



**EMPLOYMENT RISK MANAGEMENT AUTHORITY  
BOARD OF DIRECTORS MEETING  
AGENDA**

**Tuesday, April 23, 2024  
10:00 a.m.**

**Hilton Garden Inn  
20 Advantage Court  
Sacramento, CA 95834**

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In compliance with the Americans with Disabilities Act, if you need a disability–related modification or accommodation to participate in this meeting, please contact Yvette Flama at (916) 730-2667 or [yvette.flama@sedgwick.com](mailto:yvette.flama@sedgwick.com). Requests must be made as early as possible, and at least one full business day before the start of the meeting.

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

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| <b><u>Page</u></b> | <b>1. CALL TO ORDER; INTRODUCTIONS</b>  |
|                    | <b>2. APPROVAL OF AGENDA AS POSTED (OR AMENDED)</b>   |
|                    | <b>3. PUBLIC COMMENTS</b> - 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.   |
| <b>5</b>           | <b>4. CONSENT CALENDAR</b><br>If a Board member would like to discuss any item listed, it may be pulled from the Consent Calendar. <ul style="list-style-type: none"><li>*A. Minutes of the February 2, 2024, Special Board of Directors Meeting</li><li>*B. Minutes of the October 11, 2023, Underwriting Committee Meeting</li><li>*C. General Warrants from January 1, 2024, through March 31, 2024</li><li>*D. Claims Payments from January 1, 2024, through March 31, 2024</li><li>*E. Approved Financial Stability Plan</li><li>*F. Presentation of the CAJPA Accreditation Certificate</li></ul> |

\*G. ERMA Defense Panel – Updated April 2024

\*H. ERMA Engagement Letter – Member SIR Study

**5. FINANCIAL MATTERS**

- 34 \*A. Review of Annual Actuarial Study  
*Recommendation: Staff recommends the Board of Directors accept and file the actuarial study, as presented.*
- 110 \*B. Excess Coverage and Marketing Update for the 2024/25 Program Year  
*Recommendation: None*
- 112 \*C. Review of Preliminary Administrative and Operating Budget for the 2024/25 Program Year  
*Recommendation: Staff recommends the Board of Directors review the Preliminary Administrative and Operating Budget for the 2024/25 program year and provide direction to staff, as necessary.*
- 140 \*D. Review of Annual Retrospective Adjustment Calculation  
*Recommendation: Staff recommends the Board of Directors provide feedback and direction.*

**6. ADMINISTRATIVE MATTERS**

- 144 \*A. Discuss and Review the Strategic Goals and Initiatives for the 2024/25 Program Year.  
*Recommendation: Staff recommends the Board of Directors provide feedback and direction.*
- 148 \*B. Review and Discussion of Draft ERMA By-Laws and Master Program Document  
*Recommendation: Staff recommends the Board of Directors provide feedback and direction.*
- 201 \*C. Review and Consideration of Proposals for Claims Auditing Services  
*Recommendation: Staff recommends the Board of Directors provide feedback and direction.*
- 237 \*D. Draft Resolution 2023-2, Establishing Meeting Dates for the 2024/25 Program Year  
*Recommendation: Staff recommends the Board of Directors approve Resolution 2023-2, establishing the meeting dates for the 2024/25 program year.*
- 239 \*E. Consideration of Amendment 2 to the Contract for Administration, Finance, and Litigation Management Services Agreement between ERMA and Sedgwick.  
*Recommendation: Staff makes no recommendation on this item as it concerns Sedgwick.*

**7. MEMBERSHIP MATTERS**

- 242 \*A. Tahoe Transportation District (CalTIP JPA) Change EPL Coverage SIR from \$50k to \$25k

\* Reference materials enclosed with staff report.

*Recommendation: Staff will provide a recommendation at the meeting.*

- 244 \*B. Update of Member Participation Conditions for Forest Hill Fire District, City of Tracy, City of Colton, and San Joaquin RTD

*Recommendation: Staff recommends the Board of Directors formally approve those members who have completed their conditional requirements and consider providing extensions on a case-by-case basis at the June Board of Directors meeting for those requesting additional time.*

- 247 \*C. Review of Prospective New Member Application – Town of Los Gatos (PLAN JPA)  
*Recommendation: Staff and the Underwriting Committee recommend the Town of Los Gatos be approved unconditionally at a \$75,000 SIR for the 2024-25 program year.*

- 253 \*D. Review of Newly Formed Underlying Members of ERMA JPA Members

*Recommendation: Staff and the Underwriting Committee recommend these two newly formed entities not be required to submit an ERMA Underwriting Application, as they have no historical information to provide, they be approved at no less than a \$50,000 SIR, and that as a condition of membership, they be required to have their Employment Practices policies and procedures reviewed by a qualified law firm within 24 months of membership.*

## 8. TRAINING & LOSS PREVENTION MATTERS

- 261 \*A. Report from Ad Hoc Training Committee

*Recommendation: Staff recommends the Board of Directors provide feedback and direction.*

- 285 \*B. Formal Review and Consideration of Employment Practices Personnel Policies and Procedures Survey and Support Program

*Recommendation: Staff and the Ad Hoc Training Committee recommend the Employment Practices Personnel Policies and Procedures Survey and Support Program be approved as presented.*

## 9. CLAIMS MATTERS

- 300 A. Closed Session – Pursuant to Government Code Section §54956.95(a), the Board of Directors will recess to Closed Session to discuss the following claims:

- Repp v. City of Pleasanton (BCJPIA JPA)
- Garcia v. Sunline Transit Agency (PERMA JPA)

## 10. 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

**12. ADJOURNMENT**

**NOTICES:**

- The next regular meeting of the Board of Directors will be held on Monday, June 3, 2024, at 10:00 a.m., at the Hilton Garden Inn, 20 Advantage Court, Sacramento, CA.

**CONSENT CALENDAR**

**SUBJECT: Consent Calendar**

**RECOMMENDATION:** *Staff recommends approval of the Consent Calendar.*

**BACKGROUND AND STATUS:**

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

**REFERENCE MATERIALS ATTACHED:**

- \*A. Minutes of the February 2, 2024, Special Board of Directors Meeting
- \*B. Minutes of the October 11, 2023, Underwriting Committee Meeting
- \*C. General Warrants from January 1, 2024, through March 31, 2024
- \*D. Claims Payments from January 1, 2024, through March 31, 2024
- \*E. Approved Financial Stability Plan
- \*F. Presentation of the CAJPA Accreditation Certificate
- \*G. ERMA Defense Panel – Updated April 2024
- \*H. ERMA Engagement Letter – Member SIR Study

**EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)**

**MINUTES OF THE BOARD OF DIRECTORS MEETING  
OF February 2, 2024**

A regular meeting of the Board of Directors of ERMA was held on February 2, 2024, at the Napa Valley Marriott Hotel, 3425 Solano Ave, Napa, CA 94558

**BOARD MEMBERS PRESENT:** Jason Castleberry, BCJPIA  
Beth Lyons, PERMA  
Bryan Whitemyer, Vice President, CSJVRMA  
Charlene Calica, CCCHA  
Drew Felder, (OHA)  
Jeremy Wittie, Treasurer, VCJPA  
John Gillison, President, CIRA  
Kevin Bryant, PLAN  
Linda Cox, MPA  
Muriel Howarth Terrell, SCORE  
Paul Wood, MBASIA  
Robert Thompson, CalTIP  
Thomas Watson, ERMAC

**BOARD MEMBERS ABSENT:** None

**ALTERNATE MEMBERS PRESENT:** Amy Conley, CIRA  
Becky Padron, CSJVRMA  
George Fink, CalTIP  
Jamie Scott, VCJPA  
Nataline Jindoian, CCCHA  
Wendy Howard, SCORE

**ALTERNATE MEMBERS ABSENT:** George Rodericks, PLAN  
Jon Maginot, BCJPIA  
Steve Adams, MBASIA  
Sukari Beshears, MPA  
Yumi Augustus, PERMA

**OTHERS PRESENT:** Chee Xiong, Finance Manager  
Conor Boughey, MBASIA  
Doug Alliston, Board Counsel  
Elizabeth Arce, Liebert Cassidy Whitmore  
Eric Dahlen, PLAN  
Jaesa Cusimano, BCJPIA  
Jared Bryan, Jackson Lewis, P.C.  
Jeanette Workman, CSJVRMA  
Michael Harrington, Bickmore Acturarial  
Michael Kronbetter, PFM Asset Management

Michelle Minnick, Alliant/SCORE  
Rob Kramer, Executive Director  
Seth Cole, Alliant  
Shadi Jalali, Alliant  
Shane Larsen, Jackson Lewis, P.C.  
Stacey Sullivan, Litigation Manager  
Tim Farley, Farley Consulting (Virtual)  
Traci Maxey, iLearning Engines (Virtual)  
Vlad Tsering, Sedgwick  
Will Portello, Sedgwick Litigation Director  
Yvette Flama, Board Secretary

1. CALL TO ORDER; INTRODUCTIONS

The February 2, 2024, Board of Directors Meeting was called to order at 8:10 a.m. by President John Gillison.

2. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

**Jeremy Wittie moved, seconded by Bryan Whitemeyer, to approve the agenda as amended. A vote was conducted, and the motion passed unanimously with no nays or abstentions.**

3. PUBLIC COMMENTS

There were no public comments.

4. CONSENT CALENDAR

President Gillison drew attention to the Consent Calendar and asked if there were any questions regarding any specific items listed on the calendar.

**Beth Lyons moved, seconded by Jeremy Wittie, to approve the following Consent Calendar items: (A) Minutes of the August 22, 2023, Special Board of Directors Meeting, (B) Minutes of the September 25, 2023, Special Board of Directors Meeting, (C) Minutes of the November 6, 2023, Board of Directors Meeting, (D) Minutes of the December 20, 2023, Special Board of Directors Meeting, (E) General Warrants from October 1, 2023, through December 31, 2023, (F) Claims Payments from October 1, 2023, through December 31, 2023, (G) Treasurer's Reports as of September 30, 2023, and December 31, 2023, (H) Internal Financial Statements for the Quarter Ending December 31, 2023, (I) Target Net Position Benchmarking Ratios as of June 30, 2023, (J) Defense Panel, (K) Investigator Panel, and (L) Board Document Review Schedule . A vote was conducted, and the motion passed unanimously with no nays or abstentions.**

5. ADMINISTRATIVE MATTERS

A. Consideration of Goals and Objectives Established at the 24<sup>th</sup> Annual Workshop

Rob Kramer, Executive Director, brought attention to the items indicated by the Board at the Annual Workshop the previous day, on February 1, 2024. Mr. Kramer suggested the Board determine which goals or objectives were appropriate and prioritize them using a scale of one to three with one being the highest and three being the lowest. Mr. Kramer first chose to focus on mandatory sexual harassment training for elected officials. Mr. Kramer drew attention to Thomas O'Connell's (Buchalter) presentation and Stace Sullivan's explanation about the cost of elected official claims. Mr. Kramer presented the idea of creating a comprehensive training program that goes beyond the normal sexual harassment training specifically designed for elected officials. All Board members present agreed the goal was one they would like to focus on. Moving on, Mr. Kramer asked the Board if they would like to add an additional Human Resources support component for members after completion of the 2023/24 Personnel Policies and Procedure survey, subject to review by Council. The Board agreed to work on the Human Resource component and provide a model policy for smaller members.

Mr. Kramer then moved on to discuss the topic of offering live and online diversity training to members. The Board pointed out they would like more information on the diversity training that would be offered, and they would like to see how many members in their respective JPA's were taking advantage of the training. Mr. Kramer began the discussion of iLearning Engines can aid ERMA in benchmarking claims data. The Board would like to have the data combined and broken down by JPA. The Board agreed this would be a long-term goal, but they wanted to work on it. Mr. Kramer then focused on doing a refresh on what the iLearning Engines platform offers members and what the Employee Protection Line (EPL) service is. The Board agreed it would be beneficial to focus on that for members at this time since ERMA has gained many new members in recent years. Mr. Kramer then drew attention to the Board's request to evaluate the Investigator Panel; identifying start investigators the Board can utilize when more complicated investigations need to be performed. The Board agreed this would be a goal they would like to prioritize in the coming program year. Mr. Kramer then drew attention to the formation of a Claims Committee. Mr. Kramer noted the ERMA Board is growing and members are experiencing more complex claims. Mr. Kramer pointed out the committee would be granted a certain amount of authority above what Stacey Sullivan currently has. This would require ERMA staff to call fewer Special Board meetings throughout the program year. The Board then recommended forming an Executive Committee that would have the power to make decisions on a broader range of matters. The Board recommended it was time to review and increase the authority that has been granted to Stacey Sullivan. Mr. Kramer then focused on the new California SB 553 Workplace Violence Bill and the Board's desire to have a refresher training for members on the Employment Protection Line and iLearning Engines. The discussion was brief, and it was



decided those two items would be focused on more in the later portion of the program year. Mr. Kramer confirmed the ERMA staff will put all of the items the Board designated as items they want to focus on in the 2024/25 program year present it to the Board at the April 23, 2024 Board of Directors meeting.

**There was no formal action taken on the matter.**

B. Review and Consideration of Non-Claims Dispute Resolution Policy for ERMA

As part of the accreditation process through the California Association of Joint Powers Authorities (CAJPA), there is a new requirement that ERMA have in place a policy for resolution of non-claims disputes. Mr. Kramer informed the Board Staff worked with Board Counsel to develop Resolution 2023\_1 establishing a policy for resolution of non-claims disputes and will review the proposed draft resolution with the Board.

**Jason Castleberry moved, seconded by Kevin Bryant, to approve the Non-Claims Dispute Resolution Policy. A vote was conducted, and the motion passed unanimously with no nays or abstentions.**

C. Discussion of Enterprise Risk Management (ERM) Strategies for ERMA

As part of the accreditation process through the California Association of Joint Powers Authorities (CAJPA), ERMA members that wish to be Accredited with Excellence should periodically review enterprise risk management goals and objectives and establish a process for identifying major overall risk areas for the JPA and a plan to reduce these risks, if possible.

Mr. Kramer informed the Board that the next step is for Staff to develop a plan in accordance with what CAJPA recommended.

**The Board received and reviewed this item and provided feedback to Staff to continue working on the requirement.**

D. Consideration of Updates to the ERMA Underwriting Guidelines

As part of the CAJPA accreditation process, CAJPA is recommending these guidelines not only explain the underwriting process for prospective new members to the ERMA program, but also outline the annual underwriting process for existing members. Mr. Kramer informed the Board that the currently, we only underwrite when a member wants to join ERMA. CAJPA wants to see that the Board is reviewing both prospective and existing members. The Board agreed that once every five or seven years would be a good time to review all members. Additionally, the Board agreed this topic should go on ERMA's strategic goals and initiatives and is a long-term goal.

**Bryan Whitemyer moved, seconded by Amy Conley, to approve the amendment to the ERMA Underwriting Guidelines. A vote was conducted, and the motion passed unanimously with no nays or abstentions.**

E. Biennial Review and Consideration of ERMA Conflict of Interest Code

Mr. Krmer informed the Board The Political Reform Act requires each local government agency to review its Conflict of Interest Code on even-numbered years to determine whether amendments to the Code are necessary. Under the requirement, ERMA Staff and Counsel reviewed the existing Code and determined that changes were warranted to be in line with the Fair Political Practices Commission's (FPPC's) current requirements, including filing original statements electronically with the FPPC as opposed to the Authority. This would alter our policy to all those required to file annually can do so electronically.

**Thomas Watson moved, seconded by Kevin Bryant, to approve the amendment of the ERMA Conflict of Interest Code. A vote was conducted, and the motion passed unanimously with no nays or abstentions.**

F. Provision of Independent Claims Auditing Services – Review of RFP

Mr. Kramer informed the Board that Farley Consulting had been providing claims auditing services to ERMA since the inception of the organization. His contract is currently up for renewal. At the last Board of Directors meeting, the Board asked Staff to determine if there were any other potential vendors. Staff presented the vendors to the Board. The Board directed Staff to issue the RFP.

**Jeremy Wittie moved, seconded by Linda Cox, to issue an RFP for claims auditing services. A vote was conducted, and the motion passed unanimously with no nays or abstentions.**

G. Review Withdrawal Notices – City of Sausalito, City of Canyon Lake, and City of Jurupa Valley

Mr. Kramer informed the Board that two members gave notice to their primary pool (PERMA) that they were looking at other options in the market and one member in BCJPIA, where there was an amicable separation. Mr. Kramer informed the Board that ERMA required notice as of December 31st; however, these discussions had been going on before then. Mr. Kramer did confirm the notices were close to the date and if the members leave the primary pool, the Board would need to decide if they are ok with the member withdrawing.

**Kevin Bryant moved, seconded by Bryan Whitemyer, to approve the withdrawal of the City of Sausalito and conditionally approve the withdrawal of Canyon Lake and Jurupa Valley pending their formal withdrawal from PERMA. A vote was conducted, and the motion passed unanimously with no nays or abstentions.**

H. Consideration of Amendment 1 to the Contract for Administration, Finance, and Litigation Management Services Agreement between ERMA and Sedgwick

Mr. Kramer informed the Board that, as part of the CAJPA re-accreditation study, it was determined that the recent agreement between ERMA and Sedgwick did not include a provision regarding the disclosure of conflicts. Staff worked with Board Counsel and Sedgwick legal to draft the attached Amendment One to the Agreement for Administration, Litigation Management, and Financial Services to rectify this issue. President Gillison informed the Board that when the contract was renewed in the past, they moved to the Sedgwick model, and that could be where the item was removed. President Gillison informed the Board that he was comfortable recommending that it be added back.

**Linda Cox moved, seconded by Kevin Bryant, to approve Amendment 1 to the administrative contract with Sedgwick. A vote was conducted, and the motion passed unanimously with no nays or abstentions.**

I. Review of CAJPA Accreditation Report

Mr. Kramer informed the Board pools take the time to go through accreditation process because the industry is self-regulated. This process reviews your equity, your governance, your all the different risk factors. The report was prepared by Jim Marta, who is ERMA's consultant from CAJPA. The report was already presented to the accreditation committee and ERMA has been approved for accreditation with excellence. Mr. Marta did have several findings that ERMA staff must complete within six months. Mr. Kramer informed the Board by reviewing the earlier agenda items and providing direction, the Board has met the requirements. Mr. Kramer informed the Board that following the meeting, Staff will report all the action taken to CAJPA and ERMA will be accredited for three years.

**The Board received, discussed, and filed the report.**

6. LOSS PREVENTION AND MEMBER SERVICES

A. Consideration of Member EPL Policy Review Program

Mr. Kramer informed the Board that they had already discussed these items at the beginning of the meeting, and Staff will add them to the strategic goals and initiatives.

**The Board took no formal action.**

B. Review of Live & Online Training Topics

Mr. Kramer informed the Board that they had already discussed these items at the beginning of the meeting, and Staff will add them to the strategic goals and initiatives.

**The Board took no formal action.**

7. COVERAGE MATTERS

A. Excess Coverage and Marketing Strategy for the 2024/25 Program Year

Mr. Seth Cole from Alliant presented the excess coverage and marketing strategy for the 2024/25 program year. ERMA has a total coverage of \$3M. Each claim per member has a \$5M per member aggregate and a \$15,000,000 aggregate for the group. Mr. Cole informed the Board that the renewal process will be smooth and there are no major issues the Board needs to concern with.

B. ERMA 2024/25 Memorandum of Coverage

Mr. Kramer informed the Board that Staff needed to remove a member from the endorsements, the City of Beaumont and add the City of Burlingame. Mr. Kramer informed The Board the City of Beaumont was considered twice and the second time ERMA approved their application. Mr. Kramer informed the Board the City of Beaumont did not think they were members, and Staff is working to remove them.

**The Board took no formal action.**

8. FINANCIAL MATTERS

A. Investment Performance Report as of December 31, 2023

Michael Kronbetter of PFM Asset Management provided the Board with an update regarding current market conditions and an overview of ERMA's investment portfolio. Mr. Kronbetter touched on the markets response to the federal interest rates to help control inflation. The year has ended with a GDP print of 3.4%. Last week's GDP result for the fourth quarter was expected to be 2.6%, but it turned out to be a blockbuster 3.3%. Mr. Kronbetter suggested to the Board the market may be dovish in 2024, resulting in a decline in interest rates. ERMA is #31 with a market value of approximately \$34,000,500 and a portfolio duration of 2.07 years, compared to a benchmark duration of 2.0.

**The Board took no formal action.**

B. Review and Consideration of Investment Policy

ERMA's Investment Policy is reviewed on an annual basis. The policy has been reviewed by ERMA staff and Michael Kronbetter, PFM Asset Management LLC (PFMAM). Mr. Kronbetter recommended one change be made to the policy as detailed in his Memorandum to the Board. Mr. Kronbetter recommended the policy align with the new CA SB882.

**Linda Cox moved, seconded by Jeremy Wittie, to approve the amended Invest Policy. A vote was conducted, and the motion passed unanimously with no nays or abstentions.**

C. Review of Target Surplus Study (Capital Adequacy Study)

Mr. Mike Harrington of Bickmore Actuarial presented the findings off the study to the Board. Mr. Harrington shared ERMA meets all the surplus targets except for the two targets highlighted above, the Surplus: Outstanding Liabilities and Surplus: RBC Requirement. Failing to meet these two targets is less concerning as ERMA maintains sufficient net position to cover the discounted claims liabilities at the expected, confidence level (CL) and at the 90% CL. ERMA is well funded with net position in the upper recommended range, and the net position is projected to increase as of June 30, 2024.

**The Board received, discussed, and filed the report.**

D. Review of Financial Stability Plan

Chee Xiong, ERMA's Finance Manager, reviewed the plan and suggested the following changes to the Board:

1. Change the terminology from "Equity" to Net Position to match the terminology used on the financial statements as per Governmental Accounting Standards Board (GASB).
2. Change one of the Target Net Position Benchmarking Ratios: Net Position to Self-Insured Retention to 10:1 from 5:1 as recommended from the prior agenda item 8.C.

The Board agreed they would review the actuarial no more than every five years.

**Bryan Whitemyer moved, seconded by Linda Cox, to approve the proposed provisions, including the additional language. A vote was conducted, and the motion passed unanimously with no nays or abstentions.**

9. CLAIMS MATTERS

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

Pursuant to Government Code Section 54956.95(a), the Board recessed to Closed Session at 10:55 a.m. to discuss the following claims:

- Yoo v. City of San Pablo (MPA)

The Board reconvened to Open Session at 11:03 a.m. by Doug Alliston, Board Counsel, advised no reportable action was taken in Closed Session.

10. CLOSING COMMENTS

A. Board of Directors

None

B. Staff

None.

11. ADJOURNMENT

The February 2, 2024, ERMA Board of Directors Meeting adjourned at 11:04 a.m. by general consent.

  
Yvette Flama  
Yvette Flama, Board Secretary

**EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)**

**MINUTES OF THE UNDERWRITING COMMITTEE MEETING  
OF OCTOBER 11, 2023**

An ERMA Underwriting Committee Meeting was held on October 11, 2023. All portions of this meeting were conducted via Zoom in accordance with Government Code Section 54953.

**COMMITTEE MEMBERS PRESENT:** John Gillison, President, CIRA  
Bryan Whitemyer, Vice President, CSJVRMA  
Jeremy Wittie, VCJPA

**COMMITTEE MEMBERS ABSENT:** None.

**OTHERS PRESENT:** Rob Kramer, Executive Director  
Yvette Flama, Sedgwick

1. CALL TO ORDER/ROLL CALL

The October 11, 2023, ERMA Underwriting Committee Meeting was called to order at 1:02 p.m. A roll call was taken, and a quorum was determined to be present.

2. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

**Bryan Whitemyer moved, seconded by John Gillison, to approve the agenda as posted. A roll call vote was taken. The motion passed unanimously.**

3. PUBLIC COMMENTS

None.

4. CONSENT CALENDAR

The Committee discussed Jeremy Wittie willingness to serve as Treasurer. The Committee agreed that the appointment of Jeremy Wittie as Treasurer be brought before the Board at the November 6, 2023, Board of Directors meeting.

**John Gillison moved, seconded by Bryan Whitemyer, to approve the following item on the Consent Calendar: A) Minutes of the May 18, 2023, Underwriting Committee Meeting. A roll call vote was taken. The motion passed unanimously.**

5. MEMBERSHIP MATTERS

A. Review of Prospective Member Application, City of Burlingame (PLAN JPA)

Rob Kramer, Executive Director, reported an application was received from the City of

Burlingame, an underlying member of the Pooled Liability Assurances Network (PLAN), for participation in ERMA at a \$100,000 self-insured retention (SIR), effective January 1, 2024. Mr. Kramer provided a summary of the application as follows:

- The city reports payroll of \$26M for the 2022 calendar year and has 217 full-time employees and 140 part-time employees.
- The City fairly recently had its written personnel policies and procedures reviewed with a few noted exceptions.
- The City is working toward compliance with AB 1825 and SB 1343 training requirements by conducting online training via Vector Solutions, a third-party provider (formerly known as Target Solutions).

The City provided an attestation of two known losses in the past seven fiscal years.

Mr. Kramer noted staff's additional recommendation that the Committee extend approval of the city's participation in ERMA with the condition the city's personnel policies and procedures are reviewed and updated by legal counsel with public sector employment law expertise and formally approved by the district's governing board no later than July 1, 2025.

**John Gillison moved, seconded by Bryan Whitemyer, to recommend the Board approve the City of Burlingame (PLAN JPA) at a \$100,000 SIR, effective January 1, 2024, with the condition the city's personnel policies and procedures are updated, reviewed by legal counsel with expertise in public sector employment law, and approved by city council no later than July 1, 2025. A roll call vote was taken. The motion passed unanimously.**

**B. Review of Prospective Member Application, City of Milpitas (PLAN JPA)**

Rob Kramer, Executive Director, reported an application was received from the City of Milpitas, an underlying member of the Pooled Liability Assurances Network (PLAN), for participation in ERMA at a \$100,000 self-insured retention (SIR), effective January 1, 2024. Mr. Kramer provided a summary of the application as follows:

- The City reports payroll of approximately \$63,120,648.00 for the 2022 calendar year and has 402 full-time employees and 316 part-time employees.
- The City recently had its written personnel policies and procedures reviewed.
- The City is compliant with AB 1825 and SB 1343 training requirements.

The City provided an attestation of no known losses in the past seven fiscal years.

**John Gillison moved, seconded by Bryan Whitemyer, to recommend the Board approve the City of Milpitas (PLAN JPA) at a \$100,000 SIR, effective January 1, 2024. A roll call vote was taken. The motion passed unanimously.**



6. CLOSING COMMENTS

A. Committee Members

None.

B. Staff

None.

7. ADJOURNMENT

The October 11, 2023, ERMA Underwriting Committee meeting adjourned at 1:30 p.m. by general consent.

  
Yvette Flama, Board Secretary

## Employment Risk Management Authority Check register

Date	Payee	Document no.	Amount
	<b>Bank: 10000_CBT General - California Bank &amp; Trust</b>	<b>Account no: 1030041601</b>	
01/26/2024	VEND00037--CIRA	10068	5,615.00
01/26/2024	VEND00192--City of Rancho Mirage	10071	2,500.00
01/26/2024	VEND00015--City of Barstow	10069	755.00
01/26/2024	VEND00058--City of Eureka	10070	1,510.00
01/26/2024	VEND00025--CAJPA	10067	2,000.00
01/26/2024	VEND00224--Sampson, Sampson & Patterson, LLP	10072	5,550.00
01/26/2024	VEND00016--BankCard Center	122232100000036	12,000.00
01/26/2024	VEND00056--Exclusive Risk Management Authority of California	122232100000035	48,444.09
01/26/2024	VEND00007--Alliston Law Office	122232100000034	352.50
01/26/2024	VEND00021--Bickmore Actuarial	122232100000033	5,000.00
01/26/2024	VEND00004--AGRiP	122232100000032	2,962.35
01/26/2024	VEND00209--Sedgwick Claims Management Services, Inc	122232100000031	8,428.81
02/16/2024	VEND00241--Napa Valley Marriott Hotel & Spa	122232100000037	4,931.26
02/20/2024	VEND00046--Coachella Valley Mosquito & Vector Control District	10076	636.14
02/20/2024	VEND00178--City of Watsonville	10074	2,270.00
02/20/2024	VEND00204--City of Santa Maria	10073	219.50
02/20/2024	VEND00168--Tahoe Transportation District	10077	498.48
02/20/2024	VEND00187--City of Yreka	10075	75.00
02/20/2024	VEND00016--BankCard Center	122232100000040	20,000.00
02/20/2024	VEND00056--Exclusive Risk Management Authority of California	122232100000039	29,921.00
02/20/2024	VEND00007--Alliston Law Office	122232100000038	329.00
03/21/2024	VEND00164--Town of Truckee	10089	2,471.50
03/21/2024	VEND00248--Marin/Sonoma Mosquito and Vector Control District	10087	2,500.00
03/21/2024	VEND00120--City of Perris	10084	2,280.00
03/21/2024	VEND00076--City of Hughson	10082	1,120.00
03/21/2024	VEND00246--City of Cloverdale	10081	2,500.00
03/21/2024	VEND00247--City of Lakeport	10083	2,500.00
03/21/2024	VEND00030--Charlene Calica	10078	32.63
03/21/2024	VEND00245--City of Canyon Lake	10080	2,500.00
03/21/2024	VEND00015--City of Barstow	10079	449.00
03/21/2024	VEND00079--Nataline Jindoian	10088	102.41
03/21/2024	VEND00249--Jason Castleberry	10086	202.74
03/21/2024	VEND00147--City of Selma	10085	2,409.00
03/21/2024	VEND00003--in2vate, LLC	122232100000044	6,972.50
03/21/2024	VEND00209--Sedgwick Claims Management Services, Inc	122232100000043	269,871.00
03/21/2024	VEND00007--Alliston Law Office	122232100000042	3,358.24
03/21/2024	VEND00089--Liebert Cassidy Whitmore	122232100000041	7,500.00
	<b>Total for 10000_CBT General</b>		<b>460,767.15</b>

## Employment Risk Management Authority Check register

Date	Payee	Document no.	Amount
	<b>Bank: 10010_CBT EPL Claims - California Bank &amp; Trust</b>	<b>Account no: 1030041791</b>	
01/02/2024	VEND00232--██████████	20035	366,636.24
01/02/2024	VEND00233--Law Office of Lawrence J. Lennemann	20036	318,663.25
01/24/2024	VEND00234--FERRONE & FERRONE and ██████████	20037	50,000.00
01/24/2024	VEND00231--██████████	20038	45,000.00
01/24/2024	VEND00236--Van Dermyden Makus Law Corporation	20039	18,531.80
01/24/2024	VEND00024--Buchalter	122232100000252	4,857.50
01/24/2024	VEND00024--Buchalter	122232100000251	590.50
01/24/2024	VEND00024--Buchalter	122232100000250	4,732.17
01/24/2024	VEND00024--Buchalter	122232100000249	96.00
01/24/2024	VEND00024--Buchalter	122232100000248	18,463.50
01/24/2024	VEND00077--Jackson Lewis P.C.	122232100000247	2,778.00
01/24/2024	VEND00077--Jackson Lewis P.C.	122232100000246	1,035.00
01/24/2024	VEND00077--Jackson Lewis P.C.	122232100000245	1,088.50
01/24/2024	VEND00024--Buchalter	122232100000244	8,183.55
01/24/2024	VEND00024--Buchalter	122232100000243	13,609.00
01/24/2024	VEND00024--Buchalter	122232100000242	633.50
01/24/2024	VEND00077--Jackson Lewis P.C.	122232100000241	11,016.00
01/24/2024	VEND00024--Buchalter	122232100000240	251.00
01/24/2024	VEND00219--Burke, Williams & Sorensen, LLP	122232100000239	1,686.36
01/24/2024	VEND00077--Jackson Lewis P.C.	122232100000238	432.00
01/24/2024	VEND00077--Jackson Lewis P.C.	122232100000237	4,759.50
01/24/2024	VEND00077--Jackson Lewis P.C.	122232100000236	6,822.20
01/24/2024	VEND00077--Jackson Lewis P.C.	122232100000235	966.00
01/24/2024	VEND00077--Jackson Lewis P.C.	122232100000234	952.50
01/24/2024	VEND00077--Jackson Lewis P.C.	122232100000233	69.00
01/24/2024	VEND00077--Jackson Lewis P.C.	122232100000232	862.50
01/24/2024	VEND00077--Jackson Lewis P.C.	122232100000231	3,597.00
01/24/2024	VEND00089--Liebert Cassidy Whitmore	122232100000230	64,632.95
01/24/2024	VEND00089--Liebert Cassidy Whitmore	122232100000229	1,353.50
01/24/2024	VEND00089--Liebert Cassidy Whitmore	122232100000228	1,509.00
01/24/2024	VEND00089--Liebert Cassidy Whitmore	122232100000227	2,202.53
01/24/2024	VEND00089--Liebert Cassidy Whitmore	122232100000226	285.00
01/24/2024	VEND00089--Liebert Cassidy Whitmore	122232100000225	1,450.50
01/24/2024	VEND00089--Liebert Cassidy Whitmore	122232100000224	40,264.65
01/24/2024	VEND00089--Liebert Cassidy Whitmore	122232100000223	13,235.95
01/24/2024	VEND00089--Liebert Cassidy Whitmore	122232100000222	3,441.05
01/24/2024	VEND00089--Liebert Cassidy Whitmore	122232100000221	189.00
01/24/2024	VEND00089--Liebert Cassidy Whitmore	122232100000220	5,490.90
02/01/2024	VEND00238--██████████	20041	202,569.17
02/01/2024	VEND00237--Law Offices of Eric P. Oren, Inc. Client Trust Account	20040	211,683.33
02/01/2024	VEND00221--Shegerian & Associates Client Trust Account	20042	70,000.00
02/22/2024	VEND00242--Law Offices of Edward C. Casey Jr. – Attorney Trust Account	20043	330,000.00
02/22/2024	VEND00077--Jackson Lewis P.C.	122232100000273	241.50
02/22/2024	VEND00077--Jackson Lewis P.C.	122232100000272	2,452.50
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02/22/2024	VEND00077--Jackson Lewis P.C.	122232100000270	2,718.61
02/22/2024	VEND00077--Jackson Lewis P.C.	122232100000269	228.00
02/22/2024	VEND00077--Jackson Lewis P.C.	122232100000268	741.00
02/22/2024	VEND00077--Jackson Lewis P.C.	122232100000267	6,476.50
02/22/2024	VEND00089--Liebert Cassidy Whitmore	122232100000266	3,405.00
02/22/2024	VEND00089--Liebert Cassidy Whitmore	122232100000265	2,112.00
02/22/2024	VEND00089--Liebert Cassidy Whitmore	122232100000264	897.00

## Employment Risk Management Authority Check register

Date	Payee	Document no.	Amount
02/22/2024	VEND00089--Liebert Cassidy Whitmore	122232100000263	695.24
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02/22/2024	VEND00089--Liebert Cassidy Whitmore	122232100000261	6,936.60
02/22/2024	VEND00089--Liebert Cassidy Whitmore	122232100000260	7,576.50
02/22/2024	VEND00089--Liebert Cassidy Whitmore	122232100000259	8,304.90
02/22/2024	VEND00089--Liebert Cassidy Whitmore	122232100000258	8,524.50
02/22/2024	VEND00089--Liebert Cassidy Whitmore	122232100000257	8,870.00
02/22/2024	VEND00089--Liebert Cassidy Whitmore	122232100000256	13,837.75
02/22/2024	VEND00024--Buchalter	122232100000255	217.00
02/22/2024	VEND00089--Liebert Cassidy Whitmore	122232100000254	15,136.40
02/22/2024	VEND00089--Liebert Cassidy Whitmore	122232100000253	57.00
03/05/2024	VEND00244--JJK Group, Inc.	20044	13,329.94
03/27/2024	VEND00236--Van Dermyden Makus Law Corporation	20047	5,084.00
03/27/2024	VEND00236--Van Dermyden Makus Law Corporation	20046	6,942.05
03/27/2024	VEND00250--Leist and Associates	20045	10,660.00
03/27/2024	VEND00077--Jackson Lewis P.C.	122232100000325	103.50
03/27/2024	VEND00219--Burke, Williams & Sorensen, LLP	122232100000324	422.50
03/27/2024	VEND00077--Jackson Lewis P.C.	122232100000323	69.00
03/27/2024	VEND00077--Jackson Lewis P.C.	122232100000322	3,928.50
03/27/2024	VEND00077--Jackson Lewis P.C.	122232100000321	1,966.20
03/27/2024	VEND00077--Jackson Lewis P.C.	122232100000320	3,346.50
03/27/2024	VEND00077--Jackson Lewis P.C.	122232100000319	897.00
03/27/2024	VEND00077--Jackson Lewis P.C.	122232100000318	550.50
03/27/2024	VEND00077--Jackson Lewis P.C.	122232100000317	85.50
03/27/2024	VEND00077--Jackson Lewis P.C.	122232100000316	9,810.51
03/27/2024	VEND00077--Jackson Lewis P.C.	122232100000315	1,151.45
03/27/2024	VEND00020--Bertrand, Fox, Elliot, Osman & Wenzel	122232100000314	4,708.83
03/27/2024	VEND00219--Burke, Williams & Sorensen, LLP	122232100000313	1,791.40
03/27/2024	VEND00089--Liebert Cassidy Whitmore	122232100000312	7,589.45
03/27/2024	VEND00089--Liebert Cassidy Whitmore	122232100000311	8,969.73
03/27/2024	VEND00024--Buchalter	122232100000310	9,638.55
03/27/2024	VEND00089--Liebert Cassidy Whitmore	122232100000309	11,374.25
03/27/2024	VEND00089--Liebert Cassidy Whitmore	122232100000308	12,287.16
03/27/2024	VEND00089--Liebert Cassidy Whitmore	122232100000307	18,372.50
03/27/2024	VEND00089--Liebert Cassidy Whitmore	122232100000306	26,234.81
03/27/2024	VEND00024--Buchalter	122232100000305	30,412.99
03/27/2024	VEND00089--Liebert Cassidy Whitmore	122232100000304	84.00
03/27/2024	VEND00089--Liebert Cassidy Whitmore	122232100000303	103.50
03/27/2024	VEND00089--Liebert Cassidy Whitmore	122232100000302	103.50
03/27/2024	VEND00089--Liebert Cassidy Whitmore	122232100000301	126.00
03/27/2024	VEND00024--Buchalter	122232100000300	426.05
03/27/2024	VEND00024--Buchalter	122232100000299	498.50
03/27/2024	VEND00024--Buchalter	122232100000298	527.00
03/27/2024	VEND00024--Buchalter	122232100000297	568.20
03/27/2024	VEND00089--Liebert Cassidy Whitmore	122232100000296	1,179.00
03/27/2024	VEND00089--Liebert Cassidy Whitmore	122232100000295	1,336.50
03/27/2024	VEND00089--Liebert Cassidy Whitmore	122232100000294	2,041.15
03/27/2024	VEND00024--Buchalter	122232100000293	2,065.65
03/27/2024	VEND00089--Liebert Cassidy Whitmore	122232100000292	2,205.90
03/27/2024	VEND00024--Buchalter	122232100000291	2,280.70
03/27/2024	VEND00089--Liebert Cassidy Whitmore	122232100000290	3,061.50
03/27/2024	VEND00089--Liebert Cassidy Whitmore	122232100000289	3,213.12
03/27/2024	VEND00219--Burke, Williams & Sorensen, LLP	122232100000288	4,234.00
03/27/2024	VEND00092--Lozano Smith, LLP	122232100000287	942.50

**Employment Risk Management Authority  
Check register**

<b>Date</b>	<b>Payee</b>	<b>Document no.</b>	<b>Amount</b>
03/27/2024	VEND00092--Lozano Smith, LLP	122232100000286	15,346.00
03/27/2024	VEND00092--Lozano Smith, LLP	122232100000285	13,876.75
03/27/2024	VEND00092--Lozano Smith, LLP	122232100000284	3,859.74
03/27/2024	VEND00089--Liebert Cassidy Whitmore	122232100000283	7,710.50
03/27/2024	VEND00089--Liebert Cassidy Whitmore	122232100000282	56.00
03/27/2024	VEND00089--Liebert Cassidy Whitmore	122232100000281	4,785.00
03/27/2024	VEND00219--Burke, Williams & Sorensen, LLP	122232100000280	1,119.00
03/27/2024	VEND00092--Lozano Smith, LLP	122232100000279	5,939.87
03/27/2024	VEND00024--Buchalter	122232100000278	39,846.50
03/27/2024	VEND00092--Lozano Smith, LLP	122232100000277	422.50
03/27/2024	VEND00219--Burke, Williams & Sorensen, LLP	122232100000276	12,905.00
03/27/2024	VEND00024--Buchalter	122232100000275	78,935.89
03/27/2024	VEND00092--Lozano Smith, LLP	122232100000274	2,755.17
03/28/2024	VEND00252--Iarusso Legal APC	20048	19,305.00
03/28/2024	VEND00253--████████████████████	20049	39,195.00
03/28/2024	VEND00254--████████████████████	20050	25,000.00
<b>Total for 10010_CBT EPL Claims</b>			<b>2,412,717.11</b>

**ERMA**  
**FINANCIAL STABILITY PLAN**  
*Approved Revision as of February 2, 2024*

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**I. PURPOSE**

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

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

**II. RETROSPECTIVE ADJUSTMENT PROCESS**

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

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

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

- A deficit (in whole or part at the Board’s discretion) would be assessed to increase the net position in each eligible program year to at least the expected confidence level.
- Alternatively, if an eligible open program year is in a surplus position, the Board would consider issuing dividends (in whole or part at the Board’s discretion) for any net position 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 net position at that confidence level will be subtracted from the “Total Distribution Available” at that confidence level.
- If no IBNR remains in a year in which all claims are closed, the Board would consider issuing dividends or levying an assessment to officially close out that year.

Additional considerations:

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

### III. TARGET CONFIDENCE LEVEL FUNDING

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

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

#### IV. CAPITAL FUND

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

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

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

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

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

#### V. TARGET NET POSITION BENCHMARKING RATIOS

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

##### NET POSITION RATIOS

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

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

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



**“Loss Reserves” to “Net position” ratio: Target  $\leq$  3:1**

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

**“Net position” to “Self-Insured Retention” ratio: Target  $\geq$  10:1**

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

**Operating ratio: Target  $\leq$  100%**

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

**Reserve Development: Target  $\leq$  20%**

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

**Change in Net position: Target  $\geq$  -10%**

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

## **VI. Budget Control Provision**

A “Report of Line Items Expected to Exceed Budgeted Amount” (Report) is included with the quarterly internal financial statements, as an addendum to the Income Statement. Each line item within each spending category - Claims Expense, Loss Prevention & Training, and General and Administrative Expenses - is included in the Report, if it has, or it is anticipated that it will, exceed the budget by the end of the year.

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

- VII.** Staff will periodically bring to the Board a recommendation to conduct a separate Capital Adequacy Study when needed. Regardless of any recommendation(s) from staff, the Board will formally consider whether or not to conduct a separate Capital Adequacy Study at least once every five years.

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



**CAJPA**  
**California Association of  
 Joint Powers Authorities**

*Trusted Leadership  
 for California's Public  
 Risk Sharing Pools*

*It is the purpose of this organization to give professional recognition  
 to properly qualified self-insurance pools.*

*THEREFORE, the Board of Directors of the  
 California Association of Joint Powers Authorities,  
 has conferred upon*

***Employment Risk Management Authority***

*This*

***CERTIFICATE OF ACCREDITATION WITH EXCELLENCE***

*having fulfilled the conditions of eligibility as prescribed by the Association for Accreditation.*



*Accreditation Period: August 29, 2023 – August 29, 2026*

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*Craig Schweikhard*  
 President

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*David deBernardi*  
 Chair, Accreditation Committee

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*James P. Marta*  
 Accreditation Program Manager

## ERMA PANEL OF APPROVED DEFENSE COUNSEL

(Effective November 2023)

<p><b><u>Jackson Lewis, P.C.</u></b></p> <p><b>Michael Christian</b>  <b>Shane Larsen</b>  400 Capitol Mall, Ste. 1600  Sacramento, CA 95814  (916) 288-3006</p> <p><b>Gina Roccanova</b>  <b>Conor Dale</b>  50 California Street, 9<sup>th</sup> Floor  San Francisco, CA 94111  (415) 796-5417</p> <p><b>Jared L. Bryan</b>  200 Spectrum Center Dr., Ste. 500  Irvine, CA 92618  (949) 885-1366</p>	<p><b><u>Liebert Cassidy Whitmore</u></b></p> <p><b>Morin I. Jacob</b>  135 Main Street, 7<sup>th</sup> Floor  San Francisco, CA 94105  (415) 512-3000</p> <p><b>Nathan Jackson</b>  400 Capitol Mall, Ste. 1260  Sacramento, CA 95814  (916) 584-7000</p> <p><b>Jesse Maddox</b>  <b>Shelline Bennett</b>  <b>Michael Youril</b>  5250 N. Palm Avenue, Ste. 310  Fresno, CA 93704  (559) 256-7800; (559) 256-7813</p> <p><b>Geoffrey Sheldon</b>  <b>Elizabeth Arce</b>  <b>Jennifer Rosner</b>  <b>Mark Meyerhoff</b>  <b>Paul Knothe</b>  <b>James Oldendorph</b>  6033 W. Century Blvd, 5<sup>th</sup> Floor  Los Angeles, CA 90045  (310) 981-2069; (310) 981-2000</p>	<p><b><u>Lozano Smith</u></b>  <i>(Offices statewide)</i></p> <p><b>Mark Kitabayashi</b>  <b>Mark Waterman</b>  515 S. Figueroa St., Ste. 750  Los Angeles, CA 90071  (213) 929-1066</p> <p><b>Wiley R. Driskill</b>  7404 North Spalding  Fresno, CA 93720  (559) 431-5600</p> <p><b><u>Kreisberg Law Firm</u></b></p> <p><b>Edward L. Kreisberg</b>  1900 S Norfolk Street, Ste. 350  San Mateo, CA 94403  (650) 248-2125</p>
<p><b><u>Carpenter, Rothans &amp; Dumont</u></b></p> <p><b>Jill Williams</b>  500 South Grand Ave., 19<sup>th</sup> Floor  Los Angeles, CA 90071  (213) 228-0400</p>	<p><b><u>Skane Mills LLP</u></b></p> <p><b>Felicia Starr</b>  1055 W. 7<sup>th</sup> Street, Ste. 1700  Los Angeles, CA 90017  (213) 452-1200</p>	<p><b><u>Richards, Watson &amp; Gershon</u></b></p> <p><b>Rebecca Green</b>  350 South Grand Ave., 37<sup>th</sup> Floor  Los Angeles, CA 90071-3101  (213) 626-8484</p>
<p><b><u>Burke Williams &amp; Sorensen</u></b></p> <p><b>Timothy L. Davis</b>  <b>Sally T. Nguyen</b>  60 South Market Str., Ste. 1000  San Jose, CA 95113  (408) 606-6317 (<i>Tim</i>)  (408) 606-6311 (<i>Sally</i>)</p>	<p><b><u>Best Best &amp; Krieger LLP</u></b>  <i>(Offices statewide)</i></p> <p><b>Howard Golds</b>  <b>Cynthia Germano</b>  3390 University Avenue, 5<sup>th</sup> Floor  Riverside, CA 92501  (951) 826-8339</p>	<p><b><u>Leone Alberts &amp; Duus</u></b></p> <p><b>Katherine Alberts</b>  <b>Brian Duus</b>  1390 Willow Pass Road, Ste. 700  Concord, CA 94520  (925) 974-8600 x105</p>

**Buchalter P.C.**

**Thomas O’Connell**  
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655 W. Broadway, Ste. 1600  
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(619) 219-6330

**Jennifer Missetich**  
1000 Wilshire Blvd., Ste. 1500  
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(213) 891-5049

**Bertrand, Fox, Elliot, Osman & Wenzel**

**Tom Bertrand**  
2749 Hyde Street  
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(415) 353-0999

**Ethan Lowry**  
1300 Clay Street, Ste. 58  
Oakland, CA 94612  
(510) 466-6380

**Castillo Moriarty Tran & Robinson**

**Vincent Castillo**  
75 Southgate Avenue  
Daly City, CA 94015  
(415) 213-4098



# Bickmore

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# Actuarial

## Proposal for Actuarial Services

- Employment Practices Liability Program
  - *Member Retained Limits Study*

*Presented to*

**Employment Risk Management Authority (ERMA)**

March 1, 2024

March 1, 2024

Rob Kramer  
Pool Administrator  
Employment Risk Management Authority (ERMA)  
c/o Sedgwick  
1750 Creekside Oaks Drive, Suite 200  
Sacramento, CA 95833

RE: Actuarial Services Quote – Member Retained Limits Analysis

Dear Rob:

Bickmore Actuarial is pleased to provide this quote for actuarial services to the Employment Risk Management Authority (ERMA). The following is our understanding of the scope of work to be performed and our fees.

### **Scope of Work**

ERMA is seeking professional actuarial advice with regard to its self-insured employment practices liability program. For this special analysis, we will do the following:

#### **Member Retained Limit Studies**

- Analyze historical ground up loss experience and pooled loss experience for each pool member. Also analyze historical exposure for each pool member.
- Develop indicated member retained limits for each pool member based upon a “size” approach and a “burn” approach.
- Recommend members which should be moved to an alternative retained limit.

We will agree to complete the scope of work discussed above for the following fees:

<u>Project Component</u>	<u>Fee</u>
Member Retained Limit Study	\$3,500

We will agree to one personal visit as part of the fees outlined above. Should other services beyond the scope of work outlined above be required, we will bill for our time and out of pocket expenses at the rates specified below.

Consultant	Hourly Rate
Principal	\$320
Manager	265
Analyst	135
Administrative Staff	54

### **INDEMNIFICATION**

Bickmore Actuarial shall indemnify, protect, defend, and hold harmless ERMA, its officers, officials, employees, and volunteers from and against all liability, loss, damage, expense, cost (including without limitation attorneys' fees, expert and consultant fees, and other costs and fees of litigation) of every nature arising out of or in the connection with Bickmore Actuarial's negligent performance of work hereunder or its negligent failure to comply with any of its obligations contained in this Letter of Engagement, provided, however, that Bickmore Actuarial shall not be liable to indemnify ERMA for any injury to persons or property which may result solely or primarily from the action or non-action of ERMA, or its directors, officers, agents, or employees (but not including Bickmore Actuarial or its employees).



## **INSURANCE REQUIREMENTS**

Bickmore Actuarial, at its expense, shall maintain Errors & Omissions coverage with limits of not less than \$1,000,000 per claim.

Insurance is to be placed with an insurer with a current A.M. Best's rating of not less than A-VII, unless otherwise acceptable to ERMA.

Bickmore Actuarial shall provide ERMA with copies of any or all referenced insurance policies and/or certificates of insurance upon request.

Upon delivery of a draft report, consultant shall be entitled to the entire fee. If this agreement is terminated prior to delivery of a draft report, client agrees to pay contractor for all hours incurred through the date notice of termination is given. Such amount shall be limited to the maximum fees stated in this agreement.

Respectfully Submitted,

Bickmore Actuarial

A handwritten signature in black ink, appearing to read "Mike Harrington", written over a horizontal line.

Mike Harrington  
President and Managing Partner, Bickmore Actuarial  
Fellow, Casualty Actuarial Society  
Member, American Academy of Actuaries

**FINANCIAL MATTERS**

**SUBJECT: Review of Annual Actuarial Study - Presented by Derek Burkhalter, Bickmore Actuarial**

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

**BACKGROUND AND STATUS:**

Enclosed is the draft actuarial study conducted by Bickmore Actuarial, dated March 29, 2024.

The actuarial analysis consists of two main components. Part one is a review of the estimates of the ultimate liabilities of the program as of June 30, 2024. Part two is the loss forecasting analysis that determines the appropriate contribution rates for the 2024/25 program year.

**Ultimate Loss Estimates**

ERMA's ultimate loss estimates for all open program years increased by a modest \$220,000. The following chart shows the change in ultimate loss estimates by program year.



**2024/25 Funding Rates**

The 2024/25 program year funding rates are set at the 80% confidence level (CL) and discounted using a 2.0% discount factor interest rate assumption. Staff and ERMA's Treasurer met with the investment advisor and the actuary on January 9, 2024, to review the current and projected earnings rates and discuss whether an adjustment to the discount rate was warranted. The consensus was to increase the discount rate to 2.0% from a 1.50% discount rate based on forecasted investment earnings and market conditions.

The pooling rate required to collect at the 80% CL for the upcoming 2024/25 program year at the \$50,000 self-insured retention is \$0.552, a slight decrease from the prior study.

Derek Burkhalter of Bickmore Actuarial will present the results of the analysis and answer questions from the Board.

**REFERENCE MATERIALS ATTACHED:**

- Actuarial Study dated March 29, 2024, prepared by Bickmore Actuarial



# Bickmore — Actuarial

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

*Outstanding Liabilities as of June 30, 2024  
Forecast for Program Year 2024-25*

*Presented to*  
**Employment Risk Management Authority**

March 29, 2024 - DRAFT

## SCOPE AND SIGNATURE

Employment Risk Management Authority (“ERMA”) has engaged Bickmore Actuarial to conduct an actuarial review of unpaid loss and loss adjustment expenses for claims that occurred on or before June 30, 2024 for its self-insured employment practices liability program utilizing data valued as of December 31, 2023. ERMA also seeks guidance on the appropriate funding level for claims to be incurred during the upcoming program year.

The specific objectives of the study are:

1. Estimate ERMA’s net liability for outstanding claims as of June 30, 2024. Liabilities net of reinsurance are presented on both an undiscounted basis as well as a discounted basis. The net liabilities are also presented at the expected level (i.e. without a risk margin) and with risk margins, which are quantified via confidence levels. The net liabilities include provisions for loss, allocated loss adjustment expense (ALAE), and unallocated loss adjustment expense (ULAE). ALAE and ULAE are defined in the Glossary section of this report.
2. Project ultimate claims costs for the 2024-25 and program year. Similar to the liability projections, the ultimate program year costs are presented on both undiscounted and discounted bases. Projections with and without risk margins are also included.
3. Provide a statement of compliance with Governmental Accounting Standards Board Statement #10.

We appreciate the opportunity to be of service to ERMA in preparing this report. Please feel free to call Mike Harrington at (916) 244-1162 or Derek Burkhalter at (916) 244-1167 with any questions you may have concerning this report.

Mike Harrington and Derek Burkhalter meet the Casualty Actuarial Society continuing education requirements and the American Academy of Actuaries’ qualification standards to sign Statements of Actuarial Opinion.

**DRAFT**

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Mike Harrington, FCAS, MAAA  
President and Managing Partner

**DRAFT**

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Derek Burkhalter, ACAS, MAAA  
Partner

**DRAFT**

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York Lee  
Senior Actuarial Analyst

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## EXECUTIVE SUMMARY

## Net Claim Liabilities

The following table presents our conclusions regarding ERMA's net claim liabilities.

Loss & LAE Claim Liabilities  
As of June 30, 2024, Net of Reinsurance and Member Deductibles

Dollars (\$000s)	Expected <sup>1</sup>	← Confidence Level →				
		70%	75%	80%	85%	90%
Loss & ALAE	\$20,112	\$23,068	\$24,013	\$25,139	\$26,567	\$28,498
Claims Admin. (ULAE)	1,006	1,153	1,201	1,257	1,328	1,425
<b>Total Loss &amp; LAE</b>	<b>\$21,117</b>	<b>\$24,221</b>	<b>\$25,214</b>	<b>\$26,396</b>	<b>\$27,896</b>	<b>\$29,923</b>
NPV Adjustment <sup>2</sup>	(891)	(1,021)	(1,063)	(1,113)	(1,176)	(1,262)
<b>Discounted Loss &amp; LAE</b>	<b>\$20,227</b>	<b>\$23,200</b>	<b>\$24,151</b>	<b>\$25,283</b>	<b>\$26,719</b>	<b>\$28,661</b>
Short Term <sup>3</sup>	\$5,601	\$6,424	\$6,688	\$7,001	\$7,399	\$7,937
Long Term <sup>3</sup>	14,626	16,776	17,463	18,282	19,320	20,724

<sup>1</sup> Expected values represent the "best actuarial" or "central" estimate.

<sup>2</sup> Net present value is based on an annual discount rate of 2.0% and assumes that invested assets are equal to the recommended discounted reserve level.

<sup>3</sup> Short term liabilities are projected to be paid within 12 months of the accounting date. Long term liabilities are projected to be paid after 12 months.

Per California Association of Joint Powers Authorities (CAJPA) accreditation requirements, we also display our outstanding liability estimates at "Forever Pool" confidence levels in the following table.

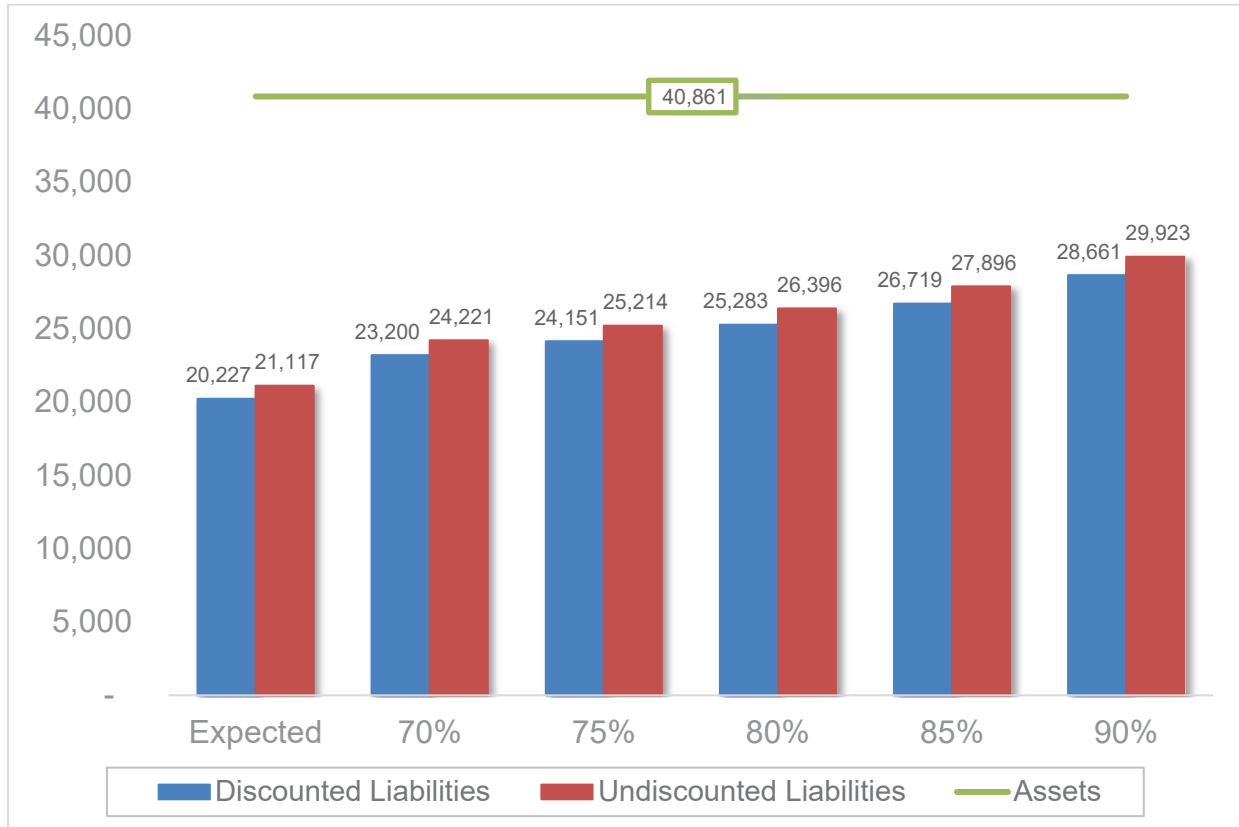
Dollars (\$000s)	← Confidence Level →			
	95%	98%	99%	99.5%
Loss & ALAE	\$31,877	\$38,264	\$42,511	\$52,315
Claims Admin. (ULAE)	1,594	1,913	2,126	2,616
<b>Total Loss &amp; LAE</b>	<b>\$33,470</b>	<b>\$40,177</b>	<b>\$44,637</b>	<b>\$54,931</b>
NPV Adjustment <sup>2</sup>	(1,411)	(1,694)	(1,882)	(2,316)
<b>Discounted Loss &amp; LAE</b>	<b>\$32,059</b>	<b>\$38,483</b>	<b>\$42,754</b>	<b>\$52,615</b>

<sup>1</sup> Expected values represent the "best actuarial" or "central" estimate.

<sup>2</sup> Net present value is based on an annual discount rate of 2.0% and assumes that invested assets are equal to the recommended discounted reserve level.

The following graph displays the comparison of the program’s net claim liabilities and assets as of June 30, 2024 as shown on the prior page.

**Loss & LAE Claim Liabilities and Assets**  
As of June 30, 2024, Net of Reinsurance and Member Deductibles  
(\$'000s)



We generally recommend that risk pools maintain funding above the 90% confidence level. Proper funding levels vary based on many issues such as the organization’s risk tolerance and financial circumstances. All of these items should be considered when determining a surplus target, which may significantly exceed the 90% confidence level. A detailed assessment of an appropriate surplus target is beyond the scope of this study. Discounted recommendation assumes that all earnings on the assets invested (which are equal to the recommended discounted reserve level) will accrue to the program. The discount for future earnings should only be reflected, however, when the total indicated funds are available for investment and are expected to earn the indicated yield rate until all claims are closed.

**Statement of Compliance with GASB #10**

The outstanding liabilities presented in this section that include claims administration costs comply with the requirements promulgated by GASB #10.



### Funding Projections

The following table presents our estimates of ultimate costs for the upcoming program year.

Projected Ultimate Costs  
Fiscal Year 2024-25, SIR of \$1,000,000

Dollars (\$000s) <sup>2</sup>	Expected <sup>1</sup>	← Confidence Level →				
		70%	75%	80%	85%	90%
Loss & ALAE	\$7,670	\$9,626	\$10,262	\$11,006	\$11,934	\$13,177
<u>Claims Admin. (ULAE)<sup>3</sup></u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Loss &amp; LAE</b>	<b>\$7,670</b>	<b>\$9,626</b>	<b>\$10,262</b>	<b>\$11,006</b>	<b>\$11,934</b>	<b>\$13,177</b>
<u>NPV Adjustment<sup>4</sup></u>	<u>(496)</u>	<u>(622)</u>	<u>(663)</u>	<u>(711)</u>	<u>(771)</u>	<u>(852)</u>
<b>Discounted Loss &amp; LAE</b>	<b>\$7,174</b>	<b>\$9,004</b>	<b>\$9,599</b>	<b>\$10,295</b>	<b>\$11,163</b>	<b>\$12,325</b>
<hr/>						
<u>Total Funding Rate<sup>5</sup></u>						
Before JPA Credit	\$0.385	\$0.483	\$0.515	\$0.552	\$0.599	\$0.661
After JPA Credit	0.351	0.440	0.469	0.503	0.546	0.603

- <sup>1</sup> Expected values represent the “best actuarial” or “central” estimate.
- <sup>2</sup> Dollar amounts reflect layer of loss between anticipated member deductibles and ERMA retention (\$1,000,000).
- <sup>3</sup> Not included.
- <sup>4</sup> Net present value is based on an annual discount rate of 2.0% and assumes that invested funding is equal to the recommended funding level and is invested at the beginning of the fiscal year.
- <sup>5</sup> Rate is per \$100 of payroll. Rates reflect layer of loss between baseline member deductible (\$50,000) and ERMA retention (\$1,000,000).

The following table presents our estimates of ultimate costs for the upcoming program year at alternate SIRs of \$1,500,000 and \$2,000,000.

Projected Ultimate Rates  
Fiscal Year 2024-25

SIR	Expected	← Confidence Level →				
		70%	75%	80%	85%	90%
<u>\$1,500,000</u>						
Before JPA Credit	\$0.435	\$0.546	\$0.582	\$0.624	\$0.677	\$0.747
After JPA Credit	0.397	0.498	0.531	0.570	0.618	0.682
<u>\$2,000,000</u>						
Before JPA Credit	\$0.462	\$0.580	\$0.618	\$0.663	\$0.719	\$0.794
After JPA Credit	0.421	0.528	0.563	0.604	0.655	0.723

## 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 baseline \$50,000 deductible from its members. Alternative member deductible amounts include \$25,000, \$75,000, \$100,000, \$250,000 and \$500,000.

The following table shows a history of ERMA's employment practices liability program.

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-Current	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.

Additional background on the program is given in Appendix K.

## OBSERVATIONS AND ANALYSIS

In this section, we present a comparison to the prior analysis as well as an overview of claims trends that we have observed. The prior report for ERMA was dated April 7, 2023 and relied on data evaluated as of December 31, 2022. The current analysis relies on data evaluated as of December 31, 2023.

### Comparison of Actual versus Expected Activity

The following tables describe how paid and reported losses have emerged between the two points in time referenced above. We also compare how our projected ultimate loss & ALAE amounts have changed between these two points in time.

Actual Versus Expected Incurred Loss & ALAE<sup>1</sup>  
Prior vs. Current Reports  
(\$000s)

Fiscal Year	Expected Emergence	Actual Emergence	Actual Minus Expected Emergence
Prior	\$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	0	0	0
2013-14	0	0	0
2014-15	21	(27)	(48)
2015-16	0	0	0
2016-17	43	115	72
2017-18	137	739	602
2018-19	104	627	522
2019-20	243	30	(213)
2020-21	2,436	1,490	(946)
2021-22	2,296	2,171	(125)
2022-23	622	702	80
<b>Total</b>	<b>\$5,902</b>	<b>\$5,846</b>	<b>(\$56)</b>

<sup>1</sup> Loss & ALAE are limited to ERMA's self-insured retention and net of member deductibles.

Actual Versus Expected Paid Loss & ALAE<sup>1</sup>  
 Prior vs. Current Reports  
 (\$000s)

Fiscal Year	Expected Payments	Actual Payments	Actual Minus Expected Payments
Prior	\$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	0	0	0
2013-14	0	0	0
2014-15	112	64	(48)
2015-16	0	0	0
2016-17	152	130	(22)
2017-18	401	988	587
2018-19	980	1,974	994
2019-20	1,425	783	(641)
2020-21	1,844	956	(888)
2021-22	1,001	953	(48)
2022-23	86	83	(3)
<b>Total</b>	<b>\$6,001</b>	<b>\$5,931</b>	<b>(\$70)</b>

<sup>1</sup> Loss & ALAE are limited to ERMA's self-insured retention and net of member deductibles.

Change in Projected Ultimate Loss & ALAE<sup>1</sup>  
 Prior vs. Current Reports  
 (\$000s)

Fiscal Year	Prior Ultimate	Current Ultimate	Change in Ultimate
Prior	\$8,341	\$8,341	\$0
2003-04	1,973	1,973	0
2004-05	6,417	6,417	0
2005-06	3,616	3,616	0
2006-07	5,811	5,811	0
2007-08	3,528	3,528	0
2008-09	1,212	1,212	0
2009-10	3,282	3,282	0
2010-11	1,826	1,826	0
2011-12	1,917	1,917	0
2012-13	1,882	1,882	0
2013-14	2,211	2,211	0
2014-15	4,255	4,206	(48)
2015-16	3,217	3,217	0
2016-17	3,013	3,086	73
2017-18	4,641	5,275	634
2018-19	4,513	5,065	552
2019-20	4,799	4,556	(243)
2020-21	4,367	3,473	(894)
2021-22	5,617	5,500	(117)
2022-23	6,114	6,306	192
<b>Total</b>	<b>\$82,550</b>	<b>\$82,700</b>	<b>\$150</b>

<sup>1</sup> Projected ultimate loss & ALAE are limited to ERMA's self-insured retention and net of member deductibles, at expected (no risk margin), and not discounted to reflect net present value.

**Comparison of Liabilities: Prior vs. Current Reports**

The table below compares our prior report's estimated liability for outstanding claims by component as of June 30, 2023 to our current report's estimated liability for outstanding claims as of June 30, 2024.

Change in Claims Liabilities  
At Expected (without Risk Margin), Net of Reinsurance and Member Deductibles

Dollars (\$000s)	Prior Report at 6/30/2023	Current Report at 6/30/2024	Dollar Change	Percent Change
Case Reserves <sup>1</sup>	\$4,928	\$5,177	\$249	5.1%
IBNR <sup>2</sup>	13,429	14,934	1,505	11.2%
<u>Claims Administration</u>	<u>918</u>	<u>1,006</u>	<u>88</u>	<u>9.6%</u>
<b>Total (Undiscounted)</b>	<b>\$19,275</b>	<b>\$21,117</b>	<b>\$1,843</b>	<b>9.6%</b>
<u>NPV Adjustment<sup>3</sup></u>	<u>(526)</u>	<u>(891)</u>	<u>(365)</u>	<u>69.4%</u>
<b>Total (Discounted)</b>	<b>\$18,749</b>	<b>\$20,227</b>	<b>\$1,478</b>	<b>7.9%</b>

<sup>1</sup> Established by the claims administrator.

<sup>2</sup> IBNR: Incurred But Not Reported for development beyond the case reserves.

<sup>3</sup> Net present value is based on an annual discount rate of 1.5% in the prior report and 2.0% in the current report.

The table below reconciles our prior report's estimated liability for outstanding claims as of June 30, 2023 to our current report's estimated liability for outstanding claims as of June 30, 2024.

Reconciliation of Claims Liabilities  
At Expected (without Risk Margin), Net of Reinsurance and Member Deductibles

	Dollars (\$000s)
<b>(A) Prior 6/30/2023 Discounted Loss &amp; LAE Liabilities</b>	<b>\$18,749</b>
(B) Change in Ultimate Loss & ALAE (AY 2022-23 and Prior)	150
(C) Current AY 2023-24 Estimated Ultimate Loss & ALAE	7,095
(D) Paid Loss & ALAE in 2023-24	(5,490)
(E) Change in ULAE	88
(F) Change in Net Present Value	(365)
<b>(G) Current 6/30/2024 Discounted Loss &amp; LAE Liabilities</b>	<b>\$20,227</b>

**Comparison of Funding Projections: Prior vs. Current Reports**

The following table compares our funding estimate for the 2023-24 year from our prior report to our funding estimate of the 2024-25 year from our current report.

Change in Funding Estimates  
At Expected (without Risk Margin), Net of Reinsurance

Dollars (\$000s) <sup>2</sup>	Prior Report <sup>1</sup> 2023-24	Current Report <sup>1</sup> 2024-25	Dollar Change	Percent Change
Ultimate Loss and ALAE	\$7,025	\$7,670	\$645	9.2%
<u>Claims Administration (ULAE)<sup>3</sup></u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>n/a</u>
<b>Total Loss &amp; LAE (Undiscounted)</b>	<b>\$7,025</b>	<b>\$7,670</b>	<b>\$645</b>	<b>9.2%</b>
<u>NPV Adjustment<sup>4</sup></u>	<u>(312)</u>	<u>(496)</u>	<u>(184)</u>	<u>58.9%</u>
<b>Total Loss &amp; LAE (Discounted)</b>	<b>\$6,713</b>	<b>\$7,174</b>	<b>\$462</b>	<b>6.9%</b>
Rate Before JPA Credit <sup>5</sup>	\$0.386	\$0.385	(\$0.001)	-0.3%
Rate After JPA Credit <sup>5</sup>	0.353	0.351	(0.002)	-0.6%

<sup>1</sup> The SIR in both the prior and current reports is \$1,000,000.

<sup>2</sup> Dollar amounts reflect layer of loss between anticipated member deductibles and ERMA retention (\$1,000,000).

<sup>3</sup> Not included.

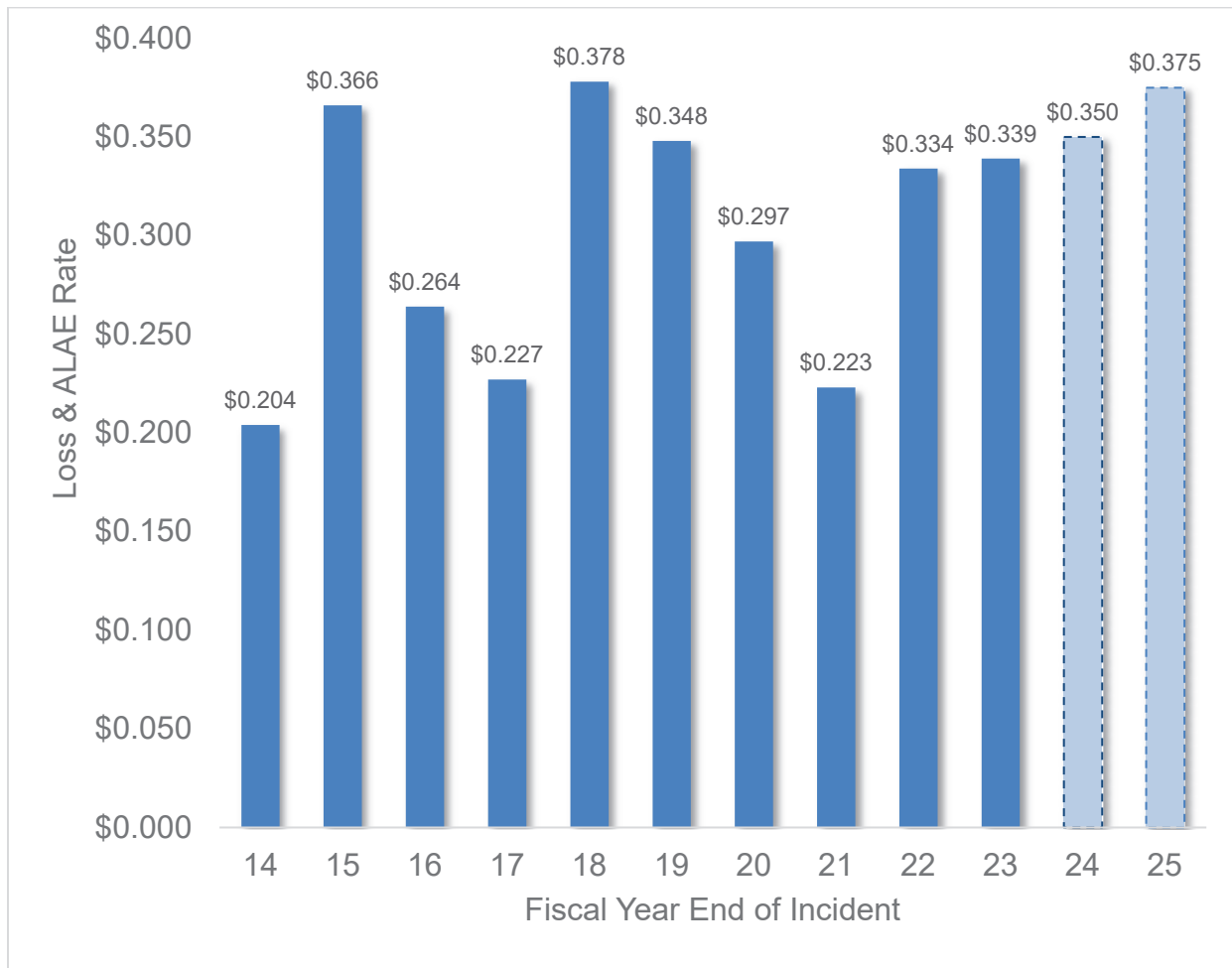
<sup>4</sup> Net present value is based on an annual discount rate of 1.5% in the prior report and 2.0% in the current report.

<sup>5</sup> Rate is per \$100 of payroll. Rates reflect layer of loss between baseline member deductible (\$50,000) and ERMA retention (\$1,000,000).

**Loss Rate Trend**

We have evaluated the trend in ERMA’s projected ultimate loss & ALAE rate. This rate equals projected ultimate loss and ALAE (limited to the SIR) divided by payroll in \$100s, as displayed in the following graph.

Loss & ALAE Rate Trend<sup>1</sup>  
Ultimate Loss & ALAE / Payroll (\$100s)



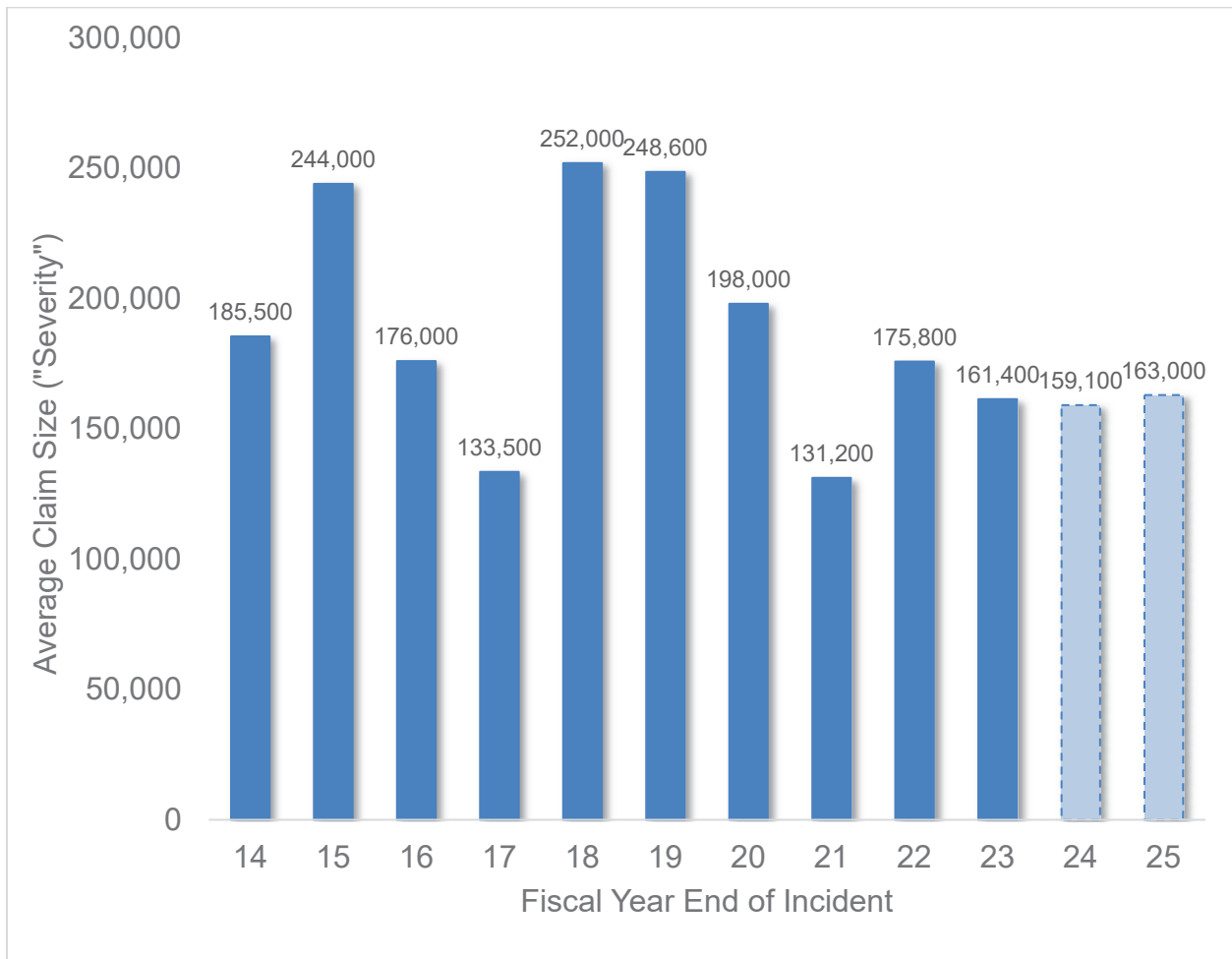
<sup>1</sup> Loss & ALAE are limited to ERMA’s self-insured retention and net of member deductibles, at expected (no risk margin) and are not discounted to reflect net present value.



**Average Claim Size (Severity) Trend**

We have evaluated the trend in ERMA’s projected ultimate claim size (or “severity”). The ultimate claim size equals projected ultimate loss & ALAE (limited to the SIR) divided by the projected ultimate number of reported claims, as displayed in the following graph.

Average Claim Size Trend<sup>1</sup>  
Ultimate Loss & ALAE / Ultimate Reported Claims

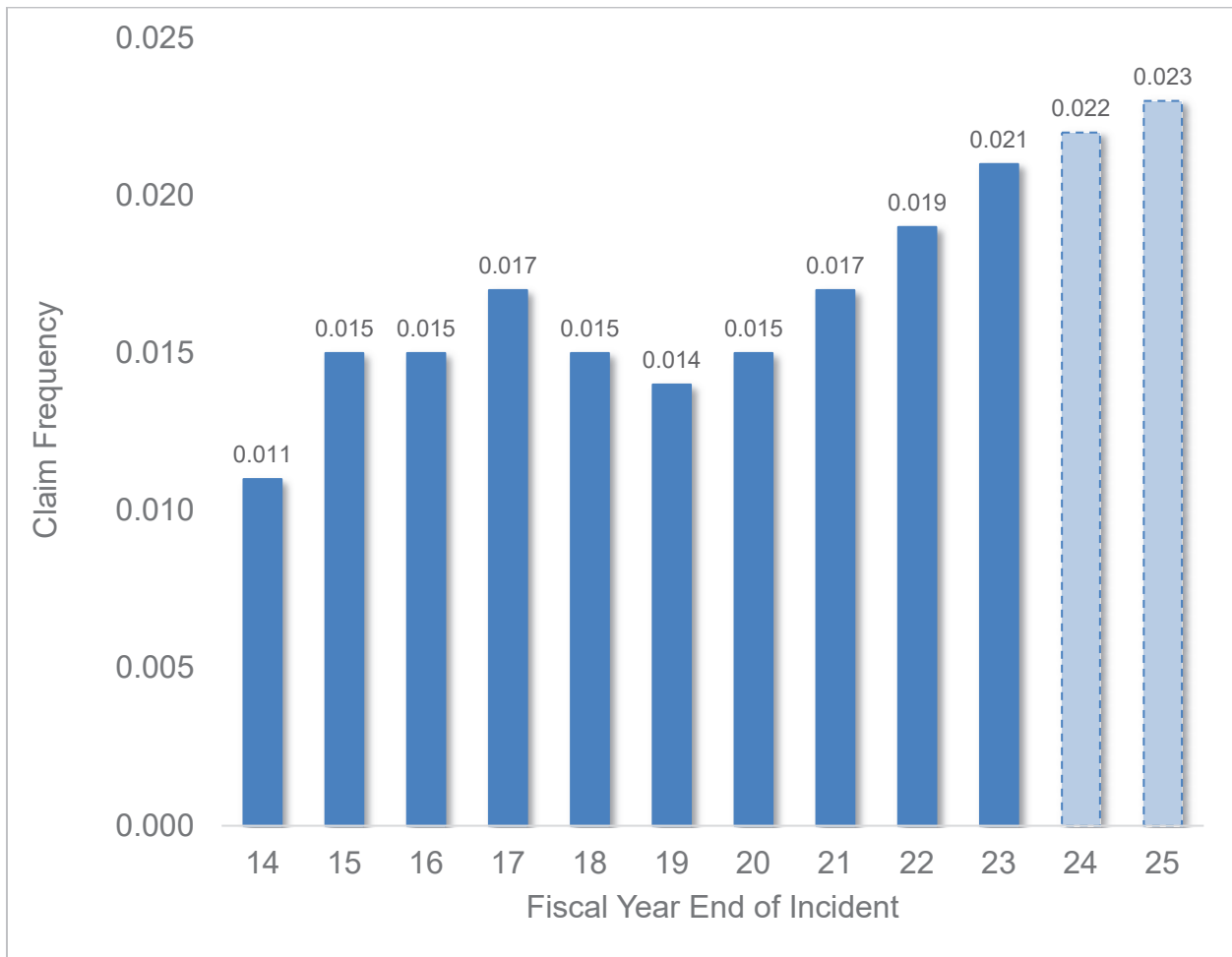


<sup>1</sup> Loss & ALAE are limited to ERMA’s self-insured retention and net of member deductibles, at expected (no risk margin) and are not discounted to reflect net present value.

### Claim Frequency Trend

We have evaluated the trend in ERMA’s claim frequency. The claim frequency equals projected ultimate number of reported claims divided by payroll in \$ millions, as displayed in the following graph.

Claim Frequency Trend<sup>1</sup>  
Ultimate Reported Claims / Payroll (\$ Millions)



<sup>1</sup> Number of claims in ERMA layer.

### Loss and LAE Liabilities by Category

The following table shows the categories that compose our ultimate loss & LAE liability estimates.

Loss & ALAE Liabilities by Category and Year<sup>1</sup>  
 As of June 30, 2024, Net of Reinsurance and Member Deductibles  
 (\$'000s)

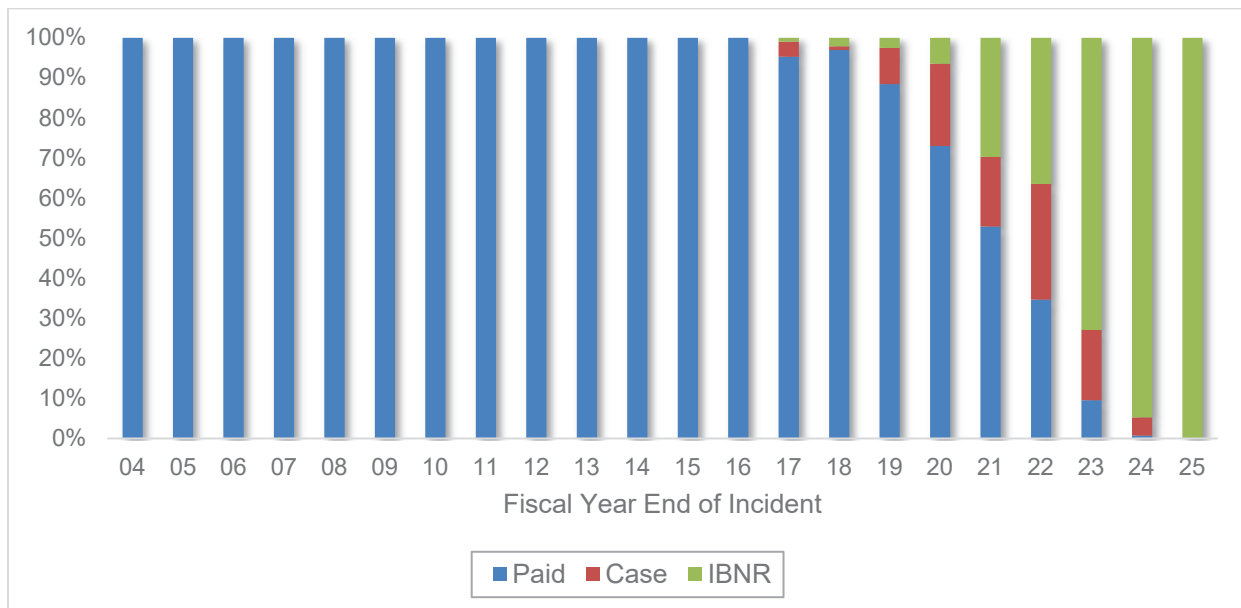
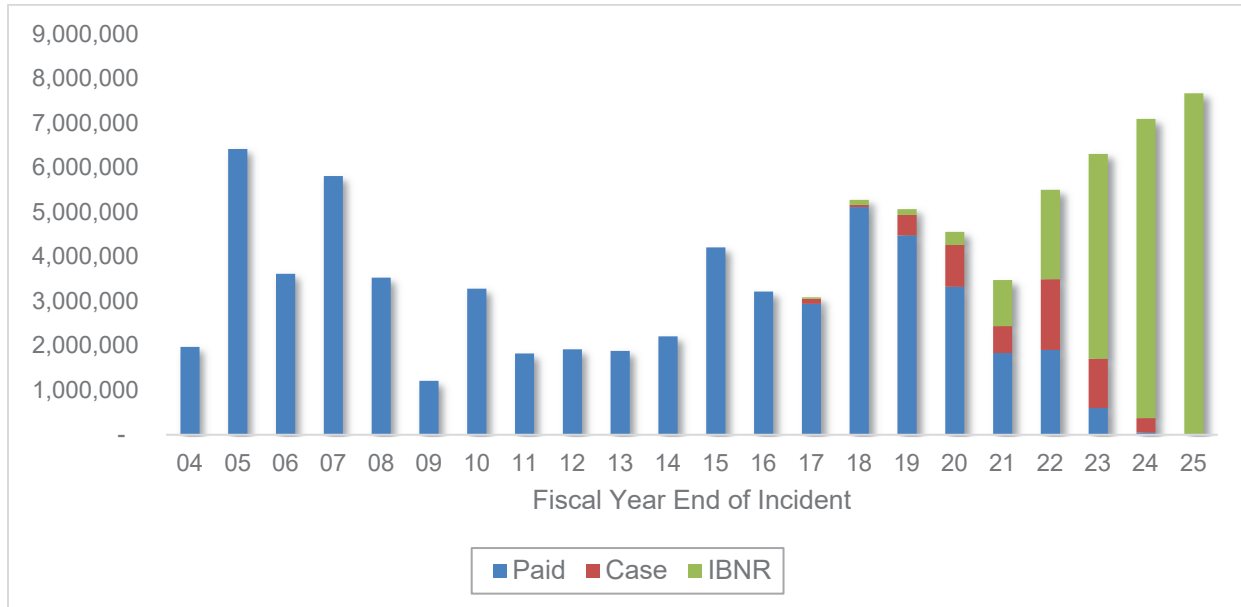
Fiscal Year	Case Reserves	Incurred but Not Reported (IBNR)	Total Liabilities
Prior	\$0	\$0	\$0
2003-04	0	0	0
2004-05	0	0	0
2005-06	0	0	0
2006-07	0	0	0
2007-08	0	0	0
2008-09	0	0	0
2009-10	0	0	0
2010-11	0	0	0
2011-12	0	0	0
2012-13	0	0	0
2013-14	0	0	0
2014-15	0	0	0
2015-16	0	0	0
2016-17	116	31	146
2017-18	49	113	162
2018-19	458	130	587
2019-20	936	295	1,232
2020-21	603	1,033	1,637
2021-22	1,588	2,008	3,596
2022-23	1,105	4,602	5,707
2023-24	<u>322</u>	<u>6,723</u>	<u>7,045</u>
Total Loss & ALAE	\$5,177	\$14,934	\$20,112
ULAE	<u>n/a</u>	<u>1,006</u>	<u>1,006</u>
<b>Total Loss &amp; LAE</b>	<b>\$5,177</b>	<b>\$15,940</b>	<b>\$21,117</b>

<sup>1</sup> Loss & ALAE liabilities are limited to ERMA's self-insured retention and net of member deductibles, at expected (no risk margin), and not discounted to reflect net present value.

**Losses by Component**

The following graphs illustrate our selected ultimate loss and ALAE amount for each accident year, and segregates each ultimate into its component parts of (1) amounts already paid, (2) amounts already reserved for individual claims, and (3) IBNR reserves to cover both unreported claims as well as any adverse development on known claims.

Ultimate Loss & ALAE by Component  
Net of Reinsurance and Member Deductibles  
As of June 30, 2024<sup>1</sup>



<sup>1</sup> Projected 2024-25 year is informational and displayed for comparison purposes.

## METHODOLOGY

The methodology that we have used to estimate ultimate Loss & LAE liabilities is in accordance with standard actuarial principles. The 6-step process described below outlines the methods used to calculate the liabilities.

1. Estimate Ultimate Loss & ALAE: The ultimate value of losses associated with a given policy year is usually not known until many years after the policy year has expired. One estimate of future payments for a given policy year is the case reserve. However, to accurately project future payments for a given policy year, we also calculate indicated IBNR reserves that consider the following three factors:
  - The amount that case reserves are redundant or deficient.
  - Losses that occurred during the policy period but have not yet been reported. This is called “Pure IBNR”.
  - Future payments on claims which are closed but will reopen in the future.

Ultimate loss & ALAE projections are developed for costs limited to the retention. Loss development factors are primarily based on ERMA’s own historical experience supplemented with industry data. The following methods are used to estimate ultimate loss & ALAE:

- Reported Loss Development: Includes paid losses and case reserves.
- Paid Loss Development: Based on payments only.
- Reported Exposure Method: This calculates IBNR based on expected ultimate loss times an IBNR factor. For the first layer of losses, the expected ultimate loss is based on exposure times initial loss rates. These loss rates are based on historical losses in that layer developed to ultimate using loss development factors. The loss rates in the higher layer incorporate increased limits factors based on ERMA’s historical losses and industry data. Where appropriate, historical data is adjusted for both claims and exposure trend, to reflect issues such as inflation, benefit level changes, and legal changes.
- Paid Exposure Method: This calculates unpaid costs based on expected ultimate loss times an unpaid factor. The loss rates are identical to those utilized in the reported exposure method.
- Frequency x Severity: This calculates ultimate costs based on expected ultimate severity and expected ultimate frequency derived from historical experience.

2. Select Ultimate Loss & ALAE: Based on the indicated ultimate loss and ALAE from the various methods described previously, the ultimate losses by year are selected.
3. Calculate Expected Undiscounted Unpaid Loss & ALAE: Unpaid loss & ALAE equals ultimate Loss & ALAE (calculated in step #2, above) minus payments to date.
4. Discounting/Net Present Value: Since payments associated with claims liabilities will be spread out over several years, they are discounted to reflect anticipated investment income on the assets set aside to pay these costs. The expected Loss & ALAE payout pattern is based on the paid loss development factors previously described.
5. Claims Administration: We have assumed that the liability for unpaid unallocated loss adjustment expenses (ULAE) for claims administration will be 5% of the liability for unpaid loss and allocated loss adjustment expenses (ALAE). No provision for ULAE is included with the projected costs for 2024-25.
6. Confidence Levels: The “expected” estimate of unpaid Loss & ALAE is our best estimate given current information. However, there is uncertainty inherent in the claims settlement process. This uncertainty is quantified via confidence levels. For example, we believe that future payments have a 75% chance of being less than the liabilities at the 75% confidence level and have only a 25% chance of exceeding the 75% confidence level estimates. The confidence levels are based on the Heckman Meyers approach.

## CONSIDERATIONS AND KEY ASSUMPTIONS

Several considerations should be taken into account when evaluating property/casualty claim liabilities and funding projections for upcoming years. The following is a list of issues that we have considered in this report, along with some key assumptions that we have made.

### Data

Data Quality: Our analysis is based on loss experience, exposure data, and other general and specific information provided to us by or on behalf of ERMA. While we have not independently audited or verified this information, we have reviewed it for reasonability and internal consistency. We have assumed that the data is accurate and complete. Any material inaccuracy or omission could invalidate the conclusions in this report and should be brought to our attention immediately.

Exposure: The exposure base utilized in this study is payroll, which was provided to us by ERMA. For the purposes of our analysis, actual payroll has been adjusted to reflect a retention-weighted equivalent based on the deductible/SIR selected for each member. A list of exposure by year can be found in Appendix L.

Claims: The claims data utilized in this study was provided to us by ERMA.

Other Program Information: Key program information, including historical retentions, claims administration costs, other program costs, and program assets, were provided to us by ERMA. We relied on this information without audit.

### Key Dates

Accounting Date: This study presents liabilities as of an accounting date of June 30, 2024.

Valuation Date: The data underlying this study are valued as of December 31, 2023.

Review Date and Information Date: We have not reflected any actual claims activity subsequent to the valuation date.

### Accounting Standard

The accounting standards applicable to this analysis follow the guidance promulgated by the Governmental Accounting Standards Board (GASB).

### **Other Actuarial Considerations**

Discounting to Reflect Net Present Value: Reserves in this report are presented on both undiscounted and discounted bases. At ERMA's instruction, we have assumed that assets held for investment will generate an average annual rate of return of 2.0% over the time during which the loss liabilities are paid out. It should be noted that actual future investment returns may vary significantly from this assumption, depending upon prevailing investment market conditions. This recommendation assumes that all earnings on the assets invested (which are equal to the recommended discounted reserve level) will accrue to the program. The discount for future earnings should only be reflected, however, when the total indicated funds are available for investment and are expected to earn the indicated yield rate until all claims are closed.

Uncertainty & Risk Margin: There is uncertainty regarding the ultimate cost of the reserves and funding amounts that are estimated in this report. Our estimates are presented both at the expected level (also known as the actuarial central estimate) and at higher confidence levels. The projections at higher confidence levels reflect uncertainty by including a risk margin for the potential of costs coming in higher than at the expected level.

Trending: We have adjusted historical payroll and claims costs to reflect inflation as well as other changes in the claims environment. The payroll, claim frequency, and claim cost trend factors by year are in Appendices L and E, respectively. We have also projected payroll and claim costs to account for future changes in cost levels.

External Influences: This analysis contemplates a continuation of current social, economic, judicial, and legislative trends. Historical changes have been reflected through the use of trend factors.

Homogeneity: The accuracy of loss estimates may be improved by subdividing loss experience into groups exhibiting similar characteristics. In evaluating ERMA's loss experience, we considered all of the experience together.

Credibility: Credibility is a measure of the predictive value attached to a body of data. The degree to which consideration is given to homogeneity is related to the consideration of credibility. While making more homogeneous groupings may increase the credibility of the data, partitioning into cells too small to be reliable statistically may also decrease it. As discussed above, further subdivision of data (by individual department, for instance) would reduce the statistical credibility too greatly. This aggregation of data assumes that there has been a relatively stable distribution of exposures among various risk characteristics during the years included in this analysis.



Loss Development: The rate at which costs develop to their ultimate level was included in the calculation of loss development factors. The loss development factors are described in the Methodology section of this report.

Claim Emergence Patterns: The delay between the occurrence of claims and the recording of claims was considered in the estimation of loss development factors.

Claim Settlement Patterns: The rate at which claims are closed and the impact upon incurred losses are considered in the calculation of loss development factors.

Reopened Claim Potential: The effect of reopened claims is included in the calculation of loss development factors.

Claim Frequency and Average Claim Size: The average and potential claim frequency and average claim size have been measured and considered in the liability estimates.

Large Losses & Catastrophes: The impact of large losses and catastrophes have the potential to distort the results of actuarial analyses. We have mitigated this risk by separating loss development and loss rates into the lower layer (limited to \$100,000 per occurrence) and the excess layer. In addition, our net liability and funding estimates limit loss & ALAE to the appropriate SIR. Lastly, we have utilized industry size of loss curves and increased limits factors where we feel that ERMA's experience is not fully credible.

Loss Limitations: Our projections of claim costs are limited to ERMA's SIR. We have assumed that all relevant reinsurance purchased by ERMA for costs above the SIR is collectible. The retentions used in the study are displayed by year in the Background section of this report.

Recoveries: The data underlying this report are net of salvage, subrogation and other recoveries.

Portfolio Transfers, Commutations, and Structured Settlements: No historical loss portfolio transfers or commutations have been reflected in this analysis. To the extent there are structured settlements, they have been reflected in the claims data utilized in this analysis.

Operational Changes: This analysis has not made special adjustment for any specific operational changes at ERMA.

Reasonableness: We have established the reasonability of our results by utilizing standard actuarial techniques and reasonable assumptions.

Claims Administration Costs (Unallocated Loss Adjustment Expense or ULAE): ULAE costs have been

- included in our estimate of outstanding liabilities, and
- excluded from our estimate of funding amounts for future program years.

Other Program Costs: Our estimate of the funding amounts for future program years:

- excludes contributions for excess insurance to cover claims or portions of claims that fall outside the program, and
- excludes costs for loss control, overhead, and other expenses associated with the program.

## CONDITIONS AND LIMITATIONS

It is important to recognize that the projections in this report are estimates at one point in time and are subject to future changes. Since the emergence and settlement of claims are subject to uncertainty, actual developments likely will vary, perhaps significantly, from the amounts carried in this report. No warranty is expressed or implied that such variance will not occur. The accuracy of the conclusions in this report depends on many factors, including the following:

Loss Activity since the Evaluation Date: The losses in this study were valued as of December 31, 2023. It is possible that there has been significant loss activity that has occurred since that date which would change the findings of this report.

Data Accuracy: This report relies on unaudited loss and exposure information provided by ERMA. The accuracy of our projections relies on the accuracy of this data.

Loss Development: The appropriateness of ERMA's historical and industry loss development patterns in projecting future loss development.

Trend Changes: The appropriateness of the trend indices used to adjust historical losses.

Discounting/Net Present Value: Our estimates that are discounted to reflect net present value assume a certain investment return on assets. This adjustment to reflect net present value is inaccurate to the extent that actual investment returns deviate from the assumed returns.

Insurance: Our estimates assume that all excess insurance is valid and collectible. Further, our funding recommendations do not include a provision for losses greater than ERMA's excess coverage.

Future Law Changes: We cannot predict, nor have we attempted to predict, the impact of future law changes and court rulings on claims costs.

New Classes of Claims: Our projections make no provision for the extraordinary future emergence of new classes of loss or types of loss not sufficiently represented in ERMA's historical data, or which are not yet quantifiable.

## **DISTRIBUTION AND USE**

This report was prepared for the sole use of Employment Risk Management Authority and its auditors. This report is neither intended nor necessarily suitable for any other use. It may be forwarded to regulatory authorities as required by law. Any other distribution of this report requires the express written consent of Bickmore Actuarial. If such consent is granted, the report should be forwarded in its entirety, including all exhibits and appendices. It should also be understood that Bickmore Actuarial would be available to answer any questions regarding this report and its conclusions.

## 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, utilization review, bill review, etc.)

**Case Reserve** – The amount left to be paid on an open 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 net present value.

**Expected Losses** – The best estimate of the full, ultimate value of losses.

**Exposure Base** – An objective and easily measurable quantity that is correlated with loss. Commonly used exposure bases include payroll, population, revenue, number of employees (FTE), average daily attendance (ADA), number of vehicles and total insured value (TIV).

**Incurred but not Reported (IBNR) Losses** – This is the ultimate value of losses less any amount that has been paid to date or set up as a case reserve by the claims adjuster. It includes amounts for claims incurred but not yet received by the administrator as well as loss development on already reported claims.

**Loss Adjustment Expense** – The sum of Allocated Loss Adjustment Expense (ALAE) and Unallocated Loss Adjustment Expense (ULAE).

**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 the Methodology section.

**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.

**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 administration expenses, taxes, etc.)

## EXHIBITS AND APPENDICES

ERMA

Employment Practices Liability

Liabilities @ June 30, 2024

	Includes Quota Share Losses		Excludes Quota Share Losses	
	Undiscounted	NPV @2.00%	Undiscounted	NPV @2.00%
<b>Expected Liabilities</b>				
(1) Case Reserves	5,177,000		5,177,000	
(2) Actuarial Reserve	14,934,000		14,934,000	
(3) Claims Handling Expense	1,006,000		1,006,000	
(4) Subtotal	21,117,000	20,227,000	21,117,000	20,227,000
<b>(5) Confidence Levels</b>				
Expected	21,117,000	20,227,000	21,117,000	20,227,000
60%	22,532,000	21,582,000	22,532,000	21,582,000
70%	24,221,000	23,200,000	24,221,000	23,200,000
75%	25,214,000	24,151,000	25,214,000	24,151,000
80%	26,396,000	25,283,000	26,396,000	25,283,000
85%	27,896,000	26,719,000	27,896,000	26,719,000
90%	29,923,000	28,661,000	29,923,000	28,661,000

Funding Rates for Fiscal Year 2024-2025

	Layer: \$50,000 to \$250,000		Layer: \$50,000 to \$350,000		Layer: \$50,000 to \$500,000	
	Undiscounted	NPV @2.00%	Undiscounted	NPV @2.00%	Undiscounted	NPV @2.00%
<b>Expected Rates</b>						
(6) Ultimate Loss & ALAE	0.186	0.174	0.242	0.226	0.296	0.277
(7) Expected JPA Participation Credit	0.017	0.017	0.022	0.022	0.027	0.027
(8) ULAE	-	-	-	-	-	-
(9) Subtotal	0.203	0.191	0.264	0.248	0.323	0.304
<b>(10) Confidence Levels</b>						
Expected	0.203	0.191	0.264	0.248	0.323	0.304
60%	0.227	0.213	0.295	0.277	0.361	0.340
70%	0.255	0.240	0.331	0.311	0.405	0.382
75%	0.272	0.256	0.353	0.332	0.432	0.407
80%	0.291	0.274	0.379	0.356	0.464	0.436
85%	0.316	0.297	0.411	0.386	0.503	0.473
90%	0.349	0.328	0.454	0.426	0.555	0.522

	Layer: \$50,000 to \$750,000		Layer: \$50,000 to \$1,000,000		Layer: \$50,000 to \$1,250,000	
	Undiscounted	NPV @2.00%	Undiscounted	NPV @2.00%	Undiscounted	NPV @2.00%
<b>Expected Rates</b>						
(6) Ultimate Loss & ALAE	0.345	0.323	0.375	0.351	0.404	0.378
(7) Expected JPA Participation Credit	0.031	0.031	0.034	0.034	0.037	0.037
(8) ULAE	-	-	-	-	-	-
(9) Subtotal	0.376	0.354	0.409	0.385	0.441	0.415
<b>(10) Confidence Levels</b>						
Expected	0.376	0.354	0.409	0.385	0.441	0.415
60%	0.420	0.395	0.457	0.430	0.493	0.464
70%	0.472	0.444	0.513	0.483	0.553	0.521
75%	0.503	0.474	0.547	0.515	0.590	0.555
80%	0.540	0.508	0.587	0.552	0.633	0.596
85%	0.585	0.551	0.636	0.599	0.686	0.646
90%	0.646	0.608	0.703	0.661	0.758	0.713

	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%
<b>Expected Rates</b>						
(6) Ultimate Loss & ALAE	0.424	0.397	0.439	0.411	0.450	0.421
(7) Expected JPA Participation Credit	0.038	0.038	0.040	0.040	0.041	0.041
(8) ULAE	-	-	-	-	-	-
(9) Subtotal	0.462	0.435	0.479	0.451	0.491	0.462
<b>(10) Confidence Levels</b>						
Expected	0.462	0.435	0.479	0.451	0.491	0.462
60%	0.516	0.486	0.535	0.504	0.548	0.516
70%	0.580	0.546	0.601	0.566	0.616	0.580
75%	0.618	0.582	0.641	0.603	0.657	0.618
80%	0.663	0.624	0.687	0.647	0.705	0.663
85%	0.719	0.677	0.745	0.702	0.764	0.719
90%	0.794	0.747	0.823	0.775	0.844	0.794



ERMA - Employment Practices Liability

Funding Guidelines for Outstanding Liabilities at  
December 31, 2023

(A) Estimated Ultimate Losses Incurred through 12/31/23: (From Appendix F)	\$86,247,000
(B) Estimated Paid Losses through 12/31/23: (From Appendix F)	67,109,000
(C) Estimated Liability for Claims Outstanding at 12/31/23: (From Appendix F)	<u>\$19,139,000</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 12/31/23: (Based on 5.0% of (C))	957,000
(E) Total Outstanding Liability for Claims at 12/31/23: ((C) + (D))	<u>\$20,095,000</u>
(F) Reserve Discount Factor (Based on a Discount Rate of 2.00%.): (Appendix H, Page 1, (G))	0.956
(G) Discounted Outstanding Liability for Claims at 12/31/23: ((E) x (F))	<u>\$19,218,000</u>

	<u>70%</u>	<u>75%</u>	<u>80%</u>	<u>85%</u>	<u>Minimum</u> 90%
Confidence Level of Adequacy:					
(H) Confidence Level Factor: (From Appendix I)	1.147	1.194	1.250	1.321	1.417
(I) Margin for Adverse Experience: ((G) x [(H) - 1])	2,825,000	3,728,000	4,805,000	6,169,000	8,014,000
(J) Total Required Assets at 12/31/23: ((G) + (I))	<u>\$22,043,000</u>	<u>\$22,946,000</u>	<u>\$24,023,000</u>	<u>\$25,387,000</u>	<u>\$27,232,000</u>

ERMA - Employment Practices Liability

Funding Guidelines for Outstanding Liabilities at  
June 30, 2024

(A) Estimated Ultimate Losses Incurred through 6/30/24: (From Appendix F)	\$89,794,000
(B) Estimated Paid Losses through 6/30/24: (From Appendix F)	69,683,000
(C) Estimated Liability for Claims Outstanding at 6/30/24: (From Appendix F)	<u>\$20,112,000</u>
(D) Estimated Liability for Outstanding Claims Administration Fees at 6/30/24: (Based on 5.0% of (C))	1,006,000
(E) Total Outstanding Liability for Claims at 6/30/24: ((C) + (D))	<u>\$21,117,000</u>
(F) Reserve Discount Factor (Based on a Discount Rate of 2.00%.): (Appendix H, Page 1, (H))	0.958
(G) Discounted Outstanding Liability for Claims at 6/30/24: ((E) x (F))	<u>\$20,227,000</u>

	<u>70%</u>	<u>75%</u>	<u>80%</u>	<u>85%</u>	<u>Minimum 90%</u>
Confidence Level of Adequacy:	70%	75%	80%	85%	90%
(H) Confidence Level Factor: (From Appendix I)	1.147	1.194	1.250	1.321	1.417
(I) Margin for Adverse Experience: ((G) x [(H) - 1])	2,973,000	3,924,000	5,057,000	6,493,000	8,435,000
(J) Total Required Assets at 6/30/24: ((G) + (I))	<u>\$23,200,000</u>	<u>\$24,151,000</u>	<u>\$25,283,000</u>	<u>\$26,719,000</u>	<u>\$28,661,000</u>
(K) Estimated Total Assets at 6/30/24: (Provided by the Authority)	40,861,000	40,861,000	40,861,000	40,861,000	40,861,000
(L) Indicated Funding Redundancy/ (Deficiency): ((K) - (J))	<u>\$17,661,000</u>	<u>\$16,710,000</u>	<u>\$15,578,000</u>	<u>\$14,142,000</u>	<u>\$12,200,000</u>

ERMA - Employment Practices Liability

Funding Options for Program Year 2023-2024 (SIR = \$1,000,000)

	Dollar Amount	Payroll Rate			
(A) Estimated Ultimate Losses Incurred in Accident Year 2023-2024: (From Appendix F)	\$7,095,000	\$0.350			
(B) Estimated Claims Administration Fees Incurred in Accident Year 2023-2024: (From Exhibit 5, Page 1, (L))	0	0.000			
(C) Total Claims Costs Incurred in Accident Year 2023-2024: ((A) + (B))	<u>\$7,095,000</u>	<u>\$0.350</u>			
(D) Loss Discount Factor (Based on a Discount Rate of 2.00%.): (Appendix H, Page 2, (G))	0.935				
(E) Discounted Total Claims Costs Incurred in Accident Year 2023-2024: ((C) x (D))	<u>\$6,636,000</u>	<u>\$0.328</u>			
	<u>Marginally Acceptable</u>		<u>Recommended</u>		<u>Conservative</u>
	70%	75%	80%	85%	90%
(F) Confidence Level Factor: (From Appendix I)	1.255	1.338	1.435	1.556	1.718
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	1,692,000	2,243,000	2,887,000	3,690,000	4,765,000
(H) Recommended Funding in 2023-2024 for Claims Costs and Other Expenses: ((E) + (G))	<u>\$8,328,000</u>	<u>\$8,879,000</u>	<u>\$9,523,000</u>	<u>\$10,326,000</u>	<u>\$11,401,000</u>
(I) Rate per \$100 of Payroll: ((H) / \$20,250,810)	\$0.411	\$0.438	\$0.470	\$0.510	\$0.563

Payroll rates are per hundred dollars of 2023-2024 payroll of \$2,025,081,000.

ERMA - Employment Practices Liability

Funding Options for Program Year 2024-2025 (SIR = \$1,000,000)

	Dollar Amount	Payroll Rate			
(A) Estimated Ultimate Losses Incurred in Accident Year 2024-2025: (From Appendix F)	\$7,670,000	\$0.375			
(B) Estimated Claims Administration Fees Incurred in Accident Year 2024-2025: (From Exhibit 5, Page 1, (L))	0	0.000			
(C) Total Claims Costs Incurred in Accident Year 2024-2025: ((A) + (B))	<u>\$7,670,000</u>	<u>\$0.375</u>			
(D) Loss Discount Factor (Based on a Discount Rate of 2.00%.): (Appendix H, Page 2, (G))	0.935				
(E) Discounted Total Claims Costs Incurred in Accident Year 2024-2025: ((C) x (D))	<u>\$7,174,000</u>	<u>\$0.351</u>			
	<u>Marginally Acceptable</u>		<u>Recommended</u>		<u>Conservative</u>
	70%	75%	80%	85%	90%
(F) Confidence Level Factor: (From Appendix I)	1.255	1.338	1.435	1.556	1.718
(G) Margin for Adverse Experience: ((E) x [(F) - 1])	1,829,000	2,425,000	3,121,000	3,989,000	5,151,000
(H) Recommended Funding in 2024-2025 for Claims Costs and Other Expenses: ((E) + (G))	<u>\$9,004,000</u>	<u>\$9,599,000</u>	<u>\$10,295,000</u>	<u>\$11,163,000</u>	<u>\$12,325,000</u>
(I) Rate per \$100 of Payroll: ((H) / \$20,453,000)	\$0.440	\$0.469	\$0.503	\$0.546	\$0.603

Payroll rates are per hundred dollars of 2024-2025 payroll of \$2,045,300,000.

ERMA - Employment Practices Liability

IBNR as of 6/30/24 at Expected Claims Level

Accident Year	Estimated Ultimate (A)	Reported as of 12/31/23 (B)	Estimated IBNR as of 12/31/23 (C)	Estimated Percent of IBNR Reported Between 1/1/24 and 6/30/24 (D)	Estimated IBNR Reported (E)	Estimated IBNR as of 6/30/24 (F)
Prior	\$8,341,000	\$8,341,000	\$0	100.0%	\$0	\$0
2003-2004	1,973,000	1,973,000	0	100.0%	0	0
2004-2005	6,417,000	6,417,000	0	100.0%	0	0
2005-2006	3,616,000	3,616,000	0	100.0%	0	0
2006-2007	5,811,000	5,811,000	0	100.0%	0	0
2007-2008	3,528,000	3,528,000	0	100.0%	0	0
2008-2009	1,212,000	1,212,000	0	100.0%	0	0
2009-2010	3,282,000	3,282,000	0	100.0%	0	0
2010-2011	1,826,000	1,826,000	0	100.0%	0	0
2011-2012	1,917,000	1,917,000	0	100.0%	0	0
2012-2013	1,882,000	1,882,000	0	100.0%	0	0
2013-2014	2,211,000	2,211,000	0	100.0%	0	0
2014-2015	4,206,000	4,206,000	0	100.0%	0	0
2015-2016	3,217,000	3,217,000	0	59.9%	0	0
2016-2017	3,086,000	3,040,000	46,000	33.0%	15,000	31,000
2017-2018	5,275,000	5,122,000	154,000	26.1%	40,000	113,000
2018-2019	5,065,000	4,890,000	175,000	26.0%	46,000	130,000
2019-2020	4,556,000	4,172,000	384,000	23.1%	89,000	295,000
2020-2021	3,473,000	2,221,000	1,252,000	17.5%	219,000	1,033,000
2021-2022	5,500,000	2,411,000	3,089,000	35.0%	1,081,000	2,008,000
2022-2023	6,306,000	722,000	5,585,000	17.6%	983,000	4,602,000
2023-2024	7,095,000	70,000	3,477,000	4.3%	302,000	6,723,000
Totals	\$89,794,000	\$72,086,000	\$14,161,000		\$2,775,000	\$14,934,000

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 1/1/24 and 6/30/24. 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 6/30/24. This amount is dependent on both the strength of the case reserves and the average frequency and severity of the losses incurred.

ERMA - Employment Practices Liability

Estimated Ultimate Program Losses

Accident Year	Reported 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 Estimate of Ultimate Losses (F)	Selected Ultimates Excluding Quota Share (G1)	80% CL Selected Ultimates Excluding Quota Share (G2)	90% CL Selected Ultimates Excluding Quota Share (G3)
Prior	\$8,341,000	\$8,341,000	\$0	\$0	\$8,341,000	\$8,341,000	\$6,255,000	\$6,255,000	\$6,255,000
2003-2004	1,973,000	1,973,000	1,973,000	1,973,000	1,973,000	1,973,000	1,973,000	1,973,000	1,973,000
2004-2005	6,417,000	6,417,000	6,417,000	6,417,000	6,417,000	6,417,000	6,417,000	6,417,000	6,417,000
2005-2006	3,616,000	3,616,000	3,616,000	3,616,000	3,616,000	3,616,000	3,616,000	3,616,000	3,616,000
2006-2007	5,811,000	5,811,000	5,811,000	5,811,000	5,811,000	5,811,000	5,811,000	5,811,000	5,811,000
2007-2008	3,528,000	3,528,000	3,528,000	3,528,000	3,528,000	3,528,000	3,528,000	3,528,000	3,528,000
2008-2009	1,212,000	1,212,000	1,212,000	1,212,000	1,212,000	1,212,000	1,212,000	1,212,000	1,212,000
2009-2010	3,282,000	3,282,000	3,282,000	3,282,000	3,282,000	3,282,000	3,282,000	3,282,000	3,282,000
2010-2011	1,826,000	1,826,000	1,826,000	1,826,000	1,826,000	1,826,000	1,826,000	1,826,000	1,826,000
2011-2012	1,917,000	1,917,000	1,917,000	1,917,000	1,917,000	1,917,000	1,917,000	1,917,000	1,917,000
2012-2013	1,882,000	1,882,000	1,882,000	1,882,000	1,882,000	1,882,000	1,882,000	1,882,000	1,882,000
2013-2014	2,211,000	2,211,000	2,211,000	2,211,000	2,211,000	2,211,000	2,211,000	2,211,000	2,211,000
2014-2015	4,206,000	4,206,000	4,206,000	4,206,000	4,206,000	4,206,000	4,206,000	4,206,000	4,206,000
2015-2016	3,233,000	3,249,000	3,233,000	3,249,000	3,217,000	3,217,000	3,217,000	3,217,000	3,217,000
2016-2017	3,085,000	2,944,000	3,086,000	2,946,000	3,086,000	3,086,000	3,086,000	3,124,000	3,150,000
2017-2018	5,275,000	5,357,000	5,275,000	5,350,000	5,275,000	5,275,000	5,275,000	5,318,000	5,346,000
2018-2019	5,213,000	5,095,000	5,145,000	4,917,000	3,530,000	5,065,000	5,065,000	5,219,000	5,322,000
2019-2020	4,714,000	4,373,000	4,692,000	4,420,000	4,223,000	4,556,000	4,556,000	4,879,000	5,095,000
2020-2021	2,699,000	2,950,000	3,070,000	3,877,000	5,160,000	3,473,000	3,473,000	3,903,000	4,190,000
2021-2022	5,858,000	5,854,000	5,524,000	5,396,000	6,359,000	5,500,000	5,500,000	6,443,000	7,074,000
2022-2023	7,893,000	6,066,000	6,386,000	6,227,000	7,856,000	6,306,000	6,306,000	7,804,000	8,805,000
2023-2024	11,482,000	0	7,115,000	7,088,000	9,675,000	7,095,000	7,095,000	8,944,000	10,179,000
Totals						\$89,794,000	\$87,709,000	\$92,989,000	\$96,515,000
								Projected Losses for the Year 2023-2024 (H)	
								Projected Losses for the Year 2024-2025 (I)	

Notes:

- (A) From Appendix A, Page 1, Column (G).
- (B) From Appendix B, Page 1, Column (G).
- (C) From Appendix C, Page 1, Column (G).
- (D) From Appendix C, Page 2, Column (G).
- (E) From Appendix D, Page 1, Column (C).
- (F) Selected averages of (A), (B), (C), (D), and (E).
- (G1) - (G3) (F) excluding quota share, where applicable, at Expected, 80% CL and 90% CL.
- (H) From Exhibit 5, Page 1, Line (K).
- (I) From Exhibit 5, Page 1, Line (K).

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

ERMA - Employment Practices Liability

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

Accident Year	Reported Loss Development Method (A)	Paid Loss Development Method (B)	Exposure Method Based on Reported Losses (C)	Exposure Method Based on Paid Losses (D)	Frequency-Severity Method (E)	Selected Ultimate SIR Losses (F)
Prior	\$8,341,000	\$8,341,000	\$0	\$0	\$8,341,000	\$8,341,000
2003-2004	1,973,000	1,973,000	1,973,000	1,973,000	1,973,000	1,973,000
2004-2005	6,417,000	6,417,000	6,417,000	6,417,000	6,417,000	6,417,000
2005-2006	3,616,000	3,616,000	3,616,000	3,616,000	3,616,000	3,616,000
2006-2007	5,811,000	5,811,000	5,811,000	5,811,000	5,811,000	5,811,000
2007-2008	3,528,000	3,528,000	3,528,000	3,528,000	3,528,000	3,528,000
2008-2009	1,212,000	1,212,000	1,212,000	1,212,000	1,212,000	1,212,000
2009-2010	3,282,000	3,282,000	3,282,000	3,282,000	3,282,000	3,282,000
2010-2011	1,826,000	1,826,000	1,826,000	1,826,000	1,826,000	1,826,000
2011-2012	1,917,000	1,917,000	1,917,000	1,917,000	1,917,000	1,917,000
2012-2013	1,882,000	1,882,000	1,882,000	1,882,000	1,882,000	1,882,000
2013-2014	2,211,000	2,211,000	2,211,000	2,211,000	2,211,000	2,211,000
2014-2015	4,206,000	4,206,000	4,206,000	4,206,000	4,206,000	4,206,000
2015-2016	3,233,000	3,249,000	3,233,000	3,249,000	3,217,000	3,217,000
2016-2017	3,085,000	2,944,000	3,086,000	2,946,000	3,086,000	3,086,000
2017-2018	5,275,000	5,357,000	5,275,000	5,350,000	5,275,000	5,275,000
2018-2019	5,213,000	5,095,000	5,145,000	4,917,000	3,530,000	5,065,000
2019-2020	4,714,000	4,373,000	4,692,000	4,420,000	4,223,000	4,556,000
2020-2021	2,699,000	2,950,000	3,070,000	3,877,000	5,160,000	3,473,000
2021-2022	5,858,000	5,854,000	5,524,000	5,396,000	6,359,000	5,500,000
2022-2023	7,893,000	6,066,000	6,386,000	6,227,000	7,856,000	6,306,000
2023-2024	11,482,000	0	7,115,000	7,088,000	9,675,000	7,095,000
Totals						\$89,794,000
						Projected Losses for the Year 2023-2024 (G) \$7,095,000
						Projected Losses for the Year 2024-2025 (H) 7,670,000

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)
Prior	\$0	4.142	\$0	\$0	0.000
2003-2004	1,973,000	3.871	7,638,000	15,232,457	0.501
2004-2005	6,417,000	3.618	23,216,000	14,741,518	1.575
2005-2006	3,616,000	3.381	12,226,000	14,975,929	0.816
2006-2007	5,811,000	3.160	18,363,000	16,773,447	1.095
2007-2008	3,528,000	2.953	10,419,000	18,330,644	0.568
2008-2009	1,212,000	2.760	3,345,000	17,974,506	0.186
2009-2010	3,282,000	2.580	8,467,000	15,811,784	0.535
2010-2011	1,826,000	2.411	4,402,000	14,626,769	0.301
2011-2012	1,917,000	2.253	4,319,000	14,154,631	0.305
2012-2013	1,882,000	2.105	3,962,000	13,565,963	0.292
2013-2014	2,211,000	1.967	4,348,000	13,878,360	0.313
2014-2015	4,206,000	1.838	7,731,000	14,362,579	0.538
2015-2016	3,217,000	1.718	5,527,000	14,838,630	0.372
2016-2017	3,086,000	1.606	4,956,000	16,142,913	0.307
2017-2018	5,275,000	1.500	7,913,000	16,186,965	0.489
2018-2019	5,065,000	1.402	7,102,000	16,461,313	0.431
2019-2020	4,556,000	1.311	5,973,000	16,933,715	0.353
2020-2021	3,473,000	1.225	4,255,000	16,763,541	0.254
2021-2022	5,500,000	1.145	6,297,000	17,300,720	0.364
2022-2023	6,306,000	1.070	6,748,000	19,055,696	0.354
2023-2024	7,095,000	1.000	7,095,000	20,250,810	0.350
Totals	\$81,454,000		\$164,300,000	\$338,362,890	\$0.486
17/18-21/22	23,869,000		31,539,000	83,646,254	0.377
20/21-22/23	15,279,000		17,300,000	53,120,000	0.326

(F) Selected SIR Rate: \$0.350  
Prior: \$0.345

Program Year:	2023-2024	2024-2025
(G) Factor to SIR:	1.000	1.000
(H) Trend Factor:	1.000	1.070
(I) Program Rate:	\$0.350	\$0.375
(J) Trended Payroll (\$00):	20,250,810	20,453,000
(K) Projected Program Losses:	7,095,000	7,670,000
(L) Projected ULAE:	0	0
(M) Projected Loss and ULAE:	\$7,095,000	\$7,670,000

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) x (B).
- (D) Appendix L, Column (C).
- (E) (C) / (D).
- (F) Selected based on (E).
- (G) Based on a Burr distribution, a mathematical model of claims sizes. 2023-2024 is (K) / (A).
- (H) From Appendix E.
- (I) (F) x (G) x (H). 2023-2024 is (K) / (J).
- (J) Appendix L, Column (C).
- (K) (I) x (J). 2023-2024 is from Exhibit 4, Page 1.
- (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 12/31/23 (B)	Reported Loss Development Factor (C)	Ultimate SIR Losses (D)	Program Reported Losses as of 12/31/23 (E)	Reported Loss Development Factor (F)	Ultimate Program Losses (G)
Prior	\$8,340,523	1.000	\$8,340,523	\$8,340,523	1.000	\$8,340,523
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	1.000	1,825,609	1,825,609	1.000	1,825,609
2011-2012	1,916,982	1.000	1,916,982	1,916,982	1.000	1,916,982
2012-2013	1,882,270	1.000	1,882,270	1,882,270	1.000	1,882,270
2013-2014	2,210,525	1.000	2,210,525	2,210,525	1.000	2,210,525
2014-2015	4,206,344	1.000	4,206,344	4,206,344	1.000	4,206,344
2015-2016	3,217,101	1.005	3,233,187	3,217,101	1.005	3,233,187
2016-2017	3,039,815	1.015	3,085,412	3,039,815	1.015	3,085,412
2017-2018	5,121,640	1.030	5,275,289	5,121,640	1.030	5,275,289
2018-2019	4,890,311	1.066	5,213,072	4,890,311	1.066	5,213,072
2019-2020	4,171,658	1.130	4,713,974	4,171,658	1.130	4,713,974
2020-2021	2,221,231	1.215	2,698,796	2,221,231	1.215	2,698,796
2021-2022	2,410,905	2.430	5,858,499	2,410,905	2.430	5,858,499
2022-2023	721,825	10.935	7,893,156	721,825	10.935	7,893,156
2023-2024	70,000	164.025	11,481,750	70,000	164.025	11,481,750
Totals	\$72,085,777		\$95,674,425	\$72,085,777		\$95,674,425

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

Accident Year	SIR Losses Reported as of:										
	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months
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	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	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	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	1,873,386	1,878,240	1,878,240	1,882,270
2013-2014		31,256	1,896,999	2,258,871	2,322,259	2,216,337	2,208,703	2,210,525	2,210,525	2,210,525	2,210,525
2014-2015		1,017,660	1,717,773	3,279,690	3,503,582	3,555,273	4,089,861	4,087,591	4,233,563	4,206,344	
2015-2016		729,306	1,810,500	3,280,526	3,062,405	3,212,405	3,217,101	3,217,101	3,217,101		
2016-2017		289,949	1,410,040	2,598,638	2,700,606	3,027,979	2,924,815	3,039,815			
2017-2018		435,405	3,386,073	3,833,856	4,128,295	4,382,683	5,121,640				
2018-2019	45,000	704,379	2,302,969	3,320,821	4,263,785	4,890,311					
2019-2020	30,000	1,056,327	1,645,192	4,141,858	4,171,658						
2020-2021	140,000	402,990	731,355	2,221,231							
2021-2022	60,000	239,745	2,410,905								
2022-2023	20,000	721,825									
2023-2024	70,000										

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
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	1.000
2009-2010	4.251	2.894	1.504	0.989	1.207	1.044	1.078	0.952	1.000	1.000	1.000
2010-2011	9.199	1.457	1.541	1.281	1.200	1.169	0.965	1.000	1.000	1.000	1.000
2011-2012		20.689	2.246	1.070	0.957	1.000	1.000	1.000	1.000	1.000	1.000
2012-2013		4.414	1.622	0.948	1.066	0.965	0.983	1.003	1.000	1.002	1.000
2013-2014		60.692	1.191	1.028	0.954	0.997	1.001	1.000	1.000	1.000	
2014-2015		1.688	1.909	1.068	1.015	1.150	0.999	1.036	0.994		
2015-2016		2.482	1.812	0.934	1.049	1.001	1.000	1.000			
2016-2017		4.863	1.843	1.039	1.121	0.966	1.039				
2017-2018		7.777	1.132	1.077	1.062	1.169					
2018-2019	15.653	3.270	1.442	1.284	1.147						
2019-2020	35.211	1.557	2.518	1.007							
2020-2021	2.879	1.815	3.037								
2021-2022	3.996	10.056									
2022-2023	36.091										

	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	13.128	7.549	1.638	1.071	1.036	1.030	1.012	1.000	1.000	0.999	1.000
Dollar-Weighted Averages	15.495	2.967	1.470	1.083	1.034	1.030	1.015				
3-yr	6.203	2.818	2.069	1.112	1.109	1.060	1.011	1.015	0.997	1.001	1.000
4-yr	9.684	2.950	1.676	1.099	1.096	1.083	1.009	1.013	0.997	1.001	1.000
Comparative Factors	3.166	1.361	1.046	1.006	1.004	1.004	1.004	1.004	1.004	1.004	1.003
Prior	15.000	4.500	1.700	1.075	1.050	1.035	1.015	1.010	1.005	1.000	1.000
Selected	15.000	4.500	2.000	1.075	1.060	1.035	1.015	1.010	1.005	1.000	1.000
Cumulated	164.025	10.935	2.430	1.215	1.130	1.066	1.030	1.015	1.005	1.000	1.000

ERMA - Employment Practices Liability  
Reported Loss Development

Accident Year	SIR Losses Reported as of:										
	138 Months	150 Months	162 Months	174 Months	186 Months	198 Months	210 Months	222 Months	234 Months	246 Months	258 Months
2002-2003	2,992,869	2,992,869	2,992,869	2,992,869	2,992,869	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	1,973,193	1,973,193	1,973,193	1,973,193	1,973,193	2,992,869
2004-2005	6,416,832	6,416,832	6,416,832	6,416,832	6,416,832	6,416,832	6,416,832	6,416,832	6,416,832	6,416,832	
2005-2006	3,616,204	3,616,204	3,616,204	3,616,204	3,616,204	3,616,204	3,616,204	3,616,204	3,616,204		
2006-2007	5,810,921	5,810,921	5,810,921	5,810,921	5,810,921	5,810,921	5,810,921	5,810,921			
2007-2008	3,528,296	3,528,296	3,528,296	3,528,296	3,528,296	3,528,296	3,528,296				
2008-2009	1,211,783	1,211,783	1,211,783	1,211,783	1,211,783						
2009-2010	3,281,809	3,281,809		3,281,809							
2010-2011	1,825,609	1,825,609	1,825,609								
2011-2012	1,916,982	1,916,982									
2012-2013	1,882,270										
2013-2014											
2014-2015											
2015-2016											
2016-2017											
2017-2018											
2018-2019											
2019-2020											
2020-2021											
2021-2022											
2022-2023											
2023-2024											

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	234-246 Months	246-258 Months	258-Ult. Months
2002-2003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2003-2004	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2004-2005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000			
2005-2006	1.000	1.000	1.000	1.000	1.000	1.000	1.000				
2006-2007	1.000	1.000	1.000	1.000	1.000	1.000					
2007-2008	1.000	1.000	1.000	1.000	1.000						
2008-2009	1.000	1.000	1.000	1.000							
2009-2010	1.000	1.000	1.000								
2010-2011	1.000	1.000									
2011-2012	1.000										
2012-2013											
2013-2014											
2014-2015											
2015-2016											
2016-2017											
2017-2018											
2018-2019											
2019-2020											
2020-2021											
2021-2022											
2022-2023											
Average Dollar-Weighted Averages	1.000	1.000	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	1.000	1.000			
4-yr	1.000	1.000	1.000	1.000	1.000	1.000	1.000				
Comparative Factors	1.003	1.003	1.002	1.002	1.002	1.002	1.002	1.001	1.001	1.001	1.005
Prior	1.000	1.000	1.000	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	1.000	1.000
Cumulated	1.000	1.000	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 12/31/23 (B)	Paid Loss Development Factor (C)	Ultimate SIR Losses (D)	Program Paid Losses as of 12/31/23 (E)	Paid Loss Development Factor (F)	Ultimate Program Losses (G)
Prior	\$8,340,523	1.000	\$8,340,523	\$8,340,523	1.000	\$8,340,523
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	1.000	1,825,609	1,825,609	1.000	1,825,609
2011-2012	1,916,982	1.000	1,916,982	1,916,982	1.000	1,916,982
2012-2013	1,882,270	1.000	1,882,270	1,882,270	1.000	1,882,270
2013-2014	2,210,525	1.000	2,210,525	2,210,525	1.000	2,210,525
2014-2015	4,206,344	1.000	4,206,344	4,206,344	1.000	4,206,344
2015-2016	3,217,101	1.010	3,249,272	3,217,101	1.010	3,249,272
2016-2017	2,872,048	1.025	2,943,849	2,872,048	1.025	2,943,849
2017-2018	5,048,615	1.061	5,356,581	5,048,615	1.061	5,356,581
2018-2019	4,175,867	1.220	5,094,558	4,175,867	1.220	5,094,558
2019-2020	2,986,868	1.464	4,372,775	2,986,868	1.464	4,372,775
2020-2021	1,465,388	2.013	2,949,826	1,465,388	2.013	2,949,826
2021-2022	1,038,616	5.636	5,853,640	1,038,616	5.636	5,853,640
2022-2023	82,790	73.268	6,065,858	82,790	73.268	6,065,858
2023-2024	0	3,663.400	0	0	3,663.400	0
Totals	\$67,108,584		\$82,107,649	\$67,108,584		\$82,107,649

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
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	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	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	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	1,873,386	1,878,240	1,878,240	1,882,270
2013-2014			233,903	1,250,117	1,943,037	2,207,951	2,208,703	2,210,525	2,210,525	2,210,525	2,210,525
2014-2015		75,635	637,301	1,928,300	2,988,416	3,382,117	4,047,266	4,047,591	4,142,572	4,206,344	
2015-2016		37,637	817,393	2,743,234	3,037,405	3,090,585	3,217,101	3,217,101	3,217,101		
2016-2017		12,475	507,081	1,730,492	1,972,985	2,160,608	2,741,839	2,872,048			
2017-2018		10,405	1,216,325	3,270,703	3,557,679	4,060,187	5,048,615				
2018-2019		222,641	974,052	1,690,975	2,202,076	4,175,867					
2019-2020		237,639	1,216,451	2,203,488	2,986,868						
2020-2021		167,897	509,233	1,465,388							
2021-2022		85,995	1,038,616								
2022-2023		82,790									
2023-2024											

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
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	1.000
2009-2010	2.608	75.452	1.536	1.611	1.160	1.328	1.111	1.001	1.000	1.000	1.000
2010-2011		3.825	1.903	2.212	1.077	1.353	1.000	1.000	1.000	1.000	1.000
2011-2012		6.369	6.188	1.285	1.072	1.000	1.000	1.000	1.000	1.000	1.000
2012-2013		890.354	3.175	1.332	1.036	1.011	1.013	1.003	1.000	1.002	1.000
2013-2014			5.345	1.554	1.136	1.000	1.001	1.000	1.000	1.000	
2014-2015		8.426	3.026	1.550	1.132	1.197	1.000	1.023	1.015		
2015-2016		21.718	3.356	1.107	1.018	1.041	1.000	1.000			
2016-2017		40.648	3.413	1.140	1.095	1.269	1.047				
2017-2018		116.898	2.689	1.088	1.141	1.243					
2018-2019		4.375	1.736	1.302	1.896						
2019-2020		5.119	1.811	1.356							
2020-2021		3.033	2.878								
2021-2022		12.078									
2022-2023											

	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	2.608	67.631	2.554	1.358	1.136	1.100	1.017	1.008	1.002	0.999	1.000
Dollar-Weighted Averages	1,007.083	5.084	2.068	1.278	1.138	1.089	1.017				
3-yr		5.624	1.985	1.221	1.344	1.182	1.013	1.010	1.008	1.001	1.000
4-yr		5.235	2.204	1.205	1.252	1.186	1.011	1.009	1.006	1.001	1.000
Comparative Factors	4.739	2.203	1.449	1.153	1.049	1.019	1.015	1.013	1.010	1.008	1.007
Prior	50.000	13.500	3.000	1.400	1.100	1.085	1.020	1.010	1.005	1.000	1.000
Selected	50.000	13.000	2.800	1.375	1.200	1.150	1.035	1.015	1.010	1.000	1.000
Cumulated	3,663.400	73.268	5.636	2.013	1.464	1.220	1.061	1.025	1.010	1.000	1.000

ERMA - Employment Practices Liability  
Paid Loss Development

Accident Year	<u>SIR Losses Paid as of:</u>										
	138 Months	150 Months	162 Months	174 Months	186 Months	198 Months	210 Months	222 Months	234 Months	246 Months	258 Months
2002-2003	2,992,869	2,992,869	2,992,869	2,992,869	2,992,869	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	1,973,193	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	6,416,832	6,416,832	6,416,832	6,416,832	6,416,832	6,416,832	6,416,832
2005-2006	3,616,204	3,616,204	3,616,204	3,616,204	3,616,204	3,616,204	3,616,204	3,616,204	3,616,204		
2006-2007	5,810,921	5,810,921	5,810,921	5,810,921	5,810,921	5,810,921	5,810,921	5,810,921			
2007-2008	3,528,296	3,528,296	3,528,296	3,528,296	3,528,296	3,528,296	3,528,296				
2008-2009	1,211,783	1,211,783	1,211,783	1,211,783	1,211,783						
2009-2010	3,281,809	3,281,809									
2010-2011	1,825,609	1,825,609	1,825,609								
2011-2012	1,916,982	1,916,982									
2012-2013	1,882,270										
2013-2014											
2014-2015											
2015-2016											
2016-2017											
2017-2018											
2018-2019											
2019-2020											
2020-2021											
2021-2022											
2022-2023											
2023-2024											

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	234-246 Months	246-258 Months	258-Ult. Months
2002-2003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2003-2004	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2004-2005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000			
2005-2006	1.000	1.000	1.000	1.000	1.000	1.000	1.000				
2006-2007	1.000	1.000	1.000	1.000	1.000	1.000					
2007-2008	1.000	1.000	1.000	1.000	1.000						
2008-2009	1.000	1.000	1.000	1.000							
2009-2010	1.000	1.000	1.000								
2010-2011	1.000	1.000									
2011-2012	1.000										
2012-2013											
2013-2014											
2014-2015											
2015-2016											
2016-2017											
2017-2018											
2018-2019											
2019-2020											
2020-2021											
2021-2022											
2022-2023											
Average Dollar-Weighted Averages	1.000	1.000	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	1.000	1.000			
4-yr	1.000	1.000	1.000	1.000	1.000	1.000	1.000				
Comparative Factors	1.006	1.005	1.004	1.004	1.003	1.002	1.002	1.002	1.002	1.001	1.003
Prior	1.000	1.000	1.000	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	1.000	1.000
Cumulated	1.000	1.000	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 12/31/23 (B)	Reported 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)
Prior	0		1.000	0.000	0.085	0	
2003-2004	15,232,457	1,973,193	1.000	0.000	0.130	0	1,973,193
2004-2005	14,741,518	6,416,832	1.000	0.000	0.435	0	6,416,832
2005-2006	14,975,929	3,616,204	1.000	0.000	0.241	0	3,616,204
2006-2007	16,773,447	5,810,921	1.000	0.000	0.346	0	5,810,921
2007-2008	18,330,644	3,528,296	1.000	0.000	0.192	0	3,528,296
2008-2009	17,974,506	1,211,783	1.000	0.000	0.067	0	1,211,783
2009-2010	15,811,784	3,281,809	1.000	0.000	0.208	0	3,281,809
2010-2011	14,626,769	1,825,609	1.000	0.000	0.125	0	1,825,609
2011-2012	14,154,631	1,916,982	1.000	0.000	0.135	0	1,916,982
2012-2013	13,565,963	1,882,270	1.000	0.000	0.139	0	1,882,270
2013-2014	13,878,360	2,210,525	1.000	0.000	0.159	0	2,210,525
2014-2015	14,362,579	4,206,344	1.000	0.000	0.293	0	4,206,344
2015-2016	14,838,630	3,217,101	1.005	0.005	0.217	16,100	3,233,201
2016-2017	16,142,913	3,039,815	1.015	0.015	0.190	46,007	3,085,822
2017-2018	16,186,965	5,121,640	1.030	0.029	0.327	153,501	5,275,141
2018-2019	16,461,313	4,890,311	1.066	0.062	0.250	255,150	5,145,461
2019-2020	16,933,715	4,171,658	1.130	0.115	0.267	519,950	4,691,608
2020-2021	16,763,541	2,221,231	1.215	0.177	0.286	848,604	3,069,835
2021-2022	17,300,720	2,410,905	2.430	0.588	0.306	3,112,884	5,523,789
2022-2023	19,055,696	721,825	10.935	0.909	0.327	5,664,172	6,385,997
2023-2024	20,250,810	70,000	164.025	0.994	0.350	7,045,257	7,115,257
Totals	338,362,890	\$63,745,254				\$17,661,625	\$81,406,879

Notes:

- (A) 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 12/31/23 (B)	Paid Loss Development Factor (C)	Percentage of Losses Yet to Be Paid (D)	Program Rate (E)	Incurred but not Paid (F)	Ultimate Program Losses (G)
Prior	0		1.000	0.000	0.085	0	
2003-2004	15,232,457	1,973,193	1.000	0.000	0.130	0	1,973,193
2004-2005	14,741,518	6,416,832	1.000	0.000	0.435	0	6,416,832
2005-2006	14,975,929	3,616,204	1.000	0.000	0.241	0	3,616,204
2006-2007	16,773,447	5,810,921	1.000	0.000	0.346	0	5,810,921
2007-2008	18,330,644	3,528,296	1.000	0.000	0.192	0	3,528,296
2008-2009	17,974,506	1,211,783	1.000	0.000	0.067	0	1,211,783
2009-2010	15,811,784	3,281,809	1.000	0.000	0.208	0	3,281,809
2010-2011	14,626,769	1,825,609	1.000	0.000	0.125	0	1,825,609
2011-2012	14,154,631	1,916,982	1.000	0.000	0.135	0	1,916,982
2012-2013	13,565,963	1,882,270	1.000	0.000	0.139	0	1,882,270
2013-2014	13,878,360	2,210,525	1.000	0.000	0.159	0	2,210,525
2014-2015	14,362,579	4,206,344	1.000	0.000	0.293	0	4,206,344
2015-2016	14,838,630	3,217,101	1.010	0.010	0.217	32,200	3,249,301
2016-2017	16,142,913	2,872,048	1.025	0.024	0.190	73,612	2,945,660
2017-2018	16,186,965	5,048,615	1.061	0.057	0.327	301,709	5,350,324
2018-2019	16,461,313	4,175,867	1.220	0.180	0.250	740,759	4,916,626
2019-2020	16,933,715	2,986,868	1.464	0.317	0.267	1,433,253	4,420,121
2020-2021	16,763,541	1,465,388	2.013	0.503	0.286	2,411,569	3,876,957
2021-2022	17,300,720	1,038,616	5.636	0.823	0.306	4,356,979	5,395,595
2022-2023	19,055,696	82,790	73.268	0.986	0.327	6,143,976	6,226,766
2023-2024	20,250,810		3,663.400	1.000	0.350	7,087,784	7,087,784
Totals	338,362,890	\$58,768,061				\$22,581,839	\$81,349,900

Notes:

- (A) 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)
Prior	0		4.142			0.085	1.000	0.085
2003-2004	15,232,457	1,973,193	3.871	7,638,230	0.501	0.130	1.000	0.130
2004-2005	14,741,518	6,416,832	3.618	23,216,098	1.575	0.435	1.000	0.435
2005-2006	14,975,929	3,616,204	3.381	12,226,386	0.816	0.241	1.000	0.241
2006-2007	16,773,447	5,810,921	3.160	18,362,510	1.095	0.346	1.000	0.346
2007-2008	18,330,644	3,528,296	2.953	10,419,058	0.568	0.192	1.000	0.192
2008-2009	17,974,506	1,211,783	2.760	3,344,521	0.186	0.067	1.000	0.067
2009-2010	15,811,784	3,281,809	2.580	8,467,067	0.535	0.208	1.000	0.208
2010-2011	14,626,769	1,825,609	2.411	4,401,543	0.301	0.125	1.000	0.125
2011-2012	14,154,631	1,916,982	2.253	4,318,960	0.305	0.135	1.000	0.135
2012-2013	13,565,963	1,882,270	2.105	3,962,178	0.292	0.139	1.000	0.139
2013-2014	13,878,360	2,210,525	1.967	4,348,103	0.313	0.159	1.000	0.159
2014-2015	14,362,579	4,206,344	1.838	7,731,260	0.538	0.293	1.000	0.293
2015-2016	14,838,630	3,217,101	1.718	5,526,980	0.372	0.217	1.000	0.217
2016-2017	16,142,913	3,064,178	1.606	4,921,070	0.305	0.190	1.000	0.190
2017-2018	16,186,965	5,287,483	1.500	7,931,225	0.490	0.327	1.000	0.327
2018-2019	16,461,313	5,195,295	1.402	7,283,804	0.442	0.250	1.000	0.250
2019-2020	16,933,715	4,662,794	1.311	6,112,923	0.361	0.267	1.000	0.267
2020-2021	16,763,541	2,736,451	1.225	3,352,152	0.200	0.286	1.000	0.286
2021-2022	17,300,720	5,856,070	1.145	6,705,200	0.388	0.306	1.000	0.306
2022-2023	19,055,696	6,979,508	1.070	7,468,074	0.392	0.327	1.000	0.327
2023-2024	20,250,810	7,204,621	1.000	7,204,621	0.356	0.350	1.000	0.350
Total/Avg	338,362,890	\$82,084,269		\$164,941,963	\$0.487			
16/17-20/21	82,488,447	20,946,201		29,601,173	0.359			
20/21-22/23	53,119,957	15,572,029		17,525,426	0.330			
				Selected SIR Rate:	\$0.350			
				Prior:	\$0.325			

Notes:

- (A) 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 2017-2018 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)
Prior	\$154,454	54	\$8,340,516
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	134,448	14	1,882,272
2013-2014	184,210	12	2,210,520
2014-2015	247,432	17	4,206,344
2015-2016	178,728	18	3,217,104
2016-2017	134,157	23	3,085,611
2017-2018	251,201	21	5,275,221
2018-2019	176,519	20	3,530,380
2019-2020	183,604	23	4,222,892
2020-2021	191,111	27	5,159,997
2021-2022	198,706	32	6,358,592
2022-2023	206,731	38	7,855,778
2023-2024	215,000	45	9,675,000
Total		502	\$94,601,869

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)
Prior	\$8,340,523	54	\$154,454	2.281	\$352,310	\$154,454	1.000	\$154,454
2003-2004	1,973,193	13	151,784	2.193	332,862	151,784	1.000	151,784
2004-2005	6,416,832	21	305,563	2.108	644,127	305,563	1.000	305,563
2005-2006	3,616,204	18	200,900	2.028	407,425	200,900	1.000	200,900
2006-2007	5,810,921	24	242,122	1.949	471,896	242,122	1.000	242,122
2007-2008	3,528,296	28	126,011	1.875	236,271	126,011	1.000	126,011
2008-2009	1,211,783	12	100,982	1.803	182,071	100,982	1.000	100,982
2009-2010	3,281,809	21	156,277	1.733	270,828	156,277	1.000	156,277
2010-2011	1,825,609	12	152,134	1.667	253,607	152,134	1.000	152,134
2011-2012	1,916,982	9	212,998	1.603	341,436	212,998	1.000	212,998
2012-2013	1,882,270	14	134,448	1.541	207,184	134,448	1.000	134,448
2013-2014	2,210,525	12	184,210	1.482	272,999	184,210	1.000	184,210
2014-2015	4,206,344	17	247,432	1.425	352,591	247,432	1.000	247,432
2015-2016	3,217,101	18	178,728	1.370	244,857	178,728	1.000	178,728
2016-2017	3,085,618	23	134,157	1.317	176,685	134,157	1.000	134,157
2017-2018	5,275,216	21	251,201	1.267	318,272	251,201	1.000	251,201
2018-2019	5,065,369	20	253,268	1.218	308,480	176,519	1.000	176,519
2019-2020	4,555,865	23	198,081	1.171	231,953	183,604	1.000	183,604
2020-2021	3,473,397	27	128,644	1.125	144,725	191,111	1.000	191,111
2021-2022	5,499,573	32	171,862	1.082	185,955	198,706	1.000	198,706
2022-2023	6,306,382	38	165,957	1.040	172,595	206,731	1.000	206,731
2023-2024	7,094,652	45	157,659	1.000	157,659	215,000	1.000	215,000

Average SIR Severity: \$284,854  
 Average 17/18-21/22 SIR Severity: 237,877  
 Average 18/19-22/23 SIR Severity: 208,742

Selected SIR Severity: \$215,000  
 Prior: \$225,000

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)
Prior	54	54	54	0.0		1.862	
2003-2004	13	13	13	1,523.2	0.009	1.808	0.016
2004-2005	21	21	21	1,474.2	0.014	1.755	0.025
2005-2006	18	18	18	1,497.6	0.012	1.704	0.020
2006-2007	24	24	24	1,677.3	0.014	1.654	0.023
2007-2008	28	28	28	1,833.1	0.015	1.606	0.024
2008-2009	12	12	12	1,797.5	0.007	1.559	0.011
2009-2010	21	21	21	1,581.2	0.013	1.513	0.020
2010-2011	12	12	12	1,462.7	0.008	1.469	0.012
2011-2012	9	9	9	1,415.5	0.006	1.426	0.009
2012-2013	14	14	14	1,356.6	0.010	1.385	0.014
2013-2014	12	12	12	1,387.8	0.009	1.345	0.012
2014-2015	17	17	17	1,436.3	0.012	1.306	0.016
2015-2016	18	18	18	1,483.9	0.012	1.267	0.015
2016-2017	23	22	23	1,614.3	0.014	1.231	0.017
2017-2018	21	21	21	1,618.7	0.013	1.195	0.016
2018-2019	20	18	20	1,646.1	0.012	1.160	0.014
2019-2020	23	24	23	1,693.4	0.014	1.126	0.016
2020-2021	27	24	27	1,676.4	0.016	1.093	0.017
2021-2022	32	25	32	1,730.1	0.018	1.061	0.019
2022-2023	73	0	38	1,905.6	0.020	1.030	0.021
2023-2024	107	0	45	2,025.1	0.022	1.000	0.022
Total	599	407	502	33,836.3			0.017
20/21-22/23	132	49	97	5,312.0			0.019

(H) Selected Frequency: 0.022  
Prior: 0.015

Program Year:	2023-2024	2024-2025
(I) Trend Factor:	1.000	1.030
(J) Selected Frequency:	0.022	0.023
(K) Est. Payroll (\$000,000):	2,025.1	2,045.3
(L) Ultimate Claims:	45	47

Notes:

- (A) Appendix D, Page 4, (C).
- (B) Appendix D, Page 5, (C).
- (C) Selected from (A) and (B).
- (D) Appendix L, Column (C) / 10,000.
- (E) (C) / (D).
- (F) Appendix E, Page 1, Column (F).
- (G) (E) x (F).
- (H) The selected frequency of 0.022 is based on (G).
- (I) Appendix E, Page 1, Column (F).
- (J) (H) x (I). 2023-2024 is (L) / (K).
- (K) Appendix L, Column (C) / 10,000.
- (L) (J) x (K). 2023-2024 is (C).

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 12/31/2023 (A)	Reported Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
Prior	54	1.000	54	
2003-2004	13	1.000	13	0.015
2004-2005	21	1.000	21	0.025
2005-2006	18	1.000	18	0.020
2006-2007	24	1.000	24	0.024
2007-2008	28	1.000	28	0.025
2008-2009	12	1.000	12	0.010
2009-2010	21	1.000	21	0.020
2010-2011	12	1.000	12	0.012
2011-2012	9	1.000	9	0.009
2012-2013	14	1.000	14	0.014
2013-2014	12	1.000	12	0.012
2014-2015	17	1.000	17	0.015
2015-2016	18	1.000	18	0.015
2016-2017	23	1.000	23	0.018
2017-2018	21	1.000	21	0.016
2018-2019	20	1.005	20	0.014
2019-2020	23	1.015	23	0.015
2020-2021	25	1.061	27	0.018
2021-2022	26	1.220	32	0.020
2022-2023	23	3.172	73	0.039
2023-2024	7	15.226	107	0.053
Total	441		599	0.020

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 12/31/2023 (A)	Closed Claim Development Factor (B)	Ultimate Claims (C)	Trended Claim Frequency (D)
Prior	54	1.000	54	
2003-2004	13	1.000	13	0.015
2004-2005	21	1.000	21	0.025
2005-2006	18	1.000	18	0.020
2006-2007	24	1.000	24	0.024
2007-2008	28	1.000	28	0.025
2008-2009	12	1.000	12	0.010
2009-2010	21	1.000	21	0.020
2010-2011	12	1.000	12	0.012
2011-2012	9	1.000	9	0.009
2012-2013	14	1.000	14	0.014
2013-2014	12	1.000	12	0.012
2014-2015	17	1.000	17	0.015
2015-2016	18	1.010	18	0.015
2016-2017	21	1.035	22	0.017
2017-2018	19	1.092	21	0.016
2018-2019	15	1.207	18	0.013
2019-2020	17	1.388	24	0.016
2020-2021	12	2.013	24	0.016
2021-2022	5	5.033	25	0.015
2022-2023	0	18.622	0	
2023-2024	0	372.440	0	
Total	362		407	0.014

Notes:

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

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

ERMA - Employment Practices Liability  
Reported Claim Count Development

Accident Year	Claims Reported as of:													
	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months	138 Months	150 Months	162 Months
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	24
2007-2008		14	24	25	27	27	28	28	28	28	28	28	28	28
2008-2009		8	12	12	12	12	12	12	12	12	12	12	12	12
2009-2010	2	10	20	23	21	21	21	21	21	21	21	21	21	21
2010-2011	1	7	8	11	11	12	12	12	12	12	12	12	12	12
2011-2012		2	9	10	10	9	9	9	9	9	9	9	9	9
2012-2013		4	9	11	13	13	13	13	14	14	14	14		
2013-2014		3	11	12	12	12	12	12	12	12	12			
2014-2015		4	12	15	15	15	16	17	17	17				
2015-2016		10	16	17	18	18	18	18	18					
2016-2017		5	18	25	23	23	23	23						
2017-2018		6	19	18	19	20	21							
2018-2019	2	12	19	22	21	20								
2019-2020	3	13	20	21	23									
2020-2021	5	15	17	25										
2021-2022	6	16	26											
2022-2023	2	23												
2023-2024	7													

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
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	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	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	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	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	1.000	1.000	1.000	1.000	1.000	
2011-2012		4.500	1.111	1.000	0.900	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
2012-2013		2.250	1.222	1.182	1.000	1.000	1.000	1.077	1.000	1.000	1.000			
2013-2014		3.667	1.091	1.000	1.000	1.000	1.000	1.000	1.000	1.000				
2014-2015		3.000	1.250	1.000	1.000	1.067	1.063	1.000	1.000					
2015-2016		1.600	1.063	1.059	1.000	1.000	1.000	1.000						
2016-2017		3.600	1.389	0.920	1.000	1.000	1.000							
2017-2018		3.167	0.947	1.056	1.053	1.050								
2018-2019	6.000	1.583	1.158	0.955	0.952									
2019-2020	4.333	1.538	1.050	1.095										
2020-2021	3.000	1.133	1.471											
2021-2022	2.667	1.625												
2022-2023	11.500													
Average Claim-Weighted Averages	5.278	2.606	1.143	1.017	1.000	1.013	1.007	1.006	1.000	1.000	1.000	1.000	1.000	1.000
3-yr	4.154	1.432	1.214	1.033	1.000	1.016	1.018	1.000	1.000	1.000	1.000	1.000	1.000	1.000
4-yr	4.188	1.464	1.147	1.000	1.000	1.026	1.014	1.017	1.000	1.000	1.000	1.000	1.000	1.000
Comparative Factors	2.659	1.141	1.013	1.008	1.005	1.004	1.003	1.003	1.003	1.003	1.003	1.003	1.003	1.003
Prior	5.000	2.750	1.150	1.045	1.010	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	4.800	2.600	1.150	1.045	1.010	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulated	15.226	3.172	1.220	1.061	1.015	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000



ERMA - Employment Practices Liability  
Closed Claim Development

Accident Year	Claims Closed as of:													
	6 Months	18 Months	30 Months	42 Months	54 Months	66 Months	78 Months	90 Months	102 Months	114 Months	126 Months	138 Months	150 Months	162 Months
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	24
2007-2008		5	9	19	24	24	27	27	28	28	28	28	28	28
2008-2009		1	7	7	11	12	12	12	12	12	12	12	12	12
2009-2010		2	5	10	15	16	20	20	21	21	21	21	21	21
2010-2011		1	4	6	9	10	11	12	12	12	12	12	12	12
2011-2012		1	1	4	8	9	9	9	9	9	9	9	9	9
2012-2013			4	7	11	12	12	13	14	14	14	14		
2013-2014			3	6	9	11	12	12	12	12	12			
2014-2015		1	3	7	12	13	15	16	16	17				
2015-2016			5	10	17	17	18	18	18					
2016-2017			3	14	18	20	21	21						
2017-2018		1	4	12	16	17	19							
2018-2019		1	6	11	15	15								
2019-2020			4	10	14	17								
2020-2021			4	8	12									
2021-2022			1	5										
2022-2023														
2023-2024														

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
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	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	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	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	1.000	1.000	1.000	1.000	1.000
2010-2011		4.000	1.500	1.500	1.111	1.100	1.091	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2011-2012		1.000	4.000	2.000	1.125	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
2012-2013			1.750	1.571	1.091	1.000	1.083	1.077	1.000	1.000	1.000			
2013-2014			2.000	1.500	1.222	1.091	1.000	1.000	1.000	1.000				
2014-2015		3.000	2.333	1.714	1.083	1.154	1.067	1.000	1.063					
2015-2016			2.000	1.700	1.000	1.059	1.000	1.000						
2016-2017			4.667	1.286	1.111	1.050	1.000							
2017-2018		4.000	3.000	1.333	1.063	1.118								
2018-2019		6.000	1.833	1.364	1.000									
2019-2020		2.500	1.400	1.214										
2020-2021		2.000	1.500											
2021-2022		5.000												
2022-2023														
Average Claim-Weighted Averages		3.753	2.211	1.407	1.115	1.084	1.016	1.012	1.012	1.000	1.000	1.000	1.000	1.000
3-yr		2.556	1.542	1.297	1.061	1.074	1.019	1.000	1.024	1.000	1.000	1.000	1.000	1.000
4-yr		2.900	1.750	1.294	1.045	1.090	1.015	1.017	1.020	1.000	1.000	1.000	1.000	1.000
Comparative Factors	3.699	1.523	1.094	1.036	1.017	1.008	1.007	1.006	1.005	1.005	1.005	1.005	1.005	1.005
Prior	20.000	3.700	2.600	1.500	1.150	1.105	1.055	1.025	1.010	1.000	1.000	1.000	1.000	1.000
Selected	20.000	3.700	2.500	1.450	1.150	1.105	1.055	1.025	1.010	1.000	1.000	1.000	1.000	1.000
Cumulated	372.440	18.622	5.033	2.013	1.388	1.207	1.092	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 2023-2024 Loss Rate Level (B)	Factor to 2024-2025 Loss Rate Level (C)	Factor to 2025-2026 Loss Rate Level (D)	Factor to 2026-2027 Loss Rate Level (E)	Factor to 2023-2024 Frequency Level (F)	Factor to 2024-2025 Frequency Level (G)	Factor to 2025-2026 Frequency Level (H)	Factor to 2026-2027 Frequency Level (I)	Factor to 2023-2024 Severity Level (J)
Prior	1.000	4.142	4.431	4.742	5.074	1.862	1.918	1.976	2.035	2.281
2003-2004	1.000	3.871	4.141	4.432	4.742	1.808	1.862	1.918	1.976	2.193
2004-2005	1.000	3.618	3.871	4.142	4.432	1.755	1.808	1.862	1.918	2.108
2005-2006	1.000	3.381	3.617	3.871	4.142	1.704	1.755	1.808	1.862	2.028
2006-2007	1.000	3.160	3.381	3.618	3.871	1.654	1.704	1.755	1.808	1.949
2007-2008	1.000	2.953	3.160	3.381	3.618	1.606	1.654	1.704	1.755	1.875
2008-2009	1.000	2.760	2.953	3.160	3.381	1.559	1.606	1.654	1.704	1.803
2009-2010	1.000	2.580	2.760	2.953	3.160	1.513	1.559	1.606	1.654	1.733
2010-2011	1.000	2.411	2.579	2.760	2.953	1.469	1.514	1.559	1.606	1.667
2011-2012	1.000	2.253	2.410	2.579	2.760	1.426	1.469	1.514	1.559	1.603
2012-2013	1.000	2.105	2.252	2.410	2.579	1.385	1.427	1.470	1.514	1.541
2013-2014	1.000	1.967	2.105	2.252	2.410	1.345	1.385	1.427	1.470	1.482
2014-2015	1.000	1.838	1.967	2.105	2.252	1.306	1.345	1.385	1.427	1.425
2015-2016	1.000	1.718	1.838	1.967	2.105	1.267	1.305	1.345	1.385	1.370
2016-2017	1.000	1.606	1.718	1.838	1.967	1.231	1.268	1.306	1.345	1.317
2017-2018	1.000	1.500	1.605	1.718	1.838	1.195	1.231	1.268	1.306	1.267
2018-2019	1.000	1.402	1.500	1.606	1.718	1.160	1.195	1.231	1.268	1.218
2019-2020	1.000	1.311	1.403	1.501	1.606	1.126	1.160	1.195	1.231	1.171
2020-2021	1.000	1.225	1.311	1.403	1.501	1.093	1.126	1.160	1.195	1.125
2021-2022	1.000	1.145	1.225	1.311	1.403	1.061	1.093	1.126	1.160	1.082
2022-2023	1.000	1.070	1.145	1.225	1.311	1.030	1.061	1.093	1.126	1.040
2023-2024	1.000	1.000	1.070	1.145	1.225	1.000	1.030	1.061	1.093	1.000
2024-2025	1.000	--	1.000	1.070	1.145	--	1.000	1.030	1.061	--
2025-2026	1.000	--	--	1.000	1.070	--	--	1.000	1.030	--
2026-2027	1.000	--	--	--	1.000	--	--	--	1.000	--

Notes:

- (A) No benefit level adjustment applied.
- (B) - (E) (A) adjusted for a 7.0% annual loss rate trend.
- (F) - (I) (A) adjusted for a 3.0% annual frequency trend.
- (J) (A) adjusted for a 4.0% 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)
Prior	\$8,340,523	54	1.000	154,454		
2003-2004	1,973,193	13	1.000	151,784	15,232,457	0.009
2004-2005	6,416,832	21	1.000	305,563	14,741,518	0.014
2005-2006	3,616,204	18	1.000	200,900	14,975,929	0.012
2006-2007	5,810,921	24	1.000	242,122	16,773,447	0.014
2007-2008	3,528,296	28	1.000	126,011	18,330,644	0.015
2008-2009	1,211,783	12	1.000	100,982	17,974,506	0.007
2009-2010	3,281,809	21	1.000	156,277	15,811,784	0.013
2010-2011	1,825,609	12	1.000	152,134	14,626,769	0.008
2011-2012	1,916,982	9	1.000	212,998	14,154,631	0.006
2012-2013	1,882,270	14	1.000	134,448	13,565,963	0.010
2013-2014	2,210,525	12	1.000	184,210	13,878,360	0.009
2014-2015	4,206,344	17	1.000	247,432	14,362,579	0.012
2015-2016	3,217,101	18	1.000	178,728	14,838,630	0.012
2016-2017	3,064,178	23	1.000	133,225	16,142,913	0.014
2017-2018	5,287,483	21	1.000	251,785	16,186,965	0.013
2018-2019	5,195,295	20	1.000	259,765	16,461,313	0.012
2019-2020	4,662,794	23	1.000	202,730	16,933,715	0.014
2020-2021	2,736,451	27	1.000	101,350	16,763,541	0.016
2021-2022	5,856,070	32	1.000	183,002	17,300,720	0.018
2022-2023	6,979,508	38	1.000	183,671	19,055,696	0.020

Severity Trend Factors

Frequency Trend Factors

Latest 10 x 2022-2023	0.996	1.064
Mvg 5-Yr Wtd Latest 10 x 2022-2023	1.024	1.061
Latest 5 x 2022-2023	0.854	1.104
Mvg 5-Yr Wtd Latest 5 x 2022-2023	0.981	1.049
Prior	1.040	1.030
Default	1.030	0.975

Selected Residual Trend 1.040 1.030

Notes:

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

ERMA - Employment Practices Liability

Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of</u> <u>12/31/2023</u>	<u>Calendar Period</u>	
		<u>1/1/2024</u> <u>to</u> <u>6/30/2024</u>	<u>7/1/2024</u> <u>to</u> <u>6/30/2025</u>
Prior			
Ultimate Loss	\$26,157,673	\$26,157,673	\$26,157,673
Paid in Calendar Period	-		
Paid to Date	26,157,673	26,157,673	26,157,673
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			
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	\$1,882,270	\$1,882,270	\$1,882,270
Paid in Calendar Period	-		
Paid to Date	1,882,270	1,882,270	1,882,270
Outstanding Liability			
2013-2014			
Ultimate Loss	\$2,210,525	\$2,210,525	\$2,210,525
Paid in Calendar Period	-		
Paid to Date	2,210,525	2,210,525	2,210,525
Outstanding Liability			

## ERMA - Employment Practices Liability

## Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of</u> <u>12/31/2023</u>	<u>Calendar Period</u>	
		<u>1/1/2024</u> <u>to</u> <u>6/30/2024</u>	<u>7/1/2024</u> <u>to</u> <u>6/30/2025</u>
2014-2015			
Ultimate Loss	\$4,206,344	\$4,206,344	\$4,206,344
Paid in Calendar Period	-		
Paid to Date	4,206,344	4,206,344	4,206,344
Outstanding Liability			
2015-2016			
Ultimate Loss	\$3,217,101	\$3,217,101	\$3,217,101
Paid in Calendar Period	-		
Paid to Date	3,217,101	3,217,101	3,217,101
Outstanding Liability			
2016-2017			
Ultimate Loss	\$3,085,618	\$3,085,618	\$3,085,618
Paid in Calendar Period	-	67,275	102,699
Paid to Date	2,872,048	2,939,323	3,042,022
Outstanding Liability	213,570	146,295	43,596
2017-2018			
Ultimate Loss	\$5,275,216	\$5,275,216	\$5,275,216
Paid in Calendar Period	-	64,128	96,671
Paid to Date	5,048,615	5,112,743	5,209,414
Outstanding Liability	226,601	162,473	65,802
2018-2019			
Ultimate Loss	\$5,065,369	\$5,065,369	\$5,065,369
Paid in Calendar Period	-	302,431	383,357
Paid to Date	4,175,867	4,478,298	4,861,655
Outstanding Liability	889,502	587,071	203,714
2019-2020			
Ultimate Loss	\$4,555,865	\$4,555,865	\$4,555,865
Paid in Calendar Period	-	337,334	642,928
Paid to Date	2,986,868	3,324,202	3,967,130
Outstanding Liability	1,568,997	1,231,663	588,735
2020-2021			
Ultimate Loss	\$3,473,397	\$3,473,397	\$3,473,397
Paid in Calendar Period	-	371,482	643,155
Paid to Date	1,465,388	1,836,870	2,480,025
Outstanding Liability	2,008,009	1,636,527	993,372
2021-2022			
Ultimate Loss	\$5,499,573	\$5,499,573	\$5,499,573
Paid in Calendar Period	-	865,426	1,369,897
Paid to Date	1,038,616	1,904,042	3,273,939
Outstanding Liability	4,460,957	3,595,531	2,225,634

ERMA - Employment Practices Liability

Payment and Reserve Forecast

<u>Accident Year</u>	<u>As of</u> <u>12/31/2023</u>	<u>Calendar Period</u>	
		<u>1/1/2024</u> <u>to</u> <u>6/30/2024</u>	<u>7/1/2024</u> <u>to</u> <u>6/30/2025</u>
2022-2023			
Ultimate Loss	\$6,306,382	\$6,306,382	\$6,306,382
Paid in Calendar Period	-	516,558	1,523,778
Paid to Date	82,790	599,348	2,123,126
Outstanding Liability	6,223,592	5,707,034	4,183,256
2023-2024			
Ultimate Loss	\$3,547,326	\$7,094,652	\$7,094,652
Paid in Calendar Period	-	49,663	627,004
Paid to Date	-	49,663	676,667
Outstanding Liability	3,547,326	7,044,989	6,417,985
2024-2025			
Ultimate Loss	-	-	\$7,669,875
Paid in Calendar Period	-	-	53,689
Paid to Date	-	-	53,689
Outstanding Liability	-	-	7,616,186
Totals			
Ultimate Loss	\$86,247,138	\$89,794,464	\$97,464,339
Paid in Calendar Period	-	2,574,297	5,443,178
Paid to Date	67,108,584	69,682,881	75,126,059
Outstanding Liability	19,138,554	20,111,583	22,338,280
Total Outstanding ULAE	956,928	1,005,579	1,116,914
Outstanding Liability plus ULAE	20,095,482	21,117,162	23,455,194

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 2021-2022, \$865,426 is expected to be paid between 1/1/24 and 6/30/24, \$1,904,042 will have been paid by 6/30/24, and the reserve for remaining payments on these claims should be \$3,595,531.
- Ultimate Losses for each accident year are from Exhibit 4, Page 1.
- Paid in Calendar Period is a proportion of the Outstanding Liability from the previous calendar period. These proportions are derived from the paid loss development pattern selected in Appendix B. For example,  $\$1,369,897 = \$3,595,531 \times 38.1\%$ .
- Paid to Date is Paid in Calendar Period plus Paid to Date from previous calendar period. For example,  $\$3,273,939 = \$1,369,897 + \$1,904,042$ .
- Outstanding Liability is Ultimate Loss minus Paid to Date. For example,  $\$3,595,531 = \$5,499,573 - \$1,904,042$ .

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.

Short- and Long-Term Liabilities

<u>Liabilities as of 12/31/23:</u>		<u>Expected</u>	<u>Discounted</u>
<u>Current (Short Term)</u>	Loss and ALAE:	\$5,087,459	\$5,037,335
	ULAE:	254,373	251,867
	Short-Term Loss and LAE:	<u>\$5,341,832</u>	<u>\$5,289,202</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$14,051,095	\$13,265,611
	ULAE:	702,555	663,281
	Long-Term Loss and LAE:	<u>\$14,753,650</u>	<u>\$13,928,892</u>
<u>Total Liability</u>	Loss and ALAE:	\$19,138,554	\$18,302,946
	ULAE:	956,928	915,148
	Total Loss and LAE:	<u>\$20,095,482</u>	<u>\$19,218,094</u>
<u>Liabilities as of 6/30/24:</u>			
<u>Current (Short Term)</u>	Loss and ALAE:	\$5,389,489	\$5,336,389
	ULAE:	267,306	264,672
	Short-Term Loss and LAE:	<u>\$5,656,795</u>	<u>\$5,601,061</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$14,722,094	\$13,927,126
	ULAE:	738,273	698,504
	Long-Term Loss and LAE:	<u>\$15,460,367</u>	<u>\$14,625,630</u>
<u>Total Liability</u>	Loss and ALAE:	\$20,111,583	\$19,263,515
	ULAE:	1,005,579	963,176
	Total Loss and LAE:	<u>\$21,117,162</u>	<u>\$20,226,691</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 12/31/23:</u>						
<u>Current (Short Term)</u>	Loss and ALAE:	\$5,777,823	\$6,014,578	\$6,296,669	\$6,654,320	\$7,137,904
	ULAE:	288,891	300,729	314,834	332,716	356,896
	Short-Term Loss and LAE:	<u>\$6,066,714</u>	<u>\$6,315,307</u>	<u>\$6,611,503</u>	<u>\$6,987,036</u>	<u>\$7,494,800</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$15,215,656	\$15,839,140	\$16,582,014	\$17,523,872	\$18,797,370
	ULAE:	760,784	791,957	829,101	876,194	939,869
	Long-Term Loss and LAE:	<u>\$15,976,440</u>	<u>\$16,631,097</u>	<u>\$17,411,115</u>	<u>\$18,400,066</u>	<u>\$19,737,239</u>
<u>Total Liability</u>	Loss and ALAE:	\$20,993,479	\$21,853,718	\$22,878,683	\$24,178,192	\$25,935,274
	ULAE:	1,049,675	1,092,686	1,143,935	1,208,910	1,296,765
	Total Loss and LAE:	<u>\$22,043,154</u>	<u>\$22,946,404</u>	<u>\$24,022,618</u>	<u>\$25,387,102</u>	<u>\$27,232,039</u>
<u>Liabilities as of 6/30/24:</u>						
<u>Current (Short Term)</u>	Loss and ALAE:	\$6,120,838	\$6,371,648	\$6,670,486	\$7,049,370	\$7,561,663
	ULAE:	303,579	316,018	330,840	349,632	375,040
	Short-Term Loss and LAE:	<u>\$6,424,417</u>	<u>\$6,687,666</u>	<u>\$7,001,326</u>	<u>\$7,399,002</u>	<u>\$7,936,703</u>
<u>Non-Current (Long Term)</u>	Loss and ALAE:	\$15,974,414	\$16,628,989	\$17,408,908	\$18,397,733	\$19,734,738
	ULAE:	801,184	834,014	873,130	922,724	989,780
	Long-Term Loss and LAE:	<u>\$16,775,598</u>	<u>\$17,463,003</u>	<u>\$18,282,038</u>	<u>\$19,320,457</u>	<u>\$20,724,518</u>
<u>Total Liability</u>	Loss and ALAE:	\$22,095,252	\$23,000,637	\$24,079,394	\$25,447,103	\$27,296,401
	ULAE:	1,104,763	1,150,032	1,203,970	1,272,356	1,364,820
	Total Loss and LAE:	<u>\$23,200,015</u>	<u>\$24,150,669</u>	<u>\$25,283,364</u>	<u>\$26,719,459</u>	<u>\$28,661,221</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 12/31/23 (A)	Discount Factor (B)	Discounted Reserve at 12/31/23 (C)	Full Value of Reserve at 6/30/24 (D)	Discount Factor (E)	Discounted Reserve at 6/30/24 (F)
Prior	\$0	1.000	\$0	\$0	1.000	\$0
2003-2004	0	1.000	0	0	1.000	0
2004-2005	0	1.000	0	0	1.000	0
2005-2006	0	1.000	0	0	1.000	0
2006-2007	0	1.000	0	0	1.000	0
2007-2008	0	1.000	0	0	1.000	0
2008-2009	0	1.000	0	0	1.000	0
2009-2010	0	1.000	0	0	1.000	0
2010-2011	0	1.000	0	0	1.000	0
2011-2012	0	1.000	0	0	1.000	0
2012-2013	0	1.000	0	0	1.000	0
2013-2014	0	1.000	0	0	1.000	0
2014-2015	0	0.995	0	0	1.000	0
2015-2016	0	0.987	0	0	0.990	0
2016-2017	213,570	0.982	209,763	146,295	0.984	144,008
2017-2018	226,601	0.980	222,062	162,473	0.980	159,220
2018-2019	889,502	0.978	869,955	587,071	0.980	575,308
2019-2020	1,568,997	0.973	1,526,710	1,231,663	0.976	1,202,209
2020-2021	2,008,009	0.968	1,943,690	1,636,527	0.970	1,587,450
2021-2022	4,460,957	0.962	4,292,427	3,595,531	0.966	3,473,017
2022-2023	6,223,592	0.951	5,920,926	5,707,034	0.959	5,470,285
2023-2024	3,547,326	0.935	3,317,413	7,044,989	0.944	6,652,018
Totals	\$19,138,554		\$18,302,946	\$20,111,583		\$19,263,515

(G) Discount Factor at 12/31/23 for Overall Reserve: 0.956  
 (H) Discount Factor at 6/30/24 for Overall Reserve: 0.958

Notes:

- (A) From Appendix F, Outstanding Liability at 12/31/23.
- (B) Based on Appendix H, Page 2, Column (F).
- (C) (A) x (B).
- (D) From Appendix F, Outstanding Liability at 6/30/24.
- (E) Based on Appendix H, Page 2, Column (F).
- (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 0.956, the discounted liability for outstanding claims is 95.6% 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%	2.00%	0.000	0.000	1.000
21	0.0%	2.00%	0.000	0.000	1.000
20	0.0%	2.00%	0.000	0.000	1.000
19	0.0%	2.00%	0.000	0.000	1.000
18	0.0%	2.00%	0.000	0.000	1.000
17	0.0%	2.00%	0.000	0.000	1.000
16	0.0%	2.00%	0.000	0.000	1.000
15	0.0%	2.00%	0.000	0.000	1.000
14	0.0%	2.00%	0.000	0.000	1.000
13	0.0%	2.00%	0.000	0.000	1.000
12	0.0%	2.00%	0.000	0.000	1.000
11	0.0%	2.00%	0.000	0.000	1.000
10	0.5%	2.00%	0.005	0.005	0.990
9	1.2%	2.00%	0.016	0.017	0.984
8	2.5%	2.00%	0.040	0.041	0.980
7	7.8%	2.00%	0.117	0.119	0.980
6	13.0%	2.00%	0.243	0.249	0.976
5	16.1%	2.00%	0.398	0.410	0.970
4	25.3%	2.00%	0.640	0.663	0.966
3	24.2%	2.00%	0.867	0.904	0.959
2	8.9%	2.00%	0.938	0.993	0.944
1	0.7%	2.00%	0.926	1.000	0.926
(G) Discount Factor for Future Funding:				2023-2024	0.935
				2024-2025	0.935

Notes:

- (A) This is the year of payment relative to the accident year. For example, year 7 refers to payments made in the seventh year after the inception of the accident year. We assume that payments are made at midyear.
- (B) Percent of ultimate loss paid this year. This payment pattern is based on the paid loss development pattern selected in Appendix B, Page 2.
- (C) Assumed Investment Income Rates.
- (D) Discounted Reserves at the beginning of this year is next year's Discounted Reserves discounted one year plus this year's payments discounted six months. For example, in year 2, 93.8% = [86.7% / 1.020] + [8.9% / (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%	1.986	1.585
90%	1.718	1.417
85%	1.556	1.321
80%	1.435	1.250
75%	1.338	1.194
70%	1.255	1.147
65%	1.183	1.105
60%	1.117	1.067
55%	1.057	1.033
50%	1.000	1.000
45%	0.946	0.969
40%	0.894	0.938
35%	0.841	0.908
30%	0.789	0.877
25%	0.734	0.845

To read table: For the above retention, there is a 90% chance that final loss settlements will be less than 1.718 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	0.924	0.967
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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	6/30/2003	Prior	\$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)
7/1/2020	6/30/2021	2020-2021	1,000,000	(none)
7/1/2021	6/30/2022	2021-2022	1,000,000	(none)
7/1/2022	6/30/2023	2022-2023	1,000,000	(none)
7/1/2023	6/30/2024	2023-2024	1,000,000	(none)
7/1/2024	6/30/2025	2024-2025	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 12/31/23

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)
Prior	\$8,340,523	\$0	\$0	\$8,340,523	\$0	\$0	\$8,340,523	\$0	\$8,340,523	\$8,340,523
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	1,882,270	0	0	1,882,270	0	0	1,882,270	0	1,882,270	1,882,270
2013-2014	2,210,525	0	0	2,210,525	0	0	2,210,525	0	2,210,525	2,210,525
2014-2015	4,206,344	0	0	4,206,344	0	0	4,206,344	0	4,206,344	4,206,344
2015-2016	3,217,101	0	0	3,217,101	0	0	3,217,101	0	3,217,101	3,217,101
2016-2017	3,039,815	0	0	3,039,815	0	0	3,039,815	0	3,039,815	3,039,815
2017-2018	5,121,640	0	0	5,121,640	0	0	5,121,640	0	5,121,640	5,121,640
2018-2019	4,890,311	0	0	4,890,311	0	0	4,890,311	0	4,890,311	4,890,311
2019-2020	4,171,658	0	0	4,171,658	0	0	4,171,658	0	4,171,658	4,171,658
2020-2021	2,221,231	0	0	2,221,231	0	0	2,221,231	0	2,221,231	2,221,231
2021-2022	2,410,905	0	0	2,410,905	0	0	2,410,905	0	2,410,905	2,410,905
2022-2023	721,825	0	0	721,825	0	0	721,825	0	721,825	721,825
2023-2024	70,000	0	0	70,000	0	0	70,000	0	70,000	70,000
<b>Total</b>	<b>\$72,085,777</b>	<b>\$0</b>	<b>\$0</b>	<b>\$72,085,777</b>	<b>\$0</b>	<b>\$0</b>	<b>\$72,085,777</b>	<b>\$0</b>	<b>\$72,085,777</b>	<b>\$72,085,777</b>

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 12/31/23

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)
Prior	\$8,340,523	\$0	\$0	\$8,340,523	\$0	\$0	\$8,340,523	\$0	\$8,340,523	\$8,340,523
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	1,882,270	0	0	1,882,270	0	0	1,882,270	0	1,882,270	1,882,270
2013-2014	2,210,525	0	0	2,210,525	0	0	2,210,525	0	2,210,525	2,210,525
2014-2015	4,206,344	0	0	4,206,344	0	0	4,206,344	0	4,206,344	4,206,344
2015-2016	3,217,101	0	0	3,217,101	0	0	3,217,101	0	3,217,101	3,217,101
2016-2017	2,872,048	0	0	2,872,048	0	0	2,872,048	0	2,872,048	2,872,048
2017-2018	5,048,615	0	0	5,048,615	0	0	5,048,615	0	5,048,615	5,048,615
2018-2019	4,175,867	0	0	4,175,867	0	0	4,175,867	0	4,175,867	4,175,867
2019-2020	2,986,868	0	0	2,986,868	0	0	2,986,868	0	2,986,868	2,986,868
2020-2021	1,465,388	0	0	1,465,388	0	0	1,465,388	0	1,465,388	1,465,388
2021-2022	1,038,616	0	0	1,038,616	0	0	1,038,616	0	1,038,616	1,038,616
2022-2023	82,790	0	0	82,790	0	0	82,790	0	82,790	82,790
2023-2024	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>\$67,108,584</b>	<b>\$0</b>	<b>\$0</b>	<b>\$67,108,584</b>	<b>\$0</b>	<b>\$0</b>	<b>\$67,108,584</b>	<b>\$0</b>	<b>\$67,108,584</b>	<b>\$67,108,584</b>

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 12/31/23

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)
Prior	\$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	0	0	0	0	0	0	0	0	0	0
2013-2014	0	0	0	0	0	0	0	0	0	0
2014-2015	0	0	0	0	0	0	0	0	0	0
2015-2016	0	0	0	0	0	0	0	0	0	0
2016-2017	167,766	0	0	167,766	0	0	167,766	0	167,766	167,766
2017-2018	73,025	0	0	73,025	0	0	73,025	0	73,025	73,025
2018-2019	714,444	0	0	714,444	0	0	714,444	0	714,444	714,444
2019-2020	1,184,790	0	0	1,184,790	0	0	1,184,790	0	1,184,790	1,184,790
2020-2021	755,843	0	0	755,843	0	0	755,843	0	755,843	755,843
2021-2022	1,372,290	0	0	1,372,290	0	0	1,372,290	0	1,372,290	1,372,290
2022-2023	639,035	0	0	639,035	0	0	639,035	0	639,035	639,035
2023-2024	70,000	0	0	70,000	0	0	70,000	0	70,000	70,000
<b>Total</b>	<b>\$4,977,193</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,977,193</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,977,193</b>	<b>\$0</b>	<b>\$4,977,193</b>	<b>\$4,977,193</b>

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 12/31/23

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)
Prior	54	0	0	54	54	0	0	54	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	14	0	0	14	14	0	0	14	0	0
2013-2014	12	0	0	12	12	0	0	12	0	0
2014-2015	17	0	0	17	17	0	0	17	0	0
2015-2016	18	0	0	18	18	0	0	18	0	0
2016-2017	23	0	0	23	21	0	0	21	2	2
2017-2018	21	0	0	21	19	0	0	19	2	2
2018-2019	20	0	0	20	15	0	0	15	5	5
2019-2020	23	0	0	23	17	0	0	17	6	6
2020-2021	25	0	0	25	12	0	0	12	13	13
2021-2022	26	0	0	26	5	0	0	5	21	21
2022-2023	23	0	0	23	0	0	0	0	23	23
2023-2024	7	0	0	7	0	0	0	0	7	7
<b>Total</b>	<b>441</b>	<b>0</b>	<b>0</b>	<b>441</b>	<b>362</b>	<b>0</b>	<b>0</b>	<b>362</b>	<b>79</b>	<b>79</b>

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)
Prior	0		0
2003-2004	9,299,424	1.638	15,232,457
2004-2005	9,224,980	1.598	14,741,518
2005-2006	9,606,112	1.559	14,975,929
2006-2007	11,027,907	1.521	16,773,447
2007-2008	12,352,186	1.484	18,330,644
2008-2009	12,413,333	1.448	17,974,506
2009-2010	11,190,222	1.413	15,811,784
2010-2011	10,606,794	1.379	14,626,769
2011-2012	10,523,889	1.345	14,154,631
2012-2013	10,339,911	1.312	13,565,963
2013-2014	10,842,469	1.280	13,878,360
2014-2015	11,499,263	1.249	14,362,579
2015-2016	12,172,789	1.219	14,838,630
2016-2017	13,576,882	1.189	16,142,913
2017-2018	13,954,280	1.160	16,186,965
2018-2019	14,541,796	1.132	16,461,313
2019-2020	15,338,510	1.104	16,933,715
2020-2021	15,565,033	1.077	16,763,541
2021-2022	16,461,199	1.051	17,300,720
2022-2023	18,590,923	1.025	19,055,696
2023-2024	20,250,810	1.000	20,250,810
2024-2025	20,453,000	1.000	20,453,000

## Notes:

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

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**ERMA**

**Loss Experience Through 12/31/23**

**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	
Prior	54	54	-	8,340,523	8,340,523	47	47	8,092,660	8,092,660	
2003-2004	13	13	-	1,973,193	1,973,193	14	14	1,889,282	1,889,282	
2004-2005	21	21	-	6,416,832	6,416,832	21	21	6,253,619	6,253,619	
2005-2006	18	18	-	3,616,204	3,616,204	14	14	3,441,928	3,441,928	
2006-2007	24	24	-	5,810,921	5,810,921	22	22	5,498,902	5,498,902	
2007-2008	28	28	-	3,528,296	3,528,296	26	26	3,325,117	3,325,117	
2008-2009	12	12	-	1,211,783	1,211,783	9	9	993,225	993,225	
2009-2010	21	21	-	3,281,809	3,281,809	20	20	3,646,996	3,646,996	
2010-2011	12	12	-	1,825,609	1,825,609	13	13	1,736,947	1,736,947	
2011-2012	9	9	-	1,916,982	1,916,982	11	11	1,892,260	1,892,260	
2012-2013	14	14	-	1,882,270	1,882,270	14	14	1,935,905	1,935,905	
2013-2014	12	12	-	2,210,525	2,210,525	13	13	2,111,260	2,111,260	
2014-2015	17	17	-	4,206,344	4,206,344	15	15	4,612,377	4,612,377	
2015-2016	18	18	-	3,217,101	3,217,101	20	20	3,641,172	3,641,172	
2016-2017	23	23	2	2,872,048	3,039,815	25	25	3,679,034	3,846,800	
2017-2018	21	21	2	5,048,615	5,121,640	23	23	5,672,726	5,745,751	
2018-2019	19	20	5	4,175,867	4,890,311	20	20	5,467,403	6,384,704	
2019-2020	23	23	6	2,986,868	4,171,658	24	25	3,414,970	4,678,929	
2020-2021	21	25	13	1,465,388	2,221,231	21	23	1,813,130	2,613,249	
2021-2022	16	26	21	1,038,616	2,410,905	19	25	1,181,745	2,585,250	
2022-2023	7	23	23	82,790	721,825	4	12	71,140	479,700	
2023-2024	-	7	7	-	70,000	-	1	-	25,000	
<b>Total</b>	<b>403</b>	<b>441</b>	<b>79</b>	<b>67,108,584</b>	<b>72,085,777</b>	<b>395</b>	<b>413</b>	<b>70,371,796</b>	<b>75,431,031</b>	

Year	First Dollar (to \$1M)					
	Claim Count =====>			Loss Dollars =====>		
	Total	Incurred	Open	Paid	Incurred	
Prior	198	124	-	11,427,487	11,427,487	
2003-2004	36	26	-	2,792,337	2,792,337	
2004-2005	51	39	-	7,532,219	7,532,219	
2005-2006	45	29	-	4,437,956	4,437,956	
2006-2007	57	37	-	6,828,803	6,828,803	
2007-2008	65	48	-	4,885,373	4,885,373	
2008-2009	50	30	-	1,840,744	1,840,744	
2009-2010	71	49	-	5,010,772	5,010,772	
2010-2011	51	27	-	2,540,326	2,540,326	
2011-2012	48	31	-	2,727,638	2,727,638	
2012-2013	49	29	-	2,798,891	2,798,891	
2013-2014	47	32	-	2,994,606	2,994,606	
2014-2015	54	40	-	5,720,586	5,720,586	
2015-2016	59	47	2	4,935,474	4,973,336	
2016-2017	86	78	2	5,546,434	5,714,201	
2017-2018	86	78	2	7,396,277	7,469,302	
2018-2019	94	80	6	7,173,143	8,090,444	
2019-2020	83	77	10	5,330,422	6,661,603	
2020-2021	110	108	23	3,863,407	4,953,432	
2021-2022	162	151	53	3,597,196	5,873,311	
2022-2023	143	140	105	1,356,576	4,170,281	
2023-2024	59	53	53	155,907	1,545,248	
<b>Total</b>	<b>1,704</b>	<b>1,353</b>	<b>256</b>	<b>100,892,575</b>	<b>110,988,895</b>	

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**ERMA  
Loss Experience Through 12/31/23**

**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	7,295,541	7,750,879	3,832,044	4,108,890	135	101	22
CalTIP	264,212	411,135	150,741	270,741	5	4	2
CCCMRMIA/MPA	20,521,285	21,760,254	14,927,995	15,167,151	327	235	65
CHARMA	2,087,103	2,087,103	1,359,259	1,359,259	43	24	10
CIRA	19,783,604	21,102,101	12,004,487	12,210,864	365	283	90
CSJVRMA	19,805,070	22,662,588	15,416,244	17,522,968	316	251	107
ERMAC	1,013,252	1,316,230	-	-	37	32	-
MBASIA	2,911,755	3,382,731	-	-	45	38	-
PERMA	19,648,054	22,331,995	14,526,517	16,333,681	250	217	91
PLAN	334,674	334,674	229,563	229,563	2	2	1
SCORE	2,334,514	2,442,343	1,919,293	1,990,219	28	23	14
VCJPA	3,299,095	3,610,819	1,969,396	2,109,396	80	65	29
City of Vacaville	560,209	560,209	402,111	402,111	9	5	3
Oakland Housing Authority	926,771	1,076,880	370,934	370,934	52	32	6
Contra Costa Housing Authority	104,082	123,954	-	-	9	9	-
<b>Total</b>	<b>100,889,222</b>	<b>110,953,895</b>	<b>67,108,584</b>	<b>72,075,777</b>	<b>1,703</b>	<b>1,321</b>	<b>440</b>

**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%	6%	6%	8%	8%	5%
CalTIP	0%	0%	0%	0%	0%	0%	0%
CCCMRMIA/MPA	20%	20%	22%	21%	19%	18%	15%
CHARMA	2%	2%	2%	2%	3%	2%	2%
CIRA	20%	19%	18%	17%	21%	21%	20%
CSJVRMA	20%	20%	23%	24%	19%	19%	24%
ERMAC	1%	1%	0%	0%	2%	2%	0%
MBASIA	3%	3%	0%	0%	3%	3%	0%
PERMA	19%	20%	22%	23%	15%	16%	21%
PLAN	0%	0%	0%	0%	0%	0%	0%
SCORE	2%	2%	3%	3%	2%	2%	3%
VCJPA	3%	3%	3%	3%	5%	5%	7%
City of Vacaville	1%	1%	1%	1%	1%	0%	1%
Oakland Housing Authority	1%	1%	1%	1%	3%	2%	1%
Contra Costa Housing Authority	0%	0%	0%	0%	1%	1%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**DRAFT**

**ERMA**

**Loss Experience Through 12/31/23**

**Retention Rate Adjustment Factors**

**Losses Limited to \$1,000,000 per Occurrence**

Retention	Selected Current	Selected Prior	FYE 2015	2016	2017	2018	2019	2020	2021	2022	2023	All Years
25,000	1.125	1.125	1.072	1.118	1.132	1.090	1.076	1.137	1.212	1.309	2.085	1.122
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
75,000	0.905	0.905	0.939	0.900	0.893	0.926	0.941	0.897	0.825	0.796	0.416	0.906
100,000	0.825	0.825	0.885	0.819	0.794	0.862	0.883	0.806	0.706	0.687	0.310	0.834
250,000	0.505	0.505	0.620	0.484	0.418	0.544	0.615	0.396	0.275	0.285	0.049	0.522
350,000	0.355	0.365	0.502	0.312	0.258	0.398	0.486	0.284	0.132	0.175	-	0.381
500,000	0.210	0.205	0.374	0.161	0.126	0.248	0.340	0.145	0.025	0.110	-	0.234
750,000	0.080	0.075	0.159	0.046	0.041	0.097	0.137	0.039	-	0.052	-	0.085

**ERMA - New Member 1st Year Claims Made Rate  
Coverage for 2023-24 Occurrences Reported in 2024-25  
\$1,000,000 ERMA Limit, \$50,000 Member Deductible**

Occurrence Year (A)	Selected Severity (B)	Selected Frequency (C)	Estimated % of ERMA-Layer 2023-24 Claims to be Reported in 2024-25 (D)	Expected Loss Rate (E)	75% CL (F)	80% CL (G)	85% CL (H)
2023-24	\$215,000	0.022	40%	\$0.189	\$0.253	\$0.272	\$0.294

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: Excess Coverage and Marketing Update for the 2024/25 Program Year - Presented by Seth Cole, Alliant**

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**RECOMMENDATION: *None***

**BACKGROUND AND STATUS:**

At the February 2, 2024, Board of Directors meeting, Seth Cole of Alliant, provided a preliminary overview regarding renewal expectations based upon market fluctuations and ERMA claim development in recent years. Mr. Cole will provide an overview of the market and the potential renewal with RSUI and Ascot, ERMA's likely excess insurance carriers, for the 2024/25 program year.

Mr. Cole will be in attendance to provide a review of proposed renewal terms and answer any questions from the Board.

**REFERENCE MATERIALS ATTACHED:**

- ERMA Renewal Memo from Alliant

April 11, 2024

Rob Kramer  
Executive Director  
ERMA c/o Sedgwick  
1750 Creekside Oaks Drive, Suite 200  
Sacramento, CA 95833

### **ERMA 2024/25 Renewal Update**

Dear Rob:

This letter provides Sedgwick staff and the ERMA Board with an update regarding ERMA's 2024/25 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. Ascot Specialty Insurance Company provides \$1,000,000 in limits per Member per Claim with a \$1,000,000 per Member Aggregate and a \$5,000,000 Policy Aggregate excess of the RSUI policy.

RSUI and Ascot are in the process of completing their underwriting review of the exposure data and losses. Unless there is a material development in the claims, the expectation is that they will offer a renewal consistent with their current approach and rating mechanism. We could see an inflationary adjustment this year as the rate has remained the same since 2018. Alliant will present a formal renewal proposal to the Board at the June meeting. We have also requested rate/premium indications to increase the retention (pooled layer) to \$2,000,000 per the Board's direction in January.

We had discussed employment litigation trends with the Board at the January Workshop. As a follow up to that discussion, the trends discussed align with the EEOC's Strategic Enforcement Plan for Fiscal Years 2024 – 2028. The Plan's subject matter priorities are outlined below:

1. Eliminating Barriers in Recruitment and Hiring
2. Protecting Vulnerable Workers and Persons from Underserved Communities from Employment Discrimination
3. Addressing Selected Emerging and Developing Issues (For example, discrimination, bias, and hate directed against religious minorities)
4. Advancing Equal Pay for All Workers
5. Preserving Access to the Legal System
6. Preventing and Remediating Systemic Harassment

We look forward to seeing everyone on April 23<sup>rd</sup> and answering any questions that you or the Board may have.

Sincerely,



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

cc: Shadi Jalali, Alliant

**FINANCIAL MATTERS**

**SUBJECT: Review of Preliminary Administrative and Operating Budget for the 2024/25 Program Year - Presented by Chee Xiong, Finance Manager**

**RECOMMENDATION:** *Staff recommends the Board of Directors review the Preliminary Administrative and Operating Budget for the 2024/25 program year and provide direction to staff, as necessary.*

**BACKGROUND AND STATUS:**

The preliminary budget reflects the estimated funding for losses, excess insurance costs, loss prevention and training, and administrative expenses for the 2024/25 program year. The following table presents the 2024/25 information as compared to the expiring year.

	2024/25	2023/24	% Change
<b>ERMA Retention</b>	\$1 Million	\$1 Million	
<b>Confidence Level</b>	80%	80%	
<b>Discount Rate</b>	2.0%	1.50%	
<b>Funding for Losses</b>	\$9,761,249	\$8,974,638	8.8%
<b>Excess Insurance</b>	682,697	581,375	17.4%
<b>Loss Prevention &amp; Training</b>	231,100	231,100	3.0%
<b>Administrative Expenses</b>	1,332,962	1,287,902	
<b>Total Contributions</b>	<b>\$12,008,008</b>	<b>\$11,075,015</b>	<b>8.4%</b>
<b>2023 Calendar Year Payroll</b>	\$2,442,422,962	\$2,240,573,028	9.0%
<b>Member Retentions &amp; Funding Rates</b>			
<b>25,000</b>	\$0.621	\$0.624	-0.5%
<b>50,000 (baseline)</b>	0.552	0.555	-0.5%
<b>75,000</b>	0.500	0.502	-0.5%
<b>100,000</b>	0.455	0.458	-0.5%
<b>250,000</b>	0.279	0.280	-0.5%
<b>350,000</b>	0.196	0.203	-3.3%
<b>500,000</b>	0.116	0.114	1.9%
<b>750,000</b>	0.044	0.042	6.1%
<b>Excess Insurance Rates</b>			
<b>RSUI (\$2M xs of \$1M)</b>	\$0.042	\$0.040	5.0%
<b>Ascot (\$1M xs of \$3M)</b>	0.0184	0.0175	5.0%



At this April meeting, the Board reviews the changes to individual entity contributions and cost drivers in the budget. Following is an overview of the various budget components.

Funding for Losses – SIR to \$1.0 Million

The loss funding amount required to cover the ultimate cost of claims within the self-insured layer is estimated by ERMA's actuary and based on historical loss experience, member payroll, and any other factors that may impact the overall cost of claims. The Board selects the confidence level (CL) and discount rate annually. For the 2024/25 program year, staff recommends the Board set the funding rates at the 80% CL and utilize a discount factor of 2.0%. The prior year's budget was approved at the 80% CL and discounted at 1.50%. Funding for Losses is \$9.8 million and \$9.0 million for the 2024/25 and 2023/24 years, respectively, an 8.8% increase over the prior year's approved budget. This is primarily due to an increase in payroll of 9.0%, offset by a small decrease in rates. The 2024/25 baseline \$50,000 retention rate slightly decreased.

Excess Insurance

Excess premiums currently are not available, and your broker, Alliant, is negotiating with the excess insurance carriers, RSUI and Ascot. Staff has conservatively increased the excess rates by 5% for the preliminary budget based on input from Alliant.

Loss Prevention, Training, and Administrative Expenses

ERMA's operating costs are estimated to be almost \$1.6 million, a 3.0% increase over the expiring year program year. The increase is based on standard increases to contracts and anticipated increased costs of several non-contractual expenses. Included in the budget is a line item for the member retained limit study to be conducted by Bickmore Actuarial as directed by the Board. Staff is anticipating training to expand in the upcoming program year although the projected actual for training in the 2023/24 year is less than budgeted.

Discount Rate Selection

The funding rates are discounted to net present value, which reduces the rate to reflect investment income expected to be earned on those contributions over time. Staff and the ERMA Treasurer met with the actuary and investment advisor on January 19, 2024, to review the investment earnings rates. Based on the steady increase in projected earnings rates for 2024/25 and 2023/24 years, the consensus was to increase the discount rate to 2.0% from 1.5%.

Experience Modification Factors

Experience modification factors (ex-mods) are applied to the contribution and adjusted contribution based on the loss experience of members. The ex-mods are based on incurred losses between \$25,000 and \$500,000 as of December 31, 2023, from program years 2019/20 through 2022/23 and payroll from calendar years 2018 through 2021. ERMA's three-tiered ex-mod calculation is as follows:

- Ex-mods are calculated at the JPA-level and applied in determining each member's contribution to ERMA.

- The JPA experience modifier of each individual member is used to determine the member's contribution. The calculation utilizes the "pure" ex-mod rather than the credibility-factored ex-mod utilized in the primary JPA calculation and has a floor of 0.75 and a ceiling of 1.50.
- A third calculation limits annual ex-mod changes to .25 for individual members.

Payroll

Actual calendar year 2023 payroll, which is used to determine member contributions, increased by 9.0% over the prior year.

Membership Changes

The following membership changes are reflected in the preliminary budget:

- Addition of City of Burlingame in PLAN JPA effective January 1, 2024
- Withdrawal of City of Sausalito in BCJPIA effective June 30, 2024
- Withdrawal of City of Beaumont in ERMAC effective July 1, 2023
- Potential withdrawal of Jurupa Valley in PERMA effective June 30, 2024
- Potential addition of the Town of Los Gatos in PLAN JPA effective July 1, 2024

**REFERENCE MATERIALS ATTACHED:**

- 2024/25 Preliminary Operating Budget
- Consumer Price Index – California: Urban Wage Earners and Clerical Workers



**2024/2025 Preliminary Operating Budget**  
**80% Confidence Level ~ 2.0% Discount Factor**  
**Excess Insurance \$3 million x \$1 million (aggregate limits apply)**

	Prior Year - 2023/2024		2024/2025 Preliminary Budget	Increase/(Dec) Over Prior Year Budget	% Change
	Projected Actual	Approved Budget			
<b>Claims Expense:</b>					
Funding for Pooled Losses (SIR to \$1M)	\$8,974,638	\$8,974,638	\$9,761,249	\$786,611	8.8%
Excess Insurance	581,375	581,375	682,697	101,322	17.4%
<b>Total Claims Costs</b>	<b>\$9,556,013</b>	<b>\$9,556,013</b>	<b>\$10,443,946</b>	<b>\$887,933</b>	<b>9.3%</b>
<b>Loss Prevention and Training:</b>					
Online Training and Reporting (In2Vate)	51,100	51,100	51,100	0	0.0%
Hotline Services (Jackson Lewis & LCW)	6,500	6,500	6,500	0	0.0%
Misc. Training Expenses	6,000	6,000	6,000	0	0.0%
Sedgwick In-House Training (25 sessions)	22,000	62,500	62,500	0	0.0%
Customized Training (42 sessions)	27,000	105,000	105,000	0	0.0%
<b>Total Loss Prevention and Training</b>	<b>\$112,600</b>	<b>\$231,100</b>	<b>\$231,100</b>	<b>\$0</b>	<b>0.0%</b>
<b>Administration:</b>					
Program Management (Sedgwick)	\$1,081,447	\$1,090,352	\$1,136,095	45,743	4.2%
Risk Assessments	6,000	10,000	10,000	0	0.0%
Legal Services	30,000	50,000	35,000	(15,000)	-30.0%
Actuarial Study	11,350	11,350	11,700	350	3.1%
Financial Audit	11,550	11,550	12,100	550	4.8%
Claims Audit (biennial)	5,900	0	7,650	7,650	100.0%
Board Meetings & Annual Workshop	55,000	55,000	60,000	5,000	9.1%
Memberships & Conferences	8,415	8,800	9,500	700	8.0%
Accreditation	1,917	1,750	1,917	167	9.5%
Fidelity Bonds	2,340	3,000	3,000	0	0.0%
E & O Coverage	4,180	3,600	4,500	900	25.0%
Investment Management Services	29,519	32,000	32,000	0	0.0%
Capital Adequacy Study	5,000	5,000	0	(5,000)	-100.0%
Member Retained Limit Study	0	0	3,500	3,500	100.0%
Other Expenses	6,000	5,500	6,000	500	9.1%
<b>Total Administration</b>	<b>\$1,258,618</b>	<b>\$1,287,902</b>	<b>\$1,332,962</b>	<b>\$45,060</b>	<b>3.5%</b>
<b>Total Deposit Premium</b>	<b>\$10,927,231</b>	<b>\$11,075,015</b>	<b>\$12,008,008</b>	<b>\$932,993</b>	<b>8.4%</b>

**2024/2025 member changes from prior year:**

~ Addition of Burlingame in PLAN JPA (effective 1/1/24) - 24/25 First Full Year	~ Withdrawal of Sausalito in BCJPIA (effective 6/30/24)
~ Potential addition of Los Gatos in PLAN JPA (effective 7/1/24)	~ Withdrawal of Beaumont in ERMAC (effective 7/1/23)
	~ Potential withdrawal of Jurupa Valley in PERMA (effective 6/30/24)



**2024/2025 Preliminary Operating Budget  
Rates**

**80% Confidence Level ~ 2.0% Discount Factor  
Excess Insurance \$3 million x \$1 million (aggregate limits apply)**

<b>Pool Funding, Excess Insurance, and Administrative Rates</b>			
<b>Budget Item</b>	<b>Rates</b>	<b>Prior Year Rate</b>	<b>% Change</b>
Funding for Losses - 2.0% Discounted 80% CL	\$0.552	\$0.555	-0.5%
Excess Insurance: \$3M x \$1M ~ \$5M / \$15M Aggregate	0.0604	0.0575	5.0%
\$2M x \$1M (\$4M/Member Aggregate - \$10M Policy Aggregate)	0.0420	0.0400	5.0%
\$1M x \$3M (\$1M/Member Aggregate - \$5M Policy Aggregate)	0.0184	0.0175	5.0%
Loss Prevention & Training	0.0095	0.0103	-8.2%
Administration	0.0546	0.0574	-5.0%

<b>Member Retained Limit Rates - 80% C.L.</b>			
<b>SIR</b>	<b>Factor</b>	<b>Rates</b>	<b>SCORE ONLY*</b>
\$25,000	1.125	\$0.621	\$0.572
50,000	1.000	0.552	0.508
75,000	0.905	0.500	0.460
100,000	0.825	0.455	0.419
250,000	0.505	0.279	0.257
350,000	0.355	0.196	0.180
500,000	0.210	0.116	0.107
750,000	0.080	0.044	0.041

**\*Rate credit for SCORE's CJPRMA coverage 0.044  
in the layer from \$750K through \$1M**



## 2024/2025 Preliminary Operating Budget Member Summary

**80% Confidence Level ~ 2.0% Discount Factor**  
**Excess Insurance \$3 million x \$1 million (aggregate limits apply)**

Member Entities	Actual 2023 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 Adjusted for Off-Bal Factor	Excess Insurance \$3M x \$1M	TOTAL Deposit Premium	Prior Year Comparison		
												Deposit Premium	% Change (Premium)	% Change Net of Payroll
BCJPIA	\$266,796,785	\$1,168,281	\$25,244	\$145,605	\$1,339,131	0.786	\$1,053,140	1.003	\$1,056,288		\$1,056,288	\$962,185	9.8%	1.4%
CaTIP	47,087,872	240,544	4,455	25,698	270,698	1.250	338,372	1.003	339,384	22,598	361,982	261,926	38.2%	23.6%
CIRA **	456,490,597	1,116,386	43,193	249,132	1,408,711	1.111	1,564,959	1.003	1,569,636		1,569,636	1,570,171	0.0%	-8.4%
CSJVRMA	411,165,657	2,095,598	38,904	224,395	2,358,897	1.005	2,370,862	1.003	2,377,949	248,241	2,626,190	2,225,920	18.0%	8.5%
ERMAC	188,960,530	188,308	17,879	103,126	309,313	0.750	231,985	1.003	232,678		232,678	228,685	1.7%	-5.4%
MBASIA	79,527,929	77,877	7,525	43,403	128,805	1.231	158,618	1.003	159,092	48,015	207,107	191,324	8.2%	-1.8%
MPA	411,125,539	2,026,200	38,900	224,373	2,289,474	0.822	1,881,059	1.003	1,886,681	248,217	2,134,898	2,244,105	-4.9%	-8.7%
PERMA	358,951,379	1,737,011	33,964	195,899	1,966,874	1.222	2,404,050	1.003	2,411,236		2,411,236	2,246,035	7.4%	-4.1%
PLAN JPA	71,320,117	292,904	6,748	38,923	338,576	1.232	417,216	1.003	418,463	43,060	461,522	216,026	113.6%	61.0%
SCORE	30,804,135	153,835	2,915	16,811	173,561	1.117	193,860	1.003	194,440		194,440	168,986	15.1%	3.6%
VCJPA	72,720,283	402,258	6,881	39,687	448,826	0.878	393,956	1.003	395,133	43,905	439,038	440,107	-0.2%	-4.8%
Oakland H.A.	40,478,887	223,443	3,830	22,092	249,365	0.971	242,206	1.003	242,930	24,439	267,369	260,107	2.8%	-1.5%
Contra Costa H.A.	6,993,253	38,603	662	3,817	43,081	0.958	41,279	1.003	41,402	4,222	45,624	44,095	3.5%	-0.4%
<b>Total</b>	<b>\$2,442,422,962</b>	<b>\$9,761,249</b>	<b>\$231,100</b>	<b>\$1,332,962</b>	<b>\$11,325,311</b>		<b>\$11,291,561</b>		<b>\$11,325,311</b>	<b>\$682,697</b>	<b>\$12,008,008</b>	<b>\$11,059,673</b>	<b>8.6%</b>	<b>-0.4%</b>

\* Includes JPA Participation Credit

\*\* CIRA is a combination of PARSAC and REMIF members effective 7/1/2021.

## 2024/2025 Preliminary Operating Budget Prior Year Comparison

Member Entities	DEPOSIT PREMIUM CHANGE			CURRENT PAYROLL CHANGE			EX MOD CALCULATION								
	Current Year		Prior Year	Current Year		Prior Year	EX MOD CHANGE			AVERAGE PAYROLL CHANGE			AVERAGE LOSS CHANGE*		
	Total Deposit Premium	Total Deposit Premium	% Change	Current Year Payroll	Prior Year Payroll	% Change	Current Year Ex Mod	Prior Year Ex Mod	% Change	Current Year Average Payroll	Prior Year Average Payroll	% Change	Current Year Average Losses	Prior Year Average Losses	% Change
BCJPIA	\$1,056,288	\$962,185	9.8%	\$266,796,785	\$246,187,195	8.4%	0.786	0.750	4.9%	\$232,113,185	\$233,557,866	-0.6%	166,198	\$96,803	71.7%
CaITIP	361,982	261,926	38.2%	47,087,872	41,106,643	14.6%	1.250	1.002	24.7%	33,441,322	22,215,938	50.5%	209,499	35,061	497.5%
CIRA	1,569,636	1,570,171	0.0%	456,490,597	421,404,915	8.3%	1.111	1.172	-5.2%	368,481,377	347,799,701	5.9%	878,849	752,878	16.7%
CSJVRMA	2,626,190	2,225,920	18.0%	411,165,657	375,711,910	9.4%	1.005	0.909	10.5%	350,632,839	344,237,868	1.9%	673,471	419,385	60.6%
ERMAC	232,678	228,685	1.7%	188,960,530	176,313,231	7.2%	0.750	0.806	-6.9%	156,340,616	146,722,896	6.6%	32,921	69,073	-52.3%
MBASIA	207,107	191,324	8.2%	79,527,929	72,278,593	10.0%	1.231	1.250	-1.5%	61,978,032	58,663,369	5.7%	271,260	315,323	-14.0%
MPA	2,134,898	2,244,105	-4.9%	411,125,539	395,896,910	3.8%	0.822	0.892	-7.9%	356,693,084	342,900,113	4.0%	392,908	395,650	-0.7%
PERMA	2,411,236	2,246,035	7.4%	358,951,379	322,200,977	11.4%	1.222	1.250	-2.2%	272,152,515	252,120,215	7.9%	825,672	670,512	23.1%
PLAN JPA	461,522	216,026	113.6%	71,320,117	46,726,413	52.6%	1.232	0.989	24.6%	17,236,754	13,978,580	23.3%	114,016	18,750	508.1%
SCORE	194,440	168,986	15.1%	30,804,135	27,627,884	11.5%	1.117	1.056	5.8%	24,032,694	22,961,894	4.7%	93,953	53,391	76.0%
VCJPA	439,038	440,107	-0.2%	72,720,283	69,566,910	4.5%	0.878	0.909	-3.4%	62,750,103	60,157,813	4.3%	37,442	45,716	-18.1%
Oakland H.A.	267,369	260,107	2.8%	40,478,887	38,819,932	4.3%	0.971	0.969	0.2%	31,869,000	30,316,265	5.1%	46,820	35,570	31.6%
Contra Costa H.A.	45,624	44,095	3.5%	6,993,253	6,731,514	3.9%	0.958	0.946	1.3%	5,789,288	5,547,909	4.4%	2,500	-	0.0%
<b>Total</b>	<b>\$12,008,008</b>	<b>\$11,059,673</b>	<b>8.6%</b>	<b>\$2,442,422,962</b>	<b>\$2,240,573,028</b>	<b>9.0%</b>				<b>\$1,973,510,809</b>	<b>\$1,881,180,426</b>	<b>4.9%</b>	<b>3,745,510</b>	<b>\$2,908,112</b>	<b>28.8%</b>

\* Average incurred losses as displayed in the Experience Modification Calculation. Individual losses from \$25k and capped at \$500k.

## 2024/2025 Preliminary Operating Budget Program Administration Fee Worksheet

Annual Base Contract Price (ABCP)	2023/2024			
				\$1,075,931
<b>Baseline as of 7/1/23</b>	<b>Payroll</b>	<b>Payroll Calc %age</b>	<b>Sedgwick Fees Prorated</b>	<b>Sedgwick Fees Annualized</b>
	\$2,242,143,041			\$1,075,931
<b>CIRA</b> <i>Joining 11/1/22</i>				
Foresthill FPD *	1,233,587	0.000727	417	626
Wheatland FA *	600,000	0.000354	203	305
<i>Joining 1/1/23</i>				
Mosquito FPD *	334,874	0.000197	85	170
<i>Expulsion 11/1/22</i>				
California City *	(7,768,859)	-0.004580	(2,629)	(3,944)
<b>CalTIP</b> <i>Joining 1/1/23</i>				
San Joaquin *	10,701,781	0.006310	2,717	5,433
<b>CSJVRMA</b> <i>Withdrawing 6/30/23</i>				
Lindsay *	(3,334,611)	-0.001966	(1,693)	(1,693)
<b>ERMAC</b> <i>Withdrawing 6/30/23</i>				
Laguna Hills *	(3,152,135)	-0.001858	(1,600)	(1,600)
<i>Joining/Withdrawing 7/1/23</i>				
Beaumont	17,301,809	0.007717	8,303	8,303
Beaumont	(17,301,809)	-0.007717	(8,303)	(8,303)
<b>BCJPIA</b> <i>Withdrawing 6/30/24</i>				
Sausalito	(3,680,752)	-0.001642	(1,766)	(1,766)
<b>PERMA</b> <i>Joining 7/1/23</i>				
Norco	5,870,219	0.002618	2,817	2,817
<i>Withdrawing 6/30/24</i>				
Jurupa Valley	(7,291,031)	-0.003252	(3,499)	(3,499)
<b>PLAN JPA</b> <i>Joining 7/1/23</i>				
Los Altos	3,155,702	0.001407	1,514	1,514
<i>Joining 1/1/24</i>				
Burlingame	26,883,468	0.011990	6,450	12,900
<b>Totals as of 6/30/24 **</b>	<b>\$2,267,080,647</b>		<b>\$1,081,447</b>	<b>\$1,087,897</b>

	2024/2025			
				\$1,125,973
<b>Percentage Increase over previous year</b>				<b>3.50%</b>
<b>Baseline as of 7/1/24</b>	<b>Payroll</b>	<b>Payroll Calc %age</b>	<b>Sedgwick Fees Prorated</b>	<b>Sedgwick Fees Annualized</b>
	\$2,442,422,962			\$1,125,973
<b>PLAN JPA</b> <i>Joining 7/1/24</i>				
Los Gatos	21,955,823	0.008989	10,122	10,122
<b>Totals as of 6/30/25</b>	<b>\$2,464,378,785</b>		<b>\$1,136,095</b>	<b>\$1,136,095</b>

California Urban Wage Earners and Clerical Workers CPI Increase of 3.5%

\* Fees are calculated using 2021 calendar year payroll and based on 22/23 program admin. fees of \$899,879 for the membership changes in the 22/23 program year.

\*\* Totals as of 6/30/24 for Payroll and Sedgwick Annualized Fees include member changes in 23/24, not changes in 22/23.

Approved contract is for a five year period. Final three years of contract are not shown.

## 2024/2025 Preliminary Operating Budget BCJPIA

Member	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>					Prior Year Comparison					
	Actual 2023		Funding	Loss	JPA			Net	2	3	4	5	6	7	8	9	10	11	Prior Year					
	Payroll	SIR Selected	For Losses	Prevention & Training	Admin. Costs	Deposit Premium	Participation Credit	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	Info Only: Prior Year (2023/2024) Experience Modification	Deposit Adjusted for Experience Modification	Off-Balance Factor	Premium Adjusted for Off Balance Factor	Deposit Premium	Increase (Decrease)			
1 Albany/Albany JPA	\$13,794,430	\$50,000	\$76,145	\$1,305	\$7,528	\$84,979	(\$4,123)	\$80,855	0.786	\$63,588	1.003	\$63,778	0.000	0.750	0.750	0.750	\$60,642	0.967	\$58,631	\$54,354	\$4,277			
2 Brisbane	13,966,743	50,000	77,096	1,322	7,622	86,040	(4,175)	81,865	0.786	64,382	1.003	64,574	0.000	0.750	0.750	0.750	61,399	0.967	59,364	53,627	5,736			
3 CMFA (1/1/19)	6,253,860	100,000	28,480	592	3,413	32,485	(1,576)	30,909	0.786	24,308	1.003	24,380	0.000	0.750	0.750	0.750	23,181	0.967	22,413	22,212	201			
4 Central Marin PA	6,018,499	100,000	27,408	569	3,285	31,262	(1,517)	29,745	0.786	23,393	1.003	23,463	0.000	0.750	0.750	0.750	22,309	0.967	21,569	21,481	89			
5 Corte Madera (7/1/17)	4,232,038	100,000	19,273	400	2,310	21,983	(1,067)	20,916	0.786	16,449	1.003	16,498	0.000	0.750	0.750	0.750	15,687	0.967	15,167	14,788	379			
6 Emeryville	5,833,247	50,000	32,200	552	3,184	35,935	(1,744)	34,191	0.786	26,889	1.003	26,970	0.000	0.750	0.750	0.750	25,643	0.967	24,793	22,826	1,968			
7 Emeryville (MESA)	10,266,981	50,000	56,674	971	5,603	63,248	(3,069)	60,179	0.786	47,327	1.003	47,469	0.000	0.750	0.750	0.750	45,135	0.967	43,638	41,026	2,612			
8 Fairfax	3,643,837	50,000	20,114	345	1,989	22,447	(1,089)	21,358	0.786	16,797	1.003	16,847	0.000	0.750	0.750	0.750	16,019	0.967	15,488	14,546	942			
9 Larkspur	3,909,127	250,000	10,897	370	2,133	13,400	(650)	12,750	0.786	10,027	1.003	10,057	0.000	0.750	0.750	0.750	9,563	0.967	9,246	8,491	754			
10 Los Altos (07/01/12)	17,170,269	100,000	78,193	1,625	9,371	89,189	(4,328)	84,861	0.786	66,738	1.003	66,937	0.000	0.750	0.750	0.750	63,646	0.967	61,536	61,097	438			
11 Menlo Park (07/01/02)	33,210,582	250,000	92,578	3,142	18,125	113,845	(5,524)	108,321	0.786	85,187	1.003	85,442	0.000	0.750	0.750	0.750	81,241	0.967	78,548	75,733	2,815			
12 Mill Valley (07/01/01)	17,135,066	50,000	94,586	1,621	9,352	105,558	(5,122)	100,436	0.786	78,987	1.003	79,223	2.276	1.500	1.000	0.750	100,436	0.967	97,107	77,716	19,391			
13 Novato (09/01/07)	22,243,382	250,000	62,006	2,105	12,139	76,250	(3,700)	72,550	0.786	57,056	1.003	57,226	0.000	0.750	0.750	0.750	54,412	0.967	52,609	32,590	20,018			
14 Piedmont	16,406,450	50,000	90,564	1,552	8,954	101,070	(4,904)	96,166	0.786	75,628	1.003	75,854	1.508	1.500	1.406	1.156	135,173	0.967	130,692	101,763	28,928			
15 Pleasanton	51,757,364	75,000	258,559	4,897	28,247	291,703	(14,154)	277,549	0.786	218,274	1.003	218,927	0.578	0.750	0.750	0.817	208,162	0.967	201,261	210,922	(9,661)			
16 San Anselmo	4,211,741	50,000	23,249	399	2,299	25,946	(1,259)	24,687	0.786	19,415	1.003	19,473	0.000	0.750	0.750	0.750	18,515	0.967	17,901	15,299	2,602			
17 Tiburon (7/1/11)	4,115,009	25,000	25,554	389	2,246	28,189	(1,368)	26,822	0.786	21,093	1.003	21,156	0.347	0.750	0.750	0.750	20,116	0.967	19,449	18,290	1,159			
18 Union City	32,628,163	75,000	162,997	3,087	17,807	183,891	(8,923)	174,969	0.786	137,602	1.003	138,013	0.000	0.750	0.750	0.750	131,226	0.967	126,876	115,423	11,453			
<b>Total</b>	<b>\$266,796,785</b>		<b>\$1,236,572</b>	<b>\$25,244</b>	<b>\$145,605</b>	<b>\$1,407,422</b>	<b>(\$68,291)</b>	<b>\$1,339,131</b>		<b>\$1,053,140</b>		<b>\$1,056,288</b>					<b>\$1,092,506</b>		<b>\$1,056,288</b>	<b>\$962,185</b>	<b>\$94,102</b>			
			(68,291)	JPA participation credit																				
			<b>\$1,168,281</b>	Net funding																				
									JPA Ex mod calc: 1 X 2 = 3; then 3 X 4 = 5											Individual Ex mod calc: 1 X 8 = 9; then 9 X 10 = 11				



## 2024/2025 Preliminary Operating Budget CalTIP

Member	1								2											3		4			
	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>											Excess Insurance		TOTAL Deposit Premium		Prior Year Comparison	
	Actual 2023 Payroll	SIR Selected	Funding For Losses	Loss Prevention & Training	Admin. Costs	Deposit Premium	JPA Participation Credit	Net Deposit Premium	JPA Experience Modification Factor	Dep Prem Adjusted for Experience Modification	Off-Balance Factor	Dep Prem Adjusted for Off Balance Factor	Individual Experience Modification Factor	Capped Individual Experience Modification	8 Capped Ex Mod Including .25 capped change over prior year	Info Only: Prior Year (2023/2024) Experience Modification	9 Deposit Adjusted for Experience Modification	10 Off-Balance Factor	11 Premium Adjusted for Off Balance Factor	Excess Insurance \$3M x \$1M	TOTAL Deposit Premium	Prior Year Deposit Premium	Increase (Decrease)		
1 El Dorado	\$3,133,784	\$50,000	\$17,298	\$297	\$1,710	\$19,305	(\$509)	\$18,796	1.250	\$23,495	1.003	\$23,565	6.162	1.500	1.500	1.250	\$28,194	1.228	\$34,617		\$34,617	\$25,162	\$9,455		
2 Humboldt	3,349,611	75,000	16,733	317	1,828	18,878	(498)	18,380	1.250	22,976	1.003	23,044	0.000	0.750	0.750	0.750	13,785	1.228	16,926		16,926	14,965	1,961		
3 LAVTA	1,770,465	50,000	9,773	168	966	10,907	(288)	10,619	1.250	13,274	1.003	13,314	0.000	0.750	0.750	0.750	7,964	1.228	9,779	1,069	10,847	9,974	873		
4 Mendocino	3,582,011	50,000	19,773	339	1,955	22,067	(582)	21,485	1.250	26,856	1.003	26,936	0.000	0.750	0.750	0.750	16,113	1.228	19,784	2,163	21,947	18,256	3,691		
5 Morongo	2,236,482	50,000	12,345	212	1,221	13,778	(363)	13,414	1.250	16,768	1.003	16,818	0.000	0.750	0.750	0.750	10,061	1.228	12,352		12,352	9,945	2,407		
6 San Joaquin (1/1/23)	19,625,406	75,000	98,041	1,857	10,711	110,608	(2,917)	107,691	1.250	134,614	1.003	135,016	6.277	1.500	1.250	1.000	134,614	1.228	165,278	11,849	177,127	117,143	59,984		
7 SLOATA	7,272,710	50,000	40,145	688	3,969	44,803	(1,182)	43,621	1.250	54,526	1.003	54,689	0.000	0.750	0.750	0.750	32,716	1.228	40,168	4,391	44,559	35,209	9,350		
8 Tahoe	3,635,283	50,000	20,067	344	1,984	22,395	(591)	21,804	1.250	27,255	1.003	27,337	7.647	1.500	1.000	0.750	21,804	1.228	26,771	2,195	28,966	18,911	10,054		
9 WCCATA	938,998	50,000	5,183	89	512	5,785	(153)	5,632	1.250	7,040	1.003	7,061	0.000	0.750	0.750	0.750	4,224	1.228	5,186		5,186	5,059	127		
10 Yolo	1,543,122	50,000	8,518	146	842	9,506	(251)	9,255	1.250	11,569	1.003	11,604	0.000	0.750	0.750	0.750	6,942	1.228	8,523	932	9,455	7,302	2,153		
<b>Total</b>	<b>\$47,087,872</b>		<b>\$247,877</b>	<b>\$4,455</b>	<b>\$25,698</b>	<b>\$278,031</b>	<b>(\$7,333)</b>	<b>\$270,698</b>		<b>\$338,372</b>		<b>\$339,384</b>					<b>\$276,417</b>		<b>\$339,384</b>	<b>\$22,598</b>	<b>\$361,982</b>	<b>\$261,926</b>	<b>\$100,055</b>		

(7,333) JPA participation credit  
\$240,544 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



## 2024/2025 Preliminary Operating Budget CIRA

Member	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>					Prior Year Comparison	
	Actual 2023	SIR	Funding For Losses	Loss Prevention & Training	Admin. Costs	Deposit Premium	JPA Participation Credit	Net Deposit Premium		2	3	4	5	6	7	8	9	10	11	Prior Year Deposit Premium	Increase (Decrease)
	Payroll	Selected							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 (2023/2024) Experience Modification	Deposit Adjusted for Experience Modification	Off-Balance Factor	Premium Adjusted for Off Balance Factor		
1 Amador	\$91,988	\$250,000	\$256	\$9	\$50	\$315	(\$31)	\$284	1.111	\$315	1.003	\$316	0.000	0.750	0.750	0.750	\$213	1.128	\$240	\$158	\$82
2 Arcata	10,697,494	250,000	29,820	1,012	5,838	36,671	(3,659)	33,012	1.111	36,674	1.003	36,783	6.121	1.500	1.500	1.500	49,518	1.128	55,869	52,540	3,329
3 Avalon	6,052,512	250,000	16,872	573	3,303	20,748	(2,070)	18,678	1.111	20,749	1.003	20,811	0.000	0.750	0.750	0.750	14,008	1.128	15,805	14,640	1,165
4 Belvedere (07/01/15)	2,389,637	250,000	6,661	226	1,304	8,192	(817)	7,374	1.111	8,192	1.003	8,217	0.000	0.750	0.998	1.248	7,361	1.128	8,306	10,199	(1,893)
5 Blue Lake	718,863	250,000	2,004	68	392	2,464	(246)	2,218	1.111	2,464	1.003	2,472	0.000	0.750	0.750	0.750	1,664	1.128	1,877	1,617	260
6 Calimesa	3,105,621	250,000	8,657	294	1,695	10,646	(1,062)	9,584	1.111	10,647	1.003	10,679	3.190	1.500	1.481	1.231	14,191	1.128	16,012	10,512	5,500
7 Calistoga	8,578,979	250,000	23,915	812	4,682	29,409	(2,934)	26,474	1.111	29,411	1.003	29,499	0.000	0.750	0.750	0.750	19,856	1.128	22,402	21,326	1,076
8 Citrus Heights	20,387,801	250,000	56,833	1,929	11,127	69,889	(6,973)	62,916	1.111	69,894	1.003	70,103	1.169	1.169	1.169	1.116	73,564	1.128	82,999	77,611	5,388
9 Clearlake	5,136,198	250,000	14,318	486	2,803	17,607	(1,757)	15,850	1.111	17,608	1.003	17,661	0.000	0.750	1.000	1.250	15,850	1.128	17,883	22,377	(4,494)
10 Cloverdale	4,812,995	250,000	13,417	455	2,627	16,499	(1,646)	14,853	1.111	16,500	1.003	16,549	0.000	0.750	0.750	0.750	11,140	1.128	12,568	11,622	946
11 Coalinga	7,122,302	250,000	19,854	674	3,887	24,415	(2,436)	21,979	1.111	24,417	1.003	24,490	0.844	0.844	1.000	1.250	21,979	1.128	24,798	30,039	(5,240)
12 Cotati	4,692,986	250,000	13,082	444	2,561	16,087	(1,605)	14,482	1.111	16,089	1.003	16,137	0.000	0.750	0.750	1.000	10,862	1.128	12,255	15,592	(3,337)
13 Eureka	15,731,547	250,000	43,853	1,489	8,586	53,927	(5,380)	48,547	1.111	53,931	1.003	54,093	3.729	1.500	1.500	1.500	72,820	1.128	82,160	76,584	5,576
14 Ferndale	883,918	250,000	2,464	84	482	3,030	(302)	2,728	1.111	3,030	1.003	3,039	0.000	0.750	0.750	0.750	2,046	1.128	2,308	2,219	89
15 Foresthill FPD (11/1/22)	1,289,816	250,000	3,595	122	704	4,421	(441)	3,980	1.111	4,422	1.003	4,435	0.000	0.750	0.750	1.000	2,985	1.128	3,368	4,433	(1,065)
16 Fort Bragg	4,568,695	250,000	12,736	432	2,493	15,661	(1,563)	14,099	1.111	15,663	1.003	15,709	0.000	0.750	0.750	0.750	10,574	1.128	11,930	11,414	516
17 Fortuna	5,900,436	250,000	16,448	558	3,220	20,227	(2,018)	18,208	1.111	20,228	1.003	20,289	4.602	1.500	1.000	0.750	18,208	1.128	20,544	14,760	5,784
18 Grass Valley	10,106,747	250,000	28,174	956	5,516	34,646	(3,457)	31,189	1.111	34,648	1.003	34,752	0.000	0.750	0.750	0.750	23,392	1.128	26,392	25,209	1,182
19 Healdsburg	19,035,798	250,000	53,064	1,801	10,389	65,254	(6,511)	58,744	1.111	65,259	1.003	65,454	0.289	0.750	0.750	0.750	44,058	1.128	49,709	47,364	2,344
20 Highland	3,884,361	250,000	10,828	368	2,120	13,135	(1,329)	11,807	1.111	13,317	1.003	13,356	0.000	0.750	0.750	0.750	8,990	1.128	10,143	9,768	375
21 Lakeport	3,818,306	250,000	10,644	361	2,084	13,089	(1,306)	11,783	1.111	13,090	1.003	13,129	0.000	0.750	0.750	1.000	8,837	1.128	9,971	12,981	(3,010)
22 Menifee FPD (10/1/08)	29,097,765	250,000	81,113	2,753	15,880	99,746	(9,952)	89,794	1.111	99,754	1.003	100,052	0.288	0.750	1.250	1.500	112,243	1.128	126,639	135,996	(9,357)
23 Mosquito FPD (1/1/23)	367,069	250,000	1,023	35	200	1,258	(126)	1,133	1.111	1,258	1.003	1,262	6.818	1.500	1.250	1.000	1,416	1.128	1,598	1,403	195
24 Nevada City	3,099,328	250,000	8,640	293	1,691	10,624	(1,060)	9,564	1.111	10,625	1.003	10,657	0.000	0.750	0.750	0.750	7,173	1.128	8,093	6,923	1,170
25 Placencia	20,040,741	250,000	55,866	1,896	10,937	68,699	(6,854)	61,845	1.111	68,704	1.003	68,910	2.409	1.500	1.500	1.500	92,767	1.128	104,666	103,349	1,316
26 Placerville	7,650,588	250,000	21,327	724	4,175	26,226	(2,617)	23,609	1.111	26,228	1.003	26,306	0.000	0.750	0.750	0.750	17,707	1.128	19,978	19,199	779
27 Plymouth	951,596	250,000	2,653	90	519	3,262	(325)	2,937	1.111	3,262	1.003	3,272	0.000	0.750	0.750	0.750	2,202	1.128	2,485	2,242	243
28 Point Arena	513,067	250,000	1,430	49	280	1,759	(175)	1,583	1.111	1,759	1.003	1,764	1.627	1.500	1.000	0.750	1,583	1.128	1,786	1,329	457
29 Rancho Cucamonga	29,843,601	250,000	83,192	2,824	16,287	102,303	(10,207)	92,096	1.111	102,311	1.003	102,617	0.000	0.750	0.750	0.951	69,072	1.128	77,931	97,722	(19,791)
30 Rancho Cucamonga FPD (7/1/16)	24,420,029	250,000	68,073	2,311	13,327	83,711	(8,352)	75,359	1.111	83,718	1.003	83,968	0.000	0.750	0.750	0.750	56,519	1.128	63,768	56,407	7,362
31 Rancho Santa Margarita (01/01/04)	3,317,656	250,000	9,248	314	1,811	11,373	(1,135)	10,238	1.111	11,374	1.003	11,408	0.000	0.750	0.750	0.750	7,679	1.128	8,663	8,210	454
32 Rohnert Park	26,975,956	250,000	75,198	2,552	14,722	92,473	(9,226)	83,247	1.111	92,480	1.003	92,756	0.000	0.750	0.750	1.000	62,435	1.128	70,443	91,507	(21,064)
33 San Juan Bautista	1,122,218	250,000	3,128	106	612	3,847	(384)	3,463	1.111	3,847	1.003	3,859	0.000	0.750	0.750	0.750	2,597	1.128	2,930	2,593	337
34 Sebastopol	5,833,316	250,000	16,261	552	3,184	19,996	(1,995)	18,001	1.111	19,998	1.003	20,058	9.535	1.500	1.500	1.500	27,002	1.128	30,465	32,752	(2,286)
35 Sierra Madre	8,179,985	250,000	22,803	774	4,464	28,041	(2,798)	25,243	1.111	28,043	1.003	28,127	0.000	0.750	0.750	0.750	18,932	1.128	21,361	19,575	1,786
36 Sonoma	3,724,161	250,000	10,381	352	2,032	12,766	(1,274)	11,493	1.111	12,767	1.003	12,805	3.787	1.500	1.000	0.750	11,493	1.128	12,967	9,265	3,701
37 South Lake Tahoe	23,381,129	250,000	65,177	2,212	12,760	80,150	(7,997)	72,153	1.111	80,156	1.003	80,396	0.067	0.750	0.750	0.750	54,115	1.128	61,056	57,146	3,909
38 St Helena	8,894,590	250,000	24,795	842	4,854	30,490	(3,042)	27,448	1.111	30,493	1.003	30,584	0.000	0.750	0.750	0.750	20,586	1.128	23,227	20,454	2,773
39 Tehama	78,503	250,000	219	7	43	269	(27)	242	1.111	269	1.003	270	0.000	0.750	0.750	0.750	182	1.128	205	224	(19)
40 Trinidad	586,739	250,000	1,636	56	320	2,011	(201)	1,811	1.111	2,011	1.003	2,017	3.506	1.500	1.000	0.750	1,811	1.128	2,043	1,219	824
41 Truckee	14,056,871	250,000	39,185	1,330	7,672	48,187	(4,808)	43,379	1.111	48,190	1.003	48,334	0.126	0.750	0.750	0.750	32,534	1.128	36,707	31,331	5,376
42 Twenty-nine Palms	3,223,303	250,000	8,985	305	1,759	11,049	(1,102)	9,947	1.111	11,050	1.003	11,083	0.000	0.750	1.250	1.500	12,434	1.128	14,028	15,401	(1,372)
43 Ukiah	25,243,581	250,000	70,369	2,389	13,777	86,534	(8,634)	77,901	1.111	86,541	1.003	86,800	2.677	1.500	1.250	1.000	97,376	1.128	109,865	85,079	24,786
44 Watsonville	37,803,041	250,000	105,380	3,577	20,631	129,588	(12,929)	116,659	1.111	129,598	1.003	129,985	0.951	0.951	1.244	1.494	145,101	1.128	163,711	191,964	(28,252)
45 Wheatland	1,966,987	250,000	5,483	186	1,073	6,743	(673)	6,070	1.111	6,743	1.003	6,763	0.000	0.750	0.750	0.750	4,553	1.128	5,136	5,026	110
46 Wheatland FA (11/1/22)	304,946	250,000	850	29	166	1,045	(104)	941	1.111	1,045	1.003	1,049	0.004	0.750	0.750	1.000	706	1.128	796	1,391	(595)
47 Wildomar (07/01/08)	2,991,833	250,000	8,340	283	1,633	10,256	(1,023)	9,233	1.111	10,257	1.003	10,287	0.000	0.750	0.750	0.750	6,925	1.128	7,813	8,085	(273)
48 Willits	4,509,566	250,000	12,571	427	2,461	15,459	(1,542)	13,916	1.111	15,460	1.003	15,506	29.375	1.500	1.500	1.500	20,874	1.128	23,552	21,028	2,524
49 Windsor	11,988,969	250,000	33,420	1,134	6,543	41,098	(4,100)	36,997	1.111	41,101	1.003	41,224	0.000	0.750	0.750	0.750	27,748	1.128	31,307	30,390	917
50 Yountville	4,656,952	250,000	12,982	441	2,542	15,964	(1,593)	14,371	1.111	15,965	1.003	16,013	0.000	0.750	0.750	0.750	10,778	1.128	12,161	10,581	1,580
51 Yuccaipa	8,458,492	250,000	23,579	800																	



## 2024/2025 Preliminary Operating Budget CSJVRMA

Member	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>											Prior Year Comparison										
	Actual 2023		Funding	Loss	JPA			Net	2		3		4		5		6		7		8		9		10		11		TOTAL Deposit Premium	Prior Year Deposit Premium	Increase (Decrease)
	Payroll	SIR Selected	For Losses	Prevention & Training	Admin. Costs	Deposit Premium	Participation Credit	Deposit Premium	Experience Modification Factor	Dep Prem Adjusted for Experience Modification	Off-Balance Factor	Dep Prem Adjusted for Off Balance	Individual Experience Modification Factor	Capped Individual Experience Modification	Capped Ind. Ex Mod Including 25 capped change over prior year	Prior Year (2023/2024) Experience Modification	Deposit Adjusted for Experience Modification	Off-Balance Factor	Premium Adjusted for Off Balance Factor	Excess Insurance \$3M x \$1M	Excess Premium										
1 Angels Camp	\$2,750,617	\$25,000	\$17,081	\$260	\$1,501	\$18,843	(\$1,384)	\$17,459	1.005	\$17,547	1.003	\$17,600	4.115	1.500	1.500	1.250	\$26,188	1.081	\$28,318	\$1,661	\$29,978	\$21,252	\$8,726								
2 Atwater (07/01/00)	7,646,293	25,000	47,483	723	4,173	52,380	(3,848)	48,532	1.005	48,778	1.003	48,924	0.000	0.750	1.250	1.500	60,665	1.081	65,599	4,616	\$70,216	67,293	2,923								
3 Ceres	14,703,401	25,000	91,308	1,391	8,024	100,724	(7,399)	93,325	1.005	93,798	1.003	94,078	1.198	1.198	1.198	1.250	111,773	1.081	120,863	8,877	129,741	123,580	6,161								
4 Chowchilla (07/01/01)	5,694,998	25,000	35,366	539	3,108	39,013	(2,866)	36,147	1.005	36,330	1.003	36,439	0.000	0.750	0.750	0.750	27,110	1.081	29,315	3,438	32,753	27,206	5,547								
5 Corcoran	5,676,807	25,000	35,253	537	3,098	38,888	(2,857)	36,032	1.005	36,214	1.003	36,323	0.000	0.750	0.750	0.750	27,024	1.081	29,221	3,427	32,649	29,194	3,455								
6 Delano	18,129,806	25,000	112,586	1,715	9,894	124,196	(9,123)	115,073	1.005	115,656	1.003	116,002	1.736	1.500	1.250	1.000	143,841	1.081	155,539	10,946	166,485	106,436	60,049								
7 Dinuba (07/01/16)	11,318,273	100,000	51,543	1,071	6,177	58,791	(4,319)	54,473	1.005	54,749	1.003	54,913	0.000	0.750	0.750	0.750	40,854	1.081	44,177	6,833	51,010	46,060	4,950								
8 Dos Palos (12/01/10)	2,056,322	25,000	12,770	195	1,122	14,087	(1,035)	13,052	1.005	13,118	1.003	13,157	0.000	0.750	0.750	0.750	9,789	1.081	10,585	1,242	11,826	11,231	596								
9 Escalon	2,391,650	25,000	14,852	226	1,305	16,384	(1,204)	15,180	1.005	15,257	1.003	15,303	2.449	1.500	1.000	0.750	15,180	1.081	16,415	1,444	17,859	12,712	5,147								
10 Exeter	2,960,121	25,000	18,382	280	1,615	20,278	(1,490)	18,788	1.005	18,884	1.003	18,940	0.000	0.750	0.750	0.750	14,091	1.081	15,237	1,787	17,024	15,794	1,231								
11 Farmersville (7/1/16)	3,515,355	75,000	17,561	333	1,919	19,812	(1,455)	18,357	1.005	18,450	1.003	18,505	0.000	0.750	0.750	0.750	13,768	1.081	14,888	2,122	17,010	13,863	3,147								
12 Fowler	2,641,196	25,000	16,402	250	1,441	18,093	(1,329)	16,764	1.005	16,849	1.003	16,899	0.000	0.750	1.000	1.250	16,764	1.081	18,127	1,595	19,722	21,418	(1,696)								
13 Gustine	2,022,074	25,000	12,557	191	1,104	13,852	(1,018)	12,834	1.005	12,900	1.003	12,938	0.000	0.750	0.750	0.750	9,626	1.081	10,409	1,221	11,629	10,374	1,255								
14 Hughson	1,184,651	25,000	7,357	112	647	8,115	(596)	7,519	1.005	7,557	1.003	7,580	1.334	1.334	1.000	0.750	7,519	1.081	8,131	715	8,846	6,385	2,461								
15 Huron (07/01/10)	1,702,346	25,000	10,572	161	929	11,662	(857)	10,805	1.005	10,860	1.003	10,892	0.000	0.750	0.750	0.750	8,104	1.081	8,763	1,028	9,791	6,914	2,877								
16 Kerman (07/01/00)	4,776,030	25,000	29,659	452	2,607	32,718	(2,403)	30,314	1.005	30,468	1.003	30,559	0.000	0.750	0.750	0.800	22,736	1.081	24,585	2,884	27,468	26,693	776								
17 Kingsburg (07/01/05)	6,540,779	25,000	40,618	619	3,570	44,807	(3,291)	41,515	1.005	41,726	1.003	41,851	0.000	0.750	0.750	1.000	31,136	1.081	33,669	3,949	37,618	40,309	(2,691)								
18 Lathrop (10/04/05)	17,735,817	25,000	110,139	1,678	9,679	121,497	(8,925)	112,572	1.005	113,143	1.003	113,481	0.000	0.750	0.750	0.750	84,429	1.081	91,295	10,708	102,003	71,786	30,218								
19 Lemoore (07/01/13)	8,071,476	25,000	50,124	764	4,405	55,293	(4,062)	51,231	1.005	51,491	1.003	51,645	0.784	0.784	0.784	0.750	40,178	1.081	43,446	4,873	48,319	38,737	9,582								
20 Livingston	5,096,292	25,000	31,648	482	2,781	34,912	(2,565)	32,347	1.005	32,511	1.003	32,608	14,577	1.500	1.250	1.000	40,434	1.081	43,722	3,077	46,799	33,477	13,322								
21 Madera	19,077,910	25,000	118,474	1,805	10,412	130,691	(9,600)	121,090	1.005	121,705	1.003	122,068	0.000	0.750	0.750	0.750	90,818	1.081	98,204	11,518	109,722	95,465	14,257								
22 McFarland	3,775,910	50,000	20,843	357	2,061	23,261	(1,709)	21,552	1.005	21,662	1.003	21,726	0.000	0.750	0.750	1.000	16,164	1.081	17,479	2,280	19,759	19,219	540								
23 Mendota (07/01/13)	3,314,073	25,000	20,580	314	1,809	22,703	(1,668)	21,035	1.005	21,142	1.003	21,205	0.000	0.750	0.750	0.750	15,776	1.081	17,059	2,001	19,060	15,618	3,442								
24 Merced (07/01/03)	42,852,761	100,000	195,151	4,055	23,387	222,593	(16,351)	206,242	1.005	207,288	1.003	207,907	0.230	0.750	0.750	1.000	154,681	1.081	167,261	25,872	193,134	217,152	(24,018)								
25 Newman	3,746,303	25,000	23,265	354	2,045	25,664	(1,885)	23,778	1.005	23,899	1.003	23,970	0.000	0.750	0.750	0.750	17,834	1.081	19,284	2,626	21,546	17,825	3,721								
26 Oakdale (08/01/12)	7,999,240	50,000	44,156	757	4,366	49,278	(3,620)	45,658	1.005	45,890	1.003	46,027	0.000	0.750	0.750	0.750	34,244	1.081	37,029	4,830	41,858	38,601	3,257								
27 Orange Cove (07/07/07)	3,051,940	50,000	16,847	289	1,666	18,801	(1,381)	17,420	1.005	17,508	1.003	17,561	0.000	0.750	0.750	0.750	13,065	1.081	14,128	1,843	15,970	13,242	2,728								
28 Patterson (07/01/13)	14,374,383	50,000	79,347	1,360	7,845	88,552	(6,505)	82,047	1.005	82,463	1.003	82,709	0.000	0.750	1.250	1.500	102,558	1.081	110,899	8,679	119,578	103,682	15,896								
29 Porterville	27,145,985	25,000	168,577	2,569	14,815	185,960	(13,660)	172,300	1.005	173,174	1.003	173,691	5.037	1.500	1.500	1.500	258,450	1.081	279,469	16,389	295,858	272,570	23,289								
30 Reedley	11,021,757	25,000	68,445	1,043	6,015	75,503	(5,546)	69,957	1.005	70,312	1.003	70,522	0.000	0.750	0.750	0.750	52,468	1.081	56,735	6,654	63,389	50,335	13,054								
31 Riverbank (07/01/12)	4,948,465	50,000	27,316	468	2,701	30,484	(2,239)	28,245	1.005	28,388	1.003	28,473	0.000	0.750	0.750	0.750	21,184	1.081	22,907	2,988	25,894	21,096	4,798								
32 Sanger (04/18/16)	10,229,818	25,000	63,527	968	5,583	70,078	(5,148)	64,930	1.005	65,260	1.003	65,455	2.874	1.500	1.500	1.250	97,395	1.081	105,316	6,176	111,493	79,020	32,473								
33 San Joaquin (08/08/03)	1,001,207	25,000	6,217	95	546	6,859	(504)	6,355	1.005	6,387	1.003	6,406	0.000	0.750	0.750	0.750	4,766	1.081	5,154	604	5,758	4,878	880								
34 Selma	12,411,923	50,000	68,514	1,174	6,774	76,462	(5,617)	70,845	1.005	71,205	1.003	71,417	5.707	1.500	1.250	1.000	88,557	1.081	95,759	7,494	103,252	63,030	40,222								
35 Shafter	11,326,458	25,000	70,337	1,072	6,181	77,590	(5,700)	71,891	1.005	72,255	1.003	72,471	0.067	0.750	0.750	0.901	53,918	1.081	58,303	6,838	65,141	60,098	5,044								
36 Sonora (07/01/13)	3,916,450	25,000	24,321	371	2,137	26,829	(1,971)	24,858	1.005	24,984	1.003	25,059	0.000	0.750	0.750	0.750															

## 2024/2025 Preliminary Operating Budget ERMAC

Member	Actual 2023 Payroll	SIR Selected	Funding For Losses	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>						Prior Year Comparison								
				Loss Prevention & Training	Admin. Costs	Deposit Premium	JPA Participation Credit	Net Deposit Premium	6 Individual Experience Modification Factor	7 Capped Individual Experience Modification	8 Capped Ind. Ex Mod Including .25 capped change over prior year	9 Info Only: Prior Year (2023/2024) Experience Modification	10 Deposit Adjusted for Experience Off-Balance Factor	11 Premium Adjusted for Off Balance Factor			Prior Year Deposit Premium	Increase (Decrease)					
															2 JPA Experience Modification Factor	3 Dep Prem Adjusted for Experience Modification			4 Off-Balance Factor	5 Dep Prem Adjusted for Off Balance Factor			
2 Hayward (7/1/16)	120,515,662	500,000	139,702	11,403	65,772	216,877	(19,602)	197,275	0.750	147,956	1.003	148,398	0.104	0.750	0.750	0.750	147,956	1.003	148,398	148,933	(535)		
3 Santa Maria (1/1/19)	68,444,868	500,000	79,341	6,476	37,354	123,172	(11,133)	112,039	0.750	84,029	1.003	84,280	0.124	0.750	0.750	0.750	84,029	1.003	84,280	79,752	4,528		
<b>Total</b>	<b>\$188,960,530</b>		<b>\$219,043</b>	<b>\$17,879</b>	<b>\$103,126</b>	<b>\$340,048</b>	<b>(\$30,735)</b>	<b>\$309,313</b>		\$231,985		\$232,678					\$231,985		\$232,678	\$228,685	\$3,993		
			(30,735)	JPA participation credit																			
			<b>\$188,308</b>	Net funding																			
									JPA Ex mod calc: 1 X 2 = 3; then 3 X 4 = 5			Individual Ex mod calc: 1 X 8 = 9; then 9 X 10 = 11											

## 2024/2025 Preliminary Operating Budget MBASIA

Member	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>						Prior Year Comparison	
	Actual 2023 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	Info Only: Prior Year (2023/2024) Experience Modification	Adjusted for Experience Modification	Off-Balance Factor	Premium Adjusted for Off Balance Factor	Excess Insurance \$3M x \$1M	TOTAL Deposit Premium	Prior Year Deposit Premium	Increase (Decrease)
1 Capitola	\$7,603,227	\$500,000	\$8,814	\$719	\$4,149	\$13,683	(\$1,368)	\$12,314	1.231	\$15,165	1.003	\$15,210	0.000	0.750	1.000	1.250	\$12,314	1.089	\$13,409	\$4,590	\$18,000	\$20,334	(\$2,334)
2 Del Rey Oaks	1,686,253	500,000	1,955	160	920	3,035	(303)	2,731	1.231	3,363	1.003	3,373	16.998	1.500	1.500	1.500	4,097	1.089	4,461	1,018	\$5,479	5,640	(161)
3 Gonzales	4,693,379	500,000	5,441	444	2,561	8,446	(845)	7,601	1.231	9,361	1.003	9,389	0.000	0.750	0.750	0.750	5,701	1.089	6,208	2,834	\$9,042	9,823	(781)
4 Greenfield	9,353,507	500,000	10,843	885	5,105	16,832	(1,683)	15,149	1.231	18,655	1.003	18,711	0.205	0.750	1.000	1.250	15,149	1.089	16,496	5,647	\$22,143	23,309	(1,165)
5 Hollister	22,589,522	500,000	26,186	2,137	12,328	40,651	(4,065)	36,586	1.231	45,055	1.003	45,189	1.564	1.500	1.500	1.250	54,880	1.089	59,760	13,638	\$73,398	60,326	13,072
6 King City	4,529,106	500,000	5,250	429	2,472	8,150	(815)	7,335	1.231	9,033	1.003	9,060	0.000	0.750	0.750	0.750	5,502	1.089	5,991	2,734	\$8,725	8,369	356
7 Marina	11,959,313	500,000	13,863	1,132	6,527	21,522	(2,152)	19,369	1.231	23,853	1.003	23,924	1.142	1.142	1.000	0.750	19,369	1.089	21,092	7,220	\$28,312	22,474	5,839
8 Sand City	2,740,878	500,000	3,177	259	1,496	4,932	(493)	4,439	1.231	5,467	1.003	5,483	0.000	0.750	0.750	0.750	3,329	1.089	3,625	1,655	\$5,280	5,664	(384)
9 Scotts Valley	6,832,917	500,000	7,921	647	3,729	12,296	(1,230)	11,067	1.231	13,628	1.003	13,669	15.060	1.500	1.500	1.500	16,600	1.089	18,076	4,125	\$22,202	21,051	1,150
10 Soledad	7,539,827	500,000	8,740	713	4,115	13,568	(1,357)	12,212	1.231	15,038	1.003	15,083	0.000	0.750	0.750	0.750	9,159	1.089	9,973	4,552	\$14,525	14,333	192
<b>Total</b>	<b>\$79,527,929</b>		<b>\$92,189</b>	<b>\$7,525</b>	<b>\$43,403</b>	<b>\$143,116</b>	<b>(\$14,312)</b>	<b>\$128,805</b>		<b>\$158,618</b>		<b>\$159,092</b>					<b>\$146,100</b>		<b>\$159,092</b>	<b>\$48,015</b>	<b>\$207,107</b>	<b>\$191,324</b>	<b>\$15,782</b>

(14,312) JPA participation credit  
**\$77,877** 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

## 2024/2025 Preliminary Operating Budget MPA

Member	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>					Prior Year Comparison	
	Actual 2023	SIR	Funding	Loss	Admin.	Deposit	JPA	Net		2	3	4	5	6	7	8	9	10	11	Excess	TOTAL	Prior Year					
	Payroll	Selected	For Losses	Prevention & Training	Costs	Premium	Participation Credit	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	Info Only: Prior Year (2023/2024) Experience Modification	Deposit Adjusted for Experience Modification	Off-Balance Factor	Premium Adjusted for Off Balance Factor	Insurance \$3M x \$1M	Deposit Premium	Deposit Premium	Increase (Decrease)			
1 Antioch	\$44,296,404	\$50,000	\$244,516	\$4,191	\$24,175	\$272,882	(\$25,052)	\$247,831		0.822	\$203,621	1.003	\$204,229	0.804	0.804	1.000	1.250	\$247,831	0.872	\$215,996	\$26,744	\$242,740	\$300,152	(\$57,413)			
2 Brentwood	40,700,311	50,000	224,666	3,851	22,212	250,729	(23,018)	227,711		0.822	187,090	1.003	187,649	0.304	0.750	1.000	1.250	227,711	0.872	198,461	24,573	223,034	277,371	(54,337)			
3 Clayton	2,768,506	50,000	15,282	262	1,511	17,055	(1,566)	15,489		0.822	12,726	1.003	12,764	0.000	0.750	0.750	0.750	11,617	0.872	10,125	1,671	11,796	12,728	(932)			
4 Danville	9,943,913	50,000	54,890	941	5,427	61,258	(5,624)	55,634		0.822	45,710	1.003	45,847	0.000	0.750	0.750	0.894	41,726	0.872	36,366	6,004	42,370	45,238	(2,868)			
5 El Cerrito	22,671,939	50,000	125,149	2,145	12,373	139,668	(12,822)	126,846		0.822	104,218	1.003	104,529	0.425	0.750	1.250	1.500	158,557	0.872	138,190	13,688	151,878	170,988	(19,110)			
6 Hercules	8,290,597	50,000	45,764	784	4,525	51,073	(4,689)	46,384		0.822	38,110	1.003	38,224	0.000	0.750	0.750	0.750	34,788	0.872	30,320	5,005	35,325	34,299	1,026			
7 LaFayette	5,721,777	50,000	31,584	541	3,123	35,248	(3,236)	32,012		0.822	26,302	1.003	26,380	0.000	0.750	0.750	0.750	24,009	0.872	20,925	3,455	24,380	23,050	1,330			
8 Manteca	47,997,991	50,000	264,949	4,542	26,195	295,686	(27,145)	268,540		0.822	220,636	1.003	221,295	1.857	1.500	1.500	1.500	402,811	0.872	351,068	28,979	380,047	430,298	(50,251)			
9 Martinez	18,263,323	50,000	100,814	1,728	9,967	112,509	(10,329)	102,180		0.822	83,952	1.003	84,203	0.493	0.750	0.750	0.750	76,635	0.872	66,791	11,026	77,817	73,317	4,500			
10 Moraga	5,670,962	50,000	31,304	537	3,095	34,935	(3,207)	31,728		0.822	26,068	1.003	26,146	5.893	1.500	1.500	1.250	47,592	0.872	41,479	3,424	44,903	37,300	7,602			
11 Oakley (07/01/02)	12,397,659	50,000	68,435	1,173	6,766	76,374	(7,011)	69,363		0.822	56,989	1.003	57,160	0.000	0.750	0.750	0.750	52,022	0.872	45,340	7,485	52,825	47,438	5,387			
12 Orinda	4,573,601	50,000	25,246	433	2,496	28,175	(2,587)	25,588		0.822	21,024	1.003	21,087	0.000	0.750	0.750	0.750	19,191	0.872	16,726	2,761	19,487	17,630	1,857			
13 Pacifica (03/09/07)	22,470,488	75,000	112,254	2,126	12,263	126,643	(11,626)	115,017		0.822	94,499	1.003	94,782	0.000	0.750	0.750	0.750	86,263	0.872	75,182	13,567	88,748	85,709	3,039			
14 Pinole	13,378,295	50,000	73,848	1,266	7,301	82,415	(7,566)	74,849		0.822	61,497	1.003	61,681	0.181	0.750	0.750	0.750	56,137	0.872	48,926	8,077	57,003	59,749	(2,746)			
15 Pittsburg	34,690,960	50,000	191,494	3,282	18,933	213,709	(19,619)	194,090		0.822	159,467	1.003	159,943	0.000	0.750	0.750	0.750	145,567	0.872	126,869	20,945	147,813	140,898	6,915			
16 Pleasant Hill	13,390,998	50,000	73,918	1,267	7,308	82,494	(7,573)	74,920		0.822	61,555	1.003	61,739	0.905	0.905	0.905	0.750	67,824	0.872	59,111	8,085	67,196	63,900	3,296			
17 San Pablo	20,378,578	50,000	112,490	1,928	11,122	125,540	(11,525)	114,015		0.822	93,676	1.003	93,956	1.629	1.500	1.000	0.750	114,015	0.872	99,369	12,304	111,673	80,902	30,771			
18 San Ramon	37,999,658	50,000	209,758	3,595	20,738	234,092	(21,491)	212,601		0.822	174,676	1.003	175,198	0.039	0.750	0.750	0.750	159,451	0.872	138,969	22,942	161,911	159,733	2,179			
19 Walnut Creek	45,519,579	50,000	251,268	4,307	24,842	280,418	(25,744)	254,674		0.822	209,243	1.003	209,869	0.033	0.750	0.750	0.750	191,006	0.872	166,470	27,482	193,953	183,406	10,547			
<b>Total</b>	<b>\$411,125,539</b>		<b>\$2,257,629</b>	<b>\$38,900</b>	<b>\$224,373</b>	<b>\$2,520,903</b>	<b>(\$231,429)</b>	<b>\$2,289,474</b>			<b>\$1,881,059</b>		<b>\$1,886,681</b>					<b>\$2,164,752</b>		<b>\$1,886,681</b>	<b>\$248,217</b>	<b>\$2,134,898</b>	<b>\$2,244,105</b>	<b>(\$109,207)</b>			

(231,429) JPA participation credit  
\$2,026,200 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

## 2024/2025 Preliminary Operating Budget PERMA

Member	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>					Prior Year Comparison		
	Actual 2023	SIR Selected	Funding For Losses	Loss Prevention & Training	Admin. Costs	Deposit Premium	JPA Participation Credit	Net Deposit Premium		2	3	4	5	6	7	8	9	10	11	Prior Year	Increase	
	Payroll								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 (2023/2024) Experience Modification	Deposit Adjusted for Experience Modification	Off-Balance Factor	Premium Adjusted for Off Balance Factor	Prior Year Deposit Premium	Increase (Decrease)	
1 Banning (02/14/02)	\$26,227,462	\$25,000	\$162,873	\$2,482	\$14,314	\$179,668	(\$16,186)	\$163,482	1.222	\$199,819	1.003	\$200,416	1.593	1.500	1.500	1.500	\$245,223	1.141	\$279,709	\$274,662	\$5,047	
2 Barstow (02/04/02)	18,626,457	25,000	115,670	1,762	10,165	127,598	(11,495)	116,103	1.222	141,909	1.003	142,333	9.871	1.500	1.500	1.402	174,155	1.141	198,646	178,659	19,988	
3 Canyon Lake (07/01/11) *	2,351,453	25,000	14,603	222	1,283	16,108	(1,451)	14,657	1.222	17,915	1.003	17,969	0.000	0.750	0.750	0.750	10,993	1.141	12,539	12,202	337	
4 Cathedral City (02/14/01)	28,747,461	25,000	178,522	2,720	15,689	196,931	(17,741)	179,190	1.222	219,018	1.003	219,673	0.057	0.750	1.000	1.250	179,190	1.141	204,389	250,894	(46,505)	
5 Coachella (10/01/00)	8,068,981	25,000	50,108	763	4,404	55,276	(4,980)	50,296	1.222	61,475	1.003	61,659	0.373	0.750	0.750	0.750	37,722	1.141	43,027	38,669	4,357	
6 Colton (7/1/22)	33,219,467	500,000	38,508	3,143	18,130	59,781	(5,386)	54,395	1.222	66,486	1.003	66,684	2.591	1.500	1.500	1.250	81,593	1.141	93,068	83,744	9,323	
7 Desert Hot Springs (07/01/01)	12,683,855	25,000	78,767	1,200	6,922	86,889	(7,828)	79,061	1.222	96,634	1.003	96,923	2.591	1.500	1.500	1.250	118,592	1.141	135,270	104,027	31,243	
8 Eastvale (07/01/15)	5,635,048	25,000	34,994	533	3,075	38,602	(3,478)	35,125	1.222	42,932	1.003	43,060	15.734	1.500	1.500	1.500	52,687	1.141	60,096	54,776	5,320	
9 Hesperia (07/01/10)	15,263,478	50,000	84,254	1,444	8,330	94,029	(8,471)	85,558	1.222	104,575	1.003	104,887	0.298	0.750	0.750	0.750	64,168	1.141	73,193	72,257	935	
10 Holtville (07/01/08)	1,535,661	25,000	9,536	145	838	10,520	(948)	9,572	1.222	11,700	1.003	11,735	0.000	0.750	0.750	0.750	7,179	1.141	8,189	9,461	(1,272)	
11 ICTC (07/01/12)	639,784	25,000	3,973	61	349	4,383	(395)	3,988	1.222	4,874	1.003	4,889	0.000	0.750	0.750	0.750	2,991	1.141	3,412	3,635	(223)	
12 La Mesa (07/01/02)	30,132,484	25,000	187,123	2,851	16,445	206,419	(18,596)	187,823	1.222	229,570	1.003	230,256	0.048	0.750	0.750	0.750	140,867	1.141	160,678	169,469	(8,791)	
13 Murrieta (07/01/01) **	56,128,581	100,000	255,610	5,311	30,632	291,553	(26,265)	265,287	1.222	324,253	1.003	325,222	0.198	0.750	0.750	0.750	198,965	1.141	226,946	217,885	9,061	
14 Norco (7/1/23)	7,074,129	100,000	32,216	669	3,861	36,746	(3,310)	33,435	1.222	40,867	1.003	40,989	0.000	0.750	0.750	1.000	25,076	1.141	28,603	34,524	(5,921)	
15 Palm Sps Tram (11/01/05)	5,661,652	25,000	35,159	536	3,090	38,784	(3,494)	35,290	1.222	43,134	1.003	43,263	3.185	1.500	1.000	0.750	35,290	1.141	40,253	30,333	9,921	
16 Perris (09/25/00)	14,257,784	25,000	88,541	1,349	7,781	97,671	(8,799)	88,872	1.222	108,626	1.003	108,950	4.349	1.500	1.000	0.750	88,872	1.141	101,370	66,388	34,982	
17 Rancho Mirage (12/31/19)	9,230,178	25,000	57,319	873	5,037	63,230	(5,696)	57,534	1.222	70,322	1.003	70,532	0.000	0.750	1.250	1.500	71,917	1.141	82,031	95,135	(13,104)	
18 San Jacinto (07/01/18)	7,036,885	25,000	43,699	666	3,840	48,205	(4,343)	43,863	1.222	53,612	1.003	53,772	0.000	0.750	0.750	0.750	32,897	1.141	37,523	38,336	(812)	
19 SDRTC (11/04/13)	718,135	25,000	4,460	68	392	4,919	(443)	4,476	1.222	5,471	1.003	5,488	0.000	0.750	0.750	0.750	3,357	1.141	3,829	3,977	(148)	
20 SunLine (11/04/13)	20,813,243	50,000	114,889	1,969	11,359	128,217	(11,551)	116,666	1.222	142,598	1.003	143,024	4.879	1.500	1.500	1.500	175,000	1.141	199,610	197,668	1,942	
21 Victorville (07/01/01)	52,819,470	25,000	328,009	4,998	28,826	361,833	(32,597)	329,236	1.222	402,415	1.003	403,618	1.183	1.183	1.086	0.836	357,489	1.141	407,764	294,504	113,259	
22 VVTA (7/1/12)	2,079,732	25,000	12,915	197	1,135	14,247	(1,283)	12,963	1.222	15,845	1.003	15,892	0.000	0.750	0.750	1.000	9,723	1.141	11,090	14,828	(3,738)	
<b>Total</b>	<b>\$358,951,379</b>		<b>\$1,931,747</b>	<b>\$33,964</b>	<b>\$195,899</b>	<b>\$2,161,609</b>	<b>(\$194,736)</b>	<b>\$1,966,874</b>		<b>\$2,404,050</b>		<b>\$2,411,236</b>					<b>\$2,113,947</b>		<b>\$2,411,236</b>	<b>\$2,246,035</b>	<b>\$165,201</b>	
			(194,736)	JPA participation credit																		
			<b>\$1,737,011</b>	Net funding																		
									JPA Ex mod calc: 1 X 2 = 3; then 3 X 4 = 5											Individual Ex mod calc: 1 X 8 = 9; then 9 X 10 = 11		

\* Includes Canyon Lake Fire Department

\*\* Includes Murrieta Fire Department









## 2024/2025 Preliminary Operating Budget Oakland Housing Authority

Member	Actual 2023 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 \$3M x \$1M	TOTAL Deposit Premium	Prior Year Comparison	
															Prior Year Deposit Premium	Increase (Decrease)
Oakland H.A.	\$40,478,887	\$50,000	\$223,443	\$3,830	\$22,092	\$249,365	N/A	\$249,365	0.971	\$242,206	1.003	\$242,930	\$24,439	\$267,369	\$260,107	\$7,262
<b>Total</b>	<b>\$40,478,887</b>		<b>\$223,443</b>	<b>\$3,830</b>	<b>\$22,092</b>	<b>\$249,365</b>	<b>\$0</b>	<b>\$249,365</b>		<b>\$242,206</b>		<b>\$242,930</b>	<b>\$24,439</b>	<b>\$267,369</b>	<b>\$260,107</b>	<b>\$7,262</b>

Participation Credit      N/A

## 2024/2025 Preliminary Operating Budget Contra Costa County Housing Authority

Member	Actual 2023	SIR	Funding	Loss	Admin.	Deposit	JPA	Net	Experience	Deposit	Off-Balance	Deposit	Excess	TOTAL	Prior Year Comparison	
	Payroll	Selected	For Losses	Prevention & Training	Costs	Premium	Participation Credit	Deposit Premium	Modification Factor	Experience Modification	Off-Balance Factor	Adjusted for Off Balance Factor	Insurance \$3M x \$1M		Deposit Premium	Prior Year Deposit Premium
Contra Costa H.A.	\$6,993,253	\$50,000	\$38,603	\$662	\$3,817	\$43,081	N/A	\$43,081	0.958	\$41,279	1.003	\$41,402	\$4,222	\$45,624	\$44,095	\$1,529
<b>Total</b>	<u>\$6,993,253</u>		<u>\$38,603</u>	<u>\$662</u>	<u>\$3,817</u>	<u>\$43,081</u>	<u>\$0</u>	<u>\$43,081</u>		<u>\$41,279</u>		<u>\$41,402</u>	<u>\$4,222</u>	<u>\$45,624</u>	<u>\$44,095</u>	<u>\$1,529</u>

Participation Credit      N/A

**2024/2025 Preliminary Operating Budget  
Experience Modification Calculation**

Member	Calendar Year Payroll				Incurred Losses at 12/31/2023 Individual Losses from \$25k and Capped at \$500k				Experience Modification Calculation										Prior Year JPA Capped* Factored Experience Modifier
	Actual 2018 Payroll	Actual 2019 Payroll	Actual 2020 Payroll	Actual 2021 Payroll	Program Year 2019/2020	Program Year 2020/2021	Program Year 2021/2022	Program Year 2022/2023	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)	
<b>BCIPIA</b>																			
1 Albany/Albany JPA	\$ 10,821,075	\$ 11,273,329	\$ 11,702,836	\$ 11,838,518	\$ -	\$ -	\$ -	\$ -	\$ 11,408,940	\$ -	\$ -	\$ 21,653	-	0.076	-0.076	0.924		0.750	
2 Brisbane	9,629,320	10,205,927	11,098,373	12,133,826	-	-	-	-	10,766,862	-	-	20,434	-	0.074	-0.074	0.926		0.750	
3 CMFA (1/1/19)	6,189,890	4,119,184	5,969,261	6,162,581	-	-	-	-	5,610,229	-	-	10,648	-	0.053	-0.053	0.947		0.750	
4 Central Marin PA	5,034,939	5,457,093	5,687,342	5,894,737	-	-	-	-	5,518,528	-	-	10,474	-	0.053	-0.053	0.947		0.750	
5 Corte Madera (7/1/17)	3,277,001	3,620,916	3,399,285	3,653,808	-	-	-	-	3,487,752	-	-	6,619	-	0.042	-0.042	0.958		0.750	
6 Emeryville (Includes MESA)	14,450,829	15,107,489	14,716,102	14,557,309	-	-	-	-	14,707,932	-	-	27,914	-	0.086	-0.086	0.914		0.750	
7 Emeryville MESA	Inc.	Inc.	Inc.	Inc.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Fairfax	2,888,425	3,019,166	3,279,254	3,241,259	-	-	-	-	3,107,026	-	-	5,897	-	0.040	-0.040	0.960		0.750	
9 Larkspur	2,670,149	4,437,164	3,425,608	3,297,611	-	-	-	-	3,457,633	-	-	6,562	-	0.042	-0.042	0.958		0.750	
10 Los Altos (7/1/12)	14,603,898	13,397,476	14,821,833	15,320,987	-	-	-	-	14,536,048	-	-	27,588	-	0.086	-0.086	0.914		0.750	
11 Menlo Park (7/1/02)	29,278,317	31,900,426	30,667,457	30,033,508	-	-	-	-	30,469,927	-	-	57,829	-	0.124	-0.124	0.876		0.750	
12 Mill Valley (7/1/01)	16,782,771	17,527,967	16,299,869	16,400,686	289,517	-	-	-	16,752,823	72,379	0.432	31,795	2.276	0.092	0.118	1.118		1.500	
13 Novato (9/1/07)	17,437,788	19,704,268	17,744,124	17,275,663	-	-	-	-	18,040,461	-	-	34,239	-	0.096	-0.096	0.904		0.750	
14 Piedmont	13,485,707	13,938,268	14,222,007	14,361,525	-	95,274	-	65,000	14,001,877	40,069	0.286	26,574	1.508	0.084	0.043	1.043		1.500	
15 Pleasanton	43,193,719	50,018,700	46,867,185	46,764,786	-	-	180,000	25,000	46,711,097	51,250	0.110	88,653	0.578	0.154	-0.065	0.935		0.750	
16 San Anselmo +	3,426,853	3,374,056	3,069,317	2,863,971	-	-	-	-	3,183,549	-	-	6,042	-	0.040	-0.040	0.960		0.750	
17 Tiburon (7/1/11)	3,447,463	3,735,038	3,926,313	4,066,973	-	10,000	-	-	3,793,947	2,500	0.066	7,201	0.347	0.044	-0.029	0.971		0.750	
18 Union City	26,580,737	26,089,444	27,010,881	26,553,152	-	-	-	-	26,558,554	-	-	50,405	-	0.116	-0.116	0.884		0.750	
<b>BCIPIA Total</b>	<b>223,198,881</b>	<b>236,925,911</b>	<b>233,907,049</b>	<b>234,420,900</b>	<b>289,517</b>	<b>105,274</b>	<b>180,000</b>	<b>90,000</b>	<b>232,113,185</b>	<b>166,198</b>	<b>0.072</b>	<b>440,526</b>	<b>0.377</b>	<b>0.343</b>	<b>-0.214</b>	<b>0.786</b>	<b>0.786</b>		<b>0.750</b>
<b>CalTIP (7/1/17)</b>																			
1 El Dorado	3,438,251	3,515,292	3,161,997	2,732,511	140,245	-	-	10,000	3,212,013	37,561	1.169	6,096	6.162	0.040	0.208	1.208		1.500	
2 Humboldt	2,404,118	2,532,761	3,017,735	2,821,999	-	-	-	-	2,694,153	-	-	5,113	-	0.037	-0.037	0.963		0.750	
3 LAVTA	1,398,699	1,671,605	1,817,427	1,862,717	-	-	-	-	1,687,612	-	-	3,203	-	0.029	-0.029	0.971		0.750	
4 Mendocino	2,583,340	2,972,395	2,772,977	2,614,505	-	-	-	-	2,735,804	-	-	5,192	-	0.037	-0.037	0.963		0.750	
5 Morongo	1,493,632	1,711,324	1,834,939	1,824,235	-	-	-	-	1,716,032	-	-	3,257	-	0.029	-0.029	0.971		0.750	
6 San Joaquin (1/1/23)	10,596,997	11,365,275	11,078,631	9,537,149	507,254	-	-	-	10,644,513	126,814	1.191	20,202	6.277	0.073	0.388	1.388		1.500	
7 SLORTA *	5,250,315	5,584,595	5,727,046	5,997,209	-	-	-	-	5,639,791	-	-	10,704	-	0.053	-0.053	0.947		0.750	
8 Tahoe	3,200,451	2,914,349	3,296,826	3,024,381	-	-	-	180,496	3,109,002	45,124	1.451	5,901	7.647	0.040	0.264	1.264		1.500	
9 WCCTA	933,377	1,059,072	1,098,212	1,131,127	-	-	-	-	1,055,447	-	-	2,003	-	0.023	-0.023	0.977		0.750	
10 Yolo	952,651	964,222	917,541	953,404	-	-	-	-	946,955	-	-	1,797	-	0.022	-0.022	0.978		0.750	
<b>CalTIP Total</b>	<b>32,251,831</b>	<b>34,290,890</b>	<b>34,723,332</b>	<b>32,499,236</b>	<b>647,499</b>	<b>-</b>	<b>-</b>	<b>190,496</b>	<b>33,441,322</b>	<b>209,499</b>	<b>0.626</b>	<b>63,468</b>	<b>3.301</b>	<b>0.130</b>	<b>0.300</b>	<b>1.300</b>	<b>1.250</b>		<b>1.002</b>

\* Includes South County Transit

**2024/2025 Preliminary Operating Budget  
Experience Modification Calculation**

Member	Calendar Year Payroll				Incurred Losses at 12/31/2023 Individual Losses from \$25k and Capped at \$500k				Experience Modification Calculation								Prior Year JPA Capped* Factored Experience Modifier	
	Actual 2018 Payroll	Actual 2019 Payroll	Actual 2020 Payroll	Actual 2021 Payroll	Program Year 2019/2020	Program Year 2020/2021	Program Year 2021/2022	Program Year 2022/2023	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
<b>CSJVRMA</b>																		
1 Angels Camp	2,777,974	2,348,605	2,349,846	2,399,873	77,136	-	-	-	2,469,074	19,284	0.781	4,686	4.115	0.035	0.110	1.110		1.500
2 Atwater (7/1/00)	5,310,488	5,192,561	5,921,819	5,896,561	-	-	-	-	5,580,357	-	-	10,591	-	0.053	-0.053	0.947		0.750
3 Ceres	14,631,988	15,762,823	16,698,584	15,981,737	143,374	-	-	-	15,768,783	35,843	0.227	29,927	1.198	0.089	0.018	1.018		1.198
4 Chowchilla (7/1/01)	4,156,084	4,489,822	4,740,272	4,928,932	-	-	-	-	4,578,777	-	-	8,690	-	0.048	-0.048	0.952		0.750
5 Corcoran	3,949,019	4,297,812	4,443,287	4,848,713	-	-	-	-	4,384,708	-	-	8,322	-	0.047	-0.047	0.953		0.750
6 Delano	19,088,159	20,346,087	18,751,950	15,299,430	180,000	-	62,167	-	18,371,406	60,542	0.330	34,867	1.736	0.096	0.071	1.071		1.500
7 Dinuba (7/1/16)	10,536,727	9,977,747	10,132,327	10,695,776	-	-	-	-	10,335,644	-	-	19,616	-	0.072	-0.072	0.928		0.750
8 Dos Palos (12/1/10)*	1,444,379	1,455,597	1,704,204	1,643,049	-	-	-	-	1,561,807	-	-	2,964	-	0.028	-0.028	0.972		0.750
9 Escalon	2,041,877	2,169,803	2,165,097	2,228,238	-	-	40,000	-	2,151,254	10,000	0.465	4,083	2.449	0.033	0.048	1.048		1.500
10 Exeter (7/1/21)	2,667,052	2,648,021	2,674,088	2,824,217	-	-	-	-	2,703,344	-	-	5,131	-	0.037	-0.037	0.963		0.750
11 Farmersville (7/1/16)	2,303,881	2,534,516	2,561,304	3,061,431	-	-	-	-	2,615,283	-	-	4,964	-	0.036	-0.036	0.964		0.750
12 Fowler	1,886,263	2,048,543	2,116,593	2,318,565	-	-	-	-	2,092,491	-	-	3,971	-	0.033	-0.033	0.967		0.750
13 Gustine	1,419,177	1,666,735	1,630,763	1,870,837	-	-	-	-	1,646,878	-	-	3,126	-	0.029	-0.029	0.971		0.750
14 Hughson	996,779	986,819	925,137	1,041,179	-	10,000	-	-	987,478	2,500	0.253	1,874	1.334	0.022	0.007	1.007		1.334
15 Huron (7/1/10)	1,088,812	1,122,407	1,305,056	1,283,402	-	-	-	-	1,199,919	-	-	2,277	-	0.025	-0.025	0.975		0.750
16 Kerman	3,879,700	4,197,823	4,417,230	4,543,248	-	-	-	-	4,259,500	-	-	8,084	-	0.046	-0.046	0.954		0.750
17 Kingsburg (7/1/05)	3,541,538	3,970,486	4,707,709	5,010,403	-	-	-	-	4,307,534	-	-	8,175	-	0.047	-0.047	0.953		0.750
18 Lathrop (10/4//05)	6,540,966	7,346,922	7,931,830	8,588,380	-	-	-	-	7,602,024	-	-	14,428	-	0.062	-0.062	0.938		0.750
19 Lemoore (7/1/13)	7,575,401	7,986,606	7,765,911	8,039,623	16,398	291	30,000	-	7,841,885	11,672	0.149	14,883	0.784	0.063	-0.014	0.986		0.784
20 Livingston	4,142,846	4,852,236	4,640,642	4,874,636	-	325,000	177,108	10,000	4,627,590	128,027	2.767	8,783	14.577	0.048	0.657	1.657		1.500
21 Madera	18,767,890	17,546,597	17,292,668	17,280,855	-	-	-	-	17,722,002	-	-	33,634	-	0.095	-0.095	0.905		0.750
22 McFarland	2,647,349	2,507,354	2,464,969	2,644,130	-	-	-	-	2,565,950	-	-	4,870	-	0.036	-0.036	0.964		0.750
23 Mendota (7/1/13)	2,303,571	2,427,588	2,431,809	2,962,007	-	-	-	-	2,531,244	-	-	4,804	-	0.036	-0.036	0.964		0.750
24 Merced (7/1/03)	34,926,178	36,186,516	39,205,677	38,584,922	-	10,000	45,000	10,000	37,225,823	16,250	0.044	70,651	0.230	0.137	-0.106	0.894		0.750
25 Newman	2,700,353	2,813,698	2,991,561	3,169,037	-	-	-	-	2,918,662	-	-	5,539	-	0.038	-0.038	0.962		0.750
26 Oakdale (8/1/12)	5,541,135	6,700,086	6,541,692	7,193,367	-	-	-	-	6,494,070	-	-	12,325	-	0.057	-0.057	0.943		0.750
27 Orange Cove (7/7/07)	1,928,958	1,992,845	2,250,697	2,480,857	-	-	-	-	2,163,339	-	-	4,106	-	0.033	-0.033	0.967		0.750
28 Patterson (7/1/13)	8,730,706	9,481,497	9,754,944	10,666,710	-	-	-	-	9,658,464	-	-	18,331	-	0.070	-0.070	0.930		0.750
29 Porterville	20,834,525	22,223,862	24,426,291	25,083,635	340,000	30,000	475,000	40,000	23,142,078	221,250	0.956	43,921	5.037	0.108	0.437	1.437		1.500
30 Reedley	8,279,157	8,737,363	8,956,111	9,696,142	-	-	-	-	8,917,193	-	-	16,924	-	0.067	-0.067	0.933		0.750
31 Riverbank (7/1/12)	3,471,922	3,585,662	3,791,774	3,924,827	-	-	-	-	3,693,546	-	-	7,010	-	0.043	-0.043	0.957		0.750
32 Sanger (4/18/16)	8,768,006	9,203,184	9,043,155	9,655,795	100,000	-	100,000	-	9,167,535	50,000	0.545	17,399	2.874	0.068	0.128	1.128		1.500
33 San Joaquin (8/8/03)*	612,314	562,218	640,235	739,831	-	-	-	-	638,649	-	-	1,212	-	0.018	-0.018	0.982		0.750
34 Selma	6,429,071	7,339,842	8,105,554	9,055,747	-	275,000	60,000	-	7,732,554	83,750	1.083	14,676	5.707	0.063	0.295	1.295		1.500
35 Shafter	13,310,231	14,094,940	13,940,524	9,686,378	6,461	-	-	-	12,758,018	1,615	0.013	24,213	0.067	0.080	-0.075	0.925		0.750
36 Sonora 7/1/13)	3,162,020	3,274,105	3,254,908	3,579,602	-	-	-	-	3,317,659	-	-	6,297	-	0.041	-0.041	0.959		0.750
37 Taft	7,616,629	7,825,578	8,000,630	5,524,736	-	-	-	-	7,241,893	-	-	13,744	-	0.061	-0.061	0.939		0.750
38 Tehachapi (7/1/13)	4,949,213	5,447,707	5,603,822	5,872,391	-	-	80,000	-	5,468,283	20,000	0.366	10,378	1.927	0.053	0.049	1.049		1.500
39 Tracy (7/1/22)	50,033,683	54,509,607	56,478,657	41,023,558	10,949	-	40,000	-	50,511,376	12,737	0.025	95,865	0.133	0.160	-0.139	0.861		0.750
40 Tulare (7/1/12)	24,561,403	24,813,620	26,647,620	26,746,716	-	-	-	-	25,692,340	-	-	48,761	-	0.114	-0.114	0.886		0.750
41 Wasco	3,996,631	3,783,912	4,028,106	4,103,809	-	-	-	-	3,978,115	-	-	7,550	-	0.045	-0.045	0.955		0.750
42 Woodlake (7/1/16)	1,829,444	1,980,470	1,992,280	2,231,022	-	-	-	-	2,008,304	-	-	3,812	-	0.032	-0.032	0.968		0.750
<b>CSJVRMA Total</b>	<b>335,379,499</b>	<b>352,440,222</b>	<b>365,427,333</b>	<b>349,284,303</b>	<b>874,318</b>	<b>650,291</b>	<b>877,108</b>	<b>292,167</b>	<b>350,632,839</b>	<b>673,471</b>	<b>0.192</b>	<b>665,463</b>	<b>1.012</b>	<b>0.422</b>	<b>0.005</b>	<b>1.005</b>	<b>1.005</b>	<b>0.909</b>

**2024/2025 Preliminary Operating Budget  
Experience Modification Calculation**

Member	Calendar Year Payroll				Incurred Losses at 12/31/2023 Individual Losses from \$25k and Capped at \$500k				Experience Modification Calculation										Prior Year JPA Capped* Factored Experience Modifier
	Actual 2018 Payroll	Actual 2019 Payroll	Actual 2020 Payroll	Actual 2021 Payroll	Program Year 2019/2020	Program Year 2020/2021	Program Year 2021/2022	Program Year 2022/2023	4 Year Average Payroll	4 Year Average Losses	4 Year Loss Rate \$100/PR	Average Expected Losses	Member Experience Ratio	Deviation from Norm Multiplied by Credibility	Factored Experience Modifier	JPA Capped Factored Experience Modifier	Ind. Capped Ex Mod (No factor applied)		
<b>ERMAC</b>																			
1 Hayward (7/1/16)	101,478,933	100,929,988	103,033,584	106,943,827	-	71,685	-	10,000	103,096,583	20,421	0.020	195,666	0.104	0.229	-0.205	0.795	0.750		
2 Santa Maria (1/1/19)	48,400,587	51,264,592	56,845,455	56,465,499	-	-	10,000	40,000	53,244,033	12,500	0.023	101,051	0.124	0.164	-0.144	0.856	0.750		
<b>ERMAC Total</b>	<b>149,879,520</b>	<b>152,194,580</b>	<b>159,879,039</b>	<b>163,409,326</b>	<b>-</b>	<b>71,685</b>	<b>10,000</b>	<b>50,000</b>	<b>156,340,616</b>	<b>32,921</b>	<b>0.021</b>	<b>296,718</b>	<b>0.111</b>	<b>0.281</b>	<b>-0.250</b>	<b>0.750</b>	<b>0.750</b>		
<b>MBASIA (7/1/11)</b>																			
1 Capitola	6,065,355	6,421,510	6,194,164	6,822,107	-	-	-	-	6,375,784	-	-	12,101	-	0.057	-0.057	0.943	0.750		
2 Del Rey Oaks	1,383,297	1,612,490	1,459,024	1,424,757	-	179,681	-	10,000	1,469,892	47,420	3.226	2,790	16.998	0.027	0.437	1.437	1.500		
3 Gonzales	3,572,058	4,006,408	4,053,383	4,564,941	-	-	-	-	4,049,197	-	-	7,685	-	0.045	-0.045	0.955	0.750		
4 Greenfield	5,262,120	5,959,984	6,779,110	7,759,850	-	-	10,000	-	6,440,266	2,500	0.039	12,223	0.205	0.057	-0.045	0.955	0.750		
5 Hollister	16,466,251	17,320,133	18,147,545	17,808,033	9,609	177,403	20,000	-	17,435,491	51,753	0.297	33,091	1.564	0.094	0.053	1.053	1.500		
6 King City	3,009,891	2,986,810	3,188,426	3,482,980	-	-	-	-	3,167,027	-	-	6,011	-	0.040	-0.040	0.960	0.750		
7 Marina	9,056,940	9,611,831	10,353,395	10,800,588	3,229	55,000	28,059	-	9,955,688	21,572	0.217	18,895	1.142	0.071	0.010	1.010	1.142		
8 Sand City	2,724,000	2,702,236	2,727,512	2,983,122	-	-	-	-	2,784,217	-	-	5,284	-	0.038	-0.038	0.962	0.750		
9 Scotts Valley	5,350,683	5,456,068	5,145,170	4,762,536	442,060	150,000	-	-	5,178,614	148,015	2.858	9,828	15.060	0.051	0.720	1.720	1.500		
10 Soledad	4,491,577	4,748,518	5,168,379	6,078,949	-	-	-	-	5,121,856	-	-	9,721	-	0.051	-0.051	0.949	0.750		
<b>MBASIA Total</b>	<b>57,382,172</b>	<b>60,825,988</b>	<b>63,216,106</b>	<b>66,487,863</b>	<b>454,898</b>	<b>562,084</b>	<b>58,059</b>	<b>10,000</b>	<b>61,978,032</b>	<b>271,260</b>	<b>0.438</b>	<b>117,628</b>	<b>2.306</b>	<b>0.177</b>	<b>0.231</b>	<b>1.231</b>	<b>1.231</b>		
<b>MPA</b>																			
1 Antioch	32,077,410	33,598,988	42,345,945	42,716,768	-	165,000	35,000	30,000	37,684,778	57,500	0.153	71,522	0.804	0.138	-0.027	0.973	0.804		
2 Brentwood	32,742,510	34,674,871	35,460,143	37,120,298	-	60,741	-	20,000	34,999,456	20,185	0.058	66,425	0.304	0.133	-0.093	0.907	0.750		
3 Clayton	2,271,038	2,419,519	2,445,121	2,446,671	-	-	-	-	2,395,587	-	-	4,547	-	0.035	-0.035	0.965	0.750		
4 Danville	8,728,844	8,835,462	8,414,317	8,300,584	-	-	-	-	8,569,802	-	-	16,265	-	0.066	-0.066	0.934	0.750		
5 El Cerrito	20,838,781	22,060,903	21,779,663	20,037,891	-	-	45,149	23,261	21,179,310	17,102	0.081	40,196	0.425	0.104	-0.060	0.940	0.750		
6 Hercules	7,245,302	7,660,894	7,780,378	7,841,522	-	-	-	-	7,632,024	-	-	14,485	-	0.062	-0.062	0.938	0.750		
7 LaFayette	4,429,383	4,539,389	4,408,933	4,863,651	-	-	-	-	4,560,339	-	-	8,655	-	0.048	-0.048	0.952	0.750		
8 Manteca	37,885,634	42,054,691	45,243,136	47,618,778	380,540	228,335	-	-	43,200,560	152,219	0.352	81,990	1.857	0.148	0.127	1.127	1.500		
9 Martinez	13,790,322	14,816,049	15,310,499	14,827,796	10,000	25,000	-	20,000	14,686,167	13,750	0.094	27,873	0.493	0.086	-0.044	0.956	0.750		
10 Moraga	3,858,750	4,442,241	4,441,757	4,244,403	190,000	-	-	-	4,246,788	47,500	1.118	8,060	5.893	0.046	0.227	1.227	1.500		
11 Oakley (7/1/02)	9,130,868	9,961,975	10,042,060	10,287,048	-	-	-	-	9,855,488	-	-	18,705	-	0.071	-0.071	0.929	0.750		
12 Orinda	3,629,613	3,754,713	3,760,432	3,795,506	-	-	-	-	3,735,066	-	-	7,089	-	0.044	-0.044	0.956	0.750		
13 Pacifica (3/9/07)	18,018,205	19,060,055	19,303,972	20,489,492	-	-	-	-	19,217,931	-	-	36,474	-	0.099	-0.099	0.901	0.750		
14 Pinole	9,109,957	9,682,100	11,143,507	11,654,031	-	-	14,315	-	10,397,399	3,579	0.034	19,733	0.181	0.073	-0.059	0.941	0.750		
15 Pittsburg	27,352,663	28,785,660	29,434,181	29,371,054	-	-	-	-	28,735,890	-	-	54,538	-	0.121	-0.121	0.879	0.750		
16 Pleasant Hill	12,389,614	12,813,263	13,140,989	13,627,759	-	79,293	-	10,000	12,992,906	22,323	0.172	24,659	0.905	0.081	-0.008	0.992	0.905		
17 San Pablo	15,215,439	16,936,406	16,868,398	17,280,331	-	-	205,000	-	16,575,144	51,250	0.309	31,458	1.629	0.092	0.058	1.058	1.500		
18 San Ramon	32,890,385	32,808,007	34,068,902	34,615,081	-	-	-	10,000	33,595,594	2,500	0.007	63,761	0.039	0.130	-0.125	0.875	0.750		
19 Walnut Creek	39,605,592	40,981,431	42,084,206	39,261,971	-	-	-	10,000	40,483,300	2,500	0.006	76,833	0.033	0.143	-0.139	0.861	0.750		
20 MPA JPA Staff	1,733,576	1,856,755	2,123,692	2,084,213	-	-	-	10,000	1,949,559	2,500	0.128	3,700	0.676	0.031	-0.010	0.990	0.750		
<b>MPA Total</b>	<b>332,943,886</b>	<b>351,743,372</b>	<b>369,600,231</b>	<b>372,484,848</b>	<b>580,540</b>	<b>558,369</b>	<b>299,463</b>	<b>133,261</b>	<b>356,693,084</b>	<b>392,908</b>	<b>0.110</b>	<b>676,965</b>	<b>0.580</b>	<b>0.425</b>	<b>-0.178</b>	<b>0.822</b>	<b>0.822</b>		
<b>0.806</b>																			
<b>1.250</b>																			
<b>0.922</b>																			

**2024/2025 Preliminary Operating Budget  
Experience Modification Calculation**

Member	Calendar Year Payroll				Incurred Losses at 12/31/2023 Individual Losses from \$25k and Capped at \$500k				Experience Modification Calculation										Prior Year
	Actual 2018 Payroll	Actual 2019 Payroll	Actual 2020 Payroll	Actual 2021 Payroll	Program Year 2019/2020	Program Year 2020/2021	Program Year 2021/2022	Program Year 2022/2023	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
<b>CIRA</b>																			
1 Amador	40,620	39,420	39,540	39,660	-	-	-	-	39,810	-	-	76	-	0.004	-0.004	0.996		0.750	
2 Arcata (7/1/21)	9,035,795	9,295,493	9,555,644	8,945,064	-	22,903	375,000	30,000	9,207,999	106,976	1.162	17,476	6.121	0.068	0.350	1.350		1.500	
3 Avalon	6,475,507	6,598,744	5,445,158	4,763,892	-	-	-	-	5,820,825	-	-	11,047	-	0.054	-0.054	0.946		0.750	
4 Belvedere (7/1/15)	2,351,741	2,141,612	2,244,081	2,359,252	-	-	-	-	2,274,172	-	-	4,316	-	0.034	-0.034	0.966		0.750	
5 Blue Lake	450,698	517,148	537,023	488,904	-	-	-	-	498,443	-	-	946	-	0.016	-0.016	0.984		0.750	
6 Calimesa	1,411,694	1,919,936	2,176,608	2,359,537	-	47,636	-	-	1,966,944	11,909	0.605	3,733	3.190	0.032	0.069	1.069		1.500	
7 Calistoga	5,703,945	6,425,210	6,639,191	7,032,098	-	-	-	-	6,450,111	-	-	12,242	-	0.057	-0.057	0.943		0.750	
8 Citrus Heights	18,696,051	19,535,966	18,707,681	18,543,725	75,000	23,799	68,706	-	18,870,856	41,876	0.222	35,815	1.169	0.098	0.017	1.017		1.169	
9 Clearlake	3,892,585	4,470,339	4,675,251	4,795,097	-	-	-	-	4,458,318	-	-	8,461	-	0.048	-0.048	0.952		0.750	
10 Cloverdale (7/1/21)	3,881,269	3,865,970	4,508,206	4,544,285	-	-	-	-	4,199,932	-	-	7,971	-	0.046	-0.046	0.954		0.750	
11 Coalinga	4,959,828	4,863,578	5,605,176	7,127,140	36,148	-	-	-	5,638,930	9,037	0.160	10,702	0.844	0.053	-0.008	0.992		0.844	
12 Cotati (7/1/21)	3,433,875	3,639,220	4,017,641	4,186,582	-	-	-	-	3,819,329	-	-	7,249	-	0.044	-0.044	0.956		0.750	
13 Eureka (7/1/21)	14,625,732	15,498,467	13,633,910	12,772,261	370,561	19,522	10,000	-	14,132,593	100,021	0.708	26,822	3.729	0.085	0.231	1.231		1.500	
14 Ferndale	656,777	695,638	760,266	768,202	-	-	-	-	720,221	-	-	1,367	-	0.019	-0.019	0.981		0.750	
15 Foresthill FPD (11/1/22)	590,094	832,262	1,282,322	1,211,373	-	-	-	-	979,013	-	-	1,858	-	0.022	-0.022	0.978		0.750	
16 Fort Bragg (7/1/21)	3,511,101	3,770,080	3,482,902	3,324,954	-	-	-	-	3,522,259	-	-	6,685	-	0.042	-0.042	0.958		0.750	
17 Fortuna (7/1/21)	4,832,121	4,989,529	5,217,344	4,997,383	-	-	175,000	-	5,009,094	43,750	0.873	9,507	4.602	0.050	0.181	1.181		1.500	
18 Grass Valley	7,227,435	7,815,626	8,649,990	8,906,430	-	-	-	-	8,149,870	-	-	15,468	-	0.064	-0.064	0.936		0.750	
19 Healdsburg (7/1/21)	14,693,104	16,570,387	16,615,489	17,360,623	-	35,755	-	-	16,309,901	8,939	0.055	30,954	0.289	0.091	-0.065	0.935		0.750	
20 Highland	2,823,158	3,142,495	3,489,735	3,496,061	-	-	-	-	3,237,862	-	-	6,145	-	0.041	-0.041	0.959		0.750	
21 Lakeport (7/1/21)	2,961,072	3,333,027	3,437,869	3,208,087	-	-	-	-	3,235,014	-	-	6,140	-	0.040	-0.040	0.960		0.750	
22 Menifee (10/1/08)	6,100,132	8,540,141	14,915,995	19,932,044	-	-	-	27,036	12,372,078	6,759	0.055	23,481	0.288	0.079	-0.056	0.944		0.750	
23 Mosquito FPD (1/1/23)	367,069	367,069	367,069	367,069	19,000	-	-	-	367,069	4,750	1.294	697	6.818	0.014	0.079	1.079		1.500	
24 Nevada City	2,554,277	2,675,062	2,729,700	2,167,929	-	-	-	-	2,531,742	-	-	4,805	-	0.036	-0.036	0.964		0.750	
25 Placencia	12,175,819	12,908,301	16,488,966	18,565,202	-	275,000	-	-	15,034,572	68,750	0.457	28,534	2.409	0.087	0.123	1.123		1.500	
26 Placerville	6,459,088	6,892,317	6,866,007	6,413,314	-	-	-	-	6,657,681	-	-	12,636	-	0.058	-0.058	0.942		0.750	
27 Plymouth	628,673	614,150	689,651	789,775	-	-	-	-	680,562	-	-	1,292	-	0.019	-0.019	0.981		0.750	
28 Point Arena	364,741	378,120	430,874	445,709	-	-	5,000	-	404,861	1,250	0.309	768	1.627	0.014	0.009	1.009		1.500	
29 Rancho Cucamonga	30,893,097	31,354,233	28,856,863	27,046,389	-	-	-	-	29,537,646	-	-	56,059	-	0.122	-0.122	0.878		0.750	
30 Rancho Cucamonga FPD (7/1/16)	17,732,745	17,606,332	20,323,453	20,958,185	-	-	-	-	19,155,179	-	-	36,354	-	0.099	-0.099	0.901		0.750	
31 Rancho Santa Margarita (1/1/04)	2,649,876	2,779,123	2,816,136	2,789,483	-	-	-	-	2,758,654	-	-	5,236	-	0.037	-0.037	0.963		0.750	
32 Rohnert Park (7/1/21)	19,404,634	20,931,655	22,968,906	23,529,796	-	-	-	-	21,708,748	-	-	41,201	-	0.105	-0.105	0.895		0.750	
33 San Juan Bautista	588,647	729,841	799,052	816,173	-	-	-	-	733,428	-	-	1,392	-	0.019	-0.019	0.981		0.750	
34 Sebastopol (7/1/21)	5,138,007	5,517,445	6,161,737	6,137,256	-	405,391	10,000	-	5,738,611	103,848	1.810	10,891	9.535	0.054	0.460	1.460		1.500	
35 Sierra Madre (7/1/21)	5,886,465	6,381,759	7,105,732	7,275,662	-	-	-	-	6,662,404	-	-	12,645	-	0.058	-0.058	0.942		0.750	
36 Sonoma (7/1/21)	2,898,014	3,047,007	3,264,026	3,313,245	-	-	90,000	-	3,130,573	22,500	0.719	5,941	3.787	0.040	0.111	1.111		1.500	
37 South Lake Tahoe	18,428,864	19,379,930	20,917,691	20,092,774	-	-	-	10,000	19,704,815	2,500	0.013	37,398	0.067	0.100	-0.093	0.907		0.750	
38 St Helena (7/1/21)	6,403,750	7,026,537	7,761,649	7,463,865	-	-	-	-	7,163,950	-	-	13,596	-	0.060	-0.060	0.940		0.750	
39 Tehama	32,330	34,072	49,230	59,554	-	-	-	-	43,756	-	-	83	-	0.005	-0.005	0.995		0.750	
40 Trinidad	345,867	373,150	379,001	404,973	-	-	10,000	-	375,748	2,500	0.665	713	3.506	0.014	0.035	1.035		1.500	
41 Truckee	9,592,170	10,297,968	11,054,419	10,726,963	-	-	-	-	10,417,880	2,500	0.024	19,772	0.126	0.073	-0.063	0.937		0.750	
42 Twentynine Palms	2,565,482	2,671,257	2,793,715	2,683,337	-	-	-	-	2,678,448	-	-	5,083	-	0.037	-0.037	0.963		0.750	
43 Ukiah (7/1/21)	16,287,319	19,254,375	20,006,990	20,239,458	-	375,000	-	-	18,947,035	96,250	0.508	35,959	2.677	0.098	0.164	1.164		1.500	
44 Watsonville	29,831,752	32,235,209	33,956,878	34,496,161	175,569	-	-	60,000	32,630,000	58,892	0.180	61,928	0.951	0.129	-0.006	0.994		0.951	
45 Wheatland	1,635,694	1,788,939	1,825,924	1,821,323	-	-	-	-	1,767,970	-	-	3,355	-	0.030	-0.030	0.970		0.750	
46 Wheatland FA (11/1/22)	1,966,987	1,966,987	1,966,987	1,966,987	-	-	-	-	1,966,987	-	-	3,733	-	0.032	-0.032	0.968		0.750	
47 Wildomar (7/1/08)	1,223,142	1,346,748	1,459,862	2,193,481	-	-	-	-	1,553,808	-	-	2,953	-	0.028	-0.028	0.972		0.750	
48 Willits (7/1/21)	2,888,729	3,343,277	3,279,667	3,310,405	-	-	704,838	-	3,205,519	178,710	5.575	6,084	29.375	0.040	1.144	2.144		1.500	
49 Windsor (7/1/21)	8,782,459	9,335,539	9,265,310	10,047,645	-	-	-	-	9,357,738	-	-	17,760	-	0.069	-0.069	0.931		0.750	
50 Yountville	3,363,749	3,675,605	3,710,270	3,560,453	-	-	-	-	3,577,519	-	-	6,790	-	0.043	-0.043	0.957		0.750	
51 Yucaipa	4,879,316	5,533,147	4,929,286	5,632,884	-	-	-	-	5,243,658	-	-	9,952	-	0.052	-0.052	0.948		0.750	
52 Yucca Valley	2,160,821	2,893,099	3,085,964	3,404,596	-	-	28,532	-	2,886,120	7,133	0.247	5,478	1.302	0.038	0.012	1.012		1.302	
53 CIRA Staff	1,070,384	918,164	891,768	892,001	-	-	-	-	943,079	-	-	1,790	-	0.022	-0.022	0.978		0.750	
<b>CIRA Total</b>	<b>337,554,301</b>	<b>362,756,705</b>	<b>382,839,803</b>	<b>390,774,697</b>	<b>676,278</b>	<b>1,909,844</b>	<b>682,238</b>	<b>247,036</b>	<b>368,481,377</b>	<b>878,849</b>	<b>0.239</b>	<b>699,338</b>	<b>1.257</b>	<b>0.432</b>	<b>0.111</b>	<b>1.111</b>	<b>1.111</b>	<b>1.172</b>	



**2024/2025 Preliminary Operating Budget  
Experience Modification Calculation**

Member	Calendar Year Payroll				Incurred Losses at 12/31/2023 Individual Losses from \$25k and Capped at \$500k				Experience Modification Calculation										Prior Year JPA Capped* Factored Experience Modifier
	Actual 2018 Payroll	Actual 2019 Payroll	Actual 2020 Payroll	Actual 2021 Payroll	Program Year 2019/2020	Program Year 2020/2021	Program Year 2021/2022	Program Year 2022/2023	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)	
<b>PERMA</b>																			
1 Banning (2/14/02)	16,389,782	17,834,938	19,330,395	20,790,967	-	114,715	10,000	100,000	18,586,521	56,179	0.302	35,275	1.593	0.097	0.058	1.058		1.500	
2 Barstow (2/04/02)	15,598,520	14,151,898	15,113,929	15,789,586	950,000	50,392	120,903	15,000	15,163,483	284,074	1.873	28,779	9.871	0.088	0.778	1.778		1.500	
3 Canyon Lake (7/1/11)	494,702	543,956	740,552	892,825	-	-	-	-	668,009	-	-	1,268	-	0.018	-0.018	0.982		0.750	
4 Cathedral City (2/14/01)	22,999,326	23,656,831	22,874,716	23,565,957	-	-	10,000	-	23,274,207	2,500	0.011	44,172	0.057	0.109	-0.102	0.898		0.750	
5 Coachella (10/01/00)	5,963,822	6,335,648	6,399,918	6,870,836	-	-	-	18,083	6,392,556	4,521	0.071	12,132	0.373	0.057	-0.036	0.964		0.750	
6 Colton (7/1/22)	27,169,372	27,521,965	28,797,153	29,170,475	-	-	-	-	28,164,741	-	-	53,454	-	0.119	-0.119	0.881		0.750	
7 Desert Hot Springs	5,517,435	6,820,411	7,901,306	9,072,007	144,154	-	-	-	7,327,790	36,038	0.492	13,907	2.591	0.061	0.097	1.097		1.500	
8 Eastvale (7/1/15)	1,385,475	2,313,936	2,649,838	3,511,690	156,991	-	117,473	20,000	2,465,235	73,616	2.986	4,679	15.734	0.035	0.521	1.521		1.500	
9 Hesperia (7/1/10)	12,301,998	12,657,105	12,054,461	12,057,616	-	-	17,747	10,000	12,267,795	6,937	0.057	23,283	0.298	0.079	-0.055	0.945		0.750	
10 Holtville (7/1/08)	1,268,229	1,293,076	1,402,246	1,454,155	-	-	-	-	1,354,426	-	-	2,571	-	0.026	-0.026	0.974		0.750	
11 ICTC (7/1/12)	644,765	738,110	705,839	775,810	-	-	-	-	716,131	-	-	1,359	-	0.019	-0.019	0.981		0.750	
12 La Mesa (7/1/02)	24,012,160	24,949,893	27,441,181	28,186,015	-	9,611	-	-	26,147,312	2,403	0.009	49,625	0.048	0.115	-0.110	0.890		0.750	
13 Murrieta (7/1/01)	34,999,253	39,596,587	41,335,161	44,962,080	-	-	50,363	10,000	40,223,270	15,091	0.038	76,339	0.198	0.143	-0.115	0.885		0.750	
14 Norco (7/1/23)	6,872,843	7,227,360	7,883,577	8,342,533	-	-	-	-	7,581,578	-	-	14,389	-	0.062	-0.062	0.938		0.750	
15 Palm Sps Tram (11/1/05)	4,906,556	4,909,205	3,957,934	3,622,804	-	55,168	50,000	-	4,349,125	26,292	0.605	8,254	3.185	0.047	0.103	1.103		1.500	
16 Perris (9/25/00)	7,175,027	8,333,606	9,144,474	10,493,641	-	253,750	36,378	-	8,786,687	72,532	0.825	16,676	4.349	0.067	0.223	1.223		1.500	
17 Rancho Mirage (12/31/19)	7,250,967	8,066,651	7,682,358	7,701,017	-	-	-	-	7,675,248	-	-	14,567	-	0.062	-0.062	0.938		0.750	
18 San Jacinto (7/1/18)	3,824,668	4,385,847	5,193,931	5,381,447	-	-	-	-	4,696,473	-	-	8,913	-	0.049	-0.049	0.951		0.750	
19 SDRTC (11/4/13)	589,513	545,756	559,148	641,463	-	-	-	-	583,970	-	-	1,108	-	0.017	-0.017	0.983		0.750	
20 Sunline (11/4/13)	16,474,031	17,408,813	18,629,160	18,967,339	327,200	-	294,709	40,000	17,869,836	165,477	0.926	33,915	4.879	0.095	0.369	1.369		1.500	
21 Victorville (7/1/01)	28,539,240	34,626,579	39,239,427	40,186,087	-	200,000	108,972	11,079	35,647,833	80,013	0.224	67,656	1.183	0.134	0.025	1.025		1.183	
22 VVTA (7/1/12)	1,405,607	1,488,528	1,450,720	1,761,936	-	-	-	-	1,526,710	-	-	2,898	-	0.028	-0.028	0.972		0.750	
23 PERMA Staff	628,490	655,581	787,777	662,460	-	-	-	-	683,577	-	-	1,297	-	0.019	-0.019	0.981		0.750	
<b>PERMA Total</b>	<b>246,411,781</b>	<b>266,062,280</b>	<b>281,275,251</b>	<b>294,860,746</b>	<b>1,578,345</b>	<b>683,636</b>	<b>816,544</b>	<b>224,162</b>	<b>272,152,515</b>	<b>825,672</b>	<b>0.303</b>	<b>516,516</b>	<b>1.599</b>	<b>0.371</b>	<b>0.222</b>	<b>1.222</b>	<b>1.222</b>		
<b>PLAN JPA</b>																			
1 American Canyon (7/1/20)	7,193,051	7,193,051	7,327,450	7,367,464	-	-	-	-	7,270,254	-	-	13,798	-	0.061	-0.061	0.939		0.750	
2 Atherton (7/1/20)	4,799,844	4,799,844	4,824,688	6,119,480	-	-	304,563	-	5,135,964	76,141	1.483	9,748	7.811	0.051	0.347	1.347		1.500	
3 Los Altos Hills (7/1/23)	2,187,089	2,622,805	3,051,289	2,786,498	-	-	151,503	-	2,661,920	37,876	1.423	5,052	7.497	0.037	0.239	1.239		1.500	
4 Woodside (7/1/20)	2,202,980	2,202,980	2,067,249	2,201,254	-	-	-	-	2,168,616	-	-	4,116	-	0.033	-0.033	0.967		0.750	
<b>PLAN JPA Total</b>	<b>16,382,964</b>	<b>16,818,680</b>	<b>17,270,675</b>	<b>18,474,695</b>	<b>-</b>	<b>-</b>	<b>456,066</b>	<b>-</b>	<b>17,236,754</b>	<b>114,016</b>	<b>0.661</b>	<b>32,713</b>	<b>3.485</b>	<b>0.093</b>	<b>0.232</b>	<b>1.232</b>	<b>1.232</b>		
<b>SCORE</b>																			
1 Biggs (7/1/17)	401,784	409,035	437,782	463,643	-	-	-	-	428,061	-	-	812	-	0.015	-0.015	0.985		0.750	
2 Colfax	686,920	791,853	786,691	724,632	-	-	-	-	747,524	-	-	1,419	-	0.019	-0.019	0.981		0.750	
3 Dunsmuir (1/1/20)	773,287	842,510	819,256	1,081,042	-	-	-	-	879,024	-	-	1,668	-	0.021	-0.021	0.979		0.750	
4 Live Oak (7/1/04)	1,386,600	1,352,814	1,623,377	1,604,807	-	-	-	-	1,491,900	-	-	2,831	-	0.027	-0.027	0.973		0.750	
5 Loomis (7/1/12)	945,312	1,148,076	1,201,962	1,234,630	-	-	-	-	1,132,495	-	-	2,149	-	0.024	-0.024	0.976		0.750	
6 Mt. Shasta (7/1/01)	2,187,871	2,434,448	2,472,916	2,437,096	-	-	-	-	2,383,083	-	-	4,523	-	0.035	-0.035	0.965		0.750	
7 Portola	690,092	878,576	837,892	908,114	-	-	-	-	828,669	-	-	1,573	-	0.020	-0.020	0.980		0.750	
8 Rio Dell (7/1/02)	1,017,410	1,181,113	1,190,818	1,388,041	-	-	-	-	1,194,345	-	-	2,267	-	0.025	-0.025	0.975		0.750	
9 Shasta Lake	4,059,564	4,174,281	4,657,055	4,778,843	-	-	-	-	4,417,436	-	-	8,384	-	0.047	-0.047	0.953		0.750	
10 Susanville (7/1/04)	3,992,735	4,291,749	4,430,033	4,298,660	-	-	-	-	4,253,294	-	-	8,072	-	0.046	-0.046	0.954		0.750	
11 Tulelake (7/1/15)	398,502	411,085	415,345	449,117	-	-	-	-	418,512	-	-	794	-	0.015	-0.015	0.985		0.750	
12 Weed (7/1/15)	2,123,163	2,203,702	1,870,081	1,929,343	-	-	-	-	2,031,572	-	-	3,856	-	0.032	-0.032	0.968		0.750	
13 Yreka	3,490,580	3,710,444	3,919,913	4,186,183	-	255,814	110,000	10,000	3,826,780	93,953	2.455	7,263	12.936	0.044	0.526	1.526		1.500	
<b>SCORE Total</b>	<b>22,153,820</b>	<b>23,829,686</b>	<b>24,663,120</b>	<b>25,484,151</b>	<b>-</b>	<b>255,814</b>	<b>110,000</b>	<b>10,000</b>	<b>24,032,694</b>	<b>93,953</b>	<b>0.391</b>	<b>45,611</b>	<b>2.060</b>	<b>0.110</b>	<b>0.117</b>	<b>1.117</b>	<b>1.117</b>		

**2024/2025 Preliminary Operating Budget  
Experience Modification Calculation**

Member	Calendar Year Payroll				Incurred Losses at 12/31/2023 Individual Losses from \$25k and Capped at \$500k				Experience Modification Calculation								Prior Year JPA Capped* Factored Experience Modifier	
	Actual 2018 Payroll	Actual 2019 Payroll	Actual 2020 Payroll	Actual 2021 Payroll	Program Year 2019/2020	Program Year 2020/2021	Program Year 2021/2022	Program Year 2022/2023	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
<b>VCIPA</b>																		
1 Alameda County	1,676,675	1,784,987	1,793,829	1,896,928	-	-	-	-	1,788,105	-	-	3,394	-	0.030	-0.030	0.970		0.750
2 Burney Basin	55,802	54,731	54,945	61,280	-	-	-	-	56,689	-	-	108	-	0.005	-0.005	0.995		0.750
3 Butte County	1,425,928	1,423,406	1,503,986	1,478,193	-	-	-	-	1,457,878	-	-	2,767	-	0.027	-0.027	0.973		0.750
4 Coachella Valley (9/14/00)	4,827,948	5,051,735	5,091,490	5,494,131	-	-	-	-	5,116,326	-	-	9,710	-	0.051	-0.051	0.949		0.750
5 Colusa	211,902	210,566	208,559	201,416	-	-	-	-	208,111	-	-	395	-	0.010	-0.010	0.990		0.750
6 Compton Creek	127,470	136,784	146,746	151,628	-	-	-	-	140,657	-	-	267	-	0.008	-0.008	0.992		0.750
7 Consolidated	1,802,644	1,722,267	1,482,462	1,475,950	-	-	-	-	1,620,831	-	-	3,076	-	0.029	-0.029	0.971		0.750
8 Contra Costa County	3,449,660	3,069,445	3,439,706	3,419,534	-	-	7,050	-	3,344,586	1,763	0.053	6,348	0.278	0.041	-0.030	0.970		0.750
9 Delta ( 7/1/08)	1,408,611	1,551,225	1,747,563	1,671,173	-	12,718	-	-	1,594,643	3,180	0.199	3,026	1.051	0.028	0.001	1.001	1.051	0.750
10 Durham (8/26/02)	69,762	68,168	67,904	71,628	-	-	-	-	69,365	-	-	132	-	0.006	-0.006	0.994		0.750
11 Fresno	991,283	812,859	810,434	835,173	-	-	-	-	862,437	-	-	1,637	-	0.021	-0.021	0.979		0.750
12 Glenn County	102,012	102,238	114,272	107,391	-	-	-	-	106,478	-	-	202	-	0.007	-0.007	0.993		0.750
13 Greater Los Angeles	6,337,607	7,229,368	7,562,957	8,007,992	-	-	10,000	10,000	7,284,481	5,000	0.069	13,825	0.362	0.061	-0.039	0.961		0.750
14 Kings (7/1/09)	1,119,661	1,075,568	1,130,510	1,056,723	-	-	-	-	1,095,616	-	-	2,079	-	0.024	-0.024	0.976		0.750
15 Lake County (2/1/04)	568,221	591,444	610,603	652,243	-	-	-	-	605,628	-	-	1,149	-	0.018	-0.018	0.982		0.750
16 Los Angeles County West	3,210,592	3,749,765	4,122,290	4,401,326	-	-	100,000	100,000	3,870,993	25,000	0.646	7,347	3.403	0.044	0.106	1.106		1.500
17 Marin-Sonoma	3,370,957	3,301,334	3,540,226	3,673,537	-	-	10,000	10,000	3,471,513	2,500	0.072	6,589	0.379	0.042	-0.026	0.974		0.750
18 Napa County	777,705	831,080	863,836	833,899	-	-	-	-	826,630	-	-	1,569	-	0.020	-0.020	0.980		0.750
19 Northwest	1,790,673	1,727,184	1,692,381	1,828,122	-	-	-	-	1,759,590	-	-	3,340	-	0.030	-0.030	0.970		0.750
20 Orange County	6,800,125	7,496,063	7,153,118	7,277,469	-	-	-	-	7,181,694	-	-	13,630	-	0.060	-0.060	0.940		0.750
21 Placer County	1,633,740	1,761,246	1,953,423	1,867,664	-	-	-	-	1,804,018	-	-	3,424	-	0.030	-0.030	0.970		0.750
22 Sacramento Yolo	4,970,259	5,003,924	5,092,143	5,263,526	-	-	-	-	5,082,463	-	-	9,646	-	0.051	-0.051	0.949		0.750
23 San Gabriel Valley	2,475,684	2,423,533	2,743,447	3,093,067	-	-	-	-	2,683,933	-	-	5,094	-	0.037	-0.037	0.963		0.750
24 San Joaquin County	2,506,529	2,591,603	2,682,261	2,761,101	-	-	-	-	2,635,374	-	-	5,002	-	0.037	-0.037	0.963		0.750
25 San Mateo County	2,239,040	2,400,213	2,672,232	2,505,122	-	-	-	-	2,454,152	-	-	4,658	-	0.035	-0.035	0.965		0.750
26 Santa Barbara County	414,392	414,039	407,395	420,405	-	-	-	-	414,058	-	-	786	-	0.014	-0.014	0.986		0.750
27 Shasta	1,121,528	1,168,703	1,247,589	1,296,223	-	-	-	-	1,208,511	-	-	2,294	-	0.025	-0.025	0.975		0.750
28 Sutter-Yuba	1,198,663	1,073,033	1,070,837	1,155,454	-	-	-	-	1,124,497	-	-	2,134	-	0.024	-0.024	0.976		0.750
29 Tehama County	352,442	362,519	377,235	391,270	-	-	-	-	370,867	-	-	704	-	0.014	-0.014	0.986		0.750
30 Turlock	961,645	922,044	987,396	965,506	-	-	-	-	959,148	-	-	1,820	-	0.022	-0.022	0.978		0.750
31 West Valley	1,433,500	1,642,988	1,583,780	1,543,059	-	-	-	-	1,550,832	-	-	2,943	-	0.028	-0.028	0.972		0.750
<b>VCIPA Total</b>	<b>59,432,660</b>	<b>61,754,062</b>	<b>63,955,555</b>	<b>65,858,133</b>	<b>-</b>	<b>12,718</b>	<b>17,050</b>	<b>120,000</b>	<b>62,750,103</b>	<b>37,442</b>	<b>0.060</b>	<b>119,093</b>	<b>0.314</b>	<b>0.178</b>	<b>-0.122</b>	<b>0.878</b>	<b>0.878</b>	
<b>Oakland H.A.</b>	<b>29,405,018</b>	<b>30,966,730</b>	<b>32,406,354</b>	<b>34,697,899</b>	<b>122,280</b>	<b>-</b>	<b>25,000</b>	<b>40,000</b>	<b>31,869,000</b>	<b>46,820</b>	<b>0.147</b>	<b>60,484</b>	<b>0.774</b>	<b>0.127</b>	<b>-0.029</b>	<b>0.971</b>	<b>0.971</b>	
<b>Contra Costa H.A.</b>	<b>5,320,183</b>	<b>5,552,285</b>	<b>6,099,076</b>	<b>6,185,608</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,000</b>	<b>5,789,288</b>	<b>2,500</b>	<b>0.043</b>	<b>10,987</b>	<b>0.228</b>	<b>0.054</b>	<b>-0.042</b>	<b>0.958</b>	<b>0.958</b>	
<b>Totals</b>	<b>\$ 1,847,696,517</b>	<b>\$ 1,956,161,390</b>	<b>\$ 2,035,262,923</b>	<b>\$ 2,054,922,408</b>	<b>\$ 5,223,675</b>	<b>\$ 4,809,715</b>	<b>\$ 3,531,527</b>	<b>\$ 1,417,122</b>	<b>\$ 1,973,510,809</b>	<b>\$ 3,745,510</b>	<b>0.190</b>	<b>\$ 3,745,510</b>	<b>1.000</b>	<b>1.000</b>	<b>0.000</b>	<b>1.000</b>		

## CONSUMER PRICE INDEX – CALIFORNIA

Los Angeles-Long Beach-Anaheim, San Francisco-Oakland-Hayward, San Diego-Carlsbad,  
 Riverside-San Bernardino-Ontario, United States City Average, 2022-2023

All Items  
 1982 - 1984 = 100

Urban Wage Earners and Clerical Workers, percentage (%) change from previous year

Year	Month	California <sup>a</sup>	Los Angeles Long Beach Anaheim <sup>b</sup>	San Francisco Oakland Hayward <sup>b</sup>	San Diego Carlsbad <sup>b</sup>	Riverside San Bernardino Ontario <sup>b</sup>	U.S. City Average <sup>b</sup>
2022	January		7.6%		8.8%	8.5%	8.2%
2022	February	7.7%	7.3%	6.5%			8.6%
2022	March		8.7%		8.8%	9.9%	9.4%
2022	April	8.2%	8.1%	6.5%			8.9%
2022	May		8.2%		9.2%	9.8%	9.3%
2022	June	8.7%	8.9%	7.6%			9.8%
2022	July		7.9%		7.9%	9.5%	9.1%
2022	August	7.6%	7.6%	6.0%			8.7%
2022	September		7.8%		8.3%	8.2%	8.5%
2022	October	7.4%	7.6%	6.4%			7.9%
2022	November		5.9%		6.6%	7.3%	7.1%
2022	December	5.3%	4.6%	4.6%			6.3%
2022	Annual Average	7.6%	7.5%	6.3%	8.1%	8.7%	8.5%
2023	January		5.4%		6.1%	7.0%	6.3%
2023	February	5.0%	4.7%	4.9%			5.8%
2023	March		2.8%		4.6%	4.2%	4.5%
2023	April	3.5%	3.0%	3.6%			4.6%
2023	May		2.4%		4.5%	3.5%	3.6%
2023	June	2.4%	1.6%	2.3%			2.3%
2023	July		2.0%		3.7%	3.2%	2.6%
2023	August	3.3%	2.7%	3.3%			3.4%
2023	September		2.6%		4.6%	4.9%	3.6%
2023	October	2.8%	1.8%	2.5%			3.1%
2023	November		2.2%		4.9%	4.4%	3.0%
2023	December	3.3%	3.0%	2.8%			3.3%
2023	Annual Average	3.5%	2.8%	3.3%	4.7%	4.5%	3.8%

Date of last update: 2/14/2024

<sup>a</sup> Weighted average of the consumer price indexes for Los Angeles-Long Beach-Anaheim, San Francisco-Oakland-Hayward, San Diego-Carlsbad, and Riverside-San Bernardino-Ontario. A conversion factor has been included for comparability of 2018 data with 2017 and prior years. Computed by the Department of Industrial Relations, Office of the Director - Research Unit from indexes issued by the U.S. Department of Labor.

<sup>b</sup> Source: U.S. Department of Labor, Bureau of Labor Statistics. Beginning with the November 2017 data, indexes for San Diego-Carlsbad will be published bi-monthly on odd months only (January, March, May, etc.). The Riverside-San Bernardino-Ontario indexes are on a December 2017 = 100 base and will be published bi-monthly on odd months only (January, March, May, etc.).

**FINANCIAL MATTERS**

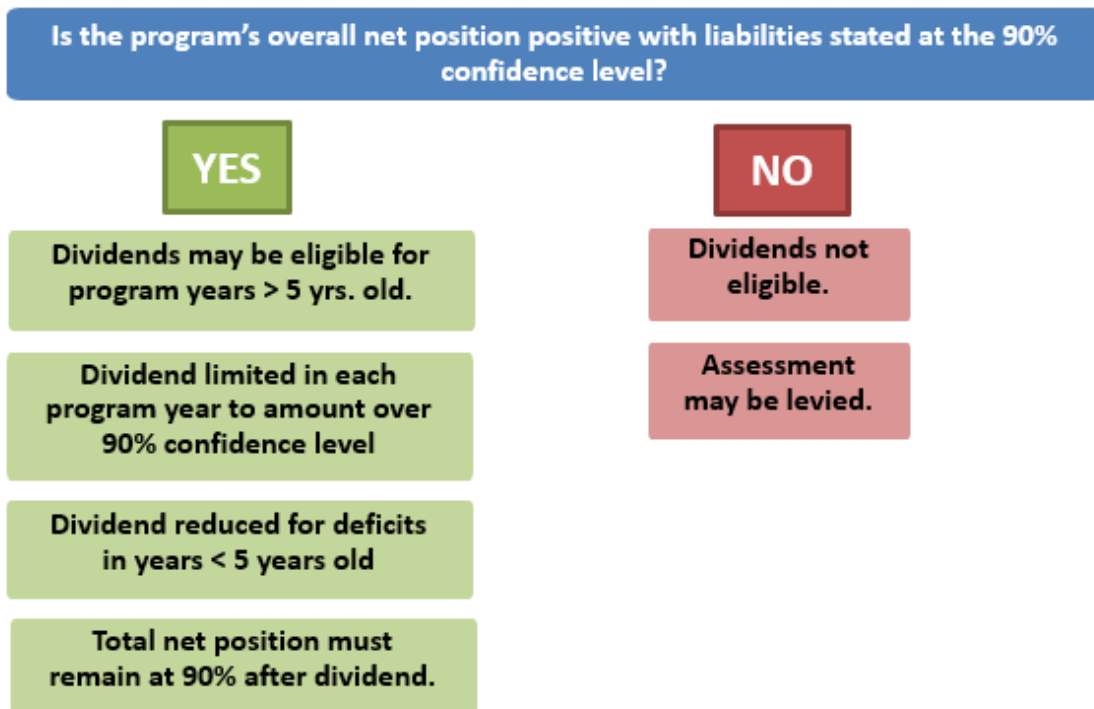
**SUBJECT:** Review of Annual Retrospective Adjustment Calculation - *Presented by Chee Xiong, Finance Manager*

**RECOMMENDATION:** *Staff recommends the Board of Directors provide feedback and direction.*

**BACKGROUND AND STATUS:**

In accordance with the Financial Stability Plan (Plan), the retrospective adjustment calculation is reviewed annually by the Board of Directors.

The Plan allows for a Retrospective Adjustment Process to occur and dividend to be declared if certain conditions are met. The following depicts the process as set forth in the Plan:



A preliminary calculation is attached utilizing the financial statements as of December 31, 2023, restated, and based upon the estimated ultimate losses determined via the actuarial study presented under agenda item 5. A.

The results of the preliminary calculation indicate a net position available for distribution of \$3.5 million as of December 31, 2023, at the 90% confidence level. Based on the preliminary calculation, it is reasonable to return a dividend to the members as ERMA does not have too many open claims, especially in the 2014/15, 2016/17, and 2017/18 program years. The small deficit in the 2023/24 program year is not currently a concern. Please note, that the retroactive adjustment calculation will be updated with the net position as of March 31, 2024, and will be presented to the Board at the June meeting for consideration and approval.

Chee Xiong, Finance Manager, will review the preliminary calculation and answer any questions from the Board.

**REFERENCE MATERIALS ATTACHED:**

- Preliminary Annual Retrospective Adjustment Chart
- Preliminary Annual Retrospective Adjustment Calculation

# Employment Risk Management Authority

Program Net Position as of December 31, 2023

Preliminary Annual Retrospective Adjustment Chart

Actuarial Estimates Updated per March 29, 2024 Study

## STEP 1>> Determine if Dividends are Eligible

Total Program Net Position at 90% CL	11,542,646
Are Dividends eligible?	Yes

## STEP 2>> Identify Program Years Eligible for Dividend Release

Net Position of <u>Eligible</u> Program Years (Program Years at Least 5 Years Old)	Net Position	Dividend Eligible
2014/15	202,395	Yes
2016/17	1,663,019	Yes
2017/18	555,283	Yes
2018/19	1,079,747	Yes
<b>Preliminary Dividend Eligible Before Offsets</b>	<b>3,500,444</b>	

## STEP 3>> Identify Offsets for Deficits in Ineligible Years

Net Position of <u>Ineligible</u> Program Years	Net Position	Dividend Eligible
2019/20	1,783,463	No
2020/21	3,837,240	No
2021/22	1,718,585	No
2022/23	735,445	No
2023/24	(32,531)	Offset
<b>Preliminary Total Deficit Offset</b>	<b>8,042,202</b>	

## STEP 4>> Determine Eligible Dividend After Offsets

Dividend (from Step 2)	3,500,444
Less: Offset (from Step 3)	(32,531)
<b>Preliminary Dividend Eligible to Release</b>	<b>3,467,913</b>

## STEP 5>> Ensure Total Net Position Remains at 90% After Dividend

Net Position at 90% After Eligible Dividend (Step 1 less Step 4)	Yes
--	-----

**Employment Risk Management Authority**  
**Program Net Position by Member**  
As of December 31, 2023  
Preliminary Calculation of the Annual Retrospective Adjustment

*Actuarial Estimates Updated per March 29, 2024 Study*

Member	Program Years Eligible for Adjustment					Total Distribution Available*	Program Years NOT Eligible for Adjustment					Total All Program Years	
	2014/15 Program Year	2016/17 Program Year	2017/18 Program Year	2018/19 Program Year	Member Subtotals		2019/20 Program Year	2020/21 Program Year	2021/22 Program Year	2022/23 Program Year	2023/24 Program Year		Member Subtotals
BCJPIA	\$ 46,442	\$ 216,718	\$ 101,046	\$ 168,396	\$ 532,602	\$ 288,122	\$ 521,252	\$ 358,446	\$ 339,785	\$ 150,603	\$ 1,658,207	\$ 2,190,809	
CaITIP			9,008	18,144	27,151	32,626	64,024	45,115	55,445	30,414	227,624	254,776	
CIRA**								530,321	553,029	241,823	1,325,173	1,325,173	
CSJVRMA	8,364	416,637	115,633	285,252	825,887	550,259	1,022,194	670,644	590,734	235,984	3,069,816	3,895,703	
ERMAC		43,319	13,926	31,140	88,384	71,186	126,796	96,224	80,236	39,828	414,270	502,654	
MBASIA	525	20,399	5,329	14,387	40,639	29,342	56,376	45,773	44,628	20,284	196,403	237,043	
MPA	6,496	298,660	78,440	189,232	572,827	427,135	835,132	606,246	568,838	237,912	2,675,263	3,248,089	
PARSAC	64,622	373,549	152,365	273,267	863,803	323,402	702,010				1,025,413	1,889,216	
PERMA	68,557	217,624	105,943	246,065	638,189	381,113	770,018	596,438	629,798	354,992	2,732,358	3,370,546	
PLAN JPA								41,781	25,534	13,443	105,994	105,994	
SCORE	4,647	21,134	9,834	18,536	54,151	31,179	71,234	57,719	65,625	26,026	251,782	305,933	
VCIPA	1,729	79,266	19,766	54,932	155,693	114,575	210,188	120,990	110,380	46,659	602,790	758,484	
Oakland HA	828	31,685	11,228	24,649	68,390	50,386	93,501	69,316	62,512	27,576	303,290	371,680	
Contra Costa County HA	186	6,364	1,794	4,243	12,587	8,135	16,606	12,013	10,874	4,675	52,302	64,889	
Capital Fund												880,654	
<b>Totals:</b>													
Net Position at Expected C.L.	\$ 202,395	\$ 1,725,355	\$ 624,311	\$ 1,328,242	\$ 3,880,303		\$ 2,307,459	\$ 4,531,112	\$ 3,234,778	\$ 3,137,120	\$ 1,430,218	\$ 14,640,687	\$ 19,401,642
Net Position at 90% C.L.	\$ 202,395	\$ 1,663,019	\$ 555,283	\$ 1,079,747	\$ 3,500,444	\$ 3,467,913	\$ 1,783,463	\$ 3,837,240	\$ 1,718,585	\$ 735,445	\$ (32,531)	\$ 8,042,202	\$ 11,542,646

\* Negative equity in current program years is included in Total Distribution Available, if any.

\*\* Effective 7/1/21, CIRA is a combination of PARSAC and REMIF members

Additional Information:					Subtotals:							Subtotals:	Totals:
Open claims (ERMA Layer)	0	2	2	5	9		6	13	21	23	7	70	79
Confidence Level Funding:	80%	80%	80%	80%			80%	80%	80%	80%	80%		

**ADMINISTRATIVE MATTERS**

**SUBJECT:** Discuss and Review the Strategic Goals and Initiatives for the 2024/25 Program Year - *Presented by Rob Kramer, Executive Director*

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**RECOMMENDATION:** *Staff recommends the Board of Directors provide feedback and direction.*

**BACKGROUND AND STATUS:**

Following the ERMA Annual Workshop conducted in February 2024, staff prepared the attached Draft Strategic Action Plan for consideration and input from the Board of Directors. Staff will review the plan with the Board and solicit feedback as to whether it properly reflects the discussion at the most recent workshop.

**REFERENCE MATERIALS ATTACHED:**

- 2024/25 Strategic Goals and Initiatives Matrix



# ERMA 2024/25 Goals & Objectives

## 1. Efficient Governance

	Objectives	Comments, Responsibilities and Timeline
	<p><b>A. Evaluate Formation of an Executive Committee for ERMA:</b> Executive Model is already built into the ERMA Bylaws and Master Program Document, it my just need to be activated</p> <p><b>B. Evaluate Settlement Authority Levels:</b> Consider the potential Executive Committee role in the settlement authority level discussion</p>	<ul style="list-style-type: none"> <li>• Staff to review ERMA governing documents for April 2024 BOD review and formal consideration at the June 2024 BOD meeting.</li> <li>• Be aware of 30-day Bylaws notice requirement.</li> </ul>

## 2. Ensure Financial Stability

	Objectives	Comments, Responsibilities and Timeline
	<p><b>A. Evaluate ERMA Retention:</b> Evaluate whether or not ERMA should consider taking on a higher level of risk-sharing and attaching to the commercial market at a higher SIR. (\$2M?)</p> <p><b>B. Evaluate ERMA Underlying Member SIR Options:</b> Consider whether or not members are properly placed with respect to their SIR selections based on member size and losses. Also evaluate the process for members requesting a change in SIR as well as whether the \$25K SIR option should continue to be allowed.</p>	<ul style="list-style-type: none"> <li>• To be reviewed by staff during the 24-25 program year based on the most recent actuarial study</li> <li>• Prepare loss stratification</li> <li>• Review recommendations with Board and next Annual Workshop</li> <li>• Engage actuary to evaluate current underlying member SIR attachments</li> <li>• Evaluate whether or not ERMA should continue to maintain a \$25K SIR option</li> <li>• Evaluate the process for members requesting SIR changes</li> </ul>

<b>3. Enhance Member Services, Training, and Loss Mitigation</b>		
	<b>Objectives</b>	<b>Comments, Responsibilities and Timeline</b>
	<p><b>A. Implement the ERMA Policy and Procedures Review Program.</b> Continue evaluating the offering and adding elements to help support members in updating their policies once the new comprehensive review is performed</p>	<ul style="list-style-type: none"> <li>• Continue to work with primary JPAs to get all members to complete the new policy review survey</li> <li>• Work with LCW and JL on the survey review process</li> <li>• Identify a HR vendor(s) to potentially serve as an ERMA approved resource to assist members in making needed updates to personnel policies</li> <li>• Establish criteria and funding for additional member support</li> <li>• Begin review process after formal consideration at April 2024 BOD meeting</li> <li>• Continue to evaluate how best to develop model policies</li> </ul>
	<p><b>B. Consider Development and Implementation of an ERMA Mandated Elected Officials Training Curriculum:</b> Determine training scope, costs and penalties for lack of compliance</p>	<ul style="list-style-type: none"> <li>• Work with Ad Hoc Training Committee to establish the outlines of the program</li> <li>• Determine how compliance will be handled</li> <li>• Determine costs and time frame for implementation</li> </ul>
	<p><b>C. Consider Development and Implementation of a Diversity Training Curriculum:</b> Determine how to support the ERMA membership in this evolving area.</p>	<ul style="list-style-type: none"> <li>• Evaluate the already established iLE online training course</li> <li>• Work with LCW and JL to develop a live training course that is compatible with the online training</li> <li>• Educate the membership on the new training option(s)</li> </ul>
	<p><b>D. Consider Development and Implementation of SB 553 Workplace Violence training:</b> Evaluate the bill and the needs of the members and determine, what if any, support ERMA can provide efficiently and effectively</p>	<ul style="list-style-type: none"> <li>• Determine current Sedgwick offerings that might serve as a starting resource(s).</li> <li>• Evaluate iLE training module that is being developed</li> <li>• Evaluate LCW training component that is being developed</li> </ul>

		<ul style="list-style-type: none"> <li>• Determine scope of support ERMA should offer to provide</li> </ul>
	E. <b>Evaluate ERMA Investigators Panel:</b> the entirety of the employment practices investigation process	<ul style="list-style-type: none"> <li>• Evaluate current panel</li> <li>• Determine where to find additional qualified firms</li> <li>• Consider an ERMA Investigators Forum to bring all panel and defense counsel together to discuss ERMA expectations</li> <li>• Evaluate hourly rates</li> <li>• Consider a process for ensuring top tier investigators are assigned the most complicated cases with streamlined timeline expectations and results.</li> </ul>
	F. <b>Develop and Implement Refresher Training on the Collective Risk Management Team and Employee Protection Line Concepts:</b>	<ul style="list-style-type: none"> <li>• Reinforce the Collective Risk Management Team concept</li> <li>• Re-educate on the Employment Protection Line usage and tools (poster, manual, online training)</li> <li>• Update contacts on a regular basis to properly communicate with HR and CRMT contacts</li> <li>• Discuss making this a focus for next program year at the 2025 Annual Workshop</li> </ul>

4. OTHER		
	Objectives	Comments, Responsibilities and Timeline
	A. <b>Continue to be Mindful of How Best to Gather and Benchmark ERMA Loss and Underwriting Information to Determine Trends and Pro-Active Risk Management Solutions:</b> Evaluate Information Management System Options	

**ADMINISTRATIVE MATTERS**

**SUBJECT: Review and Discussion of Draft ERMA By-Laws and Master Program Document- Presented by Rob Kramer, Executive Director**

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**RECOMMENDATION:** *Staff recommends the Board of Directors provide feedback and direction.*

**BACKGROUND AND STATUS:**

Staff and Board Counsel reviewed the Bylaws as part of a comprehensive review of ERMA's governing documents. There was a particular focus on the suggestion from the Board to potentially consider the formation of an ERMA Executive Committee as well as a review of the current settlement authority provisions.

This matter is for discussion purposes only at this time. 30-day notice is required to make changes to the ERMA Bylaws and staff plans to provide that notice and have these documents available for formal consideration at the June Board of Directors meeting.

**REFERENCE MATERIALS ATTACHED:**

- Draft Bylaws and Master Program Document - Redline

**EMPLOYMENT RISK MANAGEMENT AUTHORITY**

**(ERMA)**

**BYLAWS**

**AS AMENDED EFFECTIVE APRIL 30, 2019**

**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.

- 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 ~~M~~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 of each odd numbered year. 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.

**Commented [DRA1]:** This appears to be current practice, and allows staggered elections for the Executive Committee. See below.

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~~two 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; provided, however, that they shall be elected to serve terms in even numbered years.- Their terms shall end sooner than two years if their employment or office with a Member terminates or if they are removed from office by the affirmative vote of two-thirds of the Members of the entire Board of Directors.~~

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 or special *Board* meeting. The decision of the *Board* shall be final.

**Commented [DRA2]:** Since using the Executive Committee more would allow the full board to meet less often, allowing appeals at a special meeting seems like a reasonable adjustment.

## **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.

**C. 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.

**Commented [KR3]:** Discuss with the Board. With JPA contributions now exceeding \$2M per year for some members is 7% too punitive as compared to the lost investment earning cost?

**D. 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*.

**E. 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*.

**F. 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 30, 2019. The adoption of the Bylaws shall revoke and 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.

**Commented [KR4]:** Change if Bylaws are to be updated

**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

**EMPLOYMENT RISK MANAGEMENT AUTHORITY**

**(ERMA)**

**MASTER PROGRAM DOCUMENT**

**FOR THE**

**POOLED EMPLOYMENT PRACTICES LIABILITY PROGRAM**

**(PEPLP)**

**AS AMENDED EFFECTIVE JULY 1, 2021**

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

## 2. EXPERIENCE MODIFICATION

- (a) Each Member may be evaluated each year for an experience modification credit or debit based on no more than the past six years of experience. At the discretion of the Board of Directors, all or a portion of the six years of experience may be used in the calculation of the experience modification factor.
- (b) The calculation of the credit or debit shall include the actual loss experience of each individual *Member* as it relates to the average loss experience of the group as a whole. The 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 as~~ [outlined in Article V, Section D.3.](#)

~~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)~~ Establish a list of investigators who have demonstrated proficiency in investigating employment actions against public agencies;
- ~~(s)~~ 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*;
- ~~(t)~~ 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;
- ~~(u)~~ Advise and assist the Program Administrator in the selection of claims adjusting and investigation providers/companies;
- ~~(v)~~ Determine, consistent with the requirements of the Memorandum of Coverage and using reasonable discretion 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; ;
- ~~(w)~~ Annually provide to the Executive Committee or *Board of Directors* a review and evaluation of all panel defense counsel, including performance and costs; and
- ~~(x)~~ Provide other services as may reasonably be requested by the *Member*, Executive Committee or the *Board of Directors*.

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## 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 IPA~~) 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 1<sup>st</sup>, *ERMA* shall bill each *Member* its *Deposit Premium* for the next *Program Year*. The annual billing shall be due and payable on July 15<sup>th</sup>, and shall be delinquent if not paid on or before the last working day in July.
- (b) A *Member* may be billed an additional amount because of *Assessments* to bring a *Program Year* into a state of actuarial soundness, 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) 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 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
- (h) Penalties for Non-Payment by Former Members - Failure to pay billings, penalties, or accrued interest thereon shall constitute a breach of the agreement between the former *Member* and *ERMA*. The former *Member* shall be liable for the billings, penalties, accrued interest, and all costs incurred by *ERMA* in the enforcement of all provisions set forth in this MPD, the Bylaws, and the Joint Exercise of Powers Agreement.

#### C. DUTY TO REPORT CLAIMS

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

#### D. TERMINATION OF PARTICIPATION

1. A *Member* in one *Program Year* shall participate in the next *Program Year* unless, at least six months before the commencement of the next *Program Year*:
  - (a) a written request to terminate participation is received from the *Member*, or
  - (b) a written termination notice from the Executive Committee or *Board of Directors* has been sent to the *Member*.
2. Termination of participation in future *Program Years* does not relieve the terminated *Member* of any benefits or obligations of those *Program Years* in which the *Member* participated. These obligations include payment of *Assessments*, *Retrospective Adjustments*, wrap up costs, or any other amounts due and payable.
3. The Executive Committee or *Board of Directors* may terminate future participation by a *Member* for the following reasons:
  - (a) Termination as a *Member* of *ERMA*;
  - (b) Declination to cover the *Member* by the organization, if any, providing excess insurance or reinsurance or pooled excess coverage;

- (c) Nonpayment of past billings, *Assessments*, *Retrospective Adjustments*, or other charges;
- (d) Habitual late payment of billings, *Assessments*, *Retrospective Adjustments*, and/or other charges, or habitual late response in submitting data required by *ERMA*;
- (e) 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*;
- (e) Failure to provide underwriting information as defined herein;
- (f) Development of an extraordinarily poor loss history;
- (g) A substantial change in exposures which are not acceptable in the PEPLP;
- (h) Financial impairment, including bankruptcy, which may jeopardize the PEPLP's ability to collect amounts due in the future;
- (i) Failure to comply with loss control services, training, or compliance auditing programs adopted by *ERMA*;
- (j) Conduct detrimental to *ERMA*; and/or
- (k) Termination of the *Member* by its primary joint powers authority.

#### ARTICLE VI - CLAIMS ADMINISTRATION

##### A. SELECTION OF ADJUSTOR OR INVESTIGATION FIRM

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

##### B. CLAIMS AUDIT

1. At least once every two years, the adequacy of claims adjusting shall be examined by an independent auditor who specializes in claims auditing.

2. The Administrator shall obtain the services of a claims auditor and present the findings to the Executive Committee or *Board of Directors*, if the cost of these services is within the approved annual budget.
3. The claims audit report shall address the issues of adequacy of claims procedures and accuracy of claims data.

C. AUTHORITY'S RIGHT AND DUTY TO DEFEND

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

D. SETTLEMENT AUTHORITY

1. Each *Member* shall have input with regard to settlement authority for its claims that do not exceed its *Retained Limit*; however, when a claim's incurred costs reach one-half of the *Member's Retained Limit*, or when a *Member* retains an outside investigator to investigate a claim, all information concerning the claim shall be provided to the Litigation Manager. The Litigation Manager shall continue to keep the *Member* fully informed on the progress of the claim, and shall consult with the *Member* regarding any settlement within or above the *Member's Retained Limit*. The *Member* shall fully cooperate in all matters pertaining to the claim.

The *Authority* shall have the right to assume the control of the negotiation, investigation, defense, appeal, or settlement of any *Claim* the *Authority* determines, in its sole discretion, to have reasonable probability of resulting in an *Ultimate Net Loss* in excess of the applicable *Retained Limit*. The *Covered Parties* shall fully cooperate in all matters pertaining to such *Claim* or proceeding.

2. The Litigation Manager shall have the authority to settle any claim with an Ultimate Net Loss, as defined in the Memorandum of Coverage applicable to that claim, equal to or less than one hundred thousand dollars (\$150,000) in excess of the *Member's Retained Limit*.

3. The Executive Committee ~~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 four hundred thousand dollars (\$450,000) in excess of the Litigation Manager's authority.~~

3. ~~or~~ The *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*, and in excess of the Executive Committee's authority. ~~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

**Commented [DRA1]:** I am not sure this change is needed. The Bylaws say the Executive Committee has the same authority as the Board, so is there any need to limit that authority here?

**Commented [KR2R1]:** We can certainly ask. If the Board is fine with the EC having full authority up to \$1M, that makes sense as well.

1. Any dispute between a *Member* and the Litigation Manager, claims adjuster 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.
3. When an appeal has been filed, the Executive Committee or *Board of Directors* shall hear the appeal within 60 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~~return of surplus deposit premiums for a surplus year) for each program year that is a full five years old according to the following methodology:

- Each year at its May 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~~returning surplus (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~~returning surplus 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~~return of surplus, unless the ERMA program as a whole remained funded at the 90% confidence level after the ~~issuance~~return of the dividend~~surplus~~.
- The current year March 31 financial statements will be utilized to determine each program year's retained earnings balance, and net assessments/net ~~dividends~~return of surplus (due to the possibility of several program years being adjusted) will be invoiced/released on or before June 30.

**Commented [DRA3]:** I suggest a revision in terminology in this Appendix because dividends are profits distributed by corporations to shareholders. ERMA does not have profits or shareholders, but it may have surplus deposit premiums to return to its members.

## 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, \$350,000 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: Review and Consideration of Proposals for Claims Auditing Services -  
*Presented by Rob Kramer, Executive Director***

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**RECOMMENDATION:** *Staff recommends the Board of Directors  
provide feedback and direction.*

**BACKGROUND AND STATUS:**

ERMA currently contracts with several third-party service providers, including Farley Consulting, to provide claims audit services. The contract between ERMA and Farley Consulting expired on June 30, 2023.

Recently, the Board directed staff to issue a Request for Proposals (RFP) at the February 2, 2024, Board meeting. The results of that RFP are attached for Board consideration.

**REFERENCE MATERIALS ATTACHED:**

- Proposal Matrix
- CRM Proposal
- JS Risk Consulting Proposal
- Praxis Proposal
- RMS Proposal

**ERMA Liability Claims Audit Services  
April 2024**

<b>Firm/Proposer</b>	<b>Risk Management Services</b>	<b>Praxis Claims Consulting</b>	<b>Claims Resource Management, Inc.</b>	<b>JS Risk Consulting</b>
<b>Address</b>	PO Box 724 Sebastopol, CA 95473	36 East Mountain Road Peterborough, NH 03458	33345 Santiago Rd. Acton, California 93510	29190 Ridgeline Ct Temecula, CA 92590
<b>Contact Information</b>	Kenneth R. Maiolini, ARM-P P: (707) 696-6710	Brian D. Stiefel, CPCU Timothy Vincent, CPCU President & Founder Managing Partner	Erika Hanson, Vice Preseident P: (661)265-6436	Jiles Smith, CEO P: (760) 221-0787
<b>Cost</b>	\$13,750 (applies to both audit periods 2025 and 2027)	\$7,650 per audit (Flat fee in 2025 & 2027)	\$5,625 (applies to both audit periods 2025 and 2027)	\$12,000 (2025 Audit) \$12,500 (202 Audit)
<b>Comply with RFP Scope</b>	Yes	Yes	No	Yes
<b>Conflict of Interest</b>	Addressed and no conflicts noted	Addressed and no conflicts noted	Addressed and no conflicts noted	Addressed; recently been appointed to the Riverside County Children/Families Advisory Board by 1st District Supervisor Kevin Jeffries in 2023. No Compensation
<b>Assigned Staff</b>	Kenneth R. Maiolini	Brian D. Stiefel, CPCU	TBD	Jiles Smith, CEO
<b>Experience</b>	35+ years	42+ years	50+ years	35+ years
<b>Similar Assignments within the Past Year</b>	Northern California Relief (NCR)  Southern California Relief (SCR)  Statewide Association of Community Colleges (SWACC)  Independent Cities Risk Management Authority (ICRMA)  CSAC – Excess Insurance Authority- PRISM  California Joint Powers Risk Management Authority (CJPRMA)	Public Risk Innovation, Solutions, and Management (PRISM) since 2015  California Insurance Pool Authority (CIPA)  Special District Risk Management Authority (SDRMA)  California Transit Indemnity Pool	<b>Not Provided</b>	City of Fontana  Tri-City Mental Health Authority
<b>References</b>	Schools Insurance Authority CSAC Excess Insurance Authority (PRISM) Knak & Company County of Riverside CJPRMA	Public Risk Innovation, Solutions, and Management (PRISM) formally CSAC-EIA Government Entities Mutual (GEM) Colorado Intergovernmental Risk Sharing Agency (CIRSA) Georgia School Boards Association (GSBA)	Mark Bennet, Esq. of Cantilo & Bennet, LLP.	Rakesha Voss - Director of Human Resources for City of Fontana  Rakesha Voss - Director of Human Resources for City of Fontana  Dr. Karla Rhay – Former Chief Executive Officer for the California Schools JPA  Jena Covey - Risk Manager for City of Bakersfield  Mark Howard – Risk Manager for City of Santa Barbara  Conor Boughey, Alliant Insurance Services, Inc

# claims resource management, inc.

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33345 Santiago Rd.

Acoto, California 93510

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Erika Hanson

Vice President

Direct Line: (661) 265-6436

E-mail: erika@crmi.com

March 27, 2024

Rob Kramer  
Executive Director  
Employment Risk Management Authority  
rob.kramer@sedgwick.com

Re: Request for Proposal for Employment Practices Liability Claims Audit Services  
for the Employment Risk Management Authority (“ERMA”)

Dear Mr. Kramer:

Thank you for considering Claims Resource Management, Inc. (“CRMI”) for this request and providing us with the opportunity to submit this proposal for your review.

## A. Consultant Corporate Data

CRMI as a Third Party Administrator or as an Independent Adjusting Service, CRMI provides quality claims service at a fair price. CRMI handles primary and excess claims Nationwide, specializing in Construction Defect Liability, General Liability, Premises Liability, Professional Liability, and Commercial Auto claims.

CRMI has performed auditing services for various clients. With our extensive claims experience, CRMI will hit the ground auditing. No time will be wasted and, because an audit is more than the sum of its files, we will give you something that no by-the-numbers auditor can: the big-picture perspective. Our summary will let you know exactly where you stand and what needs to be done.

CRMI’s staff brings extensive claims experience which spans over 50 years. This is headed up by CRMI’s president, Ed McKinnon, who has been involved in the claims industry for 55 years. Ed is often retained as an expert witness to testify regarding claims handling procedures and protocols. These assignments have included having CRMI’s team audit files for clients to evaluate if the claims were handled appropriately.

As CRMI’s vice president, I have been involved with handling claims of various kinds for the last 18 years. This has included working on multiple audits for clients and meetings with clients to discuss what we found in the audit of their files.

A reference for CRMI’s ability to perform claims audit can be obtained from Mark Bennet, Esq. of Cantilo & Bennet, LLP. Mr. Bennet can be reached at (512) 478-6000 or mfbennett@cb-firm.com.

March 27, 2024

Our File:

Page 2

At this time, we have no potential conflict with taking this assignment.

B. Work Plan

In review of the request for the proposal I understand that there are currently 276 open claims. Audits are to be completed July 01, 2025 and July 01, 2027 from a selection of the claims data as of June 30, 2025 and June 30, 2027. The final audit reports are due to ERMA by October 15, 2025 and October 15, 2027. I also understand that the last audit consisted of a review of 40 claims. From our conversation you explained that, with the exception of an outlier file, the majority of the files are smaller in size. You also advised the audit of the electronic files can be performed remotely as well as the presentation to the ERMA board can be done remotely.

We plan to have 2 to 3 adjuster remotely audit the electronic claim files. We expect each file can be audited in an average of one hour for per file. As noted above, with our extensive claims experience, CRMI will hit the ground auditing. No time will be wasted and, because an audit is more than the sum of its files, we will give you something that no by-the-numbers auditor can: the big-picture perspective. Our summary will let you know exactly where you stand and what needs to be done.

C. Cost

We estimate one hour needed to audit each file for a total of \$5,000 to perform each audit. This is not to exceed 40 hours in total and is limited to remotely reviewing 40 claim files. Additionally, we estimate needing 5 hours to prepare each report upon completion of the audit. Our proposal to perform each audit including a report with our findings is \$5,625.

The remote presentation to the ERMA board would be billed at our hourly rate of \$125 for whatever the length of the presentation needed. Additionally, this would not exceed more than two people present for the presentation.

D. Insurance Requirements

CRMI is fully able and willing go comply with all Insuring Requirements outlined in the proposal. We will provide any and all required endorsements upon being awarded this contract.

We look forward to the opportunity to work with you on this auditing assignment. Should you have any questions or concerns regarding this proposal, please feel free to contact me at (661) 265-6436 or Ed McKinnon at (661) 265-6401.

**claims resource management, inc.**

March 27, 2024

Our File:

Page 3

Very truly yours,

CLAIMS RESOURCE MANAGEMENT, INC.

Erika Hanson  
Vice President

EH:hsf

# **ERMA Employment Practices Liability Claims Audit**

**RFP Response**

**April 1, 2024**

JS Risk Consulting



## **Introduction**

This is JS Risk Consulting's response to the RFP sent out by ERMA for auditing of Employment Practices Liability Claims for some of their 229 public entities in California.

### **A. Consultant Corporate Data**

#### **1. A description of at least two similar or related contracts under which your firm has provided services within the last year.**

In the last year we have provided services for the following:

**City of Fontana** - Jiles Smith managed the risk management program including Program Audits, Workers' Compensation, General Liability, EPL and Property/Auto Claims and identified and mitigated risks, strengthened organizational risk culture and achieved regulatory standards for compliance. In addition, he initiated the selection for new TPA services that went out to bid and collaborated with a Medical Care Facility to design an on-site medical facility to evaluate injured employees.

**Tri-City Mental Health Authority:** Tri-Cities operates under a Joint Powers Authority (JPA) Agreement between the cities of Claremont, La Verne, and Pomona, to deliver mental health services to the residents of the three cities. Jiles Smith has been working with the authority since April 2023 to audit and review their claims and liability program, present a risk reduction plan, and manage their insurance procurement.

#### **2. A brief description of the experience and qualifications of the proposed staff member(s) who you would propose conducting the audit.**

**Jiles Smith** is the Chief Executive Officer of JS Risk Consulting where he provides support to organizations by identifying and mitigating risks, strengthening organizational risk culture, and achieving regulatory standards for compliance. He served as Risk Manager for the City of Modesto, Enterprise Risk Consultant for the Cities of Fontana, Rocklin, Sunnyvale, and Tri-City Mental Health Authority. Jiles presently serves as a mentor for Risk Managers from Irvine, Torrance and Pomona with Public Risk Innovation, Solutions and Management (PRISM).

Jiles Smith has been in the claims, risk management, audit and compliance, and environmental safety area for 35 years. He has managed a full spectrum of risk management operations as a claims adjuster, claims supervisor, account executive, claims/office manager, risk manager and director of risk management. Jiles has hosted workers' compensation seminars and speaking at risk management seminars. Jiles has a passion for helping others navigate complicated risk management issues and is a "Pass the Baton" mentor for new Risk managers in Southern California. His depth of experience in the risk and liability fields provides insight into how a Risk Management program works. Jiles also holds an MBA specializing in Risk Management from Concordia University.

### **Designations and Professional training:**

- Licensed Property and Casualty Broker - #4298538
- State Fraud Commissioner – 2006 to 2015 - Served two Governor Administrations as a member of the State of California Workers’ Compensation Fraud Assessment Commission. The Commission administered over \$53 million to District Attorneys’ and State of California Department of Insurance (CDI) to fight workers’ compensation fraud.
- Represented self-insured employers in the state from 2006-2010 and insured employers in the state from 2010-2015.
- Served as risk manager for Riverside Transit Agency (RTA) for three years.
- Executive Program in Safety Management (EP) 2015 from ASSP American Society of Safety Professionals.
- Previous ASSP Risk management /Insurance National Advisory Committee (Government Affairs)
- Certified Professional Disability Manager (CPDM) Workers’ Compensation Claims Professional (WCCP) Self-Insurance Certificate in Workers’ Compensation (CA) 1991
- Member of the San Bernardino County Equal Opportunity Commission (Chair from 2012-2015, and 2017)
- Board member of ACCEL - Authority for California Cities Excess Liability September 2020 to October 2020
- “Pass the Baton” mentor for other public risk professionals through PRISM. Present mentor for risk professionals for the cities of Irvine, Pomona, and Torrance. Informal mentor for risk managers from Humboldt and Placer Counties as well as the Cities of Barstow and Oakland.
- Commissioner for Riverside County Children/Families Advisory Board
- US Army Veteran

**Dr. Sheila Mallett, DNP, LNC, RN:** Former Clinical Nursing Director II at Los Angeles County USC Medical Center, with over 30 years of investigations, medical claims reviews, corrective action audits, performance metrics, and feedback mechanisms, and over 24 years of employment practices liability (EPL) and workplace violence reduction. She was selected to be appointed to the Riverside County Behavioral Health Commission in March 2024.

### **3. A brief description of the organization**

JS Risk Consulting provides support to organizations by identifying and mitigating risks, strengthening organizational risk culture, and achieving regulatory standards for compliance. The consultants for the organization have experience auditing claims, designing, implementing, monitoring, reviewing, and assessing program effectiveness, trending key performance metrics, and continually improving risk management capability.

JS Risk Consulting was founded to help organizations identify and resolve their risk issues with innovation and passion. We approach each of our clients with fresh eyes to develop customized, unique strategies to solve solution resistant risk, workers' compensation, insurance, diversity, or conflict issues.



**4. A list of references including joint powers authorities supporting California public entities.**

Rakesha Voss - Director of Human Resources for City of Fontana; 8491 Sierra Ave #B, Fontana, CA 92335 (909) 350-7648; Email - [rvoss@fontanaca.gov](mailto:rvoss@fontanaca.gov)

Kitha Torregano - Human Resources Manager for Tri-Cities Mental Health; (909) 451-6427; Email - [ktorregano@tricitymhs.org](mailto:ktorregano@tricitymhs.org)

Dr. Karla Rhay – Former Chief Executive Officer for the California Schools JPA she also served as Chief Executive Officer for CSEBA and CSR

Jena Covey - Risk Manager for City of Bakersfield worked with on the Authority for California Cities Excess Liability (ACCEL) board. 1600 Truxtun Ave., 4th Floor Bakersfield, CA, 93301 (661) 326-3090 Email: [Jcovey@bakersfieldcity.us](mailto:Jcovey@bakersfieldcity.us)

Mark Howard – Risk Manager for City of Santa Barbara – worked with on the Authority for California Cities Excess Liability (ACCEL) board. 735 Anacapa Street, P.O. Box 1990, Santa Barbara, CA 93101; (805) 897-2654; Email – [Mhoward@SantaBarbaraCA.gov](mailto:Mhoward@SantaBarbaraCA.gov)

Conor Boughey, Alliant Insurance Services, Inc. worked with on the Authority for California Cities Excess Liability (ACCEL) board; (415)744-4889; Email – [cboughey@alliant.com](mailto:cboughey@alliant.com)

**5. A description of any conflict of interest, apparent or real, that would prohibit or affect your firm in carrying out the services for which a proposal is being submitted.**

I have recently been appointed to the Riverside County Children/Families Advisory Board by 1st District Supervisor Kevin Jeffries in 2023. Since there is no compensation, there should not be an issue.

**Work Plan**

**Firm's Philosophy and Approach to Claims Auditing:**

Our firm prioritizes integrity and compliance in all aspects of our operations, including claims auditing. We believe in upholding ethical standards and ensuring transparency and accuracy in the auditing process. Our philosophy centers around a risk-based approach to claims auditing. We recognize that not all claims carry the same level of risk or significance. Therefore, our auditing process is tailored to focus on high-risk claims areas, including those with potential financial, legal, or reputational implications.

**Work Plan for Employment Practice Audits:**

Our approach to claims auditing consists of several steps to consistently identify and address potential risks, enhance compliance with legal requirements, and foster a culture of fairness, equity, and accountability.

Initial Planning and Preparation

Define Objectives: Clearly articulate the goals and objectives of the employment practice audits, such as ensuring compliance with labor laws.

**Establish Scope:** Determine the scope of the audits, including the specific employment practices, departments.

Data Collection and Review:

**Gather Documentation:** Collect relevant documents, policies, procedures, and records related to employment practices claims processing.

**Analyze Data:** Analyze quantitative and qualitative data, to identify trends, patterns, and potential areas of concern.

On-Site Visits and Interviews:

**Conduct Interviews:** Schedule and conduct interviews with key stakeholders, including HR personnel, managers, supervisors, and employees, to gather insights, feedback, and firsthand experiences regarding employment practices.

**Site Visits:** Visit selected worksites or facilities to observe workplace conditions, interactions, and practices firsthand, assessing compliance with policies and procedures.

Assessment and Analysis:

**Identify Gaps and Risks:** Evaluate findings from data analysis, document review, interviews, and site visits to identify gaps, deficiencies, and areas of non-compliance with legal requirements or organizational standards.

**Risk Prioritization:** Prioritize risks based on severity, likelihood of occurrence, and potential impact on the organization, focusing on areas with the highest risk of legal liability, reputational harm, or employee dissatisfaction.

Recommendations and Remediation:

**Develop Action Plan:** Develop a comprehensive action plan outlining specific recommendations, corrective actions, and preventive measures to address identified gaps, mitigate risks, and improve employment practices.

Reporting and Communication:

**Prepare Audit Report:** Compile findings, recommendations, and action plans into a comprehensive audit report summarizing the scope, methodology, findings, and proposed remediation measures.

**Communicate Results:** Present audit findings and recommendations to senior management, the board of directors, or relevant oversight committees, highlighting key insights, areas of concern, and proposed solutions.

## Cost

<b>2025 Audit</b>	<b>2027 Audit</b>	<b>Cost</b>
Claim Audit work 2025		\$9,500
Travel and expenses logging and travel *		\$1,500
Presentation of the report to the Board		\$1,000
<b>Total:</b>		\$12,000
	Claim audit work 2027	\$10,000
	Travel and expenses logging and travel *	\$1,500
	Presentation of the report to the Board	\$1,000
	<b>Total:</b>	\$12,500
	<b>Grand Total:</b>	\$24,500

### Travel/Mileage Reimbursement\*

We do not expect travel and mileage to exceed \$1,500 per year, but we will be using the following to determine total costs.

- Automobile mileage will be billed at the current Federal IRS Mileage rate at time of incurred cost.
- Tolls and parking fees will be assessed at cost.
- Any lodging, airfare, parking, rental car, gas (if renting vehicle) and meals incurred for onsite attendance with City will be reimbursed at cost.

## IV. INSURANCE REQUIREMENTS

See attached document.



36 East Mountain Road  
Peterborough, NH 03458  
Mobile: (802) 249-6320  
Toll free: (800) 651-7021  
[www.praxisclaims.com](http://www.praxisclaims.com)

March 26, 2024

Mr. Rob Kramer  
ERMA Executive Director  
Employment Risk Management Authority  
1750 Creekside Oaks Drive, Suite 200  
Sacramento, CA 95833

**RE: Request for Proposal for Employment Practices Liability Claims Audit Services  
for the Employment Risk Management Authority (ERMA)  
Proposal due April 1, 2024, at 5:00PM PST**

Mr. Kramer:

We wish to extend our thanks to you for considering Praxis Claims Consulting (“Praxis”) as a vendor in providing employment practices liability claims audit services to assist the Employment Risk Management Authority (ERMA).

Praxis proposes to perform remote audits of 50 claim files (45 open & 5 closed) in 2025 and 2027 for a flat fee of \$7,650 per audit. If ERMA requests an in-person presentation of the report to the Board, Praxis will invoice ERMA for reimbursement of travel and expenses up to a maximum of \$2,250 per presentation. Praxis will supply receipts for all invoiced charges.

Thank you for the opportunity to submit this proposal, and we look forward to discussing our potential business relationship.

Sincerely,

A handwritten signature in black ink that reads "Brian D. Stiefel".

Brian D. Stiefel, CPCU  
President & Founder  
Praxis Claims Consulting  
[brian@praxisclaims.com](mailto:brian@praxisclaims.com)

A handwritten signature in black ink that reads "Timothy Vincent".

Timothy Vincent, CPCU  
Managing Partner  
Praxis Claims Consulting  
[tim@praxisclaims.com](mailto:tim@praxisclaims.com)

## Table of Contents

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## Consultant Corporate Data

- 1. A description of at least two similar or related contracts under which your firm has provided services within the last year.*

Praxis conducts approximately 50 liability claim audits each year for Public Risk Innovation, Solutions, and Management (PRISM) since 2015.

In March 2024, Praxis conducted a liability claims audit for California Insurance Pool Authority (CIPA). Praxis also conducted an audit for CIPA in 2022.

In August 2023, Praxis conducted a claims audit for Special District Risk Management Authority (SDRMA). Praxis also conducted an audit for SDRMA in 2021.

In August 2023, Praxis conducted a claims audit for California Transit Indemnity Pool. Praxis has conducted yearly claims audits since 2018.

- 2. A brief description of the experience and qualifications of the proposed staff member(s) who you would propose to conduct the audit.*

**Brian D. Stiefel, CPCU**, President & founder of Praxis, has over 42 years' experience in the claims industry and has held various positions with insurers including vice president of claims. Brian has conducted audits and/or provided management and oversight for several GL, auto liability, property and workers' compensation programs including school districts, public entities, housing authorities, and public transportation. Brian has also conducted auto, general liability, Worker's Compensation as well as property audits for both domestic and international clients providing general and professional liability, auto and commercial property cover in the United States.

Through his duties, Brian maintains front line claims handling experience and is currently retained by an Ireland-based reinsurer, Trisura International Holdings Limited., to provide sole management and oversight of their runoff business in the U.S. He attends trials and settlement conferences with full policy limits authority to settle or proceed to judgment.

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## Brian D. Stiefel, CPCU

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### EXPERIENCE:

**Praxis Claims Consulting**  
**President**

**08/06-present**

Brian formed Praxis in 2006 to provide commercial and personal lines claims auditing and consulting services to his clients who include insurers, re-insurers, Lloyd's syndicates, captives, fronting companies, public entities, and law firms. Praxis also provides program & TPA oversight, expert witness services, TPA due diligence, bodily injury evaluation training, runoff management, litigation management reviews and training.

**Syndicated Services Co., Inc.**  
**Vice President**

**12/98-12/07**

Specializing in claims audits for insurers, reinsurers, risk retention groups, fronting companies, and Lloyd's Underwriters. Conducted audits for GL, WC auto and property lines of business for school districts, public entities, habitational, professional sports, construction defect, professional liability, and commercial auto lines of business.

**Acadia Insurance Company**  
**Assistant Vice President, Claims**

**4/94-12/98**

Executed the startup of the Vermont and Massachusetts claim operations. These positions included the planning, staffing, hiring, training, budgeting, marketing, and policy setting for Acadia in Vermont, Massachusetts, and New York

**The Netherlands Insurance Company**  
**Regional Claim Manager**

**11/90-4/94**

Responsible for the property, casualty, and worker's comp claims operations in the states of NH and VT. Position included the management of a 54-person office and field staff, reporting to the vice-president of field operations.

**American International Group**  
**Marketing Manager**

**03/90-11/90**

Managed the northeast territory. Responsible for the marketing of subrogation, recovery, and salvage services to self-insured corporations and insurance companies.

**Allstate Insurance Company**  
**Claim Manager**

**09/78-12/89**

Managed claims operations in the states of Massachusetts and Vermont.

### EDUCATION:

**Trinity College, Burlington, VT**

Psychology

**Framingham State College, Framingham, MA**

Business Administration

**Insurance Institute of America**

CPCU designation

**Tim Vincent, CPCU**, Managing Partner of Praxis, is responsible for overseeing the daily business operations and providing strategic direction for the organization. Tim is responsible for developing and implementing organizational goals, procedures, and policies. He has over 20 years' experience in the claims industry and has held various positions within the public entity sector. Tim's most recent position prior to joining Praxis was serving as the Program Manager of a multi-line risk pool for public schools where he was responsible for operations, claims management and risk control.

He holds the designations of Chartered Property Casualty Underwriter (CPCU), Managed Healthcare Professional (MHP), and Management Liability Insurance Specialist (MLIS). Tim has conducted audits and/or provided oversight for several public entity programs with general liability, errors & omissions, auto liability, property, and workers' compensation programs.

Tim holds the designation of Certified Leadership Professional from the International Association of Insurance Professionals as well as a Professional Certificate in Leadership & Management from the University of Vermont.

Tim is Vice President of the Public Risk Management Association (PRIMA) New England Chapter.

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## **Timothy Vincent, CPCU**

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### **EXPERIENCE:**

#### **PRAXIS CLAIMS CONSULTING**

**10/14- Present**

##### ***Managing Partner***

Oversee daily business operations and provide overall strategic direction. Responsible for maintaining positive client relationships and developing new relationships with potential clients. Developing and implementing organizational goals, procedures, and policies. Perform property/casualty and workers' compensation claims audits as well as risk management and operational management consulting for public entities, risk pools, insurers, captives, and reinsurers.

#### **VERMONT SCHOOL BOARDS INSURANCE TRUST**

**04/17-01/21**

##### ***Program Manager***

Responsible for directing and coordinating all aspects of the Multi-Line Program. This position is entrusted with the overall management of the program including the functions of underwriting, marketing, claims, risk management, and facilitation of reinsurance placement. In addition to those roles, this position also coordinates a majority of VSBIT's statewide initiatives including VSBIT U, Facility Education & Development Program, Building Resilient Schools Pilot Program, and the VSBIT Procedure Manual.



**VERMONT SCHOOL BOARDS INSURANCE TRUST** **04/09-04/17**  
***Manager of Risk Services***

I lead the risk management initiatives for our organization and supervised the claims staff for both workers' compensation and property/casualty lines. I was also involved in program operations and member relations.

**ALTERNATIVE SERVICE CONCEPTS** **07/04-04/09**  
***Multi-Line Claims Adjuster***

I handled workers' compensation and property casualty claim files for a municipal risk pool.

**STATE OF VERMONT RISK MANAGEMENT DIVISION** **07/02- 07/04**  
***Claims Adjuster***

Adjudicated workers' compensation claims for State of Vermont employees.

**STATE OF VERMONT DISABILITY DETERMINATION SERVICES** **07/01- 07/02**  
***Disability Examiner***

Adjudicated social security and Medicaid disability claims.

**LIBERTY MUTUAL INSURANCE COMPANY** **10/00- 07/01**  
***Disability Specialist***

Adjudicated short term and long-term disability claims.

**PROFESSIONAL DESIGNATIONS:**

***Chartered Property Casualty Underwriter- CPCU***  
The Institutes

***Management Liability Insurance Specialist- MLIS***  
International Risk Management Institute (IRMI)

***Managed Healthcare Professional- MHP***  
America's Health Insurance Plans

***Professional Certificate in Leadership & Management***  
University of Vermont

***Certified Leadership Professional- CLP***  
International Association of Insurance Professionals

***3. A brief description of the organization.***

Praxis Claims Consulting ("Praxis") was established in New Hampshire in August 2006 as a limited liability company ("LLC") and later (2009) became a C-corporation, Stiefel Consulting Inc. DBA Praxis Claims Consulting also domiciled in New Hampshire.

We specialize in providing claim audits and consulting services on behalf of public entities, risk pools, risk retention groups as well as insurers, domestic reinsurers, captives, insurance cooperatives, fronting companies, and UK-based reinsurers as well as Lloyd's Underwriters.

Our claims technical consultants average over 30 years' experience in general liability, auto liability, property, professional and medical liability, as well as workers compensation. Our countrywide network of consultants has held senior claims positions at risk pools, and insurance and/or reinsurance companies. We have all achieved insurance-specific and/or legal professional designations and have dealt with all aspects and disciplines within the industry. This breadth of experience allows us to approach each assignment with a balanced, learned, and global approach.

The services offered by Praxis are varied and diverse. We conduct on-site/remote claim file audits, individually focused reserve/collateral reviews; "best practices" reviews, analysis of existing litigation management programs, workflow analysis, TPA due diligence reviews, runoff management, and TPA contract review and preparation assistance.

Praxis has also established classroom-oriented training programs specific to litigation management and claim reserving. We have been utilized by our clients to function as their eyes and ears at trials and have also attended mediations and settlement conferences often with client granted settlement authority.

To learn more about Praxis' services please visit our website at <https://praxisclaims.com/> .

#### **4. A list of references including joint powers authorities supporting California public entities.**

#### **Public Risk Innovation, Solutions, and Management (PRISM) formally CSAC-EIA**

Praxis Claims Consulting has been retained since 2015 by PRISM, formerly CSAC-EIA, to perform annual general liability claims audits of TPAs and various cities and counties claim staff that are members of PRISM. Praxis reports to Ms. Heather Fregeau, AIC-M, ARM, Chief Claims Officer- Liability & Property. PRISM has renewed its contract with Praxis through 2026.

Contact: Heather Fregeau, AIC-M, ARM-P  
Chief Claims Officer- Liability & Property  
(916) 850-7300 x7329  
[hfregau@prismrisk.gov](mailto:hfregau@prismrisk.gov)

#### **Government Entities Mutual (GEM)**

Praxis performed an audit and analysis of GEM's liability and workers' compensation claims handling 2017, 2019, and 2022. In addition, Praxis was retained by GEM in 2018 to step in and temporarily manage their claims operation while their vice president of claims was on temporary medical leave.

Contact: Melanie McDonough  
Claims Manager  
(603) 223-0321 ext. 205  
[melanie.mcdonough@gemre.com](mailto:melanie.mcdonough@gemre.com)

### **Colorado Intergovernmental Risk Sharing Agency (CIRSA)**

Praxis has performed liability and workers' compensation claims audits for CIRSA at their offices in Denver, Colorado as well as remotely for six years (2015-2021).

Contact: Mike Wagner SCLA  
Claims Manager  
(720) 605-5527  
[Mikew@cirsa.org](mailto:Mikew@cirsa.org)

### **Georgia School Boards Association (GSBA)**

Praxis conducted claim audits in 2016, 2019, and 2023. The audits consisted of workers' compensation, general liability, professional liability, employment, E&O, property as well as auto physical damage claims.

Contact: John Shore  
Assistant Director  
GSBA Risk Management Services  
(770) 995-4372  
[jshore@gsba.com](mailto:jshore@gsba.com)

Contact: Cliff Cole  
Director of Risk Management  
(770) 995-4370  
[ccole@gsba.com](mailto:ccole@gsba.com)

Below is a listing of entities in which Praxis has conducted audits within the past two years. We would be happy to supply contact information for any of these entities for you to check our references.

PRISM (Formerly CSAC-EIA)- Approximately 50 claim audits per year  
Old Republic Specialty Insurance Underwriters  
California Insurance Pool Authority  
Trindel Insurance Fund  
Government Mutual Entities Inc. (GEM)  
NIP Group  
American Public Excess Pool

Ohio Transit Risk Pool  
City of Kansas City  
Washington Cities Insurance Authority  
Educational Services District 112  
Redwood Empire Municipal Insurance Fund  
Housing Authorities Risk Retention Pool  
Housing Authorities Insurance Group  
Association of California Water Agencies  
California Transit Indemnity Pool  
Water & Sewer Risk Management Pool  
Colorado Intergovernmental Risk Sharing Agency  
Colorado School Districts Self Insurance Pool  
Ohio Township Association Risk Management Authority  
Florida Sheriff's Risk Management Fund  
County Risk Sharing Authority  
North Carolina Housing Authorities Risk Retention Pool  
Association of Washington Cities  
Missouri Housing Authorities Property & Casualty  
Montana Municipal Interlocal Authority  
Alabama Housing Authority Risk Management  
New Mexico Association of Counties  
Wisconsin Municipal Mutual Insurance Company  
Georgia School Boards Association  
Special Districts Risk Management Authority  
Ohio Transit Risk Pool  
Washington State Transit Insurance Pool

*5. A description of any conflict of interest, apparent or real, that would prohibit or affect your firm in carrying out the services for which a proposal is being submitted.*

Praxis does not have any conflicts of interest, apparent or real, that would prohibit or affect us in carrying out the services for which this proposal is being submitted.

### **Work Plan**

Per the request for proposal, the general objectives of the claim audits will be to:

1. To assess the efficiency and effectiveness of the present claims administrator and litigation management team;
2. To evaluate the experience, competence, and staffing levels;
3. To obtain suggestions for improvement in claims handling, litigation oversight, reserving, and reporting; and
4. To ensure that all provisions of the contract for services are met.

### ***Praxis' Philosophy of Claims Auditing***

Praxis' audit and review approach is designed to provide a consistent way to review and measure the performance of claims activities. The approach is a results-oriented process that measures performance on a case-by-case basis that takes into consideration industry best practices as well as internal claims handling guidelines.

To be effective, audits must be:

- Periodic
- Consistent
- Measurable against promulgated performance standards
- Identify potential problem areas.
- Recommendations should be specific and attainable.
- Culminate in action plans by the claims administrator.
- Include scheduled follow-up by the insurer or entity focusing on the opportunities identified.

The ultimate goal of this process is to improve quality, assure statutory compliance, stimulate the improvement of the overall claims handling, as well as benchmark performance.

### ***Audit Process***

Prior to the commencement of each audit, Praxis will conduct a virtual meeting with ERMA, personnel from the claims administrator, as well as anyone else ERMA feels appropriate to attend. We will discuss audit logistics and timelines.

Following the pre-audit meeting, Praxis will request the background information needed to begin the file selection process. We will ask for the following information to assist us in selecting the files to be reviewed, to begin the creation of the audit review spreadsheet and serve as reference material during the audit.

- Current organizational chart for the claim handling personnel.
- Access to the claims management system for the third party claims administrator.
- List of reserve and settlement claim authorities by employee for loss, legal, & expenses.
- Copies of applicable policy forms and endorsements.
- Claims Manual and/or Claims Handling Guidelines.
- Litigation Management Guidelines.
- Claim service instructions issued to the claims staff, i.e., any quality review, claim manager reviews, new loss assignments, management dual diary and specific account instructions.
- Written protocol that have been established regarding check draft security.
- List of all files reportable to re-insurers.
- List of approved vendor list of attorneys, independent adjusters, experts, etc.

- Evidence of adequate insurance, including errors and omissions coverage and fidelity coverage of the assigned defense firms.
- Access to re-insurance agreements that would involve the subject claim files.
- Claim handler workloads.

Praxis will request an Excel spreadsheet loss run with each claim occupying only one line of the spreadsheet. We would request that the loss run include all open claims as well as those claims closed within three years of the date the audit is performed.

Data elements should include at least the following information:

- Insured/member name
- Claimant name
- Date of loss
- Date of report
- Line of business
- Claim number
- Policy or certificate number if any
- Policy effective date if any
- Policy expiration date if any
- Description of loss narrative
- Claim status - Open or Closed
- Suit status - Y or N
- Name or initials of the handling adjuster
- Paid loss amount
- Outstanding loss reserve
- Paid expense amount
- Outstanding expense reserve
- Recovery amounts if any

From the above supplied data, Praxis will employ a stratified random sampling with the strata being: claim status, assigned claims handler, total incurred, litigated, reinsurance reportable, and various loss descriptions. Praxis will complete the initial file selection no later than 14 days prior to the commencement of the audit.

Praxis will select 50 claim files (45 open & 5 closed).

Each claim file review will be documented on an individual audit sheet. Each audit sheet as well as the narrative report will address compliance with industry best practices as well as ERMA's claims manual and litigation management guidelines in the following areas:

## Administration

1. Evaluation of review for legal sufficiency and timeliness of claims;
2. Evaluation of reserving practices, procedures, and accuracy of the claim reserves;
3. Evaluation of the effectiveness and thoroughness of the claims investigation techniques, including the appropriateness of the use of outside employment investigation services;
4. Evaluation of identification of available governmental immunities;
5. Evaluation of the adequacy, if any, of early disposition evaluation and strategies;
6. Evaluation of proper claims monitoring procedures, including compliance factors with claims administration procedures and controls;
7. Evaluation of procedures utilized in the verification, justification, and documentation of claims payments and settlements, including properly executed releases;
8. Identification of areas of deficiencies in the claims handling process;
9. Evaluation of timely claims reporting to ERMA and reinsurance/excess carriers, where applicable;
10. Determination as to adequacy of diary system and if it is being used effectively;
11. Accuracy of computer generated reports for management purposes, including a comparison of file data with reports, etc.;
12. Evaluation of the general competence of the claims and litigation management services being provided;
13. Evaluation of early analysis as to the conformance of the complaint to the allegations in the claim, if litigated;
14. Evaluation of the control of litigation costs, including use of defense counsel and outside vendors, such as expert witnesses;
15. Evaluation of defense attorney's handling of the case, if litigated, i.e., providing an initial case analysis, use of experts, and litigation budget (and updates, as required), providing routine status reports, etc.;
16. Determination that adequate insurance, including errors and omissions coverage and fidelity coverage maintained by defense firms is monitored; and
17. Evaluation of defense counsel performance (at conclusion of case).

## Personnel

1. Evaluation of the technical competence and expertise of claims personnel, and litigation management resources assigned to handle claims; and
2. Evaluation of the case-loads of the team.

## Payment

1. Timeliness of payments;
2. Accuracy or excessiveness of payments;
3. Review of payments of allocated expense factors;
4. Review of the claims payment process identifying any weakness in the procedures;
5. Claim file financial reconciliation with loss run;

Praxis will supply the individual audit sheets to ERMA and the third party administrator upon completion. Praxis will request rebuttals to the findings from ERMA and the third party administrator within 7-10 business days. Praxis will re-review the files with rebuttals and update the findings, if applicable, after each review.

Praxis will conduct a wrap-up meeting to discuss the overall findings and observations with ERMA and the third party administrator.

Praxis will prepare a draft narrative report within 10 days of the conclusion of the wrap-up discussions. The draft narrative audit report will include a written audit summary containing an overview of the results for each category along with recommendations for improvement, if applicable.

The final version of the audit narrative report will be issued within 72 hours of receipt of feedback to the draft report by ERMA.

### **Cost Quotation**

Praxis proposes to perform remote audits of 50 claim files (45 open & 5 closed) in 2025 and 2027 for a **flat fee of \$7,650 per audit**.

The pricing in this proposal shall remain firm for one year from the submittal deadline of April 1, 2024.

The hours and pricing for this project include the following:

- Pre-audit virtual meetings as well as securing loss runs, exhibits, resources, etc.
- Review of reference material for each audit including claims manual and policies.
- Audit file selection.
- Remote audits of 50 claim files.
  1. Individual audit sheet input & development throughout the duration of the audit.
  2. Assessment of caseloads.
  3. Prep and wrap-up meetings with ERMA.
- Generation of the draft & final narrative reports.
- Remote Board presentation (if desired)

If ERMA requests an in-person presentation of the report to the Board, Praxis will invoice ERMA for reimbursement of travel and expenses up to a **maximum of \$2,250 per presentation**. Praxis will supply receipts for all invoiced charges.



## Praxis Certificate of Coverage

Below is a copy of Praxis' certificate of coverage. If Praxis is selected as the vendor for this project, Praxis can supply separate PDF version of this certificate.

### CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 11/28/2023
---------------------------------

<b>THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.</b>															
<b>IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).</b>															
<b>PRODUCER</b> Eaton & Berube Insurance Agency, LLC 11 Concord St Nashua NH 03064	<b>CONTACT</b> NAME: Debbie Rioux PHONE (A/C, No, Ext): 603-882-2766      FAX (A/C, No): 603-886-4230 E-MAIL ADDRESS: <a href="mailto:drioux@eatonberube.com">drioux@eatonberube.com</a>														
<b>INSURED</b> Stiefel Consulting DBA Praxis Claims Co 36 East Mountain Rd Peterborough NH 03458	STICO <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: left; padding: 2px;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: left; padding: 2px;">NAIC #</th> </tr> <tr> <td style="padding: 2px;">INSURER A : The Hanover Insurance Companies</td> <td style="padding: 2px;">22292</td> </tr> <tr> <td style="padding: 2px;">INSURER B : ACE Underwriters Insurance Co</td> <td style="padding: 2px;">20702</td> </tr> <tr> <td style="padding: 2px;">INSURER C :</td> <td style="padding: 2px;"></td> </tr> <tr> <td style="padding: 2px;">INSURER D :</td> <td style="padding: 2px;"></td> </tr> <tr> <td style="padding: 2px;">INSURER E :</td> <td style="padding: 2px;"></td> </tr> <tr> <td style="padding: 2px;">INSURER F :</td> <td style="padding: 2px;"></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : The Hanover Insurance Companies	22292	INSURER B : ACE Underwriters Insurance Co	20702	INSURER C :		INSURER D :		INSURER E :		INSURER F :	
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THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.									
INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS		
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY  CLAIMS- <input type="checkbox"/> MADEOCCUR <input checked="" type="checkbox"/>  AGGREGATE LIMIT APPLIES PER: GE <input type="checkbox"/> JCY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input checked="" type="checkbox"/> HER:	Y		ODVA161756	12/1/2023	12/1/2024	EACH OCCURRENCE	\$ 2,000,000	
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 500,000	
							MED EXP (Any one person)	\$ 5,000	
							PERSONAL & ADV INJURY	\$ 2,000,000	
							GENERAL AGGREGATE	\$ 4,000,000	
							PRODUCTS - COMP/OP AGG	\$ 4,000,000	
								\$	
A	<input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY	Y		ODVA161756	12/1/2023	12/1/2024	COMBINED SINGLE LIMIT (Ea accident)	\$ 2,000,000	
							BODILY INJURY (Per person)	\$	
							BODILY INJURY (Per accident)	\$	
							PROPERTY DAMAGE (Per accident)	\$	
								\$	
	UMBRELLA LIAB						EACH OCCURRENCE	\$	


EXCESS LIAB		CLAIMS-MADE				AGGREGATE		\$	
DED	RETENTION \$							\$	
A	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <b>(Mandatory in NH)</b> If yes, describe under DESCRIPTION OF OPERATIONS below	<input type="checkbox"/> Y / <input checked="" type="checkbox"/> N	<input type="checkbox"/> N / <input type="checkbox"/> A	WHVA161771	12/1/2023	12/1/2024	X PER STATUTE	OTHER	
							E.L. EACH ACCIDENT		\$ 500,000
							E.L. DISEASE - EA EMPLOYEE		\$ 500,000
							E.L. DISEASE - POLICY LIMIT		\$ 500,000
B	Professional Liability Claims Made Retro Date: 01/18/06			EONNH111709732-008	12/1/2023	12/1/2024	\$1,000,000 \$2,000,000 Deductible		Each Claim Aggregate \$2500
<b>DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)</b> Additional Insured for General Liability & Non-Owned Auto Liability applies per Written Contract, Agreement or Permit per Hanover Insurance Form 391-1006(08/16) Additional Insured for Professional Liability applies per Written Contract per ACE American Form PF-19806(02/06) Cyber Liability; No. American Specialty Ins. Co, Policy Number C4LQK076502, 7/29/22 to 7/29/23, Privacy Liability \$1,000,000.									

**COVERAGES  
CERTIFICATE HOLDER**

**CERTIFICATE NUMBER:** 61736711

**REVISION NUMBER:**

**CANCELLATION**

For Informational Purposes Only	<p>SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.</p>  AUTHORIZED REPRESENTATIVE
---------------------------------	--

ACORD 25 (2016/03)

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### Proposed Time Frames

The Request for Proposal indicates the following anticipated timetable:

July 1, 2025- October 1, 2025	Complete 1 <sup>st</sup> year of engagement
July 1, 2027- October 1, 2027	Complete 2 <sup>nd</sup> year of engagement
October 15, 2025 and 2027	Delivery of Final Report to ERMA
November 2025 and 2027	ERMA Board Review of Audit

Praxis affirms that it will meet the anticipated time frames outlined in the request for proposal.

Should you have any questions regarding any indications in this document please feel free to contact us.

Regards,



Brian D. Stiefel, CPCU  
President & Founder  
Praxis Claims Consulting  
[brian@praxisclaims.com](mailto:brian@praxisclaims.com)



Timothy Vincent, CPCU  
Managing Partner  
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[tim@praxisclaims.com](mailto:tim@praxisclaims.com)

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

## **REQUEST FOR PROPOSAL EMPLOYMENT LIABILITY CLAIMS AUDIT SERVICES**

**Submitted by:**  
**Kenneth R. Maiolini, ARM-P**  
**Risk Management Services**  
**PO Box 724**  
**Sebastopol, CA 95473**  
**E-Mail: [ken@rmscotati.com](mailto:ken@rmscotati.com)**  
**(707) 696-6710**  
**March 27, 2024**



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## CLAIMS AUDITING PHILOSOPHY

RMS takes a diverse approach to claims audits because of its background and experience, and its belief that such an approach provides the most meaningful results for its clients.

In addition to reviewing files according to generally accepted audit standards for addressing file management, timely investigation, adequacy of reserves, liability and damage analysis, litigation management, compliance to excess requirements and timely settlement negotiations, RMS attempts to also focus on other areas that are both helpful to the client and, if applicable, the insuring entity. RMS is also familiar with CAJPA accreditation standards related to claims management and will address these issues in the audit.

Because of its "hands on" claims activities, risk and loss consulting efforts, and role as a primary/excess TPA, RMS brings some unique perspectives to a claims audit. We are sensitive to the client's need to get more out of an audit than having someone upset their files for a few days. With that in mind, we examine in the course of the audit areas that can improve the client's claims handling system, trends that raise risk management issues, areas of risk transfer as it pertains to contractors, effectiveness of the insured's TPA or in-house claims unit, comparison of how the client's settlements compare to similar entities, suggestions on experts that may provide benefit to the defense, and assistance with politically sensitive situations.

In addition to the hard copy audit, RMS tries to do more than the traditional exit interview with the client. As logistics will allow, we attempt to speak with the client prior to the audit to check on any unusual situations or problems, and to generally discover what the client would like to accomplish in the audit.

In determining the claims sample to be audited, RMS pays attention to the obvious indicators such as claim type, high reserves, high defense costs, etc. However, to get a feel for how claims are analyzed and handled, we also focus on recently filed claims, selected claims with no reserves, claims settling for low amounts in a short period of time and claims with varied reserves involving similar allegations. This allows us to determine trends in the claims handling that may be a positive or adverse factor to our client.

Overall, we approach audits with a constructive and friendly attitude and provide an individualized report on each entity; we do not utilize boilerplate reporting formats. Lastly, we feel a client should finish the process with a positive feeling, having obtained new knowledge that will assist in effective handling of their claims.

## QUALIFICATIONS AND SCOPE OF WORK

For the purpose of the ERMA audit, if RMS is awarded the contract, Kenneth R. Maiolini will serve as the principal auditor. He will conduct the hands-on file audits as well as the pre-audit and exit interviews.

Mr. Maiolini has served as an excess claims manager for over 35 years and in RMS' capacity as a primary TPA reports to eight different JPA's or Excess Carriers. Because of this experience there is a keen awareness of what a JPA such as ERMA requires from its Members in the way of excess reporting and claims handling. Additionally, there is a solid understanding of what impact quality claims handling can have on the relationship with carriers who provide coverage above the ERMA layer.

The area of coverage ERMA provides – Employment Practices – is a coverage area in which RMS currently handles claims as a TPA and has audited for numerous clients. RMS is very familiar with your TPA claims system and has utilized it in the last several months to conduct an audit for another client.

The audit reviews will comply with the RFP requirements related to the Scope of Work as well as address administration, personnel and payment practices. A review of all liability claims will be completed (not to exceed 125 claims).

The selected files will be reviewed and documented on RMS' Claims Audit Review Form (*Exhibit A*).

RMS would provide the following Scope of Work (applies to both audit periods):

- Identify any issues that need to be specifically addressed.
- Review loss data (will require an open and closed loss run in PDF format) that includes claimant name, claim number, DOL, description and paid/reserve numbers.
- Select files to be reviewed for each Member, with focus on high value claims.
- Prepare an RMS Audit Review form on each file reviewed in the audit.
- Provide comments and recommendations.
- Review 25% of open claims (not to exceed 70 open claims) and a 10% sampling of closed claims in the last 24 months (not to exceed 50 closed claims).
- Provide a full audit report.
- Presentation to ERMA Committee or Board.
- All services are quoted on being conducted remotely.

## CONSULTANT CORPORATE DATA

1. In the past year RMS has conducted the following audit projects:

**Northern California Relief (NCR)**

**Southern California Relief (SCR)**

**Statewide Association of Community Colleges (SWACC)**

**Independent Cities Risk Management Authority (ICRMA).**

**CSAC – Excess Insurance Authority- PRISM**

**California Joint Powers Risk Management Authority (CJPRMA)**

2. Personnel Information:

**Kenneth R. Maiolini, ARM-P:** Mr. Maiolini has over 35 years of experience in the handling of claims for both public and private clients. The last 25 years have been devoted to working with public entities in the area of claims administration, auditing and loss consulting. Mr. Maiolini has served as principal auditor in over 500 public entity audits.

3. RMS is a full-service Claims Administration, Claims Adjusting and Auditing firm, specializing in providing these services to public entities. RMS was founded in August 1992.

4. References:

Martin Bradley – Schools Insurance Authority – (916) 364-1821 x224

Heather Fregeau – CSAC Excess Insurance Authority (PRISM) – (916) 850-7300

Eric Knak – Knak & Company – (530) 247-1049

Lari Camara – County of Riverside – (951) 955-3532

Tony Giles – CJPRMA – (925) 290-1316

5. Conflicts: RMS does not feel that any conflicts exist, we do disclose that in the past we have worked with/for the insureds of ERMA. We are currently not providing any services to these entities.





## PRICING

The pricing is all-inclusive and would be based on 2 weeks of audit time, review of loss data, selection of files to be reviewed, pre-audit and post-audit interviews and appropriate report submittal and presentation to ERMA Board/Committee. (All services provided on a remote basis)

Total all-inclusive price per audit: **\$13,750 (applies to both audit periods 2025 and 2027)**



## INSURANCE INFORMATION

Professional Liability E&O \$2M limit/\$5K deductible	Beazley Insurance
General Liability \$1M limit	Farmers Insurance Co.
Non-Owned and Hired Auto \$1M limit	Farmers Insurance Co.
Workers' Compensation Complies with statutory requirements.	Farmers Insurance Co.

Evidence of Coverage will be provided upon request.



# EXHIBIT A



RMS

RISK MANAGEMENT SERVICES

# PROFILE AUDIT REVIEW FORM

ENTITY REVIEWED

REVIEW DATE      REVIEWED BY

FILE NAME

FILE NUMBER

FILE STATUS

DATE OF LOSS

CLAIM DATE

REJECTION DATE

LAWSUIT DATE

CLOSED DATE

TYPE OF LOSS

LIMITS(X1000)/POLICY YEAR

CASE DESCRIPTION

## LIABILITY

Liability review attempts to determine, through file information, degree of liability. If no information in file, the undetermined box is checked indicating a deficiency in this area.

- CLEAR     
  PROBABLE     
  QUESTIONABLE     
  DOUBTFUL     
  UNDETERMINED     
  N/A

Audit reviews the current reserves and paid amounts - if adjustments are needed, they are indicated in the recommended reserves section. Additional comments would be noted in the "Reserving" section below.

### CURRENT RESERVES

### PAID TO DATE

### RECOMMENDED RESERVES

LOSS

LOSS

LOSS

EXPENSE

EXPENSE

EXPENSE

RATING GUIDE 1 = BELOW STANDARDS 2 = MEETS STANDARDS 3 = EXCEEDS STANDARDS

RATING

### INVESTIGATION

Review examines the investigation process - request for information, interviews, photos, obtaining and preserving evidence, timeliness, pro-active approach, and thoroughness of the investigation are evaluated.

RATING

### RESERVING

Review examines the timeliness and basis for file reserves. The areas of indemnity and expense are examined as to past and future costs. Litigation expenses are evaluated in respect to other factors (liability, damages, etc.).

RATING

### LITIGATION MANAGEMENT/ATTORNEY HANDLING

Review examines the management of defense counsel and individual attorney performance. Areas such as timely assignment, reporting, case handling, and litigation strategy are reviewed.

RATING

### LIABILITY/DAMAGE EVALUATION

Review examines basis for determining if liability exists and to what degree. Also file information on damages is reviewed, as well as, the analysis of the damage components.

RATING

### FILE MANAGEMENT

This area includes physical file management, statutory management, risk transfer, diary, excess reporting, and overall file coordination/handling.

RATING

### TIMELY NEGOTIATIONS

Review examines settlement practices and file resolution through the use of negotiations. Proactive use of informal negotiations and voluntary mediations are examined.

### COMMENTS

N/A = NOT APPLICABLE WHEN INDICATED

**ADMINISTRATIVE MATTERS**

**SUBJECT: Draft Resolution 2023-2, Establishing Meeting Dates for the 2024/25 Program Year - *Presented by Yvette Flama, Analyst***

---

**RECOMMENDATION:** *Staff recommends the Board of Directors approve Resolution 2023-2, establishing the meeting dates for the 2024/25 program year.*

**BACKGROUND AND STATUS:**

Included in the agenda packet is a resolution with proposed meeting dates for the 2024/25 Program Year. The proposed dates are as follows:

- Monday, November 4, 2024
- Thursday & Friday, February 6 & 7, 2025 (Annual Workshop/Board Meeting)
- Tuesday, April 22, 2025
- Monday, June 2, 2025

Staff requests that the Board of Directors review the proposed dates for any potential scheduling conflicts.

**REFERENCE MATERIALS ATTACHED:**

- Draft Resolution 2023-2, Establishing Meeting Dates for the 2024/25 Program Year

**DRAFT RESOLUTION NO. 2023-2**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
EMPLOYMENT RISK MANAGEMENT AUTHORITY  
ESTABLISHING MEETING DATES FOR THE 2024/25 FISCAL YEAR**

**BE IT RESOLVED THAT:**

The following meeting dates are hereby established for the 2023/24 fiscal year:

<u>Monday, November 4, 2024</u> Sacramento, CA 10:00 a.m.	<u>Tuesday, April 22, 2025</u> Sacramento, CA 10:00 a.m.
<u>Friday, February 7, 2025</u> Napa, CA 10:00 a.m.	<u>Monday, June 2, 2025</u> Sacramento, CA 10:00 a.m.

**ANNUAL WORKSHOP & BOARD MEETING**

Thursday, February 6, 2024  
Napa, CA  
TBD

Friday, February 7, 2024  
Napa, CA  
10:00 a.m.

This Resolution was adopted by the Board of Directors at a regular meeting of the Board on April 23, 2024, by the following vote:

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

\_\_\_\_\_  
PRESIDENT

ATTEST:

\_\_\_\_\_  
BOARD SECRETARY

**ADMINISTRATIVE MATTERS**

**SUBJECT: Consideration of Amendment 2 to the Contract for Administration, Finance, and Litigation Management Services Agreement between ERMA and Sedgwick - Presented by Rob Kramer, Executive Director**

---

**RECOMMENDATION:** *Staff makes no recommendation on this item as it concerns Sedgwick.*

**BACKGROUND AND STATUS:**

In June of 2023, the renewal agreement between ERMA and Sedgwick was reviewed and approved by the Board of Directors. Since then, Staff has noted a needed clarification in the annual calculation of the Annual Base Contract Price (ABCP).

Sedgwick, Board Counsel, and President John Gillison have collaborated to clarify the language in the attached Amendment Two to the Agreement for Administrative, Litigation Management and Financial Services.

**REFERENCE MATERIALS ATTACHED:**

- Amendment Two to the Agreement for Administration, Litigation Management, and Financial Services.

**AMENDMENT TWO TO THE  
AGREEMENT FOR ADMINISTRATIVE, LITIGATION  
MANAGEMENT, AND FINANCIAL SERVICES**

This Amendment Two to that certain Agreement for Administrative, Litigation Management and Financial Services, effective as of July 1, 2023 (the "Agreement"), by and between the Employment Risk Management Authority ("ERMA") and Sedgwick Claims Management Services, Inc.

WITNESSETH

WHEREAS, Section 5. C. of the Agreement relating to Fee Adjustment – Annualization is unclear related to how to calculate the Annual Fee Adjustment.

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 modify Section 5. C., to read as follows:

C. Fee Adjustment – Annualization

Each subsequent year for the remaining years of this Agreement, the ABCP will be reviewed by Sedgwick and ERMA in comparison to the scope of services under this agreement prior to implementing the upcoming year's fee.

~~Subject to mutual agreement as provided for above, the ABCP for succeeding years, will be based on an increase of a percentage equal to the change in the 12 month average (the average of the bi-monthly increases from April 2023 through May 2023, etc.) changes in the Consumer Price Index for the California Urban Wage Earners and Clerical Workers Consumers Price Index provided, however, that the increase shall not be less than two percent (2%) nor more than six percent (6%).~~

Subject to mutual agreement as provided for above, the ABCP for each succeeding year will be the prior year's ABCP increased by a percentage equal to the annual change in the Consumer Price Index for the California Urban Wage Earners and Clerical Workers for the prior calendar year; provided, however, that the increase shall not be less than two percent (2%) nor more than six percent (6%).

All other terms of the Agreement shall remain in full force and effect and are not modified by this Amendment, except as expressly set forth herein. Any conflicts between this amendment and the original Agreement, including any prior executed amendments, shall be superseded by the terms provided herein.

SEDGWICK CLAIMS MANAGEMENT  
SERVICES, INC.

EMPLOYMENT RISK  
MANAGEMENT AUTHORITY



By \_\_\_\_\_

Title \_\_\_\_\_

Dated \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

Dated \_\_\_\_\_

**MEMBERSHIP MATTERS**

**SUBJECT: Tahoe Transportation District (CalTIP JPA) Change EPL Coverage SIR from \$50k to \$25k - *Presented by Rob Kramer, Executive Director***

---

**RECOMMENDATION:** *Staff will provide a recommendation at the meeting.*

**BACKGROUND AND STATUS:**

Staff received notice on January 25, 2024, that the Tahoe Transportation District (CalTIP JPA) is interested in potentially reducing its self-insured retention (SIR) limit from \$50k to \$25k.

The District's reported payroll for the 2022 fiscal year is \$3M. The District has one open claim.

**REFERENCE MATERIALS ATTACHED:**

- ERMA 2023.24 CalTIP\_Tahoe SIR Change Indication

## EMPLOYMENT RISK MANAGEMENT AUTHORITY SIR CHANGE INDICATION

### CalTIP

Name of Entity	Tahoe Transportation District
2022 Calendar Year Payroll	\$3,253,556
Coverage Period	July 1, 2023 to June 30, 2024

### CALCULATION

Retained Limit Options *		\$25,000	\$50,000
Retained Limit Factor		1.13	1.00
Retained Limit Rate		0.624	0.555
Funding for Losses		\$20,314	\$18,057
Loss Prevention & Training	0.0103	335	335
Administration	0.0574	1,869	1,869
Subtotal		\$22,519	\$20,261
JPA Participation Credit	2.50%	(\$564)	(\$507)
Individual Experience Mod Factor		0.750	
Off-Balance Factor		1.150	
Excess Insurance \$3M x \$1M	0.0575	1,871	1,871
<b>ERMA CONTRIBUTION **</b>		<b>\$20,810</b>	<b>\$18,911</b>

*Current SIR*

\* The ERMA Board will need to approve the decrease of a member's SIR.

\*\* Contribution calculated using rates and factors per the 2023/24 approved budget.

### MEMBERSHIP MATTERS

**SUBJECT: Update of Member Participation Conditions for Forest Hill Fire District, City of Tracy, City of Colton, and San Joaquin RTD - Presented by Rob Kramer, Executive Director**

---

**RECOMMENDATION:** *Staff recommends the Board of Directors formally approve those members that have completed their conditional requirements and consider providing extensions on a case-by-case basis at the June Board of Directors meeting for those requesting additional time.*

#### **BACKGROUND AND STATUS:**

Pursuant to the ERMA Underwriting Guidelines, approval for membership is contingent upon the review of a formal submission of required documents by the Underwriting Committee (Committee). These documents include:

1. Completed ERMA Liability Coverage Application and the entity's most recent audited financial statements;
2. Payroll for the most current seven calendar years;
3. Seven completed fiscal years, and including the partial current fiscal year, of currently valued loss runs for wrongful employment practices coverage, employment practices liability insurance, and self-insured losses including self-insured retentions (SIR) and deductibles;
4. Completed Intent to Participate, including statement of desired SIR; and
5. Signed Resolution acknowledging acceptance of the rules and regulations set forth in the ERMA Governing Documents and the minimum three-year participation period.

Upon receipt of a prospective member's formal application to participate in ERMA, staff reviews and prepares a report and recommendation to the ERMA Underwriting Committee, who provides a recommendation to the Board of Directors for final consideration related to participation of potential new members. At its discretion, the Committee may include recommended conditions of participation such as an abbreviated risk assessment within 60-days of joining ERMA, requirements regarding updates to, or review of, personnel policies and procedures, and/or an increased SIR from that which was requested at the time of application.

To ensure agencies are advancing toward meeting any participation conditions and to assist those requiring support, staff issued a reminder to the four agencies approaching their compliance deadline of July 1, 2024. Staff requested those agencies with participation requirements provide an email update staff to notify them they are working towards meeting the requirement and will provide a formal update in May.

**REFERENCE MATERIALS ATTACHED:**

- ERMA – New Member Conditions Tracking

JPA	Agency	Join Effective Date	Condition	Due Date	Reminder Date	Notes	Completed?
CSJVRMA	City of Tracy	7/1/2022	The city's personnel policies and procedures are updated, reviewed by legal counsel with public sector employment law expertise, and approved by governing body	7/1/2024	7/1/2023	Letters sent 7/6/23; Email sent 1/4/24	
PERMA	City of Colton	7/1/2022	The city's personnel policies and procedures are updated, reviewed by legal counsel with public sector employment law expertise, and approved by governing body	7/1/2024	7/1/2023	Letters sent 7/6/23; Email sent 1/4/24	
CIRA	Foresthill Fire Protection District	11/1/2022	The city's personnel policies and procedures are updated, reviewed by legal counsel with public sector employment law expertise, and approved by governing body	7/1/2024	7/1/2023	Letters sent 7/6/23; Email sent 1/4/24	Received 3/6/24
CIRA	Wheatland Fire Authority	11/1/2022	The city's personnel policies and procedures are updated, reviewed by legal counsel with public sector employment law expertise, and approved by governing body	7/1/2024	7/1/2023	Letters sent 7/6/23 ; Received confirmation from agency on 9/21/23	Yes
CalTIP	San Joaquin Regional Transit District	1/1/2023	1) the district is accepted as a participating member of CalTIP, effective January 1, 2023; 2) submission of requested underwriting information regarding district policies and procedures and historical loss information; and 3) the district's personnel policies and procedures are updated, reviewed by legal counsel with expertise in public sector employment law, and approved by the district's Board of Directors	7/1/2024	7/1/2023	District has completed (1) and (2) ; Letters sent 7/6/23; Email sent 1/4/24	

Updated: 4/8/2024

9/21/2023

**MEMBERSHIP MATTERS**

**SUBJECT: Review of Prospective New Member Application – Town of Los Gatos (PLAN JPA) - Presented by Rob Kramer, Executive Director**

**RECOMMENDATION:** *Staff and the Underwriting Committee recommend the Town of Los Gatos be approved unconditionally at a \$75,000 SIR for the 2024-25 program year.*

**BACKGROUND AND STATUS:**

The Town of Los Gatos, an underlying member of the Pooled Liability Assurances Network (PLAN JPA), provided an application and supporting documentation for participation in ERMA effective July 1, 2024, at a self-insured retention (SIR) of \$250,000. The application materials have been reviewed by staff and are summarized as follows:

- The Town reports payroll of approximately \$20,359,421.06 for the 2022 calendar year and has 153 full-time and 56 part-time employees. This payroll is in line with an SIR as low as \$50,000 or \$75,000.
- The Town had its written personnel policies and procedures reviewed and updated within the past five years; however, legal counsel has not reviewed them.
- The Town has no current reportable losses.
- The Town is compliant with AB 1825 and SB 1343 training requirements.

**REFERENCE MATERIALS ATTACHED:**

- Town of Los Gatos Premium Indication
- Town of Los Gatos Application for Participation

**EMPLOYMENT RISK MANAGEMENT AUTHORITY  
CONTRIBUTION INDICATION**

**PLAN JPA**

Name of Entity	Town of Los Gatos
2022 Calendar Year Payroll	\$21,397,544
Coverage Period	July 1, 2023 to June 30, 2024

**CALCULATION**

		\$50,000	\$75,000	\$100,000	\$250,000	\$350,000	\$500,000
Retained Limit Options							
Retained Limit Factor		1.00	0.91	0.83	0.51	0.37	0.21
Retained Limit Rate		0.555	0.502	0.458	0.280	0.203	0.114
Funding for Losses		\$118,756	\$107,475	\$97,974	\$59,972	\$43,346	\$24,345
Loss Prevention & Training	0.0103	2,205	2,205	2,205	2,205	2,205	2,205
Administration	0.0574	12,291	12,291	12,291	12,291	12,291	12,291
Subtotal		\$133,253	\$121,971	\$112,470	\$74,468	\$57,842	\$38,841
JPA Participation Credit	0.44%	(\$587)	(\$537)	(\$495)	(\$328)	(\$255)	(\$171)
Individual Experience Mod Factor *		1.000					
Off-Balance Factor		1.162					
Excess Insurance \$3M x \$1M	0.0575	12,304	12,304	12,304	12,304	12,304	12,304
<b>ERMA CONTRIBUTION **</b>		\$166,440	\$153,390	\$142,400	\$98,442	\$79,211	\$57,232

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

\*\* Contribution will be prorated based on date of inception of coverage.



**EMPLOYMENT RISK MANAGEMENT AUTHORITY (ERMA)  
LIABILITY COVERAGE APPLICATION FOR PROSPECTIVE MEMBERS  
OF A PARTICIPATING JOINT POWERS AUTHORITY**

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

**PROGRAM YEAR: 2023/24**

ENTITY NAME: <u>Town of Los Gatos</u>		Date: <u>3/28/2024</u>
<b>EMPLOYMENT PRACTICES INFORMATION</b>		
<b>A. Policies and Procedures</b>		
1.	Does the Entity have written personnel policies and procedures?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2.	Does the Entity distribute the manual/rules to all employees?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3.	Does the Entity have employees sign an acknowledgement form indicating they have read and understood the above-referenced policies?	<input 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"/> Medical Leave	<input checked="" type="checkbox"/> Unpaid Leave
	<input checked="" type="checkbox"/> Drug & Alcohol Testing	<input checked="" type="checkbox"/> Discipline
	<input checked="" type="checkbox"/> Family Medical Leave Act	<input checked="" type="checkbox"/> Harassment, Discrimination, & Retaliation
	<input checked="" type="checkbox"/> Written Job Description for all Positions	<input checked="" type="checkbox"/> Workplace Violence Policies
	<input checked="" type="checkbox"/> Annual Written Performance Evaluations for all Employees	
	<input checked="" type="checkbox"/> Employee Hotline/Complaint Procedure	
5.	Do the policies/rules include all protected categories under the Fair Employment and Housing Act (FEHA), Ca. Gov't. Code section 12940)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
6.	Does the Entity have legal counsel regularly review the manual/rules?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
7.	Have the above-referenced policies been updated within the past five years?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	If no, when was the manual or rules last reviewed?	
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
<i>If you answered no to any of the above, please use this space to provide more information:</i>		

<b>B. Employee Information</b>					
1.	Number of Full Time Employees: 153				
2.	Number of Part time Employees: 56				
3.	For each of the past five years, what has been your annual percentage turnover rate of employees?				
	2024	2023	2022	2021	2019
	8 %	10 %	%	%	%
4.	How many involuntary employment terminations have occurred in the past three years?				
	2024	2023	2021		
	Terminations 1	Terminations: 2	Terminations: 3		

*Do not have data*

	<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 % 44	Should = 100%
6.	Percentage of Employees with salaries greater than \$100,000 % 56	

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

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

<b>D. Employment Practices Risk Management</b>		
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, SB 1343 and SB 778?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	If no, please explain.	
6.	Briefly describe the procedure for maintaining AB 1825 and SB 1343 training records: Human Resources maintains training certificates, and reports are obtained through legal/training consultant.	
7.	Does your entity provide SB 1343 training?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
8.	Are elected or appointed officials trained on the entity's policy regarding harassment, discrimination, and retaliation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

<b>E. DESIRED SELF-INSURED RETENTION</b>							
<input type="checkbox"/> \$25K	<input type="checkbox"/> \$50K	<input type="checkbox"/> \$75K	<input type="checkbox"/> \$100K	<input checked="" type="checkbox"/> \$250K	<input type="checkbox"/> \$350K	<input type="checkbox"/> \$500K	
<i>Please attach the following:</i>							
<ul style="list-style-type: none"> <li>• <i>EPL individual loss information (including Date of Loss and total incurred) for the previous 7 completed fiscal years, including the partial current fiscal year;</i></li> <li>• <i>Payroll information for the previous 7 completed calendar years;</i></li> <li>• <i>Completed resolution authorizing participation in ERMA;</i></li> <li>• <i>Completed intent to participate; and</i></li> <li>• <i>Most Recent Financial Audit.</i></li> </ul>							

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

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

The undersigned acknowledges:

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

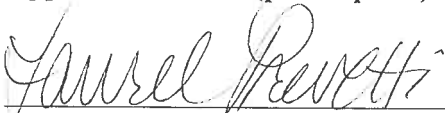
The undersigned further acknowledges and agrees this application contains requests for information and requests for data on a range of exposures, but such requests do not imply that coverage is afforded in the program for which is being applied.

**Town of Los Gatos**

Agency or Entity Name

**Laurel Prevetti**

Applicant's Name (please print)



Applicant's Signature

**Town Manager**

Applicant's Title

3-28-2024

Date

**MEMBERSHIP MATTERS**

**SUBJECT: Consideration of Newly Formed Underlying Members of ERMA JPA Members - Presented by Rob Kramer, Executive Director**

**RECOMMENDATION:** *Staff and the Underwriting Committee recommend these two newly formed entities not be required to submit an ERMA Underwriting Application, as they have no historical information to provide, they be approved at no less than a \$50,000 SIR, and that as a condition of membership, they be required to have their Employment Practices policies and procedures reviewed by a qualified law firm within 24 months of membership.*

**BACKGROUND AND STATUS:**

The City of Mountain House is a newly forming City that has made application to the Municipal Pooling Authority (MPA).

The Pajaro Regional Flood Management Agency (PRFMA) is a newly formed Joint Powers Authority that has made application to the California Intergovernmental Risk Authority (CIRA).

Both of these entities, being newly formed, will not have a loss history and will not likely be able to complete the ERMA underwriting application with any historical information.

Staff and the Underwriting Committee are recommending that for newly formed underlying members of current ERMA JPA members, they be approved at no less than a \$50,000 SIR and that the condition of having all 8 of the identified most critical EPL policies be required to be created and reviewed by legal counsel with expertise in public sector employment law within 24 months of joining ERMA.

**REFERENCE MATERIALS ATTACHED:**

- CIRA Risk Assessment of PRFMA
- Statement of No Losses for PRFMA
- 2023-24 PRFMA Budget



March 7, 2024

### **CIRA New Member Risk Assessment for Pajaro Regional Flood Management Agency**

On March 6, 2024, CIRA staff conducted a risk assessment for the Pajaro Regional Flood Management Agency (PRFMA) as part of the underwriting process to be accepted in the CIRA Workers' Compensation and General Liability programs. As the PRFMA has applied for membership in both the workers' compensation and general liability program, the risk assessment reviewed the PRFMA loss control program, operations, employment practices, and discussion of its future plans. At this time, PRFMA does not have a physical location. We would like to thank Mark Strudley and Roxanne Grillo for their time and consideration. It should be noted that this report is based on conditions collected at the time of the virtual risk assessment and information provided by PRFMA. The information in this summary does not guarantee that operations, whether noted or not, are in compliance with federal, state, or local laws or regulations.

### **Agency Profile**

The PRFMA is a joint powers authority of the County of Santa Cruz, Santa Cruz County Flood Control and Water Conservation Zone No. 7, the County of Monterey, the Monterey County Water Resources Agency, and the City of Watsonville. Formed in 2021, the Agency will plan, finance, and implement projects and programs to reduce flood risk from the lower Pajaro River and its tributaries in Santa Cruz and Monterey Counties.

The Agency includes an area of approximately 120 square miles with a population in excess of 70,000 residents. The total payroll for fiscal years 22-23 was \$134,102 and is estimated to be \$470,000 for the current fiscal year with four full-time equivalent employees. The Agency's current year revenue is \$56,057,489, with \$1,706,900 representing general operating and administrative expenses. The remaining money is dedicated to flood control improvements.

The PRFMA's operations and maintenance scope encompass a range of activities. These include maintaining pumping plants, gates, and closure structures, mowing levees, controlling rodent and burrowing vectors, ensuring crown road surfacing; performing levee crown repairs, compaction of levees and berms, bank stabilization, vegetation management, and sediment removal.

The Agency has four (4) full-time employees: an Executive Director, an Engineering Supervisor, a Resource Planner, and a Clerk/Finance/Admin Manager. The Agency has partnerships with the surrounding counties and the City of Watsonville, which provide staff to conduct maintenance of the levees. The Agency may look to other providers for this service or hire additional staff to perform this work in the future.

## Loss Analysis

Due to the PRFMA being recently formed, there is no loss history to review.

## Risk Assessment Findings

### Operations

PRFMA has been tasked with improving and maintaining the levees in their geographical area. The Agency is currently pursuing and enacting multiple professional service agreements. These agreements are for a wide range of services, including design work, securing right of way and easements, and environmental studies. The Agency also has agreements with Santa Cruz County, Monterey County, Monterey WRA, and the City of Watsonville to perform ongoing maintenance for the various levee sections that have been transferred to the Agency based on geographical locations. In the future, the Agency will evaluate these agreements and possibly transfer some of the work to other providers.

### Vehicles

PRFMA currently has no vehicles. The Agency does plan to acquire a vehicle next fiscal year to aid in visual inspections of the levees. The Agency expressed its openness to adopting a driver policy and having staff conduct driver safety training during the assessment.

### Employment Practices

Employment practices liability can be a significant exposure for any agency. All employees and volunteers are required to complete state-required anti-harassment training, and that training must be up to date. To address this risk, the Agency has a Personnel Rules & Regulation, approved by the Board on December 14, 2022, and has been implemented. This document also contains sections on how the Agency will address issues of harassment, substance abuse, and violence in the workplace. It was also shared that staff has completed their required sexual harassment training. If approved for membership, the Agency can take advantage of Vector Solution to provide and track the required trainings.

### Contractual Risk Management

As stated earlier, PRFMA is creating and enacting several professional services and maintenance agreements. When reviewing a selection of these agreements, it was found that the current indemnification and insurance requirements aligned with the CIRA's best practices related to risk transfer. It was also observed that the Agency receives the required certificate and endorsements as stipulated in the agreements. CIRA can work with the Agency to add language to clarify endorsement needs further and improve the risk transfer.

### Property and Infrastructure

The Agency currently does not own or operate a physical office or yard. It is currently considering various options, but no specific timeline was shared. The Agency stores some project supplies at the Pajaro-Sunny Mesa Community Services District yard.

The Agency is currently responsible for the maintenance of the 26 miles of levy; however, only a small percentage of the property has been transferred from the other controlling agencies to PRFMA. The Agency staff shared that it is in the process of securing all the required lands, easements and rights-of-way are associated with the levies they are now responsible for maintaining.

The Agency shared that it will assess the condition, existing security, and remote monitoring as sections of the levees and their associated assets (i.e., pumps, generators, control gates, etc.) are transferred to their control. These assessments will aid in determining future updates. Updates may include adding “No Trespassing” signs, securing the area around pumps/generators, and enhancing remote monitoring. All best practice actions CIRA would support.

Finally, it was shared that some trails open to the public are along the levees that will be transferred to the Agency. They have requested CIRA send any guidance it has to manage the risk associated with trails.

### **Safety and Health**

Due to PRFMA’s recent creation, limited staff, and use of contracts, the Agency’s safety and health risk would be rated “low.” The Agency does have a section on safety and health in its Personnel Rules & Regulation (Section H) that discusses the establishment of a safe and healthful workplace. Due to the current staff’s administrative role and remote work, there is no need for a wide range of safety programs. CIRA can assist the Agency with the few programs it will need to implement to meet regulatory requirements and establish a safety culture.

### **Recommendations**

Overall, the Agency appears to be well-managed and in the process of establishing an effective risk management program. Staff also shared their openness to using CIRA resources and adopting appropriate best practices in the future as the Agency grows. If approved for membership, CIRA staff can work with the Agency to implement required safety programs and aid in establishing a positive risk culture.





701 Ocean Street, Rm. 410  
Santa Cruz, CA 95060  
(831) 454-2807

March 19, 2024


Amy Conley  
General Manager  
California Intergovernmental Risk Authority (CIRA)  
2330 E. Bidwell Street, Ste 150  
Folsom, CA 95630

**Subject: Statement of No Loss**

TO WHOM IT MAY CONCERN:

I CERTIFY THAT I AM NOT AWARE OF ANY LOSSES, ACCIDENTS OR CIRCUMSTANCES THAT MIGHT GIVE RISE TO A CLAIM BETWEEN JANUARY 1, 2024 UNTIL NOW.

Name: Mark Strudley, Ph.D.

Signature: 

Title: Executive Director

**ATTACHMENT 1**  
**PRFMA AGENCY BUDGET FY 2023-24**

**REVENUES:**

<i>Line Item</i>	<i>Amount</i>
<b>Member Agency Contributions - Levee OMRR&amp;R:</b>	
Zone 7 - Levee OMRR&R	\$ 1,896,504
MCWRA - Levee OMRR&R	\$ 440,100
PRFMA - Levee OMRR&R	\$ 1,248,000
<b>Sub-Total - Levee OMRR&amp;R</b>	<b>\$ 3,584,604</b>
<b>Member Agency Contributions - Drainage OMRR&amp;R:</b>	
Zone 7 - Drainage OMRR&R	\$ 349,431
MCWRA - Drainage OMRR&R	\$ 26,700
City of Watsonville	\$ 52,500
<b>Sub-Total - Drainage OMRR&amp;R</b>	<b>\$ 428,631</b>
<b>Member Agency Contributions - Other</b>	
Zone 7 Carryover Balance - Cost Share Agreement	\$ 699,157
Zone 7A Drainage Impact Fee - Cost Share Agreement	\$ 485,869
Monterey County - OMRR&R Agreement	\$ 859,228
<b>Sub-Total - Other</b>	<b>\$ 2,044,254</b>
<b>Non-local Revenue</b>	
State Aid	\$ 50,000,000
<b>Sub-Total - Non-Local Revenue</b>	<b>\$ 50,000,000</b>
<b>Total Revenue</b>	<b>\$ 56,057,489</b>

**ATTACHMENT 1**  
**PRFMA AGENCY BUDGET FY 2023-24**

**EXPENSES:**

<i>Line Item</i>	<i>Amount</i>
<b>Personnel:</b>	
1 Executive Director	\$ 351,100
2 Engineering Supervisor	\$ 190,000
3 Resource Planner	\$ 197,600
4 Deputy Executive Director	\$ 225,000
<i>Subtotal Personnel</i>	<b>\$ 963,700</b>
<b>Administrative Contract Services:</b>	
5 Attorney	\$ 100,000
6 Auditor	\$ 17,700
7 Public Information	\$ 70,600
8 Financial Management/Grant Admin Support	\$ 112,900
9 Federal Advocacy - Capital Edge	\$ 72,000
10 Federal Advocacy - Carpi & Clay	\$ 67,900
11 State Advocacy	\$ 84,800
12 Clerking Services	\$ 26,000
13 IT Services	\$ 7,200
14 Admin/HR/Risk/Misc	\$ 74,886
<i>Subtotal Administrative Contract Services</i>	<b>\$ 633,986</b>
<b>Services and Supplies:</b>	
15 Telecommunication	\$ 4,700
16 Postage & Freight	\$ 500
17 Advertising (Public Notices, etc.)	\$ 900
18 Office Supplies	\$ 3,500
19 Computers/Software/Website	\$ 5,900
20 Printing and Binding	\$ 2,100
21 Travel & Meeting	\$ 7,100
22 Dues & Subscriptions	\$ -
22.1 NAFSMA	\$ 1,200
22.2 BAFPAA	\$ 3,900
22.3 FMA	\$ 125
22.4 NHWC	\$ 320
22.5 ASFPM	\$ 400
22.6 CSDS	\$ 1,800
22.7 NWC	\$ 1,525
22.8 CSDA	\$ 1,634
22.9 GFOA	\$ 310
22.10 Other	\$ 1,200
23 Tools, Supplies & Equip.<\$6,000	\$ 5,900
24 Liability Insurance	\$ 59,100
25 Other Materials & Supplies	\$ 7,100
<i>Subtotal Services / Supplies</i>	<b>\$ 109,214</b>
<b>Levee SGO&amp;A (89.3%)</b>	<b>\$ 1,524,262</b>
<b>Drainage SGO&amp;A (10.7%)</b>	<b>\$ 182,638</b>
<b><i>Subtotal General Operations and Administration</i></b>	<b>\$ 1,706,900</b>

**ATTACHMENT 1**  
**PRFMA AGENCY BUDGET FY 2023-24**

<i>Line Item</i>	<i>Amount</i>
<b>Operations, Maintenance, Repair, Replacement &amp; Rehabilitation:</b>	
26 Levee Slope/Bench Mowing	\$ 236,600
27 Levee Compaction	\$ 263,000
28 Rodent Control	\$ 174,000
29 Flap Gate/Culvert Maintenance	\$ 117,500
30 Culvert CCTV Inspection/Flushing	\$ 42,300
31 Brush Removal	\$ 58,900
32 Levee Top & Access Road Maintenance	\$ 180,500
33 Pump Station O&M	\$ 51,900
34 Misc. O&M	\$ 228,000
35 In-channel Vegetation Maintenance	\$ 353,000
36 Capacity Analysis (surveying and H/H)	\$ 117,700
37 Permitting, Biological Monitoring, Mitigation	\$ 117,700
38 Emergency Monitoring/Gaging and Response	\$ 82,400
39 Reserve, Repair, Replacement, Rehabilitation	\$ 117,700
<b>Subtotal OMRR&amp;R</b>	<b>\$ 2,141,200</b>
<b>Capital Reserve</b>	
40 Capital Reserve Funds	\$ 2,209,389
<b>Subtotal Capital Project</b>	<b>\$ 2,209,389</b>
<b>Federal Capital Improvement Projects</b>	
41 Pajaro River Flood Risk Management Project	\$ 50,000,000
<b>Subtotal Capital Project</b>	<b>\$ 50,000,000</b>
<b>Total Expenses</b>	<b>\$ 56,057,489</b>
<b>Total Budget</b>	<b>\$ 56,057,489</b>

**TRAINING AND LOSS PREVENTION MATTERS**

**SUBJECT:** Report from Ad Hoc Training Committee - *Presented by Rob Kramer, Executive Director*

---

**RECOMMENDATION:** *Staff recommends the Board of Directors provide feedback and direction.*

**BACKGROUND AND STATUS:**

Staff met with the ERMA Ad Hoc Training Committee on Tuesday, April 2, 2024, to discuss and review the various items listed on the attached Ad Hoc Training Committee Agenda.

Staff and the Committee will report to the Board on the status of the various training items that were discussed.

**REFERENCE MATERIALS ATTACHED:**

- Ad Hoc Training Committee Agenda from April 2, 2024
- SB 553 Workplace Violence Prevention Plan
- ERMA Contact Update Form
- iLearning Engines Announcement and Update



## Ad Hoc Training Committee AGENDA

April 2, 2024  
2:00 PM

[Zoom](#)

Meeting ID: 835 8125 5953  
Passcode: No Passcode

---

### I. Personnel Policy and Procedures Review

1. Phase I: Policy and Procedures Survey
  - i. Members complete and upload policies
    1. Continue to provide status updates to Primary JPAs
    2. Discuss timing for Attorney Firm Partners to begin reviews
  - ii. Sedgwick to assign new or previously unassigned members to JL or LCW
  - iii. iLE training for LCW and JL attorneys on using the iLE platform
2. Phase II: Attorney Review and Recommended Action Memorandums
  - i. How to ensure ERMA is aware of any members that need help?
3. Phase III: Human Resources Support through ERMA EPP Support Fund
  - i. ERMA directed support
  - ii. Member requested support
  - iii. See attached draft Application for requested support

### II. Elected Officials

1. Current Elected Officials to complete the training program within 6 months of dissemination of the training?
2. New Elected Officials to complete training program within 6 months of being sworn in?
3. Training Program to consist of:
  - i. AB1661 – Sexual Harassment and Discrimination Training – Every 2 years
    1. Is the requirement at all different from AB1825 or use the same training?
  - ii. AB1234 – Ethics Training - Every 2 years
  - iii. Add a component on “What it means to be a part of a Governing Council or Board?”

- iv. Amend compliance resolution to add in EO requirements so it is all one process?

**III. Diversity Training**

1. Focus on Anti-Discrimination
2. Ensure iLE on-line training compares with any live training option

**IV. Workplace Violence**

1. Short-term resources that can be offered to the membership
2. Long-term training resources should the Board wish to offer them

**V. ERMAnet & EPL Refresher**

1. Contact updates
2. Conflict of Interest Issues
3. Re-issue member codes, posters and CRMT training

## SAFETY COMMUNICATION

# SB 553

### *Mandatory Workplace Violence Prevention Plan Implementation*

We would like to inform you about an important update regarding workplace safety measures across California. Governor Newsom has recently signed [Senate Bill 553](#) (SB 553), introduced by Senator Dave Cortese, into law. This new legislation mandates the development and implementation of workplace violence prevention plans for all employers as part of their Cal/OSHA Injury and Illness Prevention Plan (IIPP).

The tragic incident that took place at the Valley Transportation Authority railyard in San Jose served as a catalyst for this important legislation. As a result, SB 553 has been created to enhance safety protocols and prevent future acts of workplace violence. The law was developed through months of negotiations between workers, businesses, and Cal/OSHA to address the rising trend of violence occurring in the workplace.

Effective July 1, 2024, all California employers are required to comply with SB 553. This means employers must formulate a comprehensive workplace violence prevention plan and integrate it into their existing IIPP. These prevention plans are crucial for equipping employees with the knowledge and preparedness necessary to respond to potential incidents.

The aim of Senate Bill 553 is to prioritize the safety and well-being of workers. It is designed to establish a standardized framework for preventing workplace violence, as developed by Cal/OSHA over the past six years. By accelerating the implementation of this plan, the law aims to provide a safer environment for employees across California.

## WHAT DO YOU NEED TO DO

We encourage employers to take the following actions:

1. Develop and implement a workplace violence prevention plan that aligns with the requirements outlined in SB 553. A sample plan can be found on the [Sedgwick Risk Control](#) website under Sample Programs & Forms.
2. Train employees on the contents and procedures of the prevention plan to ensure their awareness and preparedness.
3. Communicate and distribute the workplace violence prevention plan to all employees to keep them informed.

Additionally, we urge employees to take an active role in workplace safety by:

1. Familiarizing themselves with the workplace violence prevention plan provided by their employers.
2. Participating in any trainings or educational programs conducted by their employers on workplace safety.
3. Reporting any potential threats or acts of violence to their supervisors or designated security personnel.

By working together, we can create a culture of safety and security within our workplaces, protecting employees and others from the risks associated with workplace violence.



## WORKPLACE VIOLENCE PREVENTION PLAN

### Instructions

The following sample workplace violence prevention plan is provided to assist you with the preparation and implementation of an effective workplace violence prevention plan in compliance with SB 553.

You will need to provide information in several areas within the plan. The information needed will be indicated by **BLUE TEXT**. Other areas of the plan may need to be modified or eliminated depending on your organization.

**Name of Entity**  
**Workplace Violence Prevention Plan**

**Insert Date**

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Appendices

- A. Workplace Violent Incident Log
- B. Workplace Violence Prevention Environmental Hazard Assessment & Control Checklist

## Policy

**INSERT NAME OF ENTITY** is committed to providing a work environment that is free of disruptive, threatening, or violent behavior involving any employee, appointed or elected official, volunteer, contractor, client, and/or visitor. Our policy is to establish, implement, and maintain an effective plan as required by [SB 533](#). The regulation requires us to establish, implement, and maintain, at all times in all our facilities, a workplace violence prevention plan for purposes of protecting employees and other personnel from aggressive and violent behavior at the workplace.

Our Workplace Violence Prevention (WVP) plan is available upon request for examination and copying to our employees, their representatives, and the Chief of Cal/OSHA or his or her designee.

## Prohibited Acts

**INSERT NAME OF ENTITY** will not ignore, condone, or tolerate *threats of violence* or *workplace violence* by any employee, appointed or elected official, volunteer, contractor, client, or visitor.

- *Threats of violence* include both verbal and non-verbal conduct that causes a person to fear for his or her safety because there is a reasonable possibility he or she might be physically injured and that serves no legitimate work-related purpose.
- *Workplace violence* means any act of violence or threat of violence that occurs at the work site. The term workplace violence shall not include lawful acts of self-defense or defense of others. Workplace violence includes the following:
  - The threat or use of physical force against an employee that results in, or has a high likelihood of resulting in, injury, psychological trauma, or stress, regardless of whether the employee sustains an injury
  - An incident involving the threat or use of a firearm or other dangerous weapon, including the use of common objects as weapons, regardless of whether or not the employee sustains an injury

*Workplace violence* can be categorized into four types:

**Type 1:** Workplace violence committed by a person who has no legitimate business at the work site - includes violent acts by anyone who enters the workplace with the intent to commit a crime

**Type 2:** Workplace violence directed at employees by customers, clients, patients, students, inmates, or visitors

**Type 3:** Workplace violence against an employee by a present or former employee, supervisor, or manager

**Type 4:** Workplace violence committed in the workplace by someone who does not work there but has or is known to have had a personal relationship with an employee

In addition, **INSERT NAME OF ENTITY** prohibits all *dangerous weapons* not used for fire suppression, accident and incident response, emergency medical services, the service of law enforcement, or security duties on all **INSERT NAME OF ENTITY** property. Any employee or appointed or elected official in possession of prohibited dangerous weapons on **INSERT NAME OF ENTITY** property is in violation of this policy and may be subject to disciplinary action up to and including dismissal. Any volunteer, contractor, client, or visitor in possession of prohibited dangerous weapons will be banned from the premises. *Dangerous weapons* include any instrument capable of inflicting death or serious bodily injury.

## **Responsibility and Authority**

### **Workplace Violence Prevention Plan Administrator**

The **INSERT TITLE**, or an assigned designee, is the designated WVP Plan Administrator (Administrator) and has the authority and responsibility for developing, implementing, and maintaining this plan and conducting or overseeing any investigations of workplace violence reports. The **INSERT TITLE** will also be able to answer employee questions concerning this plan.

The **INSERT TITLE**, or an assigned designee, shall solicit feedback and input from employees and their authorized representatives in developing and implementing the WVP plan. Active involvement of employees could include, but is not limited to, their participation in identifying, evaluating, and correcting workplace violence hazards; in designing and implementing training; and in reporting and investigating workplace violence incidents.

The **INSERT TITLE**, or an assigned designee, shall coordinate implementation of the workplace violence prevention plan with other employers (ex. contracted security staff and other employers on site), when applicable, to ensure those employers and their employees understand their respective roles as provided in the plan. These other employers and their staff shall be provided with training on **INSERT NAME OF ENTITY'S** WPV plan.

### **Managers and Supervisors**

Responsibilities include:

- Implementing the plan in their work areas;
- Providing input to the Administrator regarding the plan;
- Participating in investigations of workplace violence reports; and
- Answering employee questions concerning this plan.

### **Employees**

Responsibilities include:

- Complying with the plan;
- Maintaining a violence-free work environment;
- Attending all training;

- Following all directives, policies, and procedures; and
- Reporting suspicious persons in the area and alerting the proper authorities when necessary.

## Compliance

The Administrator is responsible for ensuring the plan is clearly communicated and understood by all employees. The following techniques are used to ensure all employees understand and comply with the plan:

- Informing all employees of the plan during new employee safety orientation training and ongoing workplace violence prevention training;
- Ensuring *all* employees, including managers, and supervisors receive training on this plan;
- Providing comprehensive workplace violence prevention training to managers and supervisors concerning their roles and responsibilities for plan implementation;
- Evaluating employees to ensure their compliance with the plan;
- Disciplining employees, appointed or elected officials, and volunteers who engage in threats of violence behaviors up to and including dismissal; and
- Ensuring training of this plan is conducted on a **INSERT FREQUENCY** basis.

## Communication and Training

Managers and supervisors are responsible for communicating with employees about workplace violence in a form readily understandable by all employees.

Employees are encouraged to inform their supervisors about any threats of violence or workplace violence. Employees may use the Workplace Violent Incident Log (Appendix A) to assist in their reporting of incidents. No employee will be disciplined for reporting any threats of violence or workplace violence.

After the employee has reported their concerns about any threats of violence or workplace violence to their supervisor, the supervisor will report this information to the Administrator who will investigate the incident. The Administrator will then inform the employee of the results of their investigation and any corrective actions to be taken as part of the **INSERT NAME OF ENTITY'S** responsibility in complying with hazard correction measures outlined in the WVP plan.

Any employee who believes he or she has the potential of violent behavior is encouraged to use **INSERT NAME OF ENTITY'S** confidential Employee Assistance Program:

**INSERT NAME OF EAP**

Main Phone Number: **INSERT INFORMATION** Fax: **INSERT INFORMATION**

Website: **INSERT INFORMATION**

Contact: [INSERT INFORMATION](#)

Employee training on workplace violence will include:

- This plan;
- Workplace violence risks that employees may encounter in their jobs;
- How to recognize the potential for violence and escalating behavior;
- Strategies to de-escalate behaviors and to avoid physical harm;
- [INSERT NAME OF ENTITY](#) alerts, alarms, or systems that are in place to warn of emergencies;
- How to report incidents to law enforcement; and
- [INSERT NAME OF ENTITY'S EAP](#)

Employees assigned to respond to alerts, alarms, or systems that are in place to warn others will receive additional training that includes:

- General and personal safety measures;
- Aggression and violence predicting factors;
- The assault cycle;
- Characteristics of aggressive and violent persons;
- Verbal intervention and de-escalation techniques and physical maneuvers to defuse and prevent violent behavior;
- Strategies to prevent physical harm;
- Appropriate and inappropriate use of restraining techniques and medications as chemical restraints in accordance with Title 22; and
- An opportunity to practice the taught maneuvers and techniques, including a debriefing session.

Training will occur:

- When the plan is first established;
- At time of hire or transfer;
- Annually for employees performing patient contact activities and their supervisors;
- Annually for employees assigned to respond to internal alerts, alarms, or systems;
- When new equipment or work practices are introduced; and
- When a new or previously unrecognized workplace violence hazard has been identified

Employees who receive training in a form other than live will have the opportunity to meet with a person knowledgeable on the plan within one business day of the training for interactive questions to be answered.

## Procedures

### Responding to Actual or Potential Workplace Violence Emergencies

In the event of an actual or potential workplace violence emergency, [INSERT TITLE OF DESIGNATED EMERGENCY COMMUNICATION CONTACT](#) will alert employees of the presence, location, and nature of the workplace violence through the following methods:

- [LIST METHODS OF NOTIFICATION: INTERCOM, TEXT MESSAGE, ACTIVATION OF ALARM](#)

When any employee becomes aware of an actual or potential workplace violence emergency, they shall notify the [DESIGNATED EMERGENCY COMMUNICATION CONTACT](#).

Employees shall implement the run, hide, fight protocols where appropriate. Evacuation routes and sheltering locations will be communicated to affected staff. If employees are not able to evacuate or shelter in place, they are authorized to take all reasonable actions necessary to fight or subdue an active shooter or assailant.

Employees can obtain help from staff assigned to respond to workplace violence emergencies, such as security personnel by calling the following number: [INSERT SECURITY STAFF PHONE NUMBER](#). If no security personnel are located at the worksite, employees shall call 911 to report the incident and request assistance from law enforcement.

### Emergencies and Reporting a Crime

For immediate assistance in an emergency that is not associated with a service call, contact emergency services or law enforcement by calling 911. For immediate assistance in an emergency associated with a service call in progress, follow internal procedures for requesting immediate back-up assistance by notifying local law enforcement. Employees should also notify their supervisor, manager, and the Administrator as soon as possible.

### Reporting Workplace Violence Concerns

Employees who witness or experience *threats of violence* or *workplace violence* can report the incident through their chain of command or directly to Human Resources. Employees may report anonymously and without fear of reprisal by submitting the incident in writing through interoffice mail.

### Restraining Orders

Employees or other personnel affiliated with the [INSERT NAME OF ENTITY](#) who have an active restraining order issued against another person that includes the workplace are encouraged to provide a copy of the restraining order to their supervisor and the Administrator. Supervisors who receive notification of a restraining order that includes the workplace will meet with the Administrator to decide what actions, if any, need to be initiated.

### Hazard Assessment



Workplace hazard assessments will include:

- An annual review of the past year's workplace violence incidents; and
- Periodic physical security assessments.

The Workplace Violence Prevention Environmental Hazard Assessment & Control Checklist (Appendix B) can be used to assist with the security assessment. Inspections are performed according to the following schedule:

- Once a year;
- When the plan is implemented;
- When new, previously unidentified workplace violence/security hazards are recognized; and
- When workplace violence injuries or threats of injury occur.

## **Hazard Correction**

*Work practice controls* will be used to correct unsafe work conditions, practices, or procedures that threaten the security of employees.

*Work practice controls* are defined as procedures, rules, and staffing that are used to effectively reduce workplace violence hazards. Work practice controls may include, but are not limited to:

- Appropriate staffing levels;
- Provision of dedicated safety personnel (i.e. security guards);
- Employee training on workplace violence prevention methods; and
- Employee training on procedures to follow in the event of a workplace violence incident.

Corrective actions will be implemented in a timely manner based on the severity of the hazard, documented and dated.

## **Post Incident Response and Investigation**

Managers and supervisors will use the Workplace Violent Incident Log (Attachment A) to assist in documenting incidents and investigations.

These procedures will occur following an incident:

- Provide immediate medical care or first aid;
- Identify all employees involved in the incident;
- Offer staff individual trauma counseling resources;
- Conduct a debriefing with all affected staff;
- Determine if corrective measures developed under this plan were effectively

implemented; solicit feedback from all personnel involved in the incident as to the cause of this incident and if injuries occurred, how injury could have been prevented; and

- Record the incident in the Workplace Violent Incident Log.

## **Recordkeeping**

- Records of workplace violence hazard identification, evaluation, and correction will be maintained for three years in accordance with the recordkeeping requirements of the [INSERT NAME OF ENTITY](#)'s Injury and Illness Prevention Program.
- Training for each employee, including the employee's name, training dates, type of training, and training provider will be maintained for a minimum of three years.
- Records of violent incidents (Workplace Violent Incident Log) will be maintained a minimum of five years at [INSERT LOCATION](#).

## **Annual Review**

[INSERT NAME OF ENTITY](#)'s Workplace Violence Prevention Plan will be reviewed annually and updated as needed considering the following criteria:

- Staffing;
- Sufficiency of security systems;
- Job, equipment, and facility design and risks;
- Modifications or additions to tasks and procedures that affect plan implementation;
- Newly identified hazards;
- Prior year incidents;
- Identified deficiencies; and
- Feedback provided by employees and their authorized representatives.

## Appendix A

### WORKPLACE VIOLENT INCIDENT LOG

This form must be completed for every record of violence in the workplace

<b>Incident ID #*:</b>	<b>Date and Time of Incident:</b>	<b>Department:</b>
------------------------	-----------------------------------	--------------------

**Specific Location of Incident:**

*\* Do not identify employee by name, employee #, or SSI. The Incident ID must not reflect the employee's identity)*

**Describe Incident** (Include additional pages if needed):

**Assailant information:**

<input type="checkbox"/> Patient	<input type="checkbox"/> Client	<input type="checkbox"/> Customer
<input type="checkbox"/> Family or Friend of Patient	<input type="checkbox"/> Family or Friend of Client	<input type="checkbox"/> Family or Friend of Customer
<input type="checkbox"/> Partner/Spouse of Victim	<input type="checkbox"/> Parent/Relative of Victim	<input type="checkbox"/> Co-Worker/Supervisor/Manager
<input type="checkbox"/> Former Partner/Spouse of Victim	<input type="checkbox"/> Animal	<input type="checkbox"/> Person In Custody
<input type="checkbox"/> Robber/Burglar	<input type="checkbox"/> Passenger	<input type="checkbox"/> Stranger
<input type="checkbox"/> Student	<input type="checkbox"/> Other:	

**Circumstances at time of incident:**

<input type="checkbox"/> Employee Performing Normal Duties	<input type="checkbox"/> Poor Lighting	<input type="checkbox"/> Employee Rushed
<input type="checkbox"/> Employee Isolated or Alone	<input type="checkbox"/> High Crime Area	<input type="checkbox"/> Low Staffing Level
<input type="checkbox"/> Unable to Get Help or Assistance	<input type="checkbox"/> Working in a Community Setting	<input type="checkbox"/> Unfamiliar or New Location
<input type="checkbox"/> Other:		

**Location of Incident:**

<input type="checkbox"/> Patient or Client Room	<input type="checkbox"/> Emergency or Urgent Care	<input type="checkbox"/> Hallway
<input type="checkbox"/> Waiting Room	<input type="checkbox"/> Restroom or Bathroom	<input type="checkbox"/> Parking Lot or Outside Building
<input type="checkbox"/> Personal Residence	<input type="checkbox"/> Breakroom	<input type="checkbox"/> Cafeteria
<input type="checkbox"/> Other:		

**Type of Incident (check as many apply):**

<input type="checkbox"/> Robbery	<input type="checkbox"/> Grabbed	<input type="checkbox"/> Pushed
<input type="checkbox"/> Verbal Threat or Harassment	<input type="checkbox"/> Kicked	<input type="checkbox"/> Scratched
<input type="checkbox"/> Sexual Threat, Harassment, or Assault	<input type="checkbox"/> Hit with an Object	<input type="checkbox"/> Bitten
<input type="checkbox"/> Animal Attack	<input type="checkbox"/> Shot (or Attempted)	<input type="checkbox"/> Slapped
<input type="checkbox"/> Threat of Physical Force	<input type="checkbox"/> Bomb Threat	<input type="checkbox"/> Hit with Fist
<input type="checkbox"/> Threat of Use of Weapon or Object	<input type="checkbox"/> Vandalism (of Victim's Property)	<input type="checkbox"/> Knifed (or Attempted)
<input type="checkbox"/> Assault With A Weapon or Object	<input type="checkbox"/> Vandalism (of Employer's Property)	<input type="checkbox"/> Arson
<input type="checkbox"/> Robbery	<input type="checkbox"/> Other:	

**Consequences of incident:**

Medical care provided? <input type="checkbox"/> Yes <input type="checkbox"/> No	Law enforcement called? <input type="checkbox"/> Yes <input type="checkbox"/> No	Security contacted? <input type="checkbox"/> Yes <input type="checkbox"/> No
Did anyone provide assistance to conclude the event? <input type="checkbox"/> Yes <input type="checkbox"/> No		Days lost from work (if any) _____
Actions taken by employer to protect employees from a continuing threat? <input type="checkbox"/> Yes <input type="checkbox"/> No		

**Completed by:**

Name:	Title:	Date:
Telephone:	Email:	
Signature:	Telephone:	

**Appendix B**

**WORKPLACE VIOLENCE PREVENTION  
ENVIRONMENTAL HAZARD ASSESSMENT & CONTROL CHECKLIST**

<b>Assessed by:</b>	<b>Title:</b>
<b>Location(s) Assessed:</b>	

This checklist is designed to evaluate the workplace and job tasks to help identify situations that may place employees at risk of workplace violence.

Step 1: Identify risk factors that may increase **INSERT NAME OF ENTITY**'s vulnerability to workplace violence events

Step 2: Conduct a workplace assessment to identify physical and process vulnerabilities

Step 3: Develop a corrective action plan with measurable goals and target dates

**STEP 1: IDENTIFY RISK FACTORS**

Yes	No	Risk Factors	Comments:
		Does staff have contact with the public?	
		Does staff exchange money with the public?	
		Does staff work alone?	
		Is the workplace often understaffed?	
		Is the workplace located in an area with a high crime rate?	
		Does staff enter areas with high crime rates?	
		Does staff have mobile workplaces?	
		Does staff perform public safety functions that might put them in conflict with others?	
		Does staff perform duties that may upset people?	
		Does staff work with people known or suspected to have a history of violence?	
		Do any employees have a history of threats of violence?	

## STEP 2: CONDUCT ASSESSMENT

### Building Interior

Yes	No	Building Interior	Comments:
		Are employee ID badges required?	
		Are employees notified of past workplace violence events?	
		Are trained security personnel or staff accessible to employees?	
		Are bullet resistant windows or similar barriers used when money is exchanged with the public?	
		Are areas where money is exchanged visible to others?	
		Is a limited amount of cash kept on hand with appropriate signage?	
		Could someone hear an employee who called for help?	
		Do employees have a clear line of sight of visitors in waiting areas?	
		Do areas used for client or visitor interviews allow co-employees to observe problems?	
		Are waiting and work areas free of objects that could be used as weapons?	
		Is furniture in waiting and work areas arranged to prevent employee entrapment?	
		Are clients and visitors clearly informed how to use the department services so they will not become frustrated?	
		Are private, locked restrooms available for employees?	
		Do employees have a secure place to store personal belonging?	

## Building Exterior

Yes	No	Building Exterior	Comments:
		Do employees feel safe walking to and from the workplace?	
		Are the entrances to the building clearly visible from the street?	
		Is the area surrounding the building free of bushes or other hiding places?	
		Are security personnel provided outside the building?	
		Is video surveillance provided outside the building?	
		Is there enough lighting to see clearly?	
		Are all exterior walkways visible to security personnel?	

## Parking Area

Yes	No	Parking Area	Comments:
		Is there a nearby parking lot reserved for staff?	
		Is the parking lot attended and secure?	
		Is the parking lot free of blind spots and landscape trimmed to prevent hiding places?	
		Is there enough lighting to see clearly?	
		Are security escorts available?	

## Security Measures

Yes	No	Security Measures	Comments:
		Is there a response plan for workplace violence emergencies?	
		Are there physical barriers? (between staff and clients)	
		Are there security cameras?	
		Are there panic buttons?	
		Are there alarm systems?	
		Are there metal detectors?	
		Are there X-ray machines?	
		Do doors lock?	
		Does internal telephone system activate emergency assistance?	
		Are telephones with an outside line programmed for 911?	
		Are there two-way radios, pagers, or cell phones?	
		Are there security mirrors?	
		Is there a secured entry?	
		Are there personal alarm devices?	
		Are there "drop safes" to limit available cash?	
		Are pharmaceuticals secured?	
		Is there a system to alert staff of the presence, location, and nature of a security threat?	
		Is there a system in place for testing security measures?	





# Contact Update Form

Need help? Contact Us at [ERMAtraining@sedgwick.com](mailto:ERMAtraining@sedgwick.com)

## Contact Update Form

The form allows you to easily update your training and Employee Protection Line (EPL) contacts with ERMA. This will ensure your contact information is always up-to-date and accurate. If you have any questions or concerns, please email [ERMAtraining@sedgwick.com](mailto:ERMAtraining@sedgwick.com).

**JPA (Required)**

**Agency (Required)**

**Agency Address (Required)**

Street Address

Address Line 2

City

ZIP Code

**Please choose one of the following. (Required)**

- Adding a New Contact
- Changing a Current Contact

**Will the new contact like to receive ERMA Training Bulletins? (Required)**

- Yes
- No

New Contact Information

**Name (Required)**

First

Last

**Title (Required)**

**Email (Required)**

**Phone (Required)**

**Type of contact (select all that apply) (Required)**

- Employee Protection Line (EPL)
- Human Resources Contact
- Training Contact
- I don't know

**Submit**



## iLearningEngines 2024 Quarter 1: Content Announcement

The following content will be deployed on March 29<sup>th</sup>, 2024.

The following new modules were developed in the **EPL Catalogue**:

- Fraud Prevention
- Retaliation Prevention
- Bullying in the Workplace
- Data Analytics and Insights

A new Collective Risk Management Team Interactive Manual will be deployed for our Employee Protection Line<sup>®</sup> customers.

### California SB553 Workplace Violence Announcement

**California Occupational Safety: Workplace Violence Bill (SB553)** has numerous facets of employee training that cannot be addressed by general online courses. Many of the requirements are centered on employer, worksite, and job-specific training that must be custom-tailored to each organization. However, supervisors *can* be trained on their new training responsibilities under this law. We will create a new version of our Workplace Violence Supervisors Training specifically for California that does this and publish it in the first month of Q2 2024.

Please note that our training will cover supervisor responsibilities but will not go into extensive detail – it will provide an easy-to-understand overview. Organizations should thoroughly read this bill and ensure they adhere to the new requirements.

We are available to create custom training for organizations that want to add their organization-specific programs to our Workplace Violence training for their employees. Please contact [Sales@ins.ilearningengines.com](mailto:Sales@ins.ilearningengines.com) for information on pricing.

In response to comments from the annual vendor survey, iLearningEngines is planning to implement a couple of changes to the learning platform related to the Employee Protection Line®.

1. The member’s EPL organization code does not appear anywhere on the platform for either someone on the CRMT or an administrator to see. This is creating additional customer service requests to both ERMA and iLE. As a result, we are requesting additional visibility of the organization code:
  - a. Under “system setup” on the admin tab. This would be dynamic based on whether or not the org has an active EPL organization code:

### System Setup

- **User Upload**  
This function allows you to mass upload new users and/or update existing users, Mass update of User ID is not allowed. If you need assistance with this, please con
- **Site Upload**  
This function allows you to upload a list of Sites onto the platform.
- **Department Upload**  
This function allows you to upload a list of Departments onto the platform.
- **Training Notification**  
This function allows you to automate training notifications and reminders.

Employee Protection Line Organization Code: xxxxx  
This above code is needed to make a report to the hotline either via phone (800-576-5262) or online at [www.EmployeeProtectionLine.com](http://www.EmployeeProtectionLine.com).

- b. On the toolbox tab, within the EPL toolbox:

**Employee Protection Line** (Organization code: xxxxx)

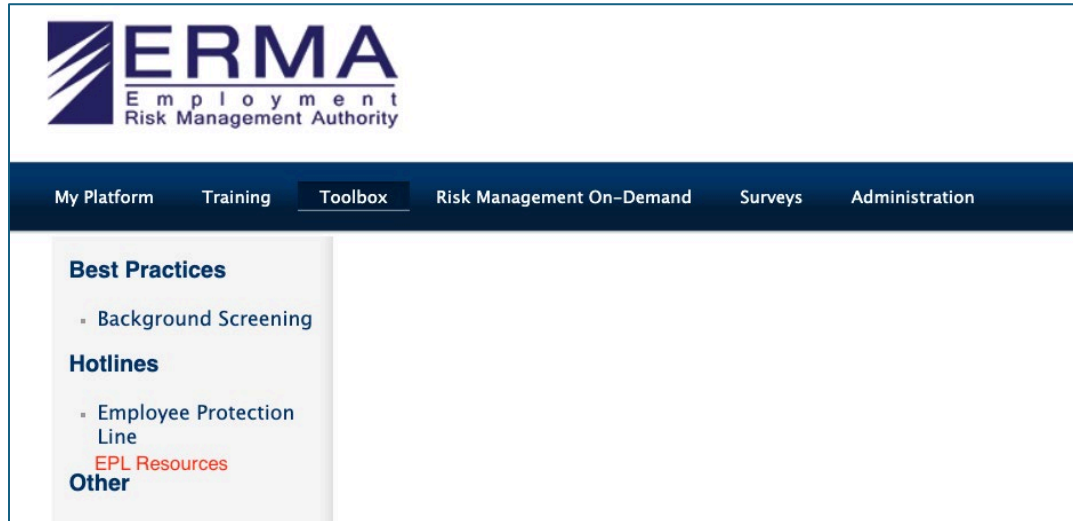
New Reports
Report History

**Quick Stats From Your Employee Protection Line**

	2024
Reports this month:	0
Reports this year:	0
Average per month:	0
Total reports:	0
Estimated ratio:	N/A
Employees covered:	

2. The second issue involves access to the EPL “resources.” Currently, access to these resources is limited to members of the CRMT only because the entire page is locked down to CRMT members only (to protect confidentiality of reports). However, the resources need to be available for an administrator to download who is not a member of the CRMT.

What is proposed is a new link in the left navigation on the Toolbox tab where the EPL tools reside.



Clicking on this link would provide the list of linked resources that are currently found within the Employee Protection Line tools, enabling someone with access to the Toolbox tab to easily access related documentation.

#### **Report Management Guidelines**

#### **Employee Awareness Tools:**

- Employee Acknowledgement Form (English)
- Employee Acknowledgement Form (Spanish)
- Employee Protection Line Poster (English)
- Employee Protection Line Poster (Spanish)
- Sample Awareness Article
- Sample Handbook Statement
- Employee Awareness Video

#### **Collective Risk Management® Forms:**

- Collective Risk Management® Team Forms
- Contact Change Form

**TRAINING AND LOSS PREVENTION MATTERS**

**SUBJECT: Formal Review and Consideration of Employment Practices Personnel Policies and Procedures Survey and Support Program - Presented by Rob Kramer, Executive Director**

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**RECOMMENDATION:** *Staff and the Ad Hoc Training Committee recommend the Employment Practices Personnel Policies and Procedures Survey and Support Program be approved as presented.*

**BACKGROUND AND STATUS:**

Staff met with the ERMA Ad Hoc Training Committee on Tuesday, April 2, 2024, to discuss and review the hopeful finalization of the Employment Practices Personnel Policies and Procedures Survey and Support Program.

The outcome and overview of that meeting are provided in the attached memorandum.

Staff and the committee will be available to review the program and recommendations with the Board of Directors.

**REFERENCE MATERIALS ATTACHED:**

- Memo to the ERMA Board of Directors
- Joint Statement of Services for 2024-25 ERMA EPP Project
- Beauchaine Consulting Group, LLC Work Proposal
- ERMA Capital Contribution Fund
- Employment Policies and Procedures Support Fund Application



March 26, 2024

TO: ERMA Ad Hoc Training Committee

FROM: Rob Kramer, Executive Director

SUBJECT: Personnel Policy and Procedures Review Project – Round 2

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At the November 6, 2023, Board meeting, the ERMA Board of Directors approved the dissemination of a new survey to all members in order to determine the status of the various employment practices policies and procedures for each agency.

Attached is an overview of the survey results to date.

Additionally, at the ERMA Annual Workshop in February 2024, the Board agreed in concept to have the ERMA attorney firm service partners, Jackson Lewis and Liebert Cassidy Whitmore (JL & LCW), review the policies received via the new survey portal, and provide a memorandum to each member as to their findings and suggestions for improvement.

Please find below our status update and recommendations for this project moving forward.

### **ACHIEVEMENTS**

Staff officially launched the survey on December 11, 2023. As of today, thirty-two percent (72) of members have completed the survey, fourteen percent (32) of members have surveys in progress, and fifty-four percent (125) of members have not begun the survey. Below are the tasks staff and strategic partners have completed:

1. Sedgwick has assigned all members to the two attorney firms (attached).
2. iLE provided instructions for attorney firms to use when accessing the platform and reviewing surveys (attached).
3. Sedgwick identified the Cost Projections for the survey period (attached).
4. Sedgwick staff created an “Employment Policies and Procedures Support Fund” (EPP) Application (attached). This is separate and apart from the Training and Risk Management Program (T&RM) Grant Fund, which could also be utilized for any needed policy updates.

5. Attorney firms, Jackson Lewis and Liebert Cassidy Whitmore, have created a blended cost for the review of each member's policies (attached).
6. Sedgwick consulted with Aaron Slater of Beauchaine Consulting Group to propose the Board consider his firm as a Human Resources support option to members who may need support (see attached memo).

### **RECOMMENDATIONS**

Once the survey process and review of policies by LCW and JL are completed for a member, they will be encouraged to make any needed updates to their policies and procedures.

1. Consideration by the Ad Hoc Committee of a recommendation to the Board approving Aaron Slater of Beauchaine Consulting Group as an approved ERMA HR resource for members that are in need of HR assistance in updating their policies. (See attached support services memorandum). Members may utilize other HR resources if they choose. However, Aaron Slater will be the recommended HR resource if asked.
2. Consideration by the Ad Hoc Committee of a recommendation to the Board to approve an EPP Grant Fund to be established in 2024-25 in the amount of \$125,000. This would be funded from Capital Contribution Fund (CCF) resources.
3. Consideration by the Ad Hoc Committee of a recommendation to the Board to approve an application process whereby ERMA members can apply for a special EPP Grant Fund to further support policy updates in the amount of \$1,250 to \$2,250 per member. This is separate and apart from the T&RM Grant fund that can also be used for policy updates, or any other approved training or risk management employment practices need.

ERMA 2023-24.14

## JOINT STATEMENT OF SERVICES FROM LIEBERT CASSIDY WHITMORE AND JACKSON LEWIS FOR 2024 ERMA PERSONNEL POLICIES PROJECT

This will confirm that the Employment Risk Management Authority ("ERMA") has retained Liebert Cassidy Whitmore ("LCW") and Jackson Lewis ("JL") (LCW and JL collectively referred to as the "Partner Law Firms") to provide an initial assessment of the Personnel Policies for its members. This joint statement outlines services and fees that ERMA has engaged the Partner Law Firms to render.

### Statement of Work

ERMA will assign its members to LCW for purposes of this Personnel Policies project. JL will be assigned members should LCW need assistance with completing the review, or when a member specifically requests JL. For each assigned member, the Partner Law Firm will perform the following: review of online survey results; review of the assigned member's policies; telephone or Zoom follow up with the assigned ERMA member as appropriate; and preparation of an action memorandum summarizing survey, review, and providing recommendations and estimated costs for further recommended services and further follow up. The work described in this paragraph is hereinafter referred to as the "initial assessment phase."

Partner Law Firms will not conduct a review of every aspect of the policies or provide advice on every potential issue with the policies at the initial assessment phase: the purpose of the review is to provide general policy recommendations, generally identify areas where further policy review and revision are necessary, and improve the ERMA member's personnel practices.

Partner Law Firms will make all efforts to complete the initial assessment phase within 12 months after its assigned member completes the ERMA survey regarding their policies.

### Fees

ERMA will pay Partner Law Firms a blended hourly rate of \$325 for partners and associates for the initial assessment phase described above. The amount of fees for this work will be capped at 10 hours of work for each ERMA member. Partner Law Firms will bill ERMA directly for initial assessment work.

In order to effectively and efficiently complete the initial assessment phase for each member under the 10-hour cap, Partner Law Firms must educate their respective attorneys working on this project on the relevant policies as well as updates in law affecting those policies. As compensation for those services, ERMA will pay Partner Law Firms the same blended rate as described in the preceding paragraph.

If an ERMA member chooses to proceed with work beyond the initial assessment phase and elects to work with a Partner Law Firm for that work, the rates for that work is \$390 for partners and \$310 for associates, to increase \$5.00 per hour every new ERMA fiscal year beginning in ERMA's 2025-2026 fiscal year. Partner Law Firms will directly bill each member for any additional work.



By: \_\_\_\_\_  
J. Scott Tiedemann  
Liebert Cassidy Whitmore

By: \_\_\_\_\_  
Jackson Lewis

Attn: Rob Kramer  
Employment Risk Management Authority  
1750 Creekside Oaks Drive, Suite 200  
Sacramento, CA 95833

March 21, 2024

**Re: Policy Review Program - Member Support Services**

Mr. Kramer:

BCG is pleased to offer the following support work as a part of ERMA's Policy Review Program to take members in need to the finish line for implementing model policy in the space of employment practice.

1. Scope of Work

BCG will provide professional policy update support to ERMA members as an added component of the proposed Policy Review Program including but not limited to:

- Tailoring ERMA-recommended employment practice policies to finalize model drafts for member implementation
- Assisting with implementation in the member organization through their established procedures, including the collective bargaining Meet and Confer process
- Providing additional policy support as well as recommendations and estimated costs for additional services needed by members

Barring any unusual circumstances, it is estimated that 10 hours of support per member in need will yield at least two tailored policies to be finalized for implementation or actually implemented.

2. Fees

BCG is pleased to offer an hourly rate of \$225 for policy edits, recommendations and potential implementation for members. We can extend that same rate to any members wishing to engage our firm for additional support beyond what amount ERMA may provide.

Please let me know if you have any questions or added proposals.

With best regards,

*Aaron F Slater*

Aaron Slater

### **THE FIRM**

Beauchaine Consulting Group, LLC is a boutique consulting firm specializing in public sector management consulting. We provide consulting solutions in the areas of Finance, Accounting, Human Resources, Labor Relations, and Workplace Investigations to governmental and non-profit clients throughout the State of California

### **THE MISSION**

At BCG our mission is to understand our clients' unique organizational challenges and to provide the support, and solutions needed to overcome them. Whether the goal is to improve operations, to complete a successful executive staffing transition, to improve labor relations, or to add extra bandwidth to the team, we're here to ensure our clients succeed.

### **Aaron Slater**

Managing Consultant

Aaron was born and raised in the Napa Valley. He served 19 years in law enforcement, 11 as a police officer, and eventually transitioned to human resources after a career fighting on the labor side in union leadership. After spending several years as an HR Director in the public sector, Aaron joined BCG to assist in the mastery and augmentation of specific HR functions for cities, counties, and special districts. One of Aaron's passions is empowering the employer to uphold high standards and accountability within the state of California which works tirelessly to disarm employers.

Aaron specializes in employee and labor relations strategy, negotiations, MOU/CBA review and language clean-up, union relations repair, policy review and writing, grievance and PERB defense, workplace investigations with a specialty in police and fire, Payroll and FLSA challenges, leadership training and lifeline support as a trusted advisor for HR leaders/supervisors through a lens of risk mitigation, compliance and employer advocacy.

He holds an undergraduate degree in accountancy from Arizona State University and an MBA in executive leadership from Seattle University which focused on adaptive problem-solving, strategy and empathy. Aaron is a certified SPHR, IPMA-SCP as well as AWI-CH investigator.

Aaron currently resides in Oakland supporting clients in northern and southern California. In his free time he loves nothing more than to travel, appreciate the arts, and indulge at new eateries. He's up to 38 countries visited. He's a zealous advocate for children in the California foster care system as a CASA volunteer.



**RE-SURVEY OF MEMBER EMPLOYMENT POLICIES - COST PROJECTIONS**  
 Prepared: January 15, 2024

I. **Capital Contribution Fund (CCF) Balance at 12/31/2023:** \$ 880,654

II. **Costs of Survey and Policy Review in 2017/2018 Fiscal Year:**

Description	Vendor	Cost	Average Cost	Members
Development and Delivery of the Survey and Results	In2vate	\$ 15,000		
Policy Review Survey Administrative Fee	Bickmore	\$ 15,000		
Policy Review	Liebert Cassidy Whitmore	\$ 148,360 *	\$ 1,484	100 Members
Policy Review	Jackson Lewis	\$ 58,370 *	\$ 621	94 Members
		<b>\$ 236,730</b>		<b>194 Members</b>

\* The policy review costs varied. ERMA paid anywhere from \$50 to \$2,500 per policy review.

III. **Conclusion:** Suggesting to use a portion of the funds from the CCF to pay for the review of member employment policies allocating \$1,250 per member, \$125,000 for a policy update HR support program, and a \$22,500 for the policy survey. ERMA has 229 members as of 1/1/24. The estimated total costs is \$433,750.

Policy Survey	\$ 22,500
Policy Review: Approximate \$1,250 per Member	\$ 286,250
Policy Update HR Support Program	\$ 125,000
<b>Total Costs</b>	<b>\$ 433,750</b>

\* Apply for assistance

**Additional Information:**

Training Risk & Management Program (Grant Fund)	
2020/2021 Reimbursements	\$ 30,315
2021/2022 Reimbursements	\$ 46,899
2022/2023 Reimbursements	\$ 91,186
2023/2024 Reimbursements - In Progress	\$ 52,651
<b>Total Reimbursements to Members</b>	<b>\$ 221,051</b>

19  
10  
10  
52  
42  
3  
10  
19  
23  
5  
13

31  
1  
1

229

\$1,200	\$1,200
\$274,800	\$274,800
	\$549,600

Kramer, Rob  
 To: Xiong, Chee  
 Cc: Flama, Yvette  
 Retention Policy Exchange Online - Global 7 Year Retention (7 years) Expires: 1/14/2031  
 Start your reply all with: Sounds good to me. This is great, thank you! Yes, that makes sense.

Initial priority policy development

**10 Policies**

53-105 hours \$20,250 (85% labor assumption 90 hours@\$225/hr)

**15 Policies**

78-155 hours \$29,700 (85% labor assumption 132 hours@\$225/hr)

Review and drafts for member agencies (per member cost)

**10 Policies**

30-80 hours \$15,300 (85% labor assumption 68 hours@\$225/hr)

**15 Policies**

45-120 hours \$22,950 (85% labor assumption 102 hours@\$225/hr)

## EMPLOYMENT RISK MANAGEMENT AUTHORITY

~ Capital Contribution Fund by Member ~

As of October 31, 2018

Member	Member Entities	Phase I Limit	Amount Used	Remaining Amount
<b>BCJPIA</b>				
1	Albany	\$ 2,500	\$ 1,453.50	\$ 1,046.50
2	Brisbane	2,500	2,499.00	1.00
3	CMPA	2,500	2,499.50	0.50
4	Corte Madera	2,500	2,499.50	0.50
5	Emeryville	2,500	2,499.00	1.00
6	Emeryville MESA	2,500	127.50	2,372.50
7	Fairfax	2,500	76.50	2,423.50
8	Larkspur	2,500	1,938.00	562.00
9	Los Altos	2,500	1,657.50	842.50
10	Menlo Park	2,500	1,683.00	817.00
11	Mill Valley	2,500	25.50	2,474.50
12	Novato	2,500	2,116.50	383.50
13	Piedmont	2,500	2,244.00	256.00
14	Pleasanton	2,500	1,147.50	1,352.50
15	San Anselmo	2,500	2,397.00	103.00
16	Sausalito	2,500	561.00	1,939.00
17	Tiburon	2,500	2,244.00	256.00
18	Union City	2,500	2,500.00	2,500.00
	<b>BCJPIA Total</b>	<u>45,000</u>	<u>27,668.50</u>	<u>17,331.50</u>
 <b>CalTIP</b>				
1	El Dorado County TA	2,500	433.50	2,066.50
2	Humboldt Transit	2,500	612.00	1,888.00
3	Livermore Amador Valley TA	2,500	637.50	1,862.50
4	Mendocino Transit	2,500	204.00	2,296.00
5	Morongo Basin TA	2,500	1,224.00	1,276.00
6	San Luis Obispo Regional TA	2,500	178.50	2,321.50
7	South County Transit	2,500	280.50	2,219.50
8	Tahoe Transportation District	2,500	1,020.00	1,480.00
9	Western Contra Costa TA	2,500	1,020.00	1,480.00
10	Yolo County Trans. District	2,500	382.50	2,117.50
	<b>CalTIP Total</b>	<u>25,000</u>	<u>5,992.50</u>	<u>19,007.50</u>

## EMPLOYMENT RISK MANAGEMENT AUTHORITY

~ Capital Contribution Fund by Member ~

As of October 31, 2018

Member	Member Entities	Phase I Limit	Amount Used	Remaining Amount
<b>CSJVRMA</b>				
1	Angels Camp	2,500	1,173.00	1,327.00
2	Atwater	2,500	2,499.00	1.00
3	Ceres	2,500	1,938.00	562.00
4	Chowchilla	2,500	2,269.50	230.50
5	Corcoran	2,500	637.50	1,862.50
6	Delano	2,500	2,499.00	1.00
7	Dinuba	2,500	1,861.50	638.50
8	Dos Palos	2,500	1,606.50	893.50
9	Escalon	2,500	2,295.00	205.00
10	Farmersville	2,500	1,351.50	1,148.50
11	Fowler	2,500	892.50	1,607.50
12	Gustine	2,500	969.00	1,531.00
13	Hughson	2,500	2,346.00	154.00
14	Huron	2,500	127.50	2,372.50
15	Kerman	2,500		2,500.00
16	Kingsburg	2,500	612.00	1,888.00
17	Lathrop	2,500	1,810.50	689.50
18	Lemoore	2,500	76.50	2,423.50
19	Livingston	2,500	1,887.00	613.00
20	Madera	2,500	1,249.50	1,250.50
21	McFarland	2,500	1,606.50	893.50
22	Mendota	2,500	2,371.50	128.50
23	Merced	2,500	2,499.00	1.00
24	Newman	2,500	1,683.00	817.00
25	Oakdale	2,500	2,320.50	179.50
26	Orange Cove	2,500	1,020.00	1,480.00
27	Parlier	2,500	51.00	2,449.00
28	Patterson	2,500	969.00	1,531.00
29	Porterville	2,500	1,122.00	1,378.00
30	Reedley	2,500	1,020.00	1,480.00
31	Riverbank	2,500	2,244.00	256.00
32	Sanger	2,500	1,810.50	689.50
33	San Joaquin	2,500	969.00	1,531.00
34	Selma	2,500	892.50	1,607.50
35	Shafter	2,500	1,198.50	1,301.50
36	Sonora	2,500	1,734.00	766.00
37	Taft	2,500	2,346.00	154.00
38	Tehachapi	2,500	918.00	1,582.00
39	Tulare	2,500	1,198.50	1,301.50
40	Wasco	2,500	969.00	1,531.00
41	Woodlake	2,500	994.50	1,505.50
<b>CSJVRMA Total</b>		<u>102,500</u>	<u>58,038.00</u>	<u>44,462.00</u>

## EMPLOYMENT RISK MANAGEMENT AUTHORITY

~ Capital Contribution Fund by Member ~

As of October 31, 2018

Member	Member Entities	Phase I Limit	Amount Used	Remaining Amount
<b>ERMAC</b>				
1	Hayward	2,500	1,504.50	995.50
2	Laguna Hills	2,500	2,346.00	154.00
	<b>ERMAC Total</b>	5,000	3,850.50	1,149.50
<b>MBASIA</b>				
1	Capitola	2,500	2,499.00	1.00
2	Del Ray Oaks	2,500	969.00	1,531.00
3	Gonzales	2,500	280.50	2,219.50
4	Greenfield	2,500	1,581.00	919.00
5	Hollister	2,500	790.50	1,709.50
6	King City	2,500	1,912.50	587.50
7	Marina	2,500	1,479.00	1,021.00
8	Sand City	2,500	1,938.00	562.00
9	Scotts Valley	2,500	1,530.00	970.00
10	Soledad	2,500	459.00	2,041.00
	<b>MBASIA Total</b>	25,000	13,438.50	11,561.50
<b>MPA</b>				
1	Antioch	2,500	663.00	1,837.00
2	Brentwood	2,500	2,499.00	1.00
3	Clayton	2,500	1,479.00	1,021.00
4	Danville	2,500	178.50	2,321.50
5	El Cerrito	2,500	2,269.50	230.50
6	Hercules	2,500	2,040.00	460.00
7	LaFayette	2,500	1,249.50	1,250.50
8	Manteca	2,500	76.50	2,423.50
9	Martinez	2,500	2,448.00	52.00
10	Moraga	2,500	2,499.00	1.00
11	Oakley	2,500	1,275.00	1,225.00
12	Orinda	2,500	1,326.00	1,174.00
13	Pacifica	2,500		2,500.00
14	Pinole	2,500	1,326.00	1,174.00
15	Pittsburg	2,500	2,499.00	1.00
16	Pleasant Hill	2,500	1,530.00	970.00
17	San Pablo	2,500	1,861.50	638.50
18	San Ramon	2,500	2,040.00	460.00
19	Walnut Creek	2,500		2,500.00
20	MPA JPA	2,500	1,632.00	868.00
	<b>MPA Total</b>	50,000	28,891.50	21,108.50

## EMPLOYMENT RISK MANAGEMENT AUTHORITY

~ Capital Contribution Fund by Member ~

As of October 31, 2018

Member	Member Entities	Phase I Limit	Amount Used	Remaining Amount
<b>PARSAC</b>				
1	Amador	2,500		2,500.00
2	Avalon	2,500	816.00	1,684.00
3	Belvedere	2,500		2,500.00
4	Blue Lake	2,500		2,500.00
5	California City	2,500	51.00	2,449.00
6	Calimesa	2,500	51.00	2,449.00
7	Calistoga	2,500	102.00	2,398.00
8	Citrus Heights	2,500	2,116.50	383.50
9	Clearlake	2,500	408.00	2,092.00
10	Coalinga	2,500	1,122.00	1,378.00
11	Ferndale	2,500	1,224.00	1,276.00
12	Grass Valley	2,500	357.00	2,143.00
13	Highland	2,500	612.00	1,888.00
14	Menifee	2,500	612.00	1,888.00
15	Nevada City	2,500		2,500.00
16	Pacific Grove	2,500	280.50	2,219.50
17	Placencia	2,500	943.50	1,556.50
18	Placerville	2,500	739.50	1,760.50
19	Plymouth	2,500	484.50	2,015.50
20	Point Arena	2,500	102.00	2,398.00
21	Rancho Cucamonga	2,500	663.00	1,837.00
22	Rancho Cucamonga FPD	2,500	178.50	2,321.50
23	Rancho Santa Margarita	2,500	1,300.50	1,199.50
24	San Juan Bautista	2,500		2,500.00
25	South Lake Tahoe	2,500	561.00	1,939.00
26	Tehama	2,500	280.50	2,219.50
27	Trinidad	2,500	178.50	2,321.50
28	Truckee	2,500	280.50	2,219.50
29	Twentynine Palms	2,500	969.00	1,531.00
30	Watsonville	2,500	714.00	1,786.00
31	West Hollywood	2,500		2,500.00
32	Wheatland	2,500	229.50	2,270.50
33	Wildomar	2,500		2,500.00
34	Yountville	2,500	892.50	1,607.50
35	Yucaipa	2,500	51.00	2,449.00
36	Yucca Valley	2,500	433.50	2,066.50
37	PARSAC JPA	2,500	433.50	2,066.50
	<b>PARSAC Total</b>	92,500	17,187.00	75,313.00



## EMPLOYMENT RISK MANAGEMENT AUTHORITY

~ Capital Contribution Fund by Member ~

As of October 31, 2018

Member	Member Entities	Phase I Limit	Amount Used	Remaining Amount
<b>PERMA</b>				
1	Adelanto	2,500	586.50	1,913.50
2	Banning	2,500	816.00	1,684.00
3	Barstow	2,500	51.00	2,449.00
4	Canyon Lake	2,500	816.00	1,684.00
5	Cathedral City	2,500	943.50	1,556.50
6	Coachella	2,500	510.00	1,990.00
7	Desert Hot Springs	2,500	561.00	1,939.00
8	Eastvale	2,500	229.50	2,270.50
9	Hesperia	2,500	714.00	1,786.00
10	Holtville	2,500	76.50	2,423.50
11	ICTC	2,500		2,500.00
12	Jurupa Valley	2,500	102.00	2,398.00
13	La Mesa	2,500	688.50	1,811.50
14	Murrieta	2,500	765.00	1,735.00
15	Palm Sps Tram	2,500	688.50	1,811.50
16	Perris	2,500	739.50	1,760.50
17	San Jacinto (join 7/1/18)			
18	SDRTC	2,500	51.00	2,449.00
19	Stanton	2,500	561.00	1,939.00
20	SunLine	2,500	688.50	1,811.50
21	Victorville	2,500	816.00	1,684.00
22	VVTA	2,500	1,938.00	562.00
23	PERMA JPA	2,500	765.00	1,735.00
	<b>PERMA Total</b>	<u>55,000</u>	<u>13,107.00</u>	<u>41,893.00</u>
<b>SCORE</b>				
1	Biggs	2,500	25.50	2,474.50
2	Colfax	2,500	1,020.00	1,480.00
3	Live Oak	2,500	2,014.50	485.50
4	Loomis	2,500	1,759.50	740.50
5	Mt. Shasta	2,500	1,989.00	511.00
6	Portola	2,500	1,555.50	944.50
7	Rio Dell	2,500	102.00	2,398.00
8	Shasta Lake	2,500	1,581.00	919.00
9	Susanville	2,500	1,377.00	1,123.00
10	Tulelake	2,500	2,014.50	485.50
11	Weed	2,500	1,734.00	766.00
12	Yreka	2,500	1,555.50	944.50
	<b>SCORE Total</b>	<u>30,000</u>	<u>16,728.00</u>	<u>13,272.00</u>

## EMPLOYMENT RISK MANAGEMENT AUTHORITY

~ Capital Contribution Fund by Member ~

As of October 31, 2018

Member	Member Entities	Phase I Limit	Amount Used	Remaining Amount
<b>VCJPA</b>				
1	Alameda County	2,500	637.50	1,862.50
2	Burney Basin	2,500	255.00	2,245.00
3	Butte County	2,500	1,300.50	1,199.50
4	Coachella Valley	2,500	510.00	1,990.00
5	Colusa	2,500	535.50	1,964.50
6	Compton Creek	2,500	841.50	1,658.50
7	Consolidated	2,500	663.00	1,837.00
8	Contra Costa County	2,500	612.00	1,888.00
9	Delta VCD	2,500	867.00	1,633.00
10	Durham	2,500	433.50	2,066.50
11	Fresno	2,500	663.00	1,837.00
12	Glenn County	2,500	1,093.50	1,406.50
13	Greater Los Angeles	2,500	331.50	2,168.50
14	Kings Mosquito A.D.	2,500	1,071.00	1,429.00
15	Lake County VCD	2,500	586.50	1,913.50
16	Los Angeles County West	2,500	51.00	2,449.00
17	Marin-Sonoma	2,500	102.00	2,398.00
18	Napa County	2,500	841.50	1,658.50
19	Northwest	2,500	1,096.50	1,403.50
20	Orange County	2,500	331.50	2,168.50
21	Oroville	2,500		2,500.00
22	Placer County	2,500	918.00	1,582.00
23	Sacramento Yolo	2,500	586.50	1,913.50
24	San Gabriel Valley	2,500	688.50	1,811.50
25	San Joaquin County	2,500		2,500.00
26	San Mateo County	2,500	841.50	1,658.50
27	Santa Barbara County	2,500	510.00	1,990.00
28	Shasta	2,500	892.50	1,607.50
29	Sutter-Yuba	2,500	969.00	1,531.00
30	Tehama County	2,500	204.00	2,296.00
31	Turlock	2,500	1,504.50	995.50
32	West Valley	2,500	204.00	2,296.00
	<b>VCJPA Total</b>	80,000	20,142.00	59,858.00
<b>INDIVIDUAL MEMBERS</b>				
	Oakland Housing Authority	2,500	637.50	1,862.50
	Contra Costa Housing Authority	2,500	994.50	1,505.50
	<b>Grand Total</b>	\$ 515,000	\$ 206,729.50	\$ 308,324.50



# EMPLOYMENT POLICES & PROCEDURES SUPPORT FUND APPLICATION

**Agency Name**

**Parent JPA**

**Contact Name**

**Contact Email**

**Please select all that apply:**

My agency has completed the survey.

My agency has worked with a Partner Attorney Firm.

**Please respond to all of the questions below:**

Requested Grant Amount

Briefly describe why your agency needs grant funds from ERMA:

## Term & Conditions

- 1.The member must have completed the Employment Practices Policy survey;
- 2.The member must be in "substantial compliance" with the ERMA training requirements; and
- 3.The member must identify no more than two employment practices policies from the following list of eight, for which they are requesting policy update support :

- Discrimination, Harassment and Retaliation
- Family Medical Leave
- Pregnancy Leave
- Paid Sick Leave
- Work Week (i.e. FLSA work period), Overtime, and Compensatory Time
- Reasonable Accommodation and Interactive Process
- Drug and Alcohol-Free Workplace and Testing
- Internet, Computer, Media, and Electronic Equipment/Resources Use

**NOTE: The Employment Practices Policies Support Fund is a one-time grant. Members can claim between \$1,250 to \$2,250 per member. Upon approval, members will be reimbursed upon receipt of appropriate invoices and proof of payment.**

**CLAIMS MATTERS**

**SUBJECT: Closed Session - Pursuant to Government Code §54956.95(a) to  
Discuss Claims - *Presented by Stacey Sullivan, Litigation Manager***

**RECOMMENDATION: *None.***

**BACKGROUND AND STATUS:**

The confidential Litigation Manager’s Report was distributed to the Board of Directors under separate cover. The Board will discuss the claims listed below during the Closed Session.

Claim
Repp v. City of Pleasanton (BCJPIA JPA) Garcia v. Sunline Transit Agency (PERMA JPA)

**REFERENCE MATERIALS ATTACHED:**

- Confidential Litigation Manager’s Report (distributed under separate cover; copies to be destroyed following completion of the meeting)