

**EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)**

**MINUTES OF THE UNDERWRITING COMMITTEE  
MEETING OF March 29, 2017**

A meeting of the ERMA Underwriting Committee was held via teleconference on Wednesday, March 29, 2017, at the offices of Bickmore in Sacramento; City of Rancho Cucamonga; and PERMA in Palm Desert.

**COMMITTEE MEMBERS PRESENT:** Scott Ellerbrock, PERMA  
John Gillison, PARSAC

**COMMITTEE MEMBERS ABSENT:** None

**OTHERS PRESENT:** Jennifer Jobe, Assistant Executive Director  
Nancy Broadhurst, Finance Manager  
Chee Xiong, Senior Accountant

1. CALL TO ORDER/ROLL CALL

The meeting was called to order at 12:35 p.m. by President Scott Ellerbrock. A 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 Scott Ellerbrock. The motion passed unanimously.**

3. PUBLIC COMMENTS

None.

4. CONSENT CALENDAR

**John Gillison moved to approve the Minutes – January 18, 2017, Underwriting Committee Meeting. Seconded by Scott Ellerbrock. The motion passed unanimously.**

5. ADMINISTRATIVE MATTERS

A. Review of Prospective New Member Applications – California Transit Indemnity Pool (CalTIP) and Underlying Member Entities

Ms. Jennifer Jobe, Assistant Executive Director, provided the Committee with background information regarding the California Transit Indemnity Pool (CalTIP). Ms. Jobe noted that CalTIP is comprised of thirty-five member entities, of which, fifteen have submitted application to ERMA. Ms. Jobe explained that CalTIP currently extends Employment Practices Liability (EPL) coverage under its Memorandum of Coverage; however, subsequent to several years of consideration and evaluation, CalTIP will cease to extend EPL coverage effective July 1, 2017. Ms. Jobe noted that CalTIP currently has a different policy year than ERMA, which concludes on April 30 annually. Ms. Jobe

stated that the CalTIP Board of Directors has approved a special consideration to extend EPL coverage through June 30, 2017, for all of its members.

Ms. Jobe advised she has presented the ERMA Program to CalTIP twice during the course of the past two years, while the Executive Committee evaluated various options and, as a result, made the decision to apply to ERMA. Ms. Jobe explained that the applying members cumulatively, have thirty-three claims with a total incurred of \$1.3 million, and five members of the group have confirmed no known losses in the prior seven years. Ms. Jobe indicated that the preponderance of the total incurred amount is derived from two individual members.

The Committee requested that discussions regarding approval of CalTIP and its underlying member's applications be limited to the two individual member entities with which there is some concern. Ms. Jobe presented information regarding the City of El Monte, which requested a \$250,000 SIR and has a payroll of approximately \$28 million. Ms. Jobe noted the City is applying as a whole, to include all City departments, including transit operations. It was determined that due to the City's historical claim frequency and severity, coupled with the safety exposure, the Committee would not recommend approval of the City of El Monte's application for the coming Program Year.

Ms. Jobe then discussed Omnitrans' application. Omnitrans has requested a \$50,000 SIR, has a \$34 million payroll, 660 full-time and 22 part-time employees with 12 claims over the past seven years and a total incurred of \$412,000. Ms. Jobe stated that the total incurred amount resulted from one individual claim. Following discussion by the Committee, it was determined that due to the Agency's high claim frequency, a recommendation for approval of membership in ERMA at a \$500,000 SIR would be made to the Board.

Mr. Ellerbrock directed staff to create a spreadsheet to be presented to the Board, inclusive of all applying members, which identifies the total number of employees, total payroll, SIR requested, SIR recommended, and total number of losses.

**John Gillison moved to recommend to the Board of Directors the following: 1) Approval of the California Transit Indemnity Pool (CalTIP) and its underlying Member Entities, effective July 1, 2017, with SIRs as presented by staff; 2) Approval of Omnitrans, effective July 1, 2017, contingent upon the Agency's acceptance of a \$500,000 SIR; and 3) Denial of the City of El Monte for the upcoming Program Year. Seconded by Scott Ellerbrock. The motion passed unanimously.**

**B. Review of Prospective New Member Applications – Town of Corte Madera (BCJPIA)**

Ms. Jobe presented the Town of Corte Madera's application to ERMA through the BCJPIA. Ms. Jobe noted that Corte Madera's circumstance is unique due to their pending application for participation in BCJPIA; however, it appears as though they will be approved mid-April. Ms. Jobe stated that Corte Madera has requested a \$100,000 SIR,

has a payroll of approximately \$6 million, and has no reported claims in the prior seven years.

**John Gillison moved to recommend to the Board of Directors approval of the Town of Corte Madera, effective July 1, 2017, at a \$100,000 SIR, contingent upon their acceptance by BCJPIA. Seconded by Scott Ellerbrock. The motion passed unanimously.**

C. Review of Prospective New Member Applications – City of Biggs (SCORE)

Ms. Jobe presented the City of Biggs, underlying member of SCORE, who has requested a \$25,000 SIR, has a payroll of \$400,000, seven full-time, one part-time employee, and five elected officials. Ms. Jobe noted that historically all participating SCORE members have a \$25,000 SIR and participate in ERMA up to \$500,000. Ms. Jobe indicated that staff's recommendation is to accept the City of Biggs at a \$25,000 SIR.

**John Gillison moved to recommend to the Board of Directors approval of the City of Biggs, effective July 1, 2017, at a \$25,000 SIR. Seconded by Scott Ellerbrock. The motion passed unanimously.**

6. CLOSING COMMENTS

A. Underwriting Committee

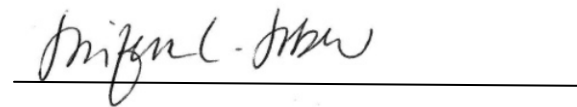
None.

B. Staff

None.

7. ADJOURNMENT

The meeting adjourned at 1:07 p.m. by general consent.



Jennifer Jobe, Assistant Executive Director