within sixty (60) calendar days or the next scheduled Board of Directors meeting, whichever is later, unless an extension is agreed to by the parties.

In the event a Covered Party disputes ~~Any dispute concerning~~ a decision by the Board, the Covered Party must request ~~shall be submitted~~ to binding arbitration within ~~ninety (90)-~~ thirty (30) calendar days of written notification of the Board's decision. The *Covered Party* must exhaust all rights to appeal as established by the Bylaws, the Master Program Document and the Memorandum of Coverage prior to requesting arbitration of a dispute.

Arbitration shall be conducted pursuant to the California Code of Civil Procedure. Arbitration shall be conducted by a single arbitrator. No arbitrator shall be employed or affiliated with the *Authority* or the *Covered Party(ies)* or any Member of the Authority.

The selection of the arbitrator shall take place within twenty (20) calendar days from the receipt of the request for arbitration. The arbitration hearing shall commence within forty-five (45) calendar days from the date of the selection of the arbitrator.

Each party shall bear one-half the cost of the selected arbitrator. In addition, each party shall be responsible for its own attorneys' fees, costs and expenses of arbitration.

In the event that the *Member* prevails in the coverage dispute in the arbitration, the following shall apply to any monetary award in the *Member's* favor:

- (A) Any interest awarded shall be at the Local Agency Investment Fund (LAIF) rate + 1% in effect at the time of the award;
- (B) Any attorneys' fees award for *Defense Costs* of the underlying *Claim* above the *Member's Retained Limit* shall be subject to all provisions of the ERMA Litigation Management Guidelines and shall not exceed the hourly rate established by the ERMA Litigation Management Guidelines in effect at the time of the *Occurrence* of the underlying *Claim*;
- (C) Any award shall be subject to and shall not exceed the *Defense Costs* and indemnity *Coverage* under the *Limit of Coverage* afforded under the ERMA Memorandum in effect at the time of the *Occurrence* of the underlying *Claim*;
- (D) No award at the arbitration shall be permitted for damages of any nature or in any amount

other than as expressly allowed in this Section VII, subsection 7. By way of example, and without limitation, no award shall be permitted for consequential damages, extra contractual damages, tort damages or damages for any alleged breach of the implied covenant of good faith and fair dealing; and

- (E) Any award for *Defense Costs* and/or indemnity with respect to the underlying *Claim* shall be treated the same for purposes of the determination of the *Member's* Ex Mod or premium calculation, as if the *Claim* had been originally covered by ERMA.

Except for notification of appointment and as provided in the California Code of Civil Procedure, there shall be no communication between the parties and the arbitrator relating to the subject of the arbitration other than at oral hearings.

The procedures set forth in California Code of Civil Procedure Section 1283.05 relating to depositions and discovery shall apply to any arbitration pursuant to this paragraph 8.

Except as provided otherwise above, arbitration shall be conducted as provided in Title 9 of the Code of Civil Procedure (commencing with Section 1280).

The decision of the arbitrator shall be final and binding, and shall not be subject to appeal.

SECTION VIII – MISCELLANEOUS PROVISIONS

1. Termination

This Memorandum may be terminated at any time in accordance with the Bylaws of the *Authority*.

2. Changes

Notice to any agent of the *Authority* or knowledge possessed by such agent or by any other person shall not effect a waiver or a change in any part of this Memorandum of Coverage, nor shall the terms of this Memorandum of Coverage be waived or changed, except by endorsement issued to form a part of this Memorandum of Coverage.

EMPLOYMENT RISK MANAGEMENT AUTHORITY
MEMORANDUM OF COVERAGE
ENDORSEMENT #1

This endorsement, effective 12:01 a.m. 4/1/2019, forms a part of ERMA 2018-1EPL. It is understood that the named Covered Party of the Declarations and the “Retained Limits” for the Covered Parties are completed as follows:

Employment Risk Management Authority,

Bay Cities Joint Powers Insurance Authority (BCJPIA)

COVERED PARTY	RETENTION
City of Albany	\$50,000
City of Brisbane	\$50,000
City of Emeryville	\$50,000
Management of Emeryville Services Authority (MESA)	
Town of Corte Madera	\$100,000
Town of Fairfax	\$50,000
Central Marin Police Authority	\$100,000
Central Marin Fire Authority	\$250,000
City of Larkspur	\$250,000
City of Los Altos	\$100,000
City of Menlo Park	\$250,000
City of Mill Valley	\$50,000
City of Novato	\$250,000
City of Piedmont	\$50,000
City of Pleasanton	\$75,000
<i>(No coverage under this Memorandum is afforded to the Livermore-Pleasanton Fire Department)</i>	
Town of San Anselmo	\$50,000
City of Sausalito	\$50,000
Town of Tiburon	\$25,000
City of Union City	\$75,000

California Transit Indemnity Pool (CalTIP)

COVERED PARTY	RETENTION
El Dorado County Transit Authority	\$50,000
Humboldt Transit Authority	\$75,000
Livermore Amador Valley Transit Authority	\$50,000
Mendocino Transit Authority	\$50,000
Morongo Basin Transit Authority	\$50,000
San Luis Obispo Regional Transit Authority	\$50,000
South County Area Transit	\$50,000
Tahoe Transportation District	\$50,000
Western Contra Costa Transit Authority	\$50,000
Yolo County Transportation District	\$50,000

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	\$75,000
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	\$50,000
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

Exclusive Risk Management Authority of California (ERMAC)

COVERED PARTY	RETENTION
City of Hayward	\$500,000
City of Laguna Hills	\$100,000
City of Santa Maria	\$500,000

Monterey Bay Area Self Insurance Authority (MBASIA)

COVERED PARTY	RETENTION
City of Capitola	\$500,000
City of Del Rey Oaks	\$500,000
City of Gonzales	\$500,000
City of Greenfield	\$500,000
City of Hollister	\$500,000
City of King City	\$500,000
City of Marina	\$500,000
City of Sand City	\$500,000
City of Scotts Valley	\$500,000
City of Soledad	\$500,000

Municipal Pooling Authority (MPA)

COVERED PARTY	RETENTION
City of Antioch	\$50,000
City of Brentwood	\$50,000
City of Clayton	\$50,000
Town of Danville	\$50,000
City of El Cerrito	\$50,000
City of Hercules	\$50,000
City of Lafayette	\$50,000
City of Manteca	\$50,000
City of Martinez	\$50,000
Town of Moraga	\$50,000
City of Oakley	\$50,000
City of Orinda	\$50,000
City of Pacifica	\$75,000
City of Pinole	\$50,000
City of Pittsburg	\$50,000
City of Pleasant Hill	\$50,000
City of San Pablo	\$100,000
City of San Ramon	\$50,000
City of Walnut Creek	\$50,000

Public Agency Risk Sharing Authority of California (PARSAC)

COVERED PARTY	RETENTION
City of Amador	\$25,000
City of Avalon	\$25,000
City of Belvedere	\$25,000
City of Blue Lake	\$25,000
City of California City	\$100,000
City of Calimesa	\$25,000
City of Calistoga	\$25,000
City of Citrus Heights	\$100,000
City of Clearlake	\$25,000
City of Coalinga	\$25,000
City of Ferndale	\$25,000
City of Grass Valley	\$25,000
City of Highland	\$25,000
City of Menifee	\$25,000
City of Nevada City	\$25,000
City of Pacific Grove	\$50,000
City of Placentia	\$100,000
City of Placerville	\$50,000
City of Plymouth	\$25,000
City of Point Arena	\$25,000
City of Rancho Cucamonga	\$250,000
Rancho Cucamonga Fire Protection District	\$75,000
City of Rancho Santa Margarita	\$25,000
City of San Juan Bautista	\$25,000
City of South Lake Tahoe	\$100,000
City of Tehama	\$25,000
City of Trinidad	\$25,000
City of Truckee	\$25,000
City of Twentynine Palms	\$25,000
City of Watsonville	\$250,000
City of West Hollywood	\$250,000
City of Wheatland	\$25,000
City of Wildomar	\$25,000
Town of Yountville	\$25,000
City of Yucaipa	\$50,000
Town of Yucca Valley	\$100,000

Public Entity Risk Management Authority (PERMA)

COVERED PARTY	RETENTION
City of Adelanto	\$250,000
City of Banning	\$25,000
City of Barstow	\$25,000
City of Canyon Lake	\$25,000
City of Cathedral City	\$25,000
City of Coachella	\$25,000
City of Desert Hot Springs	\$25,000
City of Eastvale	\$25,000
City of Hesperia	\$50,000
City of Holtville	\$25,000
Imperial County Transportation Commission	\$25,000
City of Jurupa Valley	\$25,000
City of La Mesa	\$25,000
City of Murrieta	\$100,000
Palm Springs Aerial Tramway	\$25,000
City of Perris	\$25,000
San Diego Regional Training Center	\$25,000
City of San Jacinto	\$25,000
City of Stanton	\$25,000
SunLine Transit Agency	\$50,000
Victor Valley Transit Authority	\$25,000
City of Victorville	\$25,000

Small Cities Organized Risk Effort (SCORE)

COVERED PARTY	RETENTION
City of Biggs	\$25,000
City of Colfax	\$25,000
City of Live Oak	\$25,000
City of Mt. Shasta	\$25,000
City of Portola	\$25,000
City of Rio Dell	\$25,000
City of Shasta Lake	\$25,000
City of Susanville	\$25,000
City of Tulelake	\$25,000
Town of Fort Jones	\$25,000
Town of Loomis	\$25,000
City of Weed	\$100,000
City of Yreka	\$25,000

Vector Control Joint Powers Agency (VCJPA)


COVERED PARTY	RETENTION
Alameda County Mosquito Abatement District	\$25,000
Burney Basin Mosquito Abatement District	\$25,000
Butte County Mosquito and Vector Control District	\$25,000
Coachella Valley Mosquito and Vector Control District	\$25,000
Colusa Mosquito Abatement District	\$25,000
Compton Creek Mosquito Abatement District	\$25,000
Consolidated Mosquito Abatement District	\$25,000
Contra Costa Mosquito and Vector Control District	\$25,000
Delta Vector Control District	\$25,000
Durham Mosquito Abatement District	\$25,000
Fresno Mosquito and Vector Control District	\$25,000
Glenn County Mosquito and Vector Control District	\$25,000
Greater Los Angeles County Vector Control District	\$25,000
Kings Mosquito Abatement District	\$25,000
Lake County Vector Control District	\$25,000
Los Angeles County West Vector Control District	\$25,000
Marin-Sonoma Mosquito and Vector Control District	\$25,000
Mosquito and Vector Management District of Santa Barbara County	\$25,000
Napa County Mosquito Abatement District	\$25,000
Northwest Mosquito and Vector Control District	\$25,000
Orange County Mosquito and Vector Control District	\$25,000
Oroville Mosquito Abatement District	\$25,000
Placer Mosquito and Vector Control District	\$25,000
Sacramento-Yolo Mosquito and Vector Control District	\$25,000
San Gabriel Valley Mosquito and Vector Control District	\$25,000
San Joaquin County Mosquito and Vector Control District	\$25,000
San Mateo County Mosquito Abatement District	\$25,000
Shasta Mosquito and Vector Control District	\$25,000
Sutter-Yuba Mosquito and Vector Control District	\$25,000
Tehama County Mosquito and Vector Control District	\$25,000
Turlock Mosquito Abatement District	\$25,000
West Valley Mosquito and Vector Control District	\$25,000

Individual Entities

COVERED PARTY	RETENTION
Oakland Housing Authority	\$50,000
Contra Costa County Housing Authority	\$50,000

Effective Date: ~~January~~July 1, 2019

Endorsement No.: 1



AUTHORIZED REPRESENTATIVE

EMPLOYMENT RISK MANAGEMENT AUTHORITY
MEMORANDUM OF COVERAGE
ENDORSEMENT #2

This endorsement, effective 12:01 a.m. ~~47~~/1/2019, forms a part of ERMA 201~~89~~-1EPL.

It is understood that the definition of “Covered Party” in Section II is amended to include the following entities and any officer, director or employee while in the course and scope of their duties for the following entities:

Bay Cities Joint Powers Insurance Authority (BCJPIA)
California Transit Indemnity Pool (CalTIP)
Central San Joaquin Valley Risk Management Authority (CSJVRMA)
Employment Risk Management Authority (ERMA)
Exclusive Risk Management Authority of California (ERMAC)
Public Agency Risk Sharing Authority of California (PARSAC)
Public Entity Risk Management Authority (PERMA)
Monterey Bay Area Self Insurance Authority (MBASIA)
Municipal Pooling Authority (MPA)
Small Cities Organized Risk Effort (SCORE)
Vector Control Joint Powers Agency (VCJPA)

The retained limit for the coverage provided by this endorsement is \$25,000.

It is further understood that no other person, organization, or entity shall be deemed to be a “Covered Party” under this endorsement except for those expressly identified herein.

Effective Date: ~~January~~July 1, 2019

Endorsement No.: 2



AUTHORIZED REPRESENTATIVE

EMPLOYMENT RISK MANAGEMENT AUTHORITY
MEMORANDUM OF COVERAGE
ENDORSEMENT #3

| This endorsement, effective 12:01 a.m. ~~4~~7/1/2019, forms a part of ERMA 201~~8~~9-1EPL.

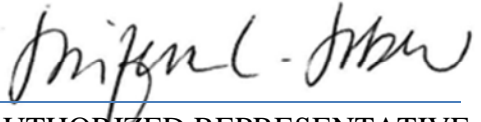
It is understood that for the following Covered Parties, the limit of coverage is \$500,000 per *Occurrence*.

Small Cities Organized Risk Effort (SCORE)

COVERED PARTY	RETENTION
City of Biggs	\$25,000
City of Colfax	\$25,000
City of Live Oak	\$25,000
City of Portola	\$25,000
City of Mt. Shasta	\$25,000
City of Shasta Lake	\$25,000
City of Susanville	\$25,000
City of Tulelake	\$25,000
City of Rio Dell	\$25,000
Town of Fort Jones	\$25,000
Town of Loomis	\$25,000
City of Weed	\$100,000
City of Yreka	\$25,000

| Effective Date: ~~January~~ July 1, 2019

Endorsement No.: 3



AUTHORIZED REPRESENTATIVE

ADMINISTRATIVE MATTERS

SUBJECT: Proposed Amendments to 2019/20 Master Program Document

BACKGROUND AND STATUS:

As part of a comprehensive review of ERMA's governing documents, staff and Board Counsel reviewed the Master Program Document. Initial proposed changes were presented to the Board for review and consideration at the February 2019, Annual Workshop. Following further review, additional proposed changes are recommended. Following is a summary of the proposed changes:

PROPOSED CHANGES	SECTION & PAGE #:
Require Members to satisfy all costs arising under the Retained Limit, such as defense fees; investigation fees; expert costs; vendor costs; and related costs, to ensure that ERMA's partners and vendors are compensated by Members for the cost incurred within the Retained Limit.	<i>1. Article II: Coverage, Section 5. Retained Limits (Page 5)</i>
Increase Litigation Manager's settlement authority to \$100k per claimant, not per claim.	<i>2. Article IV: Administration, Section 5. Litigation Manager (Page 13)</i>
Establish 30 calendar days Member appeal of staff decision.	<i>3. Article VI: Claims Administration, Section E. Disputes Regarding Management of a Claim (Page 22)</i>
Establish that failure to pay defense and related costs included but not limited to attorney's fees, investigation costs, expert costs, vendor costs and other related costs incurred within the Member's SIR, may result in expulsion from ERMA.	<i>4. Article 5: Participation, Section 2, Payment of Premiums and Other Charges (Page 19)</i>
Establish nonpayment or habitual late payment of defense and related costs as a reason for termination of future participation.	<i>5. Article 5: Participation, Section 2, Termination of Participation (Page 21)</i>
Include alternative that the appeal may be heard at the next Board of Directors or Executive Committee meeting.	<i>6. Article VI: Claims Administration, Section E. Disputes Regarding Management of a Claim (Page 23)</i>

Greg O'Dea will provide the Board of Directors with a review of the proposed changes to ERMA's Master Program Document.

RECOMMENDATION:

Staff recommends the Board of Directors approve the Master Program Document, as amended, effective July 1, 2019.

REFERENCE MATERIALS ATTACHED:

- Draft 2019/20 Master Program Document – redline

EMPLOYMENT RISK MANAGEMENT AUTHORITY

(ERMA)

MASTER PROGRAM DOCUMENT

FOR THE

POOLED EMPLOYMENT PRACTICES LIABILITY PROGRAM

(PEPLP)

AS AMENDED EFFECTIVE ~~NOVEMBER 5, 2018~~ JULY 1, 2019

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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 1st of each year to 12:00am Pacific time on June 30th 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 \$2,000,000 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, including but not limited to attorneys' fees, investigation costs, expert costs, vendor costs and any other 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 ASSESSMENTS

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 31st 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 15th 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 criteria 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 a 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 reserves, *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.

5. LITIGATION MANAGER

The Litigation Manager shall:

- (a) 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.
- (b) 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), per claimant, in excess of the *Retained Limit* of the *Member* involved.
- (c) 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;
- (d) 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:
 - (i) 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;

- (ii) Review all open claims in which an outside investigator has been retained by the *Member* or *ERMA*, and
 - (iii) review monthly claims reports and relate to the Executive Committee or *Board of Directors* any significant trends that may be developing.
- (e) 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.
- (f) 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;
- (g) Review, at least quarterly, all open claims in excess of the involved *Member's Retained Limit* and, if necessary, recommend action on such claims;
- (h) 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;
- (i) Assist the *Members* in training their personnel in the correct procedures for response to employees and reporting of incidents or claims
- (j) Advise, where needed, on the setting and changing of reserves for claims;
- (k) Report to any excess insurance or reinsurance obtained by *ERMA* all claims that meet the reporting requirements of such excess insurance or reinsurance;
- (l) 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.
- (m) Ensure that the *Member* is advised of *ERMA's* coverage position on a claim

as soon as practicable.

- (n) Monitor and evaluate the effectiveness of the defense firms;
- (o) Advise the Board on recommendations for settlement of claims in excess of \$100,000.00;
- (p) Answer inquiries from *Members* regarding claims or procedures;
- (q) Establish a list of attorneys who have demonstrated proficiency in defending employment actions against public agencies;
- (r) 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*;
- (s) 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;
- (t) Advise and assist the Program Administrator in the selection of claims adjusting and investigation providers/companies;
- (u) 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;
- (v) Annually provide to the Executive Committee or *Board of Directors* a review and evaluation of all panel defense counsel, including performance and costs; and
- (w) 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 three 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 three 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 1st, *ERMA* shall bill each *Member* its *Deposit Premium* for the next *Program Year*. The annual billing shall be due and payable on July 15th, 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, or amounts due for other items. 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) 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.

- (f) ~~(f)~~ Failure to Pay Billings, Penalties, or Interest - Failure to pay billings, penalties, or the accrued interest shall be considered grounds for removal of the *Member* from the PEPLP and may result in the expulsion of the *Member* from *ERMA* according to the *ERMA* Agreement.

- (g) Failure to Pay Defense and Related Costs - Failure to pay defense and related costs including but not limited to attorneys' fees, investigation costs, expert

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costs, vendor costs and any other related costs incurred within the *Retained Limit* shall be considered grounds for removal of the *Member* from the PEPLP and may result in the expulsion of the *Member* from ERMA according to the ERMA Agreement

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- (eh) 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) ~~(d)~~ Habitual late payment of billings, *Assessments*, *Retrospective*

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Adjustments, and/or other charges, or habitual late response in submitting data required by *ERMA*;

(e) Nonpayment or habitual late payment of defense and related costs, including but not limited to attorneys' fees, investigation costs, expert costs, vendor costs and any other related costs that are incurred within the *Retained Limit*;

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(e) Failure to provide underwriting information as defined herein;

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(f) Development of an extraordinarily poor loss history;

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(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*, however, such appeal shall be in writing and shall be made within 30 calendar days of the Program Administrator's decision.
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 calendar days of the date of the Litigation Manager's decision.

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3. When an appeal has been filed, the Executive Committee or *Board of Directors* shall hear the appeal within 60 business-calendar days, or at the next scheduled Executive Committee or Board of Directors meeting, whichever is later.

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** means 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 party 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 governmental entity, that is eligible to participate in a joint powers authority. A Member is 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* within 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 it 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 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.

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.

ADMINISTRATIVE MATTERS

SUBJECT: Approval of Assignment, Assumption and First Amendment to July 1, 2018 Agreement for Administrative, Litigation Management and Financial Services

BACKGROUND AND STATUS:

Bickmore has served as ERMA's program administrator since the 1999/00 program year. On May 1, 2014, Bickmore was acquired by York Risk Services (York). Effective December 1, 2018, as part of a company-wide rebranding initiative, Bickmore was rebranded to York. The name change requires an amendment to the existing agreement between ERMA and Bickmore to ensure Bickmore's contractual obligations are properly assigned to York.

Attached for the Board's review and consideration is an Assignment, Assumption and First Amendment of Agreement for Administrative, Litigation Management, and Financial Services, which expires June 30, 2023. The Amendment has been reviewed by Greg O'Dea, who will be present to answer any questions of the Board.

RECOMMENDATION:

Staff recommends the Board of Directors approve the Assignment, Assumption and First Amendment of Agreement for Administrative, Litigation Management, and Financial Services.

REFERENCE MATERIALS ATTACHED:

- Assignment, Assumption and First Amendment of Agreement for Administrative, Litigation Management, and Financial Services

**Assignment, Assumption and First Amendment of Agreement for
Administrative, Litigation Management, and Financial Services**

This Assignment, Assumption and First Amendment (“First Amendment”) to the Agreement for Administrative, Litigation Management and Financial Services dated July 1, 2018 (the “Agreement”) is made this 30th day of April, 2019 by and between Employment Risk Management Authority (“ERMA”), Bickmore and York Risk Services Group, Inc. (“York”), as successor in interest to Bickmore. ERMA, Bickmore and York may also sometimes be referred to herein as a “Party” or the “Parties.

RECITALS

WHEREAS, ERMA and Bickmore entered into that certain Agreement whereby Bickmore undertook to and did provide Administrative, Litigation Management, and Financial Services as more fully described in the Agreement; and

WHEREAS, the Agreement provides that Bickmore’s rights, interests and obligations under the Agreement may be assigned with the written consent of ERMA; and

WHEREAS, Bickmore is a wholly owned subsidiary of York; and

WHEREAS, Bickmore desires to and does assign all of its rights, interests and obligations in the Agreement to York; and

WHEREAS, ERMA consents to the assignment by Bickmore to York; and

WHEREAS, York desires to and does accept such rights, interests and obligations, and fully assumes such rights, interests and obligations from Bickmore.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Bickmore assigns all of its rights, interests and obligations in the Agreement to York.
2. York accepts such rights, interests and obligations in and to the Agreement and fully assumes such rights, interests and obligations.
3. ERMA consents to the assignment by Bickmore to York of all Bickmore's rights, interests and obligations in the Agreement.
4. All other terms of the Agreement shall remain in force and unchanged. Any conflicts between this first amendment and the original Agreement shall be superseded as provided herein.

EMPLOYMENT RISK
MANAGEMENT AUTHORITY

By: _____

Name: _____

Title: _____

YORK RISK SERVICES GROUP, INC.

By: _____

Name: _____

Title: _____

BICKMORE

By: _____

Name: _____

Title: _____

ADMINISTRATIVE MATTERS

SUBJECT: Proposed Amendments to Resolution Establishing Criteria for Approval of Investigators

BACKGROUND AND STATUS:

As part of a comprehensive review of ERMA's governing documents, staff and Board Counsel reviewed ERMA's Resolution 2017-8, Establishing Criteria for Approval of Investigators and are proposing the following changes:

PROPOSED CHANGES	SECTION & PAGE #:
Upon approval of the Litigation Manager, members may be permitted to retain investigators with higher billing rates than established ERMA rates. Members shall pay the differential directly to the investigator, but such payments will not erode the member's SIR;	<i>1. Criteria to be Approved to Conduct Investigative Services for ERMA Member Entities, Section 11. (Page 3)</i>
Update Resolution Number to 2018-3	

Attached for the Board's review and consideration is draft Resolution No. 2018-3 Establishing Criteria for Approval of Investigators.

RECOMMENDATION:

Staff recommends the Board of Directors approve Resolution 2018-3 Establishing Criteria for Approval of Investigators.

REFERENCE MATERIALS ATTACHED:

- Draft Resolution 2018-3 Establishing Criteria for Approval of Investigators

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EMPLOYMENT RISK MANAGEMENT AUTHORITY
ESTABLISHING CRITERIA FOR APPROVAL OF INVESTIGATORS**

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, and

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

WHEREAS, it is the desire of the Board of Directors to continue to reduce and control the costs and fees associated with the defense of claims, and

WHEREAS, the ERMA program has been in existence since 1999 and the Board of Directors previously established a panel of approved investigation firms to handle the employment practices investigations for ERMA and its members, and

WHEREAS, it is in the best interest of all members to ensure a thorough, good faith and impartial investigation of allegations of employment wrongdoing, when appropriate, to limit liability in an employment practices lawsuit, and

WHEREAS, it is in the best interest of all members to ensure professional, competent, and cost effective handling of investigations, and

WHEREAS, it is in the best interest of all members to have established professional criteria and a cap on the billable hourly rate an investigator may charge for the investigative services it provides.

NOW, THEREFORE, BE IT RESOLVED THIS RESOLUTION REPLACES RESOLUTION 2014-~~17~~-8 as follows:

A referral panel of approved investigators is in place for the ERMA program. ~~With prior approval of the ERMA Litigation Manager~~, a member may use any investigator listed on the referral panel, or other investigator not listed on the referral panel, who meets and agrees to the Investigator Criteria set forth below.

A. Criteria to be Approved to Conduct Investigative Services for ERMA Member Entities

Investigators desiring to be approved to perform investigative services for ERMA Member Entities must meet and agree to the following provisions before the Litigation Manager may approve them to do work for an ERMA member. -Failure to obtain approval by the ERMA Litigation Manager will result in the fees and costs incurred by the member not being counted toward the member entity's self-insured retention (SIR):

1. The outside investigator must be able to perform the investigation for the member entity in a neutral and unbiased manner;
2. The outside investigator must have at least five years' experience conducting employment practices investigations, and be familiar with laws applicable to the facts of the investigation and applicable to the particular member entity;
3. A significant percentage of the outside investigator's practice and experience (if the investigator is an attorney, a significant percentage of his or her investigation practice and experience) must involve conducting public sector employment practices investigations;
4. Unless the outside investigator is an attorney or otherwise exempt, he/she must comply with the requirements of the California's Private Investigator Act;
5. The outside investigator must be familiar with the Fair Credit Reporting Act;
6. The outside investigator is preferred to have attended and completed the Association of Workplace Investigators' Training Institute, and obtain a certificate of completion;
7. At the commencement of the investigation, the outside investigator must agree to sign an engagement letter which outlines the scope of the investigation and responsibilities of the investigator. The outside investigator must be advised and agree that his/her role is to conduct a fact-based investigation, where a member may also ask for conclusions/opinions by the outside investigator of whether the member's policy or practice has been violated. The outside investigator agrees to conduct the investigation within the parameters of the member's requested scope of the investigation, and will not exceed that scope unless first authorized by the member and Litigation Manager. The scope of the outside investigator's role shall not at any time include drawing legal conclusions;
8. The outside investigator shall provide a proposed budget for the investigation at the commencement of the investigator's retention. Should the investigation begin to exceed the budget, the investigator shall, as soon as reasonably foreseeable, provide an updated budget for approval by the Litigation Manager or member;

9. Investigators must first obtain approval by the Litigation Manager before the member will have any expenditures of the investigator counted toward the member's SIR;

10. The rate to be charged by the investigator shall not exceed \$250.00 per hour if the investigator is also an attorney. -The rate to be charged by the investigator shall not exceed \$160.00 for non-attorney investigators. Investigators agree to not separately bill a member for any differential amount between the investigator's standard hourly rate (if higher than ERMA's maximum hourly rate) and ERMA's approved hourly rate;

~~10;11.~~ Upon approval of the Litigation Manager, members may be permitted to retain investigators with higher billing rates than established ERMA rates. Members shall pay the differential directly to the investigator, but such payments will not erode the member's SIR;

~~11;12.~~ Should a particular investigation result in litigation or other process where the investigator is called upon to provide post-investigation services, including but not limited to deposition testimony, trial testimony, or preparation for deposition or trial testimony, the rate to be charged by the investigator shall not exceed \$285.00 per hour for attorney investigators, and \$205.00 per hour for non-attorney investigators; and,

~~12;13.~~ The outside investigator agrees to submit monthly bills unless otherwise approved by the Litigation Manager, and will describe the services and costs provided during the billing period. -Bills shall include a brief description of services performed, the date the services were performed, and the number of hours, or fraction thereof, spent performing the services.

Nothing in this resolution shall be construed to limit the right of a member entity to retain its own non-ERMA approved investigator to investigate allegations of employment wrongdoing. If, however, a member entity retains its own non-ERMA approved investigator, the member entity shall be solely responsible for that investigator's fees and costs, and the fees and costs will not be counted toward the member's SIR.

B. Evaluation of Investigators and Investigation Firms

The performance of investigators will be evaluated annually by the Litigation Management Staff. The Litigation Manager reserves the right to disapprove of any investigation firm or any investigator which would then preclude that investigator from doing additional work for a member entity that would count toward the member's SIR.

C. In-House Counsel, In-House Investigations, and Third Party Investigators

Nothing in this Resolution should be construed to require member entities to engage and retain the services of third-party investigators for investigation of allegations of wrongful employment acts. A

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Resolution 2018-~~37~~-8

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member entity has the right to utilize its own in-house investigators, in-house or outside counsel, employees, etc., to assist with or conduct an investigation for the member entity. However, no in-house or outside counsel or in-house investigator's fees or costs shall be applied towards the satisfaction of the member entity's SIR.

This resolution was adopted by the Board of Directors at a regular meeting of the Board held on ~~June 12, 2018~~ April 30 2019, in Sacramento, California by the following vote:

AYES	<u>10</u>
NOES	<u>0</u>
ABSTAIN	<u>0</u>
ABSENT	<u>2</u>

PRESIDENT

ATTEST:

EXECUTIVE DIRECTOR

ADMINISTRATIVE MATTERS

SUBJECT: Approval of Resolution 2018-4 Establishing Target Performance Standards and Assistance Program

BACKGROUND AND STATUS:

As part of a comprehensive review of ERMA's governing documents, staff and Board Counsel reviewed ERMA's Resolution 2011-1, Establishing Target Performance Standards and Assistance Program.

PROPOSED CHANGES	SECTION & PAGE #:
Require Members identified via a target performance analysis to complete specific training on council relations regarding the scope and limits of public official authority (as deemed appropriate by the Litigation Manager).	<i>1. Section B.3. Assistance Program (Page 2)</i>
Update citation references to Master Program Document	
Update Resolution Number to 2018-4	

Attached for the Board's review and consideration is draft Resolution No. 2018-4 Establishing Target Performance Standards and Assistance Program.

RECOMMENDATION:

Staff recommends the Board of Directors approve Resolution No. 2018-4 Establishing Target Performance Standards and Assistance Program.

REFERENCE MATERIALS ATTACHED:

- Draft Resolution No. 2018-4 Establishing Target Performance Standards and Assistance Program

RESOLUTION NO. 2018-4

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EMPLOYMENT RISK MANAGEMENT AUTHORITY
ESTABLISHING TARGET PERFORMANCE STANDARDS
AND ASSISTANCE PROGRAM**

WHEREAS, it is in the best interests of the Members of ERMA to ensure the financial stability of the ERMA program by requiring that all Members actively participate in reducing their employment practices liability exposures, and

WHEREAS, compliance with all ERMA loss control provisions is required of all Members under Article V, Section D, Paragraph 3 (j) of the ERMA Master Program Document which provides for the expulsion of a Member for “Failure to comply with loss control services, training or compliance auditing programs adopted by *ERMA*”; and

WHEREAS, the Board of Directors seeks to establish a process for the evaluation of and notification to Members whose performance does not meet the standards established for compliance with ERMA’s loss control provisions and to assist those Members in improving their performance;

THEREFORE, BE IT RESOLVED THAT the process detailed below is intended to assist Members whose performance does not meet the standards listed below in order to improve Member performance.

A. Target Performance Standards

Annually or at the request of the Board, ERMA staff will review ERMA Members’ loss performance. If any Member’s performance meets any two (2) of the following targets, ERMA staff will conduct a detailed loss history analysis and make recommendations to the Board for the targeted assistance program:

1. Loss Ratio over 80% for two (2) program years using the past five years, not including the current program year, or
2. Injury Frequency Rate (IFR) (reportable claim count per \$100,000 payroll) more than twice the ERMA average for two (2) program years using the past five years, not including the current program year, or
3. Severity Rate (incurred claim cost per \$100,000 payroll) of more than twice the ERMA average for two (2) program years using the past five years, not including the current program year.

Based on the loss history analysis and recommendations from the Litigation Manager, the Board shall select the members for the assistance program.

B. Assistance Program

The Litigation Manager will notify the non-performing Member in writing of their loss history and of their inclusion by the Board in the targeted assistance program, and request the Member's participation in and willingness to resolve the performance issues. The assistance program conducted by ERMA staff may include some or all of the following steps:

1. Perform a Comprehensive Risk Appraisal which may include the following:
 - a. On-site interviews with management and other employees as necessary
 - b. Review of applicable policies
 - c. Perform other tasks, including if applicable, a confidential Employee Perception Survey in order to determine causes of loss performance.
2. ERMA staff will present the Risk Appraisal Report to the Board within six (6) months from the beginning of the assistance program. Reports shall include the following:
 - a. Performance progress with regard to targeted performance standards
 - b. Management follow-up to risk appraisal and/or management accountability goals
 - c. Management's attitude toward risk reduction
 - d. ERMA staff recommendations
3. Require Member to complete specific training on council relations regarding the scope and limits of public official authority (as deemed appropriate by the Litigation Manager).

C. Follow-up with Member

After presentation of the Report, staff shall conduct follow up meeting(s) with the Member Management Team to:

1. Discuss Risk Appraisal findings
2. Review Member performance
3. Facilitate goal setting for management accountability
4. Conduct follow up meetings as necessary.

If requested by the Board, staff will conduct a second Risk Appraisal approximately six (6) months after presentation of initial Risk Appraisal Report to the Board.

D. Post Assistance Program Performance Standards and Action

The Member will be required to follow-up and complete risk appraisal findings, achieve accountability goals and improve risk appraisal scores. At any time during the Assistance Program process, the Board may:

1. Determine that the Member has complied with program requirements.

2. Continue the assistance program for a period of time to be determined on a case-by-case basis by the Board.
3. Increase the Member's SIR
4. Expel the Member.

BE IT FURTHER RESOLVED THAT: This resolution is in no way intended to limit the right of the Board of Directors to expel a Member for any reason listed in Article V, **Section D, Paragraph 3 (j)** of the ERMA Master Program Document or any other provision of the ERMA Governing Documents, or take any other action as deemed appropriate in compliance with the Governing Documents. The Board may, in its discretion, utilize none, any, or all of the steps listed above. This resolution is intended to serve only as a guideline for the evaluation of and notification to non-complying Members, and to provide assistance to those Members if deemed advisable by the Board.

BE IT FURTHER RESOLVED THAT: Nothing in this resolution is intended to prevent the Board of Directors from conducting an assessment of a member; notwithstanding the fact these criteria are not met.

BE IT FURTHER RESOLVED THAT: This resolution hereby replaces **Resolution 2011-1**.

This Resolution was adopted by the Board of Directors at a regular meeting of the Board held on **April 30, 2019**, in Sacramento, California by the following vote:

AYES	_____
NOES	_____
ABSTAIN	_____
ABSENT	_____

By:

PRESIDENT

ATTEST:

EXECUTIVE DIRECTOR

ADMINISTRATIVE MATTERS

SUBJECT: Approval of Resolution 2018-5 Establishing Approval for Payments to Vendors

BACKGROUND AND STATUS:

In an effort to ensure ongoing collaborative relationships with ERMA's vendor partners, it has become necessary to provide the Board of Directors with the discretion to remit payment for incurred services, including defense fees; investigation fees; expert costs; and related costs in the event a member fails to remit payment for such from within their retained limit.

Attached for the Board's review, is draft Resolution No. 2018-5 Establishing Approval for Payments to Vendors prepared by staff and Greg O'Dea, Board Counsel.

RECOMMENDATION:

Staff recommends the Board Approve Resolution 2018-5 Establishing Approval for Payments to Vendors.

REFERENCE MATERIALS ATTACHED:

- Draft Resolution 2018-5 Establishing Approval for Payments to Vendors

RESOLUTION NO. 2018-5

RESOLUTION OF THE BOARD OF DIRECTORS OF THE EMPLOYMENT RISK MANAGEMENT AUTHORITY ESTABLISHING APPROVAL FOR PAYMENTS TO VENDORS

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, and

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

WHEREAS, it is the desire of the Board of Directors to continue to reduce and control the costs and fees associated with the defense of claims, and

WHEREAS, each member shall bear the costs of its claims, including defense and related costs, including but not limited to attorneys’ fees, investigation costs, expert costs, vendor costs and any other related costs up to the amount of its retained limit, and

WHEREAS, in the event a member does not remit payment for defense and related costs, including but not limited to attorney’s fees, investigation costs, expert costs, vendor costs and any other related costs incurred within the member’s retained limit, it is desirable that ERMA have the discretion to remit payment on the member’s behalf in order to retain established vendor relationships.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

In the event a member does not remit payment for defense and related costs, including but not limited to attorney’s fees, investigation costs, expert costs, vendor costs and any other related costs incurred within the member’s retained limit, ERMA shall have the discretion to remit payment on the member’s behalf in order to retain established vendor relationships.

Payments made by ERMA on behalf of a member who fails to remit payment for defense and related costs, including but not limited to attorney’s fees, investigation costs, expert costs, vendor costs and any other related costs incurred within the member’s retained limit, shall be subject to levied assessments through the annual retrospective adjustment process.

Failure to pay defense and related costs including but not limited to attorneys’ fees, investigation costs, expert costs, vendor costs and any other related costs incurred within the retained limit shall be considered grounds for removal of the member from the Pooled Employment Practices Liability Program and may result in the expulsion of the member from ERMA according to the ERMA Agreement.

The Board of Directors may terminate future participation by a member for nonpayment or habitual late payment of defense and related costs, including but not limited to attorneys' fees, investigation costs, expert costs, vendor costs and any other related costs that are incurred within the Retained Limit;

This resolution was adopted by the Board of Directors at a regular meeting of the Board held on April 30, 2019, in Sacramento, California by the following vote:

AYES _____
NOES _____
ABSTAIN _____
ABSENT _____

PRESIDENT

ATTEST:

EXECUTIVE DIRECTOR

ADMINISTRATIVE MATTERS

SUBJECT: AGRiP Governance & Leadership Conference Report

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 includes member registration rates for all AGRiP conferences, including the Fall Governance & Leadership Conference. This conference took place in St. Louis, MO, March 3 – 6, 2019.

Artesia Dupree, Oakland Housing Authority, attended the conference representing ERMA and will provide the Board with a report regarding her attendance and participation.

RECOMMENDATION:

None

REFERENCE MATERIALS ATTACHED:

- AGRiP 2019 Governance & Leadership Conference Schedule



Schedule

Sunday, March 3, 2019

Check In Open

9:00AM–7:30PM, Depot Registration Office

Pooling Basics

11:00AM–6:00PM, Grand Ballroom BC

Tour 1: The Gateway Arch

12:30PM–2:35PM, Pick up your trolley outside the Union Station lobby at the 20th St. entrance.

Tour 2: Anheuser Busch Brewery Group 1

1:00PM–4:05PM, Pick up your trolley outside the Union Station lobby at the 20th St. entrance.

Tour 3: The Gateway Arch

1:30PM–3:35PM, Pick up your trolley outside the Union Station lobby at the 20th St. entrance.

Tour 4: Anheuser Busch Brewery Group 2

1:35PM–4:40PM, Pick up your trolley outside the Union Station lobby at the 20th St. entrance.

Welcome Reception

6:00PM–7:30PM, Grand Hall at the Union Station Hotel

Monday, March 4, 2019

Breakfast

7:00AM–8:30AM, Grand Ballroom DEF

Check In Open

7:00AM–4:15PM, Depot Registration Office

First-Time Attendee Breakfast

7:00AM–8:30AM, Grand Ballroom C

Keynote: The Difference that Difference Makes -- András Tilcsik

8:30AM–9:15AM, Grand Ballroom DEF

Keynote Roundtable

9:15AM–9:45AM, Grand Ballroom DEF

Beverage Break

9:45AM–10:00AM, Foyer C

Employee Pipeline: Building an Internship Program

10:00AM–10:45AM, Regency AB

Part 1 (Monday): Board Composition and Recruitment (WHY)

10:00AM–10:45AM, Grand Ballroom AB

Toolkit for Mitigating, Managing SAM Claims

10:00AM–10:45AM, Regency C

Break

10:45AM–11:00AM, Foyer C

Cyber Liability Claims

11:00AM–12:00PM, Regency C

Impact of and Strategies to Manage Expanding Work Comp Presumptions

11:00AM–12:00PM, Regency AB

Part 2 (Monday): Board Composition and Recruitment (HOW)

11:00AM–12:00PM, Grand Ballroom AB

Lunch: Annual Meeting, Awards for Excellence, and Recognition

12:00PM–1:30PM, Grand Ballroom DEF

Break

1:30PM–1:45PM, Foyer C

Part 1: Creating an Inclusive Workplace (WHY)

1:45PM–2:45PM, Grand Ballroom AB

Qualified Immunity

1:45PM–2:45PM, Regency C

Weather and Climate: Volatility or Change in the Air?

1:45PM–2:45PM, Regency AB

Beverage and Snack Break

2:45PM–3:00PM, Foyer C

Avoiding Claims Caused by the Breakdown of Decorum at Local Government Meetings

3:00PM–4:00PM, Regency AB

Injuries to Teachers from Students

3:00PM–4:00PM, Regency C

Part 2: Creating an Inclusive Workplace (HOW)

3:00PM–4:00PM, Grand Ballroom AB

Tuesday, March 5, 2019

Group Walk and Run

6:00AM–7:00AM, Meet in main lobby

Breakfast

7:00AM–8:30AM, Grand Ballroom DEF

Breakfast Roundtable: Health Pools

7:00AM–8:30AM, Regency AB

Breakfast Roundtable: Property & Liability

7:00AM–8:30AM, Regency C

Breakfast Roundtable: Workers' Compensation

7:00AM–8:30AM, Grand Ballroom AB

Check In Open

7:00AM–4:30PM, Depot Registration Office

Cyber Risk: Trends, Coverage, and Risk Management

8:30AM–9:15AM, Grand Ballroom DEF

Keynote Roundtable

9:15AM–9:45AM, Grand Ballroom DEF

Beverage Break

9:45AM–10:00AM, Foyer C

Case Study in PBM Savings

10:00AM–10:45AM, Regency C

Part 1 (Tuesday): Board Composition and Recruitment (WHY)

10:00AM–10:45AM, Regency AB

Technology Investments for the Future of Pooling

10:00AM–10:45AM, Grand Ballroom AB

Break

10:45AM–11:00AM, Foyer C

Back of a Napkin Actuarial Estimates

11:00AM–12:00PM, Grand Ballroom AB

Liability for Police Encounters with Citizens with Physical and Mental Disabilities

11:00AM–12:00PM, Regency C

Part 2 (Tuesday): Board Composition and Recruitment (HOW)

11:00AM–12:00PM, Regency AB

Lunch

12:00PM–1:15PM, Grand Ballroom DEF

Break

1:15PM–1:30PM, Foyer C

Financial Statement Overview for Governing Bodies

1:30PM–2:15PM, Grand Ballroom AB

Police Accountability: A Case Study from Texas

1:30PM–2:15PM, Regency C

Rethinking Benefits and the Workplace for a Modern Workforce

1:30PM–2:15PM, Regency AB

Beverage and Snack Break

2:15PM–2:30PM, Foyer C

Conversations Every Pool Governing Body Should Have

2:30PM–3:15PM, Grand Ballroom AB

Executive Compensation

2:30PM–3:15PM, Regency AB

Property Valuation Programs: Beyond the Numbers

2:30PM–3:15PM, Regency C

Break

3:15PM–3:30PM, Foyer C

Power of Pooling Roundtables

3:30PM–4:30PM, Grand Ballroom DEF

Wednesday, March 6, 2019

Breakfast

7:00AM–8:30AM, Grand Ballroom DEF

Check In Open

7:00AM–11:00AM, Depot Registration Office

Health Pool Programming: Health Pool Breakfast

7:00AM–8:00AM, Regency AB

Health Pool Programming: Surplus Policies for Health Pools

8:00AM–8:30AM, Regency AB

Health Pool Programming: Near-Site Clinics: A Case Study

8:30AM–9:15AM, Regency AB

Pooling Financial Benchmarks: What We Know and Still Need to Know

8:30AM–9:15AM, Grand Ballroom AB

Tailored Work Comp Interventions

8:30AM–9:15AM, Regency C

Beverage Break

9:15AM–9:30AM, Foyer C

Health Pool Programming: Cost Containment Programs

9:30AM–10:15AM, Regency AB

Mentoring as a Critical Component of Leadership Development

9:30AM–10:15AM, Regency C

Succeeding in a Soft Market

9:30AM–10:15AM, Grand Ballroom AB

Break

10:15AM–10:30AM, Foyer C

General Session: Power of Pooling Report Out

10:30AM–11:00AM, Grand Ballroom DEF

ADMINISTRATIVE MATTERS

SUBJECT: Excess Coverage Marketing Update for the 2019/20 Program Year

BACKGROUND AND STATUS:

At the February 2019 Annual Workshop, the Board of Directors requested Alliant Insurance Services (Alliant) negotiate renewal terms with RSUI for the 2019/20 program year.

Attached is correspondence from Alliant regarding an update of the renewal. 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 will provide premium indications for the inclusion of additional members in the optional excess layer.

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 2019/20 Renewal Update

April 11, 2019

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

ERMA 2019/2020 RENEWAL UPDATE

Dear Jennifer:

This letter provides York staff and the ERMA Board with updated information regarding ERMA's 2019/20 Optional Excess Insurance renewal. Currently, RSUI provides \$2,000,000 in limits Each Claim per Member with a \$4,000,000 Per Member Aggregate and \$10,000,000 Policy Aggregate excess of ERMA's Retained Limit of \$1,000,000.

The ERMA Board directed Alliant to negotiate renewal terms with RSUI for the 2019-20 program year. ***RSUI has recently committed to support the expiring rate and terms for the renewal subject to any adverse claim development or material changes to the underlying terms prior to the renewal.*** Alliant will present a formal renewal quote to the Board at the June meeting.

This is an excellent result in today's *ever evolving* marketplace; in general, municipal clients' premiums are increasing across a broad range of coverage lines. Property is, of course, increasing due to wildfires. General Liability increases are due to what we now call an "Increasing Frequency of Severity Claims" (those losses that were one time under \$1,000,000 and now are often in excess of \$5,000,000), and the same trend with Automobile loss settlement and jury verdicts at previously unforeseen levels. In general, Employment Practice claims are increasing both in frequency and severity (not surprising, the #MeToo movement has increased awareness). ERMA has benefited from its long term partnership with RSUI.

As in year's past, RSUI has indicated that they will provide premium indications for the inclusion of additional Members in the optional excess layer, or if Members are interested in higher limits they could contact us directly to discuss individual quotes.

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

Sincerely,



Seth Cole, ARM
Senior Vice President
scole@alliant.com

cc: Michael Simmons, Vice Chairman – Public Entities
msimmons@alliant.com

MEMBERSHIP MATTERS

SUBJECT: Update Regarding City of Adelanto (PERMA) Performance Improvement Plan

BACKGROUND AND STATUS:

Following the January 10, 2019, Notice of Appeal from the City of Adelanto (City) regarding ERMA's Termination of Membership, effective June 30, 2019, the ERMA Board of Directors placed the City on a Performance Improvement Plan (Plan). The goal of the Plan is to provide the City with the opportunity to remain a member of ERMA.

The Plan, in its entirety, was accepted by the Adelanto City Council at a regularly scheduled meeting on January 23, 2019. Following are the requirements of the Plan and the status of each, to date:

REQUIREMENT	DATE COMPLETED	NOTES
ERMA staff meet with City Manager to discuss the terms of the Plan prior to consideration by the ERMA Board of Directors.	January 22, 2019	Teleconference - Tom Madruga, Victor Ponto, Jessie Flores, Geriann Kingslan, Teri Nelson, Brenda Lopez, Jennifer Jobe, and Kathy Maylin.
All Council members and City Manager complete specific training on council relations regarding the scope and limits of public official authority as identified by ERMA no later than 30 days after adoption of the Plan.	March 10, 2019	Training conducted by Gerry Preciado, 34 th St. Consulting.
All Council members and City Manager complete specific training on preventing discrimination, harassment and retaliation as identified by ERMA no later than 30 days after adoption of the Plan.	March 10, 2019	Training conducted by Gerry Preciado, 34 th St. Consulting.
City Manager retain and actively partner with an adviser via the League of California Cities Senior Advisor Program within 30 days of the effective date of Agreement.	April 12, 2019	Initial telephone discussion with CA League Sr. Advisor held, with plan to meet "soon".
All City management staff complete "Management 101" training no later than 60 days after adoption of the Plan.	April 9, 2019	Training conducted by Gerry Preciado, 34 th St. Consulting.

REQUIREMENT	DATE COMPLETED	NOTES
City retains an ERMA-recommended employment attorney from the defense panel to provide City ongoing advice and counsel on any/all personnel matters. Advice and counsel services to be sought before City takes personnel action. Should any specific advice and counsel recommendation wish to be disregarded by City, City to confer with the Litigation Manager prior to taking personnel action.	March 8, 2019	City Council voted without consultation per Plan, on March 5, 2019, re: personnel matter with an effective date March 11, 2019.
City withdraw and dismiss coverage appeals to Board of Directors regarding: Elliott, Gabriel and Herrera, Cindy.	March 5, 2019	N/A
City Council to adopt Plan by resolution no later than 30 days following adoption of the Plan by the ERMA Board of Directors.	March 5, 2019	N/A
City Manager meet with ERMA staff telephonically no later than 30 days after adoption of the Plan by the City Council to establish timelines for completion of identified actions.	Feb, 28, 2019	Teleconference - Victor Ponto, Socorro Cisneros, Brenda Lopez, Jennifer Jobe, and Kathy Maylin.
City Manager meet with ERMA staff telephonically every 30 days to review the status and progress of the Plan. Dates to be established following adoption of the Plan by the City Council.	April 11, 2019	Teleconference – Victor Ponto, Brenda Lopez, Jessie Flores, Jennifer Jobe and Kathy Maylin.

Staff will provide the Board with an overview of the City's activities to-date and answer any questions from the Board.

RECOMMENDATION:

None

REFERENCE MATERIALS ATTACHED:

- City of Adelanto Performance Improvement Agreement

City of Adelanto Performance Improvement Agreement

THIS AGREEMENT (Agreement) is made and effective as of January 23, 2019, between the Employment Risk Management Authority ("Authority"), and the City of Adelanto ("City"), sometimes collectively referred to as the "Parties".

On November 5, 2018, the Board of Directors of ERMA voted to terminate the City's status as a Member of ERMA effective July 1, 2019. The ERMA Board made this decision because of significant concerns regarding the City's governance, risk management practices, concerns regarding the adequacy of training, claims history and employment practices.

On January 10, 2019, the City requested reconsideration of ERMA's decision. In response, ERMA proposes the City enter into a Performance Improvement Plan ("Plan"), which if the conditions of the Plan are met within the term of the Agreement, the ERMA Board of Directors will reconsider its decision to terminate the City's participation as a Member in ERMA.

Upon the express consideration arising by reason of the Board of Director's decision to reconsider its decision to terminate the City's participation in ERMA, which consideration is expressly acknowledged and relied upon by City, and upon express consideration of the City's agreement to participate in and complete the Plan, which consideration is expressly acknowledged and relied upon by ERMA, the Parties agree as follows:

Performance Improvement Plan

- ERMA staff to meet with City Manager to discuss the terms of the Plan prior to consideration by the ERMA Board of Directors.
- All Council members and City Manager are required to complete specific training on council relations regarding the scope and limits of public official authority as identified by ERMA no later than 30 days after adoption of the Plan.
- All Council members and City Manager are required to complete specific training on preventing discrimination, harassment and retaliation as identified by ERMA no later than 30 days after adoption of the Plan.
- City Manager is required to retain and actively partner with an adviser via the League of California Cities Senior Advisor program within 30 days of the effective date of this Agreement.

- All City management staff is required to complete "Management 101" training as identified by ERMA no later than 60 days after adoption of the Plan.
- City shall retain an ERMA-recommended employment attorney from the ERMA defense panel to provide City ongoing advice and counsel on any/all personnel matters that have the potential to become an ERMA claim. Such personnel matters include, but are not limited to, termination, lay-off, job/position elimination, demotion, transfer, significant discipline, administrative leave, ADA/religion interactive process communication, and personnel investigation. Advice and counsel services shall be sought before City takes personnel action. Should any specific advice and counsel recommendation wish to be disregarded by City, City shall first confer with the ERMA Litigation Manager prior to taking the particular personnel action.
- City shall withdraw and dismiss coverage appeals to ERMA Board of Directors regarding: Elliott, Gabriel v. City of Adelanto and Herrera, Cindy v. City of Adelanto.
- City Council to adopt the Plan by resolution no later than 30 days following adoption of the Plan by the ERMA Board of Directors.
- City Manager to meet with ERMA staff telephonically no later than 30 days after adoption of the Plan by the City Council to establish timelines for completion of identified actions. Dates of completion for all items must be completed as specified in the Plan and in no event beyond the term of the Plan, which date shall be June 11, 2019, unless extended as provided below.
- City Manager to meet with ERMA staff telephonically every 30 days in order to review the status and progress of the Plan. Dates to be established following adoption of the Plan by the City Council.

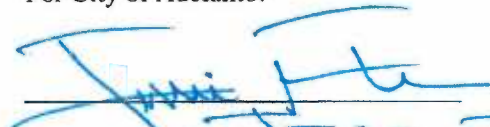
In the event the ERMA Board of Directors rescinds its termination of the City as a Member, ERMA reserves the right to continue implementation of the Plan until such time as ERMA determines that the City's employment practices are consistent with and in compliance with the City's obligations as a Member of ERMA.

For ERMA:


Jennifer Jobe, Executive Director

Date: 2/11, 2019

For City of Adelanto:


JESSIE FLORES
CITY MANAGER
(name/title)

Date: January 23, 2019

TRAINING/LOSS PREVENTION MATTERS

SUBJECT: Update Regarding the Training Program for the 2018/19 Program Year

BACKGROUND AND STATUS:

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

With the implementation of SB 1343 on January 1, 2019, and the subsequent requirement to re-train all employees by January 1, 2020, staff received numerous requests for additional trainings from member agencies seeking to comply with the expanded sexual harassment training requirements. In response, at the February 2019 meeting, the Board approved an additional 20 trainings for the 2018/19 program year, for a total of 67.

To-date, 49 trainings have taken place or are scheduled for a future date. Of those 49 trainings, 37 are harassment-related trainings that comply with the new requirements.

Enclosed for the Board's reference is a Training Map that illustrates the geographical location of the 49 trainings that are either scheduled or have taken place throughout the State.

RECOMMENDATION:

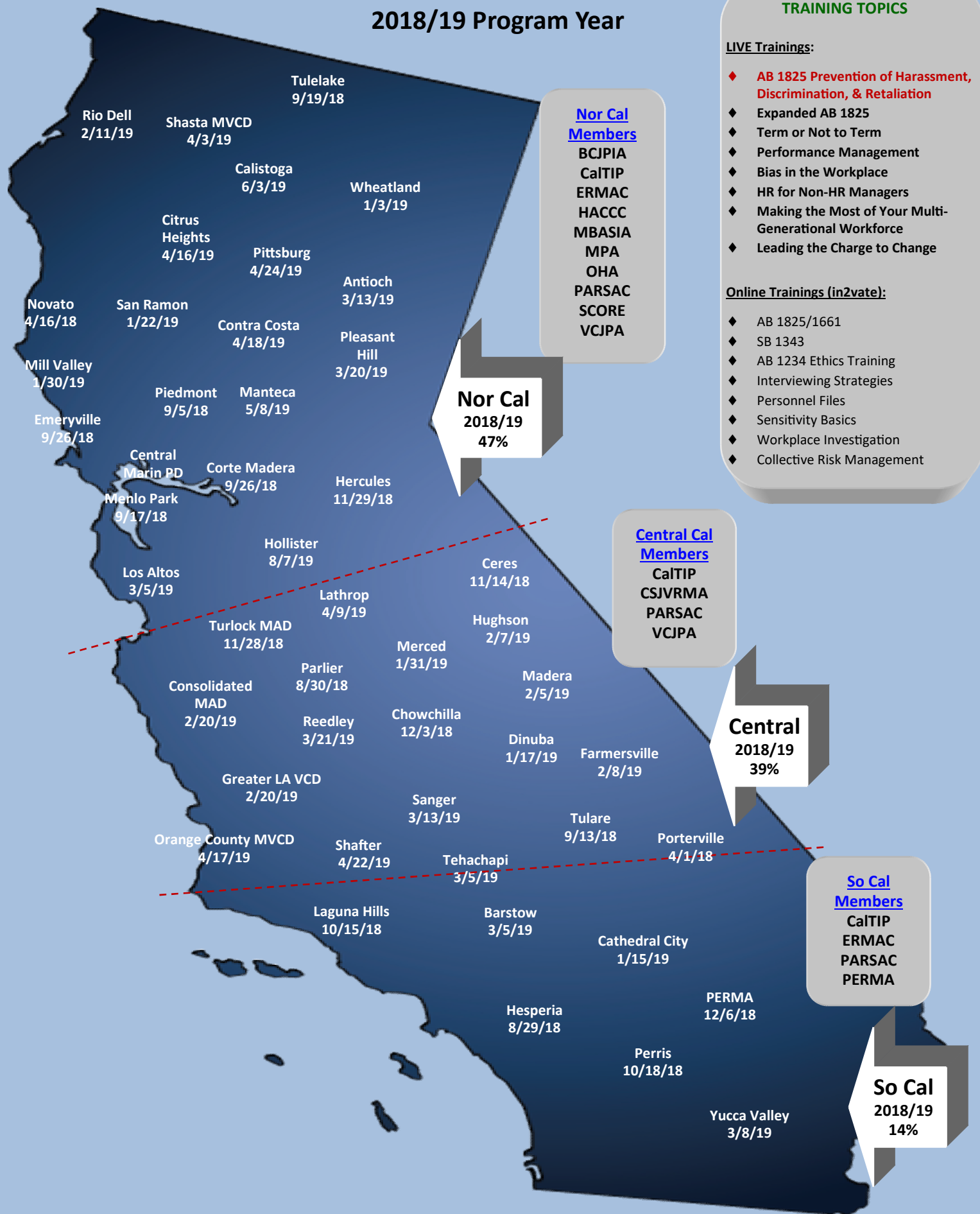
None

REFERENCE MATERIALS ATTACHED:

- 2018/19 ERMA Training Map

ERMA Training Map

2018/19 Program Year



TRAINING/LOSS PREVENTION MATTERS

SUBJECT: Review of Training Program for 2019/20 Program Year

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 York under the Program Administration contract and 22 are conducted by ERMA's attorney partner firms, Jackson Lewis and Liebert Cassidy Whitmore (LCW), or another approved vendor.

Following the implementation of expanded training requirements under SB 1343, staff requested approval for an additional 20 trainings in order to meet the needs of the ERMA members. The Board of Directors approved this request at the February 8, 2019 meeting for a total of 67 training sessions. An additional 20 trainings are included in the proposed 2019/20 Operating Budget under a previous agenda item.

Following review and discussion amongst staff, LCW and Jackson Lewis, the following proposed slate of 2019/20 Program Year training workshop topics are presented for the Board's review and consideration:

1. **Prevention of Workplace Harassment, Discrimination and Retaliation:** This practical workshop, designed for all levels of agency employees, provides guidance on managing day-to-day interactions to prevent unlawful discriminatory harassment and retaliation. This training meets the requirements of AB 1825 and AB 2053.
2. **Prevention of Workplace Harassment, Discrimination, and Retaliation:** This one-hour workshop is designed for non-supervisory employees to prevent unlawful discriminatory harassment and retaliation. This training meets the requirements of SB 1343.
3. **They Posted What? Where Social Media, Employer Interests and the First Amendment Intersect:** This workshop provides an overview of the law in this area in an effort to help participants understand the Constitutional boundaries at play, and where the government's interest as the employer intersects with a public employee's First Amendment rights.
4. **Human Resources Academy I:** This workshop provides an introduction and overview of basic human resource program areas including the basics of public sector employment, recruitment & selection, classification & compensation, personnel file management, public record keeping, and key state and federal laws pertaining to wage and hour, labor relations, and compliance programs. This session is designed for individuals with less than five years of public sector HR experience.

5. **Workplace Bullying: A Growing Concern:** This workshop defines bullying and distinguishes it from simple rudeness, and helps to identify strategies for recognizing when it occurs, including when a supervisor is bullying subordinates (versus merely supervising). The workshop will also provide pragmatic advice for holding bullies accountable for their conduct and for assisting "targets" of bullying in reporting and responding to bullying conduct.
6. **Managing the Marginal Employee:** This workshop is designed to train supervisors and managers on how to manage the employee who does the "bare minimum" and/or "pushes the envelope."
7. **Technology and Employee Privacy:** This workshop explores the wide range of issues arising from the interplay between technology and privacy in the workplace. It guides managers through the patchwork of federal and state laws and court decisions that govern these issues. It also identifies ways to respond to inappropriate employee use of social networking media, as well as when employers can use this same media in hiring, investigations and discipline.

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, SB 1343 and AB 2053 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 2019/20 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 1st. 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 the slate of training workshop topics for the 2019/20 Program Year and provide direction to staff.

REFERENCE MATERIALS ATTACHED:

- ERMA Training FAQs

Training Program FAQs

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

- ERMA Assistant Executive Director
Ms. Yahaira Martinez
yahaira.martinez@yorkrisk.com
(800) 541-4591, ext. 19019

- ERMA Litigation Manager
Ms. Kathy Maylin
kathy.maylin@yorkrisk.com
(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, Retaliation and Bullying
 - Select topical workshops (please note these trainings vary from year to year) offered by ERMA's attorney partners, Liebert Cassidy Whitmore and Jackson Lewis, and vendor partners such as:
 - Performance Management
 - Bias in the Workplace
 - To Term or Not To Term
 - Human Resources for Non-HR Managers
 - Making the Most of Your Multi-Generational Workforce
 - Leading the Charge to Change
- **Online Trainings (provided through [in2vate](#))**
 - 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 2018/19 Live Regional Trainings page on the ERMA [website](#) under About Us - Services.

- **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 Yahaira Martinez at yahaira.martinez@yorkrisk.com, (800) 541 4591, ext. 19019 or Kathy Maylin at kathy.maylin@yorkrisk.com ext. 19181. Please note that ERMA will only reimburse up to \$1,800, if approved and training are 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](#) under About Us – Services and contact the firms directly for any training they may provide.
- Vendor Partners – please contact Yahaira Martinez at yahaira.martinez@yorkrisk.com 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 2017-7 for further information. The MOC can be found on the ERMA [website](#) 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 register to receive such.

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

Please contact Kathy Maylin at kathy.maylin@yorkrisk.com 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. Effective January 1, 2019, all employees, including part-time and seasonal, are required to participate in one hour of sexual harassment training every two years. Under AB 1343, employers are required to complete such training by January 1, 2020, within the 2019 calendar year. 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.

1750 Creekside Oaks Drive, Suite 200
Sacramento, California 95833
800.541.4591 Fax 916.244.1199
www.ermajpa.org

- **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 Yahaira Martinez at yahaira.martinez@yorkrisk.com (800) 541-4591, ext. 19019

- **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](#).

- **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 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, each attendee may utilize [ERMANet](#) to complete their registration.
- **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. Also please provide us with any parking instructions.
- **IT Equipment** – Please provide a 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. 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.

COVERAGE MATTERS

SUBJECT: City of Reedley Appeal of Denial of Coverage

BACKGROUND AND STATUS:

The City of Reedley untimely reported both a complaint of sexual harassment and later a complaint of retaliation (resulting from claimant's harassment complaint). The initial harassment complaint occurred on Oct. 29, 2018, and an IA investigation was conducted. The retaliation complaint occurred on Nov. 20, 2018, and City staff conducted an investigation. Complainant resigned from her position on Dec. 17, 2018, prior to her receipt of the investigation results on the retaliation claim. The City first notified ERMA of the claims on Jan. 17, 2019, shortly after being advised to do so by the City Attorney. In accordance with the discretion vested in the Litigation Manager by ERMA's Memorandum of Coverage, the claim was denied as untimely.

Pursuant to ERMA's Master Program Document, the Litigation Manager has the following discretion with respect to determining whether a claim has been timely filed with ERMA:

The Litigation Manager shall:

- (w) 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.

The relief sought by the City of Reedley in regard to the *Ontiveros v. City of Reedley* claim is based on the following mitigating circumstances:

- The City infrequently deals with these types of matters, and has limited HR staff. The notification to ERMA was inadvertently missed.
- The City investigated both claims (internally) in an attempt to comply with its legal requirements and to resolve the matter to the satisfaction of the complainant.
- The Litigation Manager received notice of the claims on January 17, 2019, 50 days after the 30-day reporting deadline on the harassment claim and 28 days after the 30-day reporting deadline on the retaliation claim.

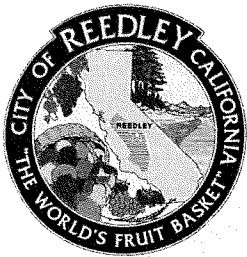
The Litigation Manager has reviewed the context and procedural status of the claims, and has determined that, should the claim be accepted, the late reporting of the claim may cause financial or other prejudice to the Authority.

RECOMMENDATION:

Provide direction to staff.

REFERENCE MATERIALS ATTACHED:

- The City of Reedley's Appeal of Coverage Denial from Nicole Zieba, City Manager, dated February 5, 2019.



City of Reedley

OFFICE OF THE CITY MANAGER
1717 Ninth Street
Reedley, Ca. 93654
(559) 637-4200 ext. 212

February 5, 2019

Board of Directors
Employment Risk Management Authority
C/O Kathy Maylin, ERMA Litigation Manager
1750 Creekside Oaks Drive, Suite 200
Sacramento, CA 95833

Re: Appeal of Coverage Denial

Ms. Maylin:

The City of Reedley was on notice of a hostile work environment claim from a non-sworn employee (employee) of the Reedley Police Department on October 29, 2018, that was promptly handled by the Department as an internal investigation. At the conclusion of the investigation, the City was on notice of a retaliation claim by the same employee on November 20, 2018, that also was investigated internally, this time by the City's Human Resources Department. The City completed its investigation in December 2018; however prior to the City sending notice of the investigation results, the employee resigned and their last day on the job was December 27, 2018. The employee resigned amicably and provided two weeks' notice.

The City notified ERMA on January 17, 2019 after consulting with our City Attorney on how to handle the notification to the employee. On January 28, 2019, the City was notified that coverage for the claim was denied due to the untimely reporting to ERMA, which the City does not contest.

The City deals infrequently with these types of matters and with limited HR staff, the priority in the midst of the two claims was the proper handling of the internal investigations, and the notification to ERMA was inadvertently missed. As of the date of this letter, the City has not heard from this employee since their last day on the job on December 27, 2018; however the City would like to have ERMA coverage should the employee decide some time from now to pursue a claim.

The City respectfully requests that the Board of Directors err on the side of finding coverage where it can.

Sincerely,

Nicole R. Zieba
City Manager

CLAIMS MATTERS

SUBJECT: Closed Session Pursuant to Government Code Section 54956.95(a) to Discuss Claims

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.

Claim
Bernardino v. City of Porterville
Ornellas v. City of Piedmont

RECOMMENDATION:

None

REFERENCE MATERIALS ATTACHED:

- Confidential Litigation Manager's Report (distributed under separate cover; copies to be turned in at the meeting)