

**PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT
(PRISM)**

BOARD OF DIRECTORS

MEETING SUMMARY

75 Iron Point Circle, Suite 200
Folsom, CA 95630
Web Conference/Telephonic Meeting

Friday, March 1, 2024
8:30 a.m.
First Meeting – 2024

The PRISM Board of Directors has responsibility for the Excess Workers' Compensation (EWC) and General Liability 1 (GL1) Programs.

EWC Program

Highlights of the Board's review and actions for the EWC Program renewal are:

- Overall, the Program has an actuarially **projected equity of \$98M**, which is equivalent to the 95% confidence level.
- Based on the Target Funding Guidelines, the Board approved pool rates for 2024/25 based on the **80% confidence level, discounted at 3.75%**.
- Pool rate changes will vary for each member based on their rating group. On average, **county rates are up 7.3%, school rates up 4.1%, low safety rates up 16%**, and **high safety rates are up 18.5%**.
- The Board did not have reinsurance proposals for consideration, but it is anticipated that proposals will be received shortly. The Board **delegated authority to the Underwriting Committee to approve final renewal terms within specified parameters**.
- The pool allocation was set and the administrative charges for the Program, in the amount of \$11.8M, were set for 2024/25.
- **Amendments to the Premium Allocation Methodology** were approved to eliminate COVID claims from the loss data used in the premium allocation and incorporating additional details on the premium surcharge methodologies.
- Approval was given to **circulate proposed amendments to the Memorandum of Coverage** to clarify the occurrence period for a single event resulting in multiple claims and to eliminate the provision for sharing of the SIR amongst multiple members involved in the same occurrence.

GL1 Program

Highlights of the Board's review and actions for the GL1 Program are as follows:

- The Board reviewed the Program's financial position, noting that the Program is projected to build equity, but will still be in a deficit position at 6/30/24, and in a positive position by 6/30/25.
- The Board approved pool rates for 2024/25 based on the **85% confidence level, discounted at 2.5%** for investment income.
- Pool rate changes will vary for each member based on their rating group. On average, **county/other rates will be up 24.9% and rates for schools not in SELF will be up 36%**, and **schools in SELF will be up 48.6%** (which includes the expected increase as a result of the additional year of claims-made exposure).

- The Board did not have reinsurance proposals for consideration, but it is anticipated that proposals will be received shortly. The Board ***delegated authority to the Underwriting Committee to approve final renewal terms within specified parameters.***
- The pool allocation was set and the administrative charges for the Program, in the amount of \$7.7M, were set for 2024/25.
- Approval was given to ***circulate proposed amendments to the Memorandum of Coverage and Addendum B Claims Administration Standards*** to strengthen PRISM claims controls and clarify member expectations.

Informational Reports

The Board received several informational reports, a few of which are noted below:

- Reports were given by staff, Alliant, and the various committee chairs on the status of the Program renewals and/or services they oversee;
- An investment portfolio report was provided by Chandler Asset Management; and
- An update on PRISM ARC and placements made with non-California participants.

The ***next meeting*** of the Board will be ***Friday, June 7, 2024*** at the ***PRISM Office in Folsom*** as well as ***via Web Conference***. There may also be a need for a special meeting via Web Conference in April.