



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

Tuesday, October 15, 2019

Sedgwick
1750 Creekside Oaks Drive, Suite 202
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 Mona Hedin at (916) 290-4645 or (916) 244-1199 (fax). Requests must be made as early as possible, and at least one full business day before the start of the meeting. Documents and materials relating to an open session agenda item that are provided to the ERMA Underwriting Committee less than 72 hours prior to a regular meeting will be available for public inspection at 1750 Creekside Oaks Dr., Suite 200, Sacramento, CA 95833.

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|-------------|---|
| <i>Page</i> | 1. CALL TO ORDER/ROLL CALL |
| | 2. APPROVAL OF AGENDA AS POSTED (OR AMENDED) |
| | 3. PUBLIC COMMENTS - This time is reserved for members of the public to address the Committee relative to matters of ERMA not on the agenda. No action may be taken on non-agenda items unless authorized by law. Comments will be limited to five minutes per person and twenty minutes in total. |
| | 4. CONSENT CALENDAR - If the Committee would like to discuss any item listed, it may be pulled from the Consent Calendar. |
| 2 | *A. Minutes – January 14, 2019, Underwriting Committee Meeting
<i>Recommendation: Approve the Consent Calendar.</i> |
| | 5. MEMBERSHIP MATTERS |
| 4 | *A. Review of Prospective New Member Application – City of Rancho Mirage (PERMA)
<i>Recommendation: Staff recommends the Committee approve the City of Rancho Mirage as an underlying member of PERMA at a \$50,000 SIR, effective January 1, 2020.</i> |
| | 6. CLOSING COMMENTS
This time is reserved for comments by the Committee members and staff and to identify matters for future Committee business.
A. Underwriting Committee
B. Staff |
| | 7. ADJOURNMENT |

* = Material on agenda item enclosed

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EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)

MINUTES OF THE UNDERWRITING COMMITTEE MEETING OF JANUARY 14, 2019

The meeting of the ERMA Underwriting Committee meeting was held on January 14, 2019, via teleconference.

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

COMMITTEE MEMBERS ABSENT: None

OTHERS PRESENT: Jennifer Jobe, Executive Director
Brittany Claypool, Analyst
Yahaira Martinez, York Pooling

1. CALL TO ORDER/ROLL CALL

The January 14, 2019, ERMA Underwriting Committee meeting was called to order at 2:22 p.m. by President Scott Ellerbrock. Roll call was taken and it was determined a quorum was present.

2. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

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

3. PUBLIC COMMENTS

None.

4. CONSENT CALENDAR

John Gillison moved to approve the consent calendar as follows: Item A. Minutes – November 15, 2018, Underwriting Committee Meeting. Seconded by Truc Dever. A roll call vote was taken. The motion passed unanimously.

5. MEMBERSHIP MATTERS

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

Ms. Jennifer Jobe, Executive Director, reported the Town of Fort Jones is applying for membership in ERMA as an underlying member of SCORE and has requested a \$25,000 self-insured retention (SIR). The Town reports payroll at \$462,893 for the 2017 calendar year. She further noted the town reports two full-time and five part-time employees, has incurred no Employee Practices Liability (EPL)-related claims within the previous seven fiscal years, and issued a letter attesting to “No Known Losses.” Additionally, Ms. Jobe

reported the information provided in the application indicates the Town has written personnel policies in place; however, as confirmed during a conversation between herself and the Town Administrator, it has been many years since a thorough review of their policies was conducted. The Town has a small fire department comprised of two part-time employees, 20 volunteers, and utilizes the services of a contracted City Attorney and Town Administrator.

Ms. Jobe reminded the Committee most underlying members of SCORE currently have a \$25,000 SIR, as SCORE only pools with ERMA up to a \$500,000 coverage limit rather than the total pooled layer of \$1 million. Due to the size of the Town's payroll coupled with no known losses, staff recommended the Committee consider the Town's request for a retroactive approval of participation in ERMA at a \$25,000 SIR, effective January 1, 2019.

In response to a question regarding the Town's compliance with AB 1825, Ms. Jobe advised the Town became compliant sometime after submitting their application.

After a brief discussion regarding the out-of-date policies and procedures of the Town of Fort Jones, the Committee agreed to recommend approval of the Town as an underlying member of SCORE contingent upon a thorough review and update of its personnel policies and procedures by January 1, 2020.

John Gillison moved to recommend the Board of Directors approve of 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 Truc Dever. A roll call vote was taken. The motion passed unanimously.

6. CLOSING COMMENTS

A. Board

None.

B. Staff

None.

7. ADJOURNMENT

The January 14, 2019, ERMA Underwriting Committee meeting adjourned at 2:29 p.m. by general consent.



Jennifer Jobe, Executive Director

MEMBERSHIP MATTERS

SUBJECT: Review of Prospective New Member Application – City of Rancho Mirage (PERMA)

BACKGROUND AND STATUS:

The City of Rancho Mirage is applying for membership in ERMA as an underlying member of PERMA and has requested a \$50,000 self-insured retention (SIR). The City reported payroll of \$7,250,967 in the 2018 calendar year.

The City reports ninety full-time and twenty nine part-time employees. The City has reported one EPL-related claim within the previous seven fiscal years. The subject claim has been closed, with no incurred losses.

The information provided in the application indicates the City has written personnel policies in place; however it has been many years since a thorough review was conducted. The City has engaged Liebert Cassidy Whitmore (LCW) to assist in a comprehensive update of their personnel policies and procedures. The City confirmed they will follow LCW and ERMA's recommendations regarding the frequency by which the newly drafted policies should be reviewed.

Staff recommends the Committee consider the Town's request for approval of participation in ERMA at a \$50,000 SIR, effective January 1, 2020.

RECOMMENDATION:

Staff recommends the Committee approve the City of Rancho Mirage as an underlying member of PERMA at a \$50,000 SIR, effective January 1, 2020.

REFERENCE MATERIAL ATTACHED:

- City of Rancho Mirage Completed Potential New Member Application
- City of Rancho Mirage Premium Indication

EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)

LIABILITY COVERAGE APPLICATION

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

ENTITY NAME: <u>City of Rancho Mirage</u>	Date: <u>September 30, 2019</u>	
EMPLOYMENT PRACTICES INFORMATION		
A. Policies and Procedures		
1.	Does the Entity have written personnel policies and procedures?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2.	Does the Entity distribute the manual/rules to all employees?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3. 15	Does the Entity have employees sign an acknowledgement form indicating they have read and understood the above-referenced policies?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4.	Are the following policies or procedures included in the manual? Check all that apply:	
	<input checked="" type="checkbox"/> Hiring	<input checked="" type="checkbox"/> Termination <input checked="" type="checkbox"/> Suspension
	<input checked="" type="checkbox"/> Medical Leave	<input checked="" type="checkbox"/> Unpaid Leave <input checked="" type="checkbox"/> Grievance Procedures
	<input checked="" type="checkbox"/> Drug & Alcohol Testing	<input checked="" type="checkbox"/> Discipline <input checked="" type="checkbox"/> Attendance
	<input checked="" type="checkbox"/> Family Medical Leave Act	<input checked="" type="checkbox"/> Anti-Harassment Policies
	<input checked="" type="checkbox"/> Written Job Description for all Positions	<input type="checkbox"/> Workplace Violence Policies
	<input checked="" type="checkbox"/> Annual Written Performance Evaluations for all Employees	
	<input type="checkbox"/> Employee Hotline/Complaint Procedure	
5. 5	Do the policies/rules include all protected categories under the Fair Employment and Housing Act (FEHA), Ca. Gov't. Code section 12940)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
6.	Does the Entity have legal counsel regularly review the manual/rules?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
7.	Have the above-referenced policies been updated within the past five years?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	If no, when was the manual or rules last reviewed? <u>1992</u>	
8.	Were the above-referenced policies formally approved and adopted by council/governing board?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9.	Does the Entity have legal counsel to provide advice regarding disciplinary matters?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
10.	Does the entity have an orientation program for all employees that addresses workplace conduct, EPL policies and practices, and grievance procedures?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p><i>If you answered no to any of the above, please use this space to provide more information:</i></p> <p>The City's PR&R will be updated in fall, 2019. We will be using the LCW template followed by legal counsel review.</p>		

B. Employee Information															
1.	Number of Full Time Employees: <u>90</u>														
2.	Number of Part time Employees: <u>29</u>														
3.	For each of the past five years, what has been your annual percentage turnover rate of employees?														
	<u>2019</u>	<u>13</u>	<u>%</u>	<u>2018</u>	<u>12</u>	<u>%</u>	<u>2017</u>	<u>15</u>	<u>%</u>	<u>2016</u>	<u>12</u>	<u>%</u>	<u>2015</u>	<u>5</u>	<u>%</u>
4.	How many involuntary employment terminations have occurred in the past two years?														
	<u>2019</u>	<u>3</u>		<u>2018</u>	<u>1</u>										

		<i>Involuntary employment termination with respect to this questionnaire means notification to an employee that such employee will no longer be employed whether such notification is effective immediately or in the future. Involuntary employment termination shall also include actual or alleged constructive discharge.</i>	
	5.	Percentage of Employees with salaries less than \$100,000 86 %	Should = 100%
	6.	Percentage of Employees with salaries greater than \$100,000 14 %	

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

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

D. Employment Practices Risk Management		
1.	Does the applicant have a Human Resources or Personnel Department?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	If no, please describe handling of this function:	
2.	Do you have any established set of grievance or complaint procedures as an effective means of resolving disputes prior to litigation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3.	Do you anticipate any "layoffs" during the next 24 months?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	If yes, please provide details.	
4.	Have you had any "layoffs" in the past 36 months?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	If yes, please provide details.	
5.	Is your entity in full compliance with the training requirements set forth in AB 1825?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	If no, please explain. Training is scheduled to begin October 1, 2019 for all employees.	
6.	Briefly describe the procedure for maintaining AB 1825 training records:	
7.	Does your entity provide AB 1825 training for non-supervisory employees (i.e., "top to bottom" training)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
8.	Are elected officials trained on the entity's policy regarding harassment, discrimination, and retaliation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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

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

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

The undersigned acknowledges:

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

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

City of Rancho Mirage
Agency or Entity Name

Denise D. Wolsieffer
Applicant's Name (please print)

HR Manager
Title

Denise D. Wolsieffer
Applicant's Signature

9-30-2019
Date

EMPLOYMENT RISK MANAGEMENT AUTHORITY PREMIUM INDICATION

PERMA

Name of Entity	City of Rancho Mirage
2018 Payroll	\$7,250,967
Coverage Period	July 1, 2019 to June 30, 2020

CALCULATION

Member Retained Limit Options		\$50,000	\$75,000	\$100,000
Retained Limit Factor		1.000	0.900	0.820
Retained Limit Rate		0.503	0.453	0.412
Nose Coverage Rate		0.202	0.182	0.166
Defense & Indemnity: Pooled Funding		\$36,472	\$32,825	\$29,907
Defense & Indemnity: Nose Coverage Pooled Funding		14,647	13,182	12,011
Administration	0.0540	3,914	3,914	3,914
Loss Prevention & Training	0.0092	666	666	666
Subtotal		\$55,699	\$50,587	\$46,498
JPA Participation Credit	8.18%	(\$3,357)	(\$3,059)	(\$2,821)
JPA Participation Credit - Nose Coverage	8.18%	(1,198)	(1,078)	(982)
Subtotal		(\$4,555)	(\$4,137)	(\$3,803)
Individual Experience Mod Factor *		1.000		
Off-Balance Factor		1.080		

ERMA Premium	\$40,693	\$37,078	\$34,185
Nose Coverage Premium	\$14,519	\$13,067	\$11,905
TOTAL ERMA PREMIUM **	\$55,212	\$50,145	\$46,091

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

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