

CSAC EXCESS INSURANCE AUTHORITY

CALIFORNIA



ADOPTED BUDGET

For the Fiscal Year
July 1, 2014 to June 30, 2015

CSAC EXCESS INSURANCE AUTHORITY

ADOPTED BUDGET

FOR THE FISCAL YEAR JULY 1, 2014 TO JUNE 30, 2015

EXECUTIVE COMMITTEE

Name	Entity
Larry Moss	East Bay Regional Parks
Jim Sessions	Riverside County
Barbara Lubben	Alameda County
James Brown	Merced County
Maryellen Peters	Placer County
Peggy Scroggins	Colusa County
Peter W. Huebner	Sierra County
Teri Enos-Guerrero	City of Chula Vista
Kristin McMenomey	Mendocino County
Lance Sposito	Santa Clara County
Scott Schimke	Glenn County
Steve Underwood	EIA Legal Counsel

SENIOR MANAGEMENT

Michael Fleming	Chief Executive Officer
Gina Dean	Chief Operating Officer
Jack Blyskal	Chief Claims Officer
Marianne Stuart	Chief Financial Officer
George Reynolds	Chief Information Officer
Dan Calabrese	Chief Investment Officer

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Mercy Penales, Accounting Technician

**CSAC Excess Insurance Authority
Adopted Budget
For the Fiscal Year 2014/15**

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Adopted Budget
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June 6, 2014

Members, Board of Directors
Folsom, California

Re: 2014/15 Proposed Budget

We respectfully submit the proposed budget for fiscal year 2014/15 for CSAC Excess Insurance Authority (EIA). With much hard work by our committees, staff, and our broker, Alliant Insurance Services, we were able to put together competitive risk financing solutions in a challenging insurance market and within tight spending constraints. The adopted budget includes total revenues of \$718M and total expenses of \$716M. The budget continues to assist members by including \$4.3M in member dividends and \$4M in loss prevention and risk management services and subsidies. The budgeted net position from program revenues and expenditures will increase by \$2.3M, from an estimated \$116M to \$118.3M. The EIA will also have an estimated expense of \$3M for a newly required adjustment to our pension liability. Because this is not an expenditure, this expense is not included in this budget but will be reflected on the 2014/15 financial statements.

The budget has the following seven priorities:

- Structure programs that are responsive to members' needs and respond to the current market conditions.
- Provide risk management programs that blend the best of self-insurance or pooling with the purchase of insurance.
- Provide members with the benefits of volume discounts.
- Use the financial strength of the EIA to assist members by providing dividends when the financial position of specific programs justifies such dividends.
- Save premium resources and improve coverages by continuing long-term relationships with underwriters and members.
- Provide risk management and loss prevention services, and subsidies to all members.
- Provide an effective and efficient general administration of all the EIA programs and services.

Short term factors which drove the renewal cycle were greater than anticipated loss development in the current fiscal year, which presented challenges for the July 1, 2015 renewal placements of our Excess Workers Compensation (EWC), and both General Liability programs (GLI and GLII). Rates for insurance went up for all three programs.

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EXECUTIVE COMMITTEE:

Larry Moss President East Bay Regional Park District	Jim Sessions Vice President Riverside County	Barbara Lubben Alameda County	Teri Enos-Guerrero City of Chula Vista	Peggy Scroggins Colusa County	Scott Schimke Glenn County	Kristin McMenomey Mendocino County	James Brown Merced County	Maryellen Peters Placer County	Lance Sposito Santa Clara County	Peter W. Huebner Sierra County
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In the GLII Program, whose members are large counties and cities, it was advantageous to restructure the program and add an aggregated pool layer. The Board of Directors also approved increasing overall rates for the EWC program in order to add equity to the program. Other programs fared better with slight or no increases in rates. We added a major new county member, San Bernardino County, to our property program which renewed 3/31/2014. We expect our newer program, the Master Rolling Owner Controlled Insurance Program (MROCIP) to continue to grow as large public building construction projects roll in.

New this year as part of our 2014/15 budget preparation process, each department drafted specific performance measures which are results focused. These can be found in the Administration Budget section, and support our short and long term program goals. Program specific goals are reviewed annually by the governing committee. Specific examples of how the adopted budget addresses these priorities are as follows.

One of the **Primary Workers' Compensation (PWC) Program's** goals is to have all program Third Party Administrators (TPA) claims on our claims system. In fiscal 2013/14 we made significant progress and expect to bring on the claims from our largest TPA no later than November, 2014. We intend to bring on the remaining four TPA's within the 14/15 budget year. This will enhance our ability to meet the PWC's long-term goal of a claims analysis report with benchmarks. The program's structure remains the same with the purchase of insurance for the \$115k limits in excess of \$10k deductibles. The \$10k deductible is pooled by the EIA. The program includes a multi-year rate stabilization plan with AmTrust. Because net position exceeds the target equity range, a dividend is budgeted for \$4M.

In the **Excess Workers' Compensation (EWC) Program**, the layers up to \$5M have been restructured with a single combined pool limit of \$ 23.5M. Additionally the confidence level was raised to 80% in determining premium needed to cover the \$125k to \$5M layer. Since their short-term goal is to get within their target equity range within 5-7 years, this will allow them to add a potential \$4.3M to equity. Additional excess insurance expands coverage to statutory, per occurrence limits. Although program losses for the current year exceeded the multi-year rate stabilization plan with AmTrust, we continue with a plan in place for next year.

The **Primary General Liability (PGL) Program** had lower losses and the program was renewed at 2% less than last year. The program has assets in excess of target equity and declared a dividend of \$450K and is using 100K of equity to offset administrative fees.

Although the financial position of the **General Liability I (GLI) Program** is at the high end of their target equity range, with greater than expected losses in the current year, the Committee chose to retain equity, in case this loss development reflects a trend. The pooled layer from member self-insured retentions (SIR) to \$5M is funded at the 65% confidence level.

The **General Liability II (GLII) Program** serves large members with SIRs from \$1M to \$3M and was a fully insured program. Because of large, multi-million dollar losses reported in the current year, the losses exceeded the loss ratio in the rate guarantee for the 2014/15 renewal. Carriers increased premium rates and added a corridor retention layer of \$7 million, resulting in combined insurance and pool funding up 16% over last year. The program's short-term goal is to obtain a renewal in 2015/16 at no more than a 10% increase. Losses in this program are infrequent, severe, and catastrophic in nature and not amenable to targeted loss prevention.

The **Property Program** renewed March 31, 2014 with an increase in the primary layer premium, but overall, a slight rate decrease. Earthquake coverage limits were increased. Other key features and limits were retained in the renewal. The primary layer coverage was extended a year to 2017. The retained risk pooled layer of a \$10M annual aggregate was continued, with a separate \$5M catastrophic flood pool. The Property Committee approved funding \$1M of this flood pool for the 2014/15 policy year. San Bernardino County rejoined the program after being out for some years.

The **Medical Malpractice Program** renews October 1, 2014. Premiums are estimated at this point. The Medical Malpractice Committee will be approving final terms for the 2014/15 renewal, and setting goals over the summer.

In January 2013, we started our **Master Rolling Owner Controlled Insurance Program, (MROCIP)**. This allows an "owner" public entity, embarking on a large construction project, to provide workers compensation and liability coverage for all eligible parties, owner, general contractor and sub-contractors, in lieu of each contractor providing insurance with potential overlapping or gaps in coverage. The program can cover construction projects as low as \$10M up to \$100M on a pooled basis, and larger projects such as new jails or airports, on an individual basis. This year we placed two major developments with combined \$300M in construction value, in the program. Most projects are multi-year and revenue and expense are reported as earned.

The **EIAHealth Program**, a fully insured program is operated with our partner, Self-Insured Schools of California (SISC). Plan renewals are expected to increase up to 10% in part because of new per member, per month fees assessed as part of healthcare reform and the new California Insurance Exchange funding. The program continues to attract new members.

The **Dental Program**, going into its 5th year, is continuing to add new members. The program is using surplus to partially offset premium based on each member's benefit level and claims experience.

The **Miscellaneous Program** budget is used to account for employee benefits and other property and casualty programs not associated with another EIA major program. These programs are offered to EIA members, as well as all other California public entities. Program revenues cover the cost of coverage provided without any administrative load.

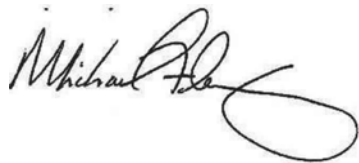
The **General Administration** budget is used to pay the day-to-day operation of the EIA, and support for its member driven governance structure. The adopted budget includes five new positions. Overall transfers to fund overhead increased 19%, and costs for the new claims system also increased, but not more than expected for this phase of development. It also includes \$2M for loss prevention and risk management subsidies to members.

The **Building Fund** is used to account for operations of the EIA's office building. Resources include rents from EIA tenants and transfers from the General Administration program for the EIA office space. Expenses include general building operations, depreciation of the building and tenant improvements. Depreciation is estimated based on asset lives ranging from 10 to 30 years.

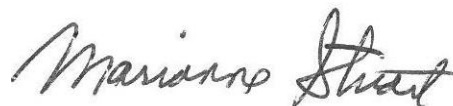
The **Capital Outlay** budget includes the capital costs of the new claims system, another phase of our pool management system, maintaining the EIA computer systems, building costs, and furniture and equipment. The impact of the capital budget is less than 1% of total expenses.

Finally, we would like to thank the EIA staff for their dedication and service providing quality programs and services to EIA members. We would also like to thank our Board of Directors and the members of all EIA committees for their support and efforts to make the EIA one of the largest and best run property and casualty pools in the nation.

Sincerely,



Michael Fleming
Chief Executive Officer



Marianne I. Stuart, CPA
Chief Financial Officer



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**CSAC Excess Insurance Authority
California**

For the Fiscal Year Beginning

July 1, 2013

Executive Director

CSAC Excess Insurance Authority
2014/15 Proposed Budget

Organization and Reporting Entity

The CSAC Excess Insurance Authority (Authority or EIA) is a Joint Powers Authority organized in accordance with Article 1, Chapter 5, Division 7, Title I of the California Government Code. The purpose of the Authority is to develop and fund insurance programs, as determined by member counties and other public entities. Such programs may include the creation of insurance funds, including primary and excess insurance funds, the pooling of self-insured claims and losses, purchase of insurance, including reinsurance, and the provision of necessary administrative services.

The Authority is under the control and direction of the Board of Directors, which consists of representatives of the member counties and other public entities. For purposes of control and daily management, the Authority annually elects an Executive Committee consisting of a President, Vice President, and nine Directors. The immediate past president and legal advisor are non-voting members of the Executive Committee. The Executive Committee has appointed a Chief Executive Officer. The Executive Committee is responsible for the oversight of the Excess Workers' Compensation, General Liability I, MROCIP, and the Miscellaneous Programs. Six program committees have oversight of the other major programs.

The proposed budget includes all programs operated by the Authority and conforms to generally accepted governmental accounting standards including the unique requirements for state and local governments set forth by the Governmental Accounting Standards Board (GASB). The accounting records and the proposed budget are prepared and maintained using the accrual basis of accounting, except for the exclusion of the adjustment required under GASB 68 for pension expense.

The Authority is a single enterprise fund, which is a proprietary fund used to report an activity for which a fee is charged to external users for goods or services. As such, the Authority's revenue and expenses are driven by members' (counties and public entities) insurance needs. Revenue and expense vary annually based on insurance market conditions, the amount of insurance coverage obtained and the member participation in programs, which varies from year to year. Sources of revenues are member payments for coverage, called Premiums for Transferred Risk where the amount is used to purchase insurance and Contribution for Retained Risk which is risk pool funding. Other items, like Broker Fees are pass-through where we collect (revenue) and pay out (expense) similar amounts. The insurance market operates in cycles that tend to shift every few years. When rates are high and the competition is low, we are said to be in a hard market. When rates are low and competition is aggressive, we are in a soft insurance market. We are still in a relatively soft insurance market, but markets are paying particular attention to loss development in our worker's compensation and liability programs. Worldwide property losses contributed to scrutiny of flood exposure and limits and affected the property program coverage and premium for the 2014/15 fiscal year.

Within this single enterprise fund, the EIA operates ten major insurance programs, each as a separate fund with its own set of accounts. The budget also covers a Miscellaneous

Program for other programs offered to member and non-member public entities on a pass through basis, and budgets for general administration and the operation of the Authority's building.

Membership

There are two classes of membership, county members and public entity members. Each member has adopted the Joint Powers Agreement and has been approved by the Board of Directors.

County membership is available to California counties whose supervisors are members of the California State Association of Counties (CSAC). Currently there are 55 member counties. Each County member is entitled to appoint one representative to the Board of Directors. County members have nine positions on the Executive Committee.

Public entity membership is open to any other California public entity. Public entity members have seven voting seats (and three alternates) on the Board of Directors. Two seats on the Executive Committee are designated for public entity members. See member table in the overview chart section of the budget for trend information on member participation in EIA programs.

Organization

The Authority maintains sixteen committees to govern its operations. Representatives from member entities are elected or appointed to serve on these committees. Six committees (EIAHealth, General Liability II, Medical Malpractice, Primary General Liability, Primary Workers' Comp and Property) govern their respective insurance programs and report directly to the EIA Board of Directors. The Excess Workers' Compensation and General Liability I programs are monitored by the Underwriting Committee and report to the Executive Committee. Other committees have been established to assist in providing operational direction to the Authority including:

Claims Review – Provides direction on the reserving for and settlement of claims.

Employee Benefits – Provides direction on the employee benefit offerings to the Authority employees.

Finance – Provides direction on Authority financial matters including the Comprehensive Annual Financial Report (CAFR), annual budget, annual independent audit and investment portfolio.

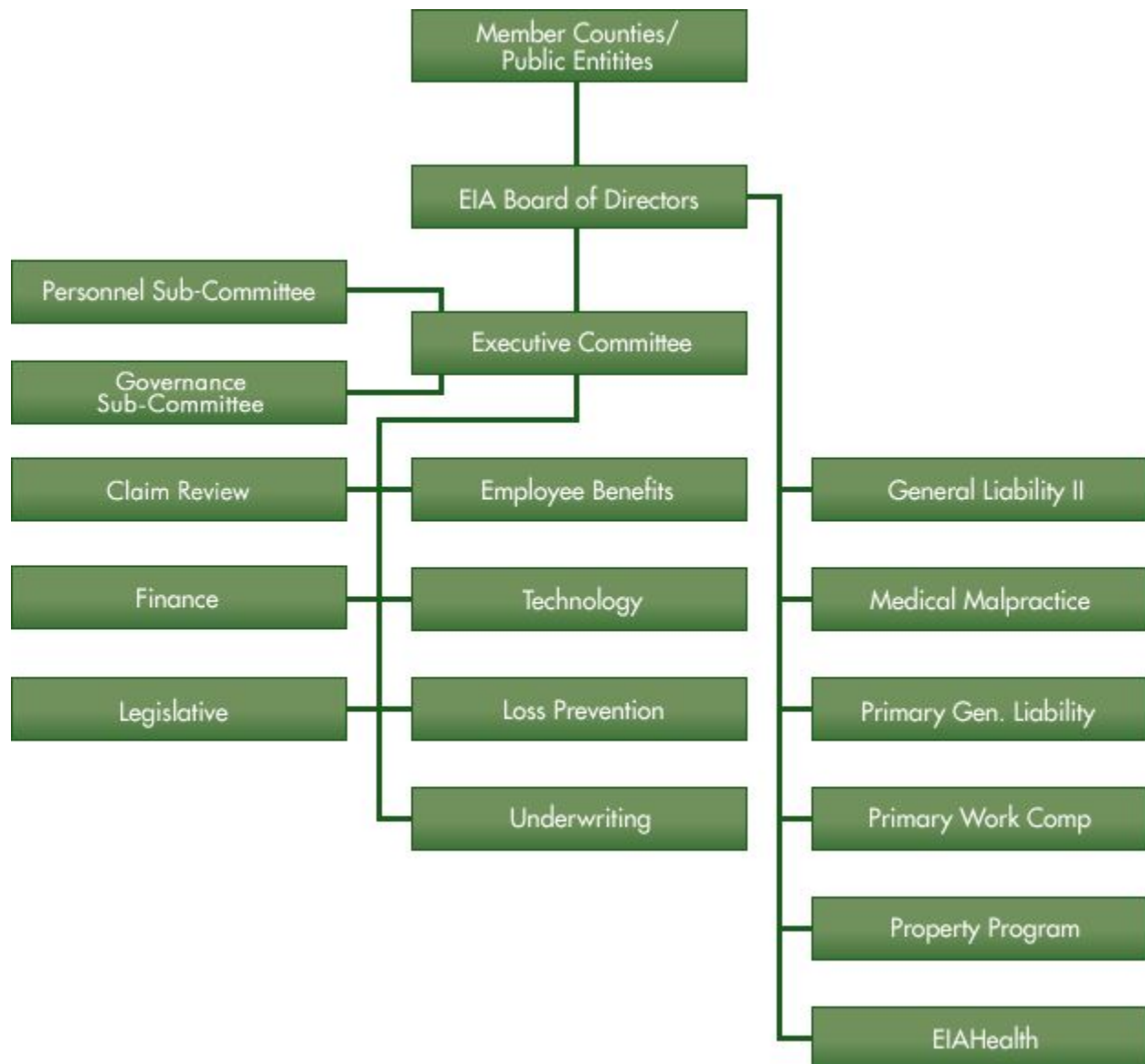
Legislative – Reviews and provides input on legislative issues that could impact the Authority's operations.

Loss Prevention – Provides direction on risk management services to be provided to members.

Technology – Provides direction on technology solutions, systems and investments of the Authority.



CSAC Excess Insurance Authority Organization Chart



Mission Statement

The Board of Directors has adopted the following Mission Statement:

The CSAC Excess Insurance Authority is a member-directed risk sharing pool of counties and public entities committed to providing risk coverage programs and risk management services, which are:

Competitive

Provide programs which are competitive in scope and price over the long term.

Available

Endeavoring to make available programs which are flexible in meeting member needs.

Responsive

Delivering quality, timely services in claims management, loss control, education and communication.

Equitable

Allocating cost and services between various members in a fair and consistent manner.

Stable

Ensuring cost-effective, fiscally prudent operations and staffing, which maintains financial strength and solvency.

Budget Process

The budget process consists of activities that develop, implement and evaluate a plan for the provision of services to fulfill our mission and purpose. The budget process:

- Incorporates a long-term perspective;
- Links fiscal planning with the strategic goals of each major program;
- Involves and promotes effective communication with members; and
- Provides incentives to Authority management and employees.

Each year, each governing committee establishes specific short and long term goals for their program. These can be found in the program budget policies that are in each program section of the budget.

The Authority utilizes its committee structure to involve many participants in the development and oversight of the EIA's Budget. The Finance and Executive Committees have a major role in the budget process by providing general direction for the preparation of the budget and adopting policies and providing ongoing input. Each program committee is also involved by adopting policies and providing input for each of the Authority's programs. The Board of Directors is ultimately responsible for review and adoption of the Authority's budget, and any budget revisions.

The Authority-wide budget includes revenue and expense category for premium growth due to new members or additions to coverage by existing members, and the related expenses including actuarial adjustments for existing or new coverage. The authority has been delegated to the CEO to transfer from this category at the authority-wide budget level into any program budget as needed to cover these expenses and any dividend expense not included when the budget is adopted.

A budget revision is prepared by Authority staff whenever additional spending authority is required, or there is a major change in a program budget. The budget revision is reviewed first by the Finance Committee and then by the Executive Committee who will make a recommendation to the Board of Directors at the next meeting. Budget revisions have to be approved by the Board of directors.

CSAC Excess Insurance Authority 2014/15 Budget Calendar

January 2014

- Major budget items were presented to Executive Committee for discussion and direction. Additional staffing was proposed and continued investment in our claims system and pool management system conversions. Also discussed were potential increased retirement contributions and the GASB 68 pension liability entries.
- Governing committees throughout the spring developed short and long-term goals, and reviewed/revised program budget policies.
- Starting in January and throughout the spring, committees reviewed actuarial results, insurance proposals, and provided direction regarding insurance purchase, pool funding, and other program services.

April 2014

- Personnel and salary items were presented to the Personnel Sub-Committee.
- At the Spring Retreat, major discussions took place concerning staffing and the related strategic discussions regarding service levels.
- Personnel Sub-Committee presented a recommendation to the Executive Committee approving staff increases, merit pool amount and market adjustment to salary ranges.
- Finance Committee reviewed and approved General Administration and Building budgets.

May 2014

- Executive Committee approved final draft of staffing and General Administration and Building budgets.
- Finance Committee reviewed and recommended approval of the final proposed budget.

June 2014

- Executive Committee reviewed and approved final proposed budget.
- Executive Committee presented a recommendation to Board of Directors.
- Board of Directors reviewed and approved final budget.

Guiding Long-Term Fiscal Policies

The following long-term fiscal policies were developed to give EIA members a competitive advantage. These policies have guided the Authority through the ups and downs of the economic cycles and the constantly changing insurance market. These policies are designed to keep the Authority in a sound financial position and protect the resources members have invested in the EIA.

1. Provide members with the benefits from volume discounts.
2. Blend self-insurance with the purchase of insurance.
3. Provide the opportunity of premium dividends to our members.
4. Structure programs that are responsive to member needs.
5. Maintain long-term relationships.
6. Maintain financial strength

Volume Discounts

The EIA's insurance programs shall seek to obtain volume discounts from members joining together. Pooling arrangements and the purchase of insurance can both benefit from volume discounts.

Pooling

Larger retained risk pools results in:

- More predictable losses
- Higher actuarial confidence
- The ability to assume more risk
- Insulation from insurance market cycles

Insurance Purchase

Volume purchasing can result in:

- Lower insurance rates
- Better coverage agreements

Blending Self-Insurance with the Purchase of Insurance

The EIA's insurance programs shall seek to blend the best of self- insurance or pooling with the best of insurance purchase. The benefits of blending pooling with the purchase of insurance are as follows.

Pooling

- Contributions stay with members
- The pool earns investment income
- Members have the potential for dividends
- Pooling eliminates insurance cost
- Members retain program control:
 - Members define coverage agreements
 - Members control the claims

Insurance

- Provides protection from catastrophic losses
- Protects pool funding
- Reinsurance can:
 - Offer broad coverage agreements
 - Lower acquisition costs
 - No taxes or fees

Dividends to Members

Retaining risk through the many EIA risk pools has allowed the EIA to return \$72.4M in dividends to members during the past ten years.

Structure programs that are responsive to members needs

The EIA has ten major programs designed to serve our members as follows:

1. Primary Workers' Compensation (PWC)
2. Excess Workers' Compensation (EWC)
3. Primary General Liability (PGL)
4. General Liability, Program I (GLI)
5. General Liability, Program II (GLII)
6. Property
7. Master Rolling Owner Controlled Insurance Program (MROCIP)
8. Medical Malpractice
9. EIAHealth
10. Dental

The structure of each of these programs has changed over the years based on market conditions and member needs. Each program structure has taken the best of pooling and purchase of insurance to create a program responsive to current member needs.

Long-term Relationships

Many EIA programs have benefited from long-term relationships with various underwriters. Multi-year agreements have stabilized costs, improved coverage and saved premium resources. Long-term programs have proven to be effective in both hard and soft insurance markets. In addition, the Authority seeks to maintain or increase member participation in its programs. The Authority has consistently increased member participation and currently has 55 county members and 1797 public entity members (counties, cities, school districts, fire departments, etc.) participating in its programs. See member table in the overview chart section of the budget for trend information on member participation in Authority programs.

Maintain Financial Strength

Target Equity Funding

The Authority has established target equity guidelines for the major pooled programs, which assist in keeping equity (net position) at levels designed to meet future claims obligations of that particular program. These ranges are based on confidence levels higher than the expected discounted claims liabilities because of the high degree of uncertainty in actuarial estimates (due to the possibility of occasional catastrophic claims) and inconsistent or inaccurate case reserving. A confidence level of 50% means half the time claim costs will come in lower, but conversely, half the time claim costs will be higher.

If a program has net position above the target equity range, a plan is put in place to lower premiums or provide dividends over time to return to the target range. If the program has net position below the target equity range, a plan is put in place to increase premiums or collect additional funds over time to return to the target range. Where the program is within its target equity range and efforts to stay within the range, is a significant measure of the program's performance. This benchmark is closely monitored, year over year, by the governing committees. The target equity ranges are shown as the last line on each program's budget.

Capitalization

The original capitalization of the Authority in October 1979 was provided by certificates of participation by the founding member counties. The Authority has paid off these certificates of participation and has incurred no debt since the extinguishment of these obligations. While the Authority's by-laws do allow for debt capitalization, the Authority has no immediate plans to use debt to finance its operations.

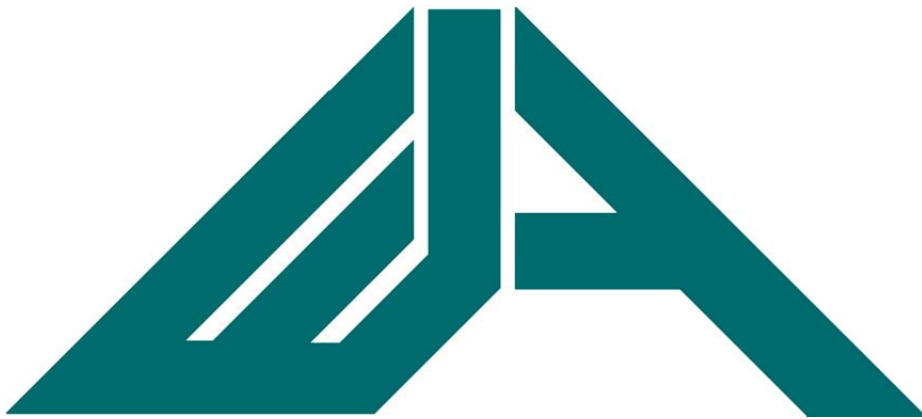
Investment Policy

As mentioned above, the Authority blends self-insurance (or pooling) with the purchase of insurance. The Authority retains the risk for the self-insured portion, and thus retains member premiums (sometimes for decades) to satisfy future claim liabilities. The Authority has an investment policy designed for safety and liquidity of invested funds while providing a reasonable yield.

The Authority accounts for the cash and investments within each of the programs. Investment income is allocated to the programs based on projected earnings from the portfolio of investments and the average projected investment balances in each program. Inter-program borrowing expense is based on the established internal borrowing rate.

CSAC EXCESS INSURANCE AUTHORITY

CALIFORNIA



AUTHORITY-WIDE ADOPTED BUDGET

For the Fiscal Year
July 1, 2014 to June 30, 2015

Authority-Wide Budget

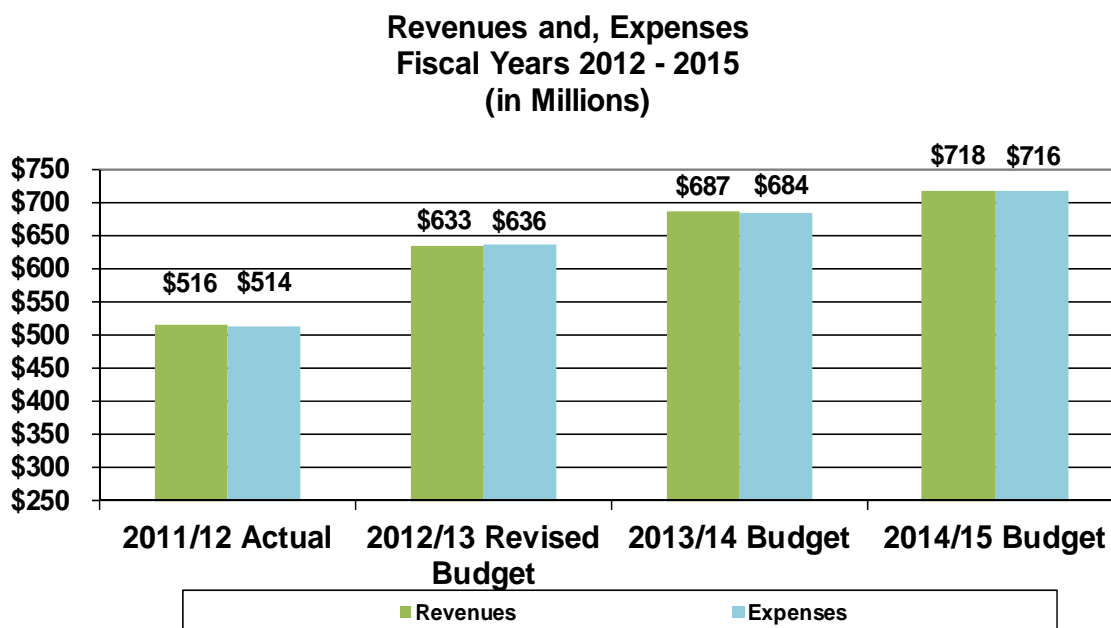
The Proposed Budget has \$6.6M in income before dividends, and a dividend expense of \$4.3M, producing a \$2.3M increase to net position. This is a balanced budget, meaning that budgeted revenue exceeds expenditures and provides a small budgeted increase to net position. We are pleased to report that your organization continues to be financially strong and that this budget strengthens our financial position. The budget includes an Authority-wide budget and budgets for each program operated by the Authority. Highlights of the 2014/15 proposed budgets are as follows:

Total revenues are \$718.5M, an increase of \$31.5M.

Total expenses are \$716.2M, an increase of \$31.4M. Expenses include returning dividends of \$4.3M to members.

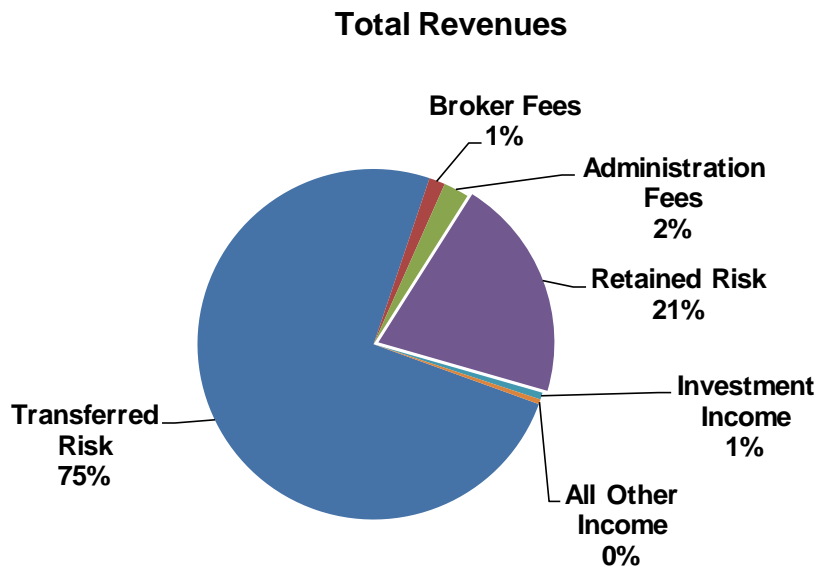
Net position from operations will increase from \$116M to \$118.3M. However, there will be an estimated \$3M adjustment to our pension liability, not reflected in these charts because it is not an expenditure for budget purposes.

Revenues and expenses for the 2014/15 budget and the past two years are as follows:

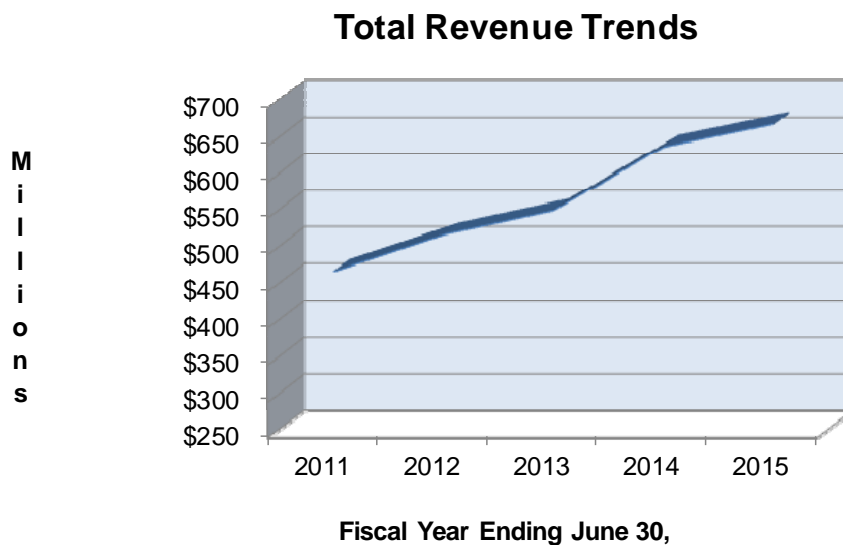


Revenues

Sources of revenues are illustrated in the following chart:

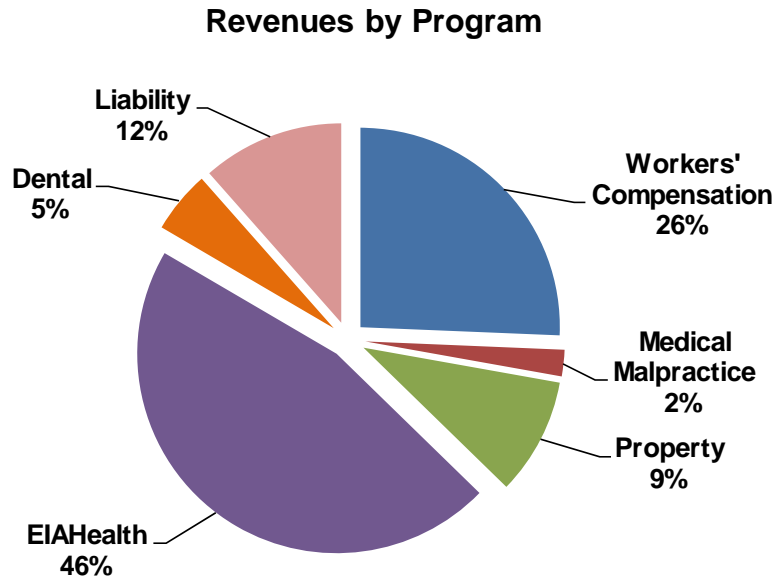


The \$718M in revenues represents a \$31M increase or 4.3% over the 13/14 budget, and a 39% increase over the last five years. Increased insurance costs and additional pool funding accounts for much of the increase in revenues and expenses year over year. The following chart illustrates the growth of Authority revenues:

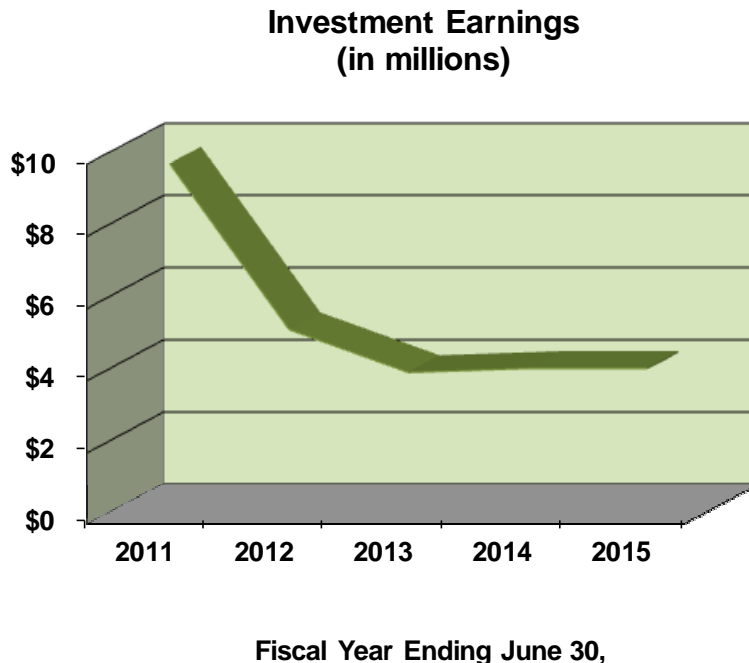


Revenues

The following chart shows revenues by program.

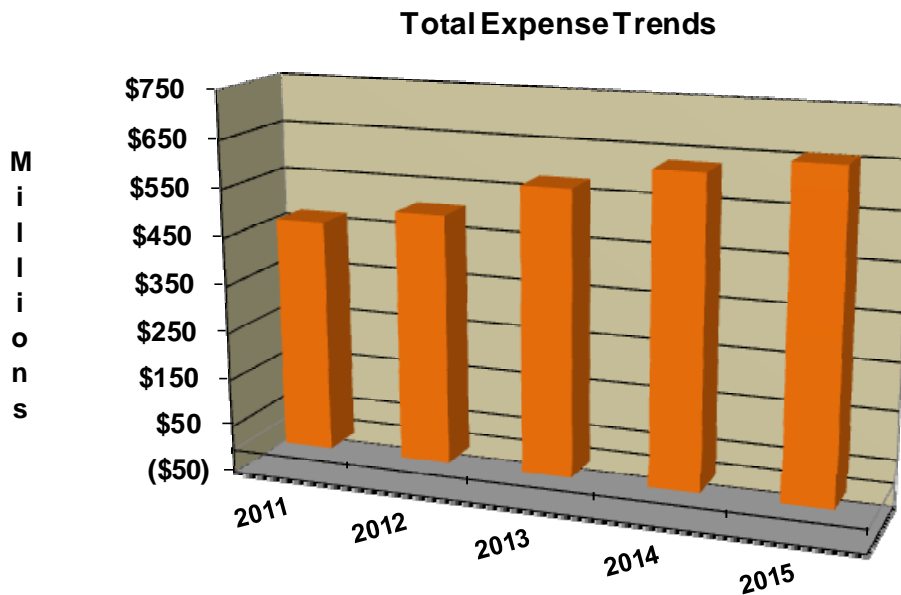


Estimated investment income has stayed flat at \$4M for both 2013/14 and 2014/15. The following chart shows investment income trends over the past five years. As a result of interest rates that have remained extremely low over the past few years, the governing committees of the pooled programs have lowered their discount rates to reflect a lowered interest earnings forecast. This is the rate at which they can discount claim liabilities to present values, given that assets to pay those liabilities will grow as a result of investment earnings.



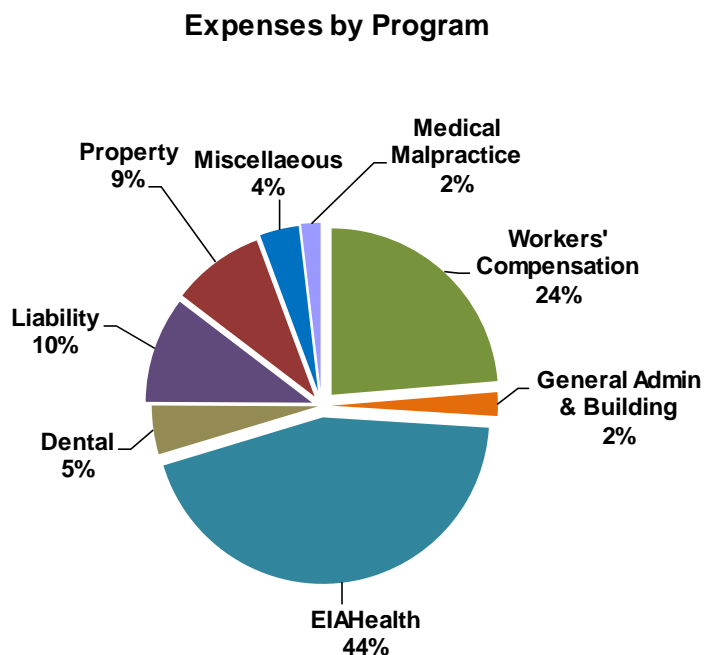
Expenses

Authority budgeted expenses for fiscal year 2014/15 have increased \$31M over last year's budget. The following chart illustrates the increase of Authority expenses:



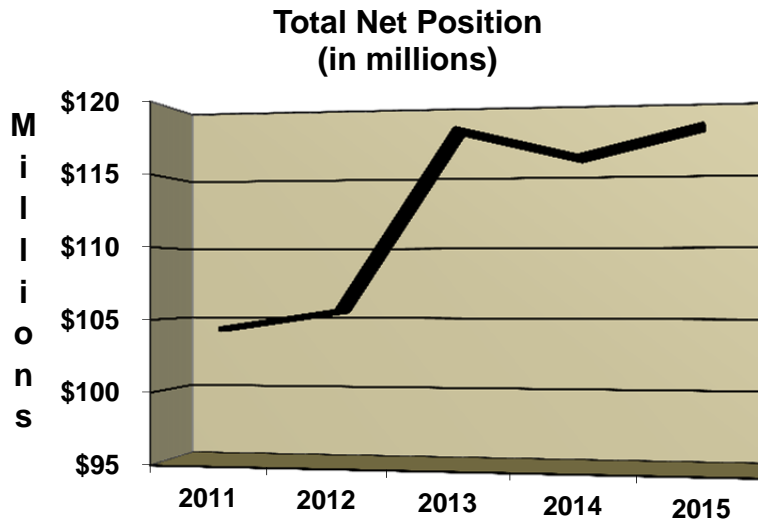
For the Fiscal Year Ending June 30,

Budgeted expenses support all Authority programs. These programs include primary and excess workers' compensation programs, a primary general liability program, two excess liability programs, a combined workers' compensation and liability program, a property program, a medical malpractice program and two employee benefits programs. The distribution of expenses by program is illustrated in the following chart:



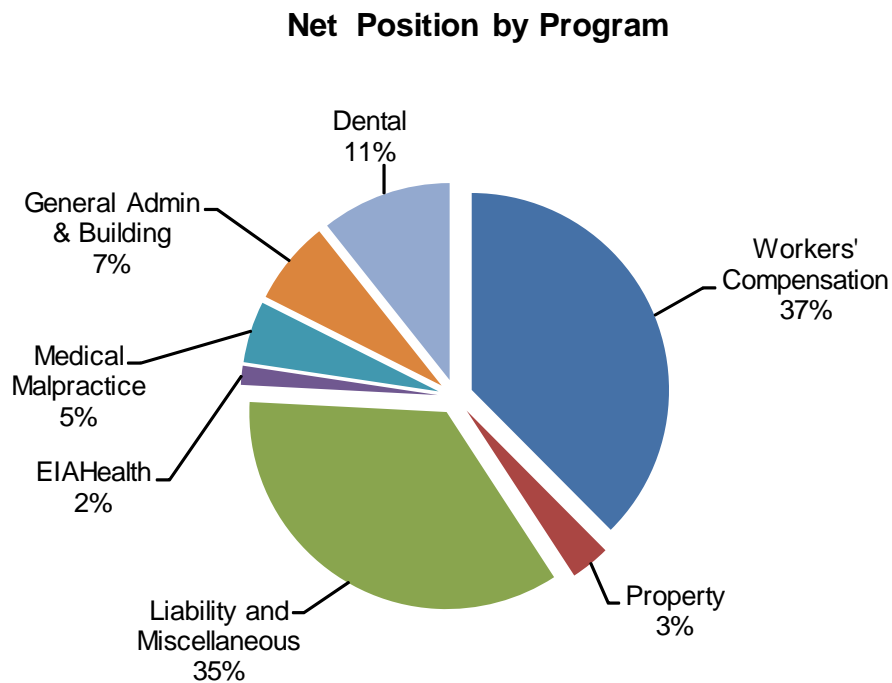
Net Position

The proposed budget includes a return of net position in the form of dividends of \$4.3M. The past five year history of the net position balance is illustrated in the following chart:



At June 30,

The distribution of net position by program is illustrated in the following chart:



Capital Budget

The Capital Outlay Budget presents our anticipated investments in property, equipment, and software. The related depreciation and amortization of capital assets represents less than 1% of the Authority's combined budget.

Member Participation

The Authority provides insurance programs and risk management services for its county and public entity members. Member participation is counted in terms of units. If a member participates in one program, it is considered one unit. If a member participates in three different programs, it is considered three units. The table indicates both the number of members participating as well as the number of units, i.e., total programs in which the members participate. Maintaining and increasing membership at both the program and entity wide level is an overall goal, and a measure of the strength and vitality of the EIA. Of note is that some of our public entity members are Joint Powers Authorities (JPA) that cover a multitude of members. Total public entities, including sub-members that participate through their JPA, include 1797 special districts, cities and other government agencies.

	Fiscal Year-End					
	2000	2005	2010	2012	2013	2014
Member Units						
Primary Workers' Comp	21	42	40	41	38	40
Excess Workers' Comp	43	140	161	166	161	167
Primary General Liability	4	31	30	29	23	23
General Liability I	37	87	97	103	100	104
General Liability II	12	15	12	11	11	11
Property	51	71	78	82	82	83
Medical Malpractice	42	46	49	50	50	49
EIAHealth	0	5	15	24	25	25
Dental	0	0	54	122	126	133
Total Member Units	210	437	536	628	616	635
Member Counties	53	54	54	54	54	55
Member Public Entities	0	142	196	247	245	255
Total Members	53	196	250	301	299	310

CSAC EXCESS INSURANCE AUTHORITY
REVENUE AND EXPENSE BUDGET
Line Item Summary for All Programs
July 1, 2014 to June 30, 2015

	CAFR Actual 2012/13	Revised Budget 2013/14	Estimated 2013/14	Percent of Total Revenue or Total Expense	Proposed Budget 2014/15	Percent of Total Revenue or Total Expense	Budget Increase (Decrease) Compared to 2013/14 Revised Budget
REVENUES:							
Premiums for Transferred Risk	384,507,793	486,618,083	424,087,116	70.84%	498,759,494	69.42%	12,141,411
Dividend Income	213,606	115,000	199,743	0.02%	0	0.00%	(115,000)
Broker Fees	7,382,605	7,543,895	8,472,357	1.10%	9,808,419	1.37%	2,264,524
Contributions for Retained Risk	129,253,959	123,650,419	123,206,690	18.00%	137,088,063	19.08%	13,437,644
Public Entity Participation Fees	480,351	526,678	552,323	0.08%	604,429	0.08%	77,751
Member Growth	0	50,000,000	0	7.28%	50,000,000	6.96%	0
Investment Income	1,550,118	4,054,625	5,712,103	0.59%	4,228,825	0.59%	174,200
Financing Charges	232,880	30,400	40,853	0.00%	30,400	0.00%	0
Administration Fees	12,617,685	12,955,201	14,374,415	1.89%	15,548,651	2.16%	2,593,450
Program Development Fees	0	-	2,800	0.00%	0	0.00%	0
Member Services	640,078	844,638	898,605	0.12%	1,369,157	0.19%	524,519
Tenant Income	487,378	478,220	418,300	0.07%	422,800	0.06%	(55,420)
Other Income	1,503,697	137,800	1,514,362	0.02%	609,790	0.08%	471,990
TOTAL REVENUES	538,870,150	686,954,959	579,479,667	100.00%	718,470,028	100.00%	31,515,069
Expenditures							
Member Dividends	10,281,301	8,637,000	6,171,743	1.26%	4,325,000	0.60%	(4,312,000)
Insurance Purchased	383,759,144	470,187,183	410,729,723	68.66%	487,003,619	68.00%	16,816,436
Broker Fees	7,384,093	7,543,612	8,458,877	1.10%	9,808,419	1.37%	2,264,807
Provision for Claims	99,860,765	103,456,798	118,124,345	15.11%	120,944,353	16.89%	17,487,555
Unallocated Loss Adjustment Expense	18,714	2,791,500	2,351,500	0.41%	2,571,500	0.36%	(220,000)
Member Growth Premium/Provision for Claims	0	50,000,000	0	7.30%	50,000,000	6.98%	0
Program Services	13,831,864	29,395,861	24,371,617	4.29%	26,051,450	3.64%	(3,344,411)
Member Services	1,187,413	1,572,150	1,174,765	0.23%	2,001,307	0.28%	429,157
Member Subsidies	1,005,426	1,000,000	1,100,000	0.15%	2,000,000	0.28%	1,000,000
General Administration Expense	7,702,622	9,043,371	8,682,754	1.32%	10,317,655	1.44%	1,274,284
Building Operation Expense	281,384	339,750	311,617	0.05%	351,840	0.05%	12,090
Depreciation	493,848	538,804	570,554	0.08%	427,660	0.06%	(111,144)
Delegated to Committees	0	335,000	0	0.05%	410,000	0.06%	75,000
TOTAL EXPENDITURES	525,806,574	684,841,029	582,047,495	100%	716,212,802	100.00%	31,371,773
Net Increase or (Decrease)	13,063,576	2,113,930	(2,567,828)		2,257,225		143,295
NET POSITION - JULY 1	105,551,820	118,434,580	118,615,396		116,047,568		
NET POSITION - JUNE 30	118,615,396	120,548,510	116,047,568		118,304,793		

CSAC EXCESS INSURANCE AUTHORITY
Summary of All Programs
July 1, 2014 to June 30, 2015

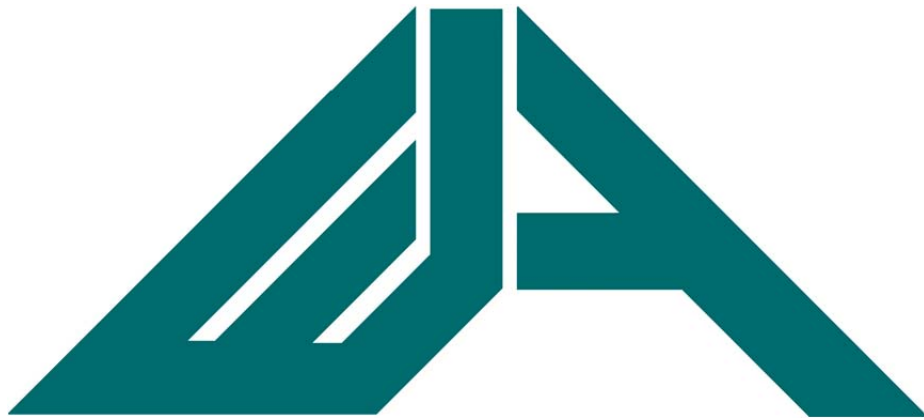
	PRIMARY WORKERS' COMP.	EXCESS WORKERS' COMP.	PRIMARY GENERAL LIABILITY	GENERAL LIABILITY I	GENERAL LIABILITY II	PROPERTY	MEDICAL MALPRACTICE	MR OCIP	EIAHEALTH	DENTAL	MISC. PROGRAMS	TOTAL ALL INSURANCE PROGRAMS
<u>2014/15 PROPOSED BUDGET</u>												
Estimated Revenues	71,764,875	92,899,378	2,164,676	37,013,164	28,538,623	60,786,705	13,793,839	6,143,000	296,095,800	32,452,000	25,286,431	666,938,491
Budgeted Expenditures	73,436,729	84,451,754	2,202,791	33,308,261	27,043,865	59,782,035	12,413,711	6,076,875	295,601,550	31,613,750	25,294,431	651,225,751
Transfers In (Out)	(3,184,493)	(4,068,640)	(418,012)	(2,024,887)	(1,224,486)	(527,333)	(579,936)	(18,300)	(413,640)	(173,970)	(33,000)	(12,666,697)
Net Increase or (Decrease)	(4,856,347)	4,378,984	(456,127)	1,680,016	270,272	477,337	800,192	47,825	80,610	664,280	(41,000)	3,046,043
Net Position:												
July 1, 2014	30,250,148	14,652,359	2,185,932	35,499,617	81,452	3,379,854	5,187,815	31,775	1,755,619	11,949,840	2,121,139	107,095,550
June 30, 2015	25,393,801	19,031,343	1,729,805	37,179,633	351,724	3,857,191	5,988,007	79,600	1,836,229	12,614,120	2,080,139	110,141,593
<u>2013/14 REVISED BUDGET</u>												
Estimated Revenues	63,568,416	80,396,991	2,162,845	31,652,437	24,601,945	57,696,865	15,039,469	3,965,400	301,796,140	32,411,000	22,535,485	635,826,992
Budgeted Expenditures	66,818,718	69,096,207	1,929,947	31,373,204	23,542,613	57,214,816	12,803,140	3,801,275	301,356,240	32,088,000	22,508,485	622,532,645
Transfers In (Out)	(2,317,863)	(3,514,892)	(457,535)	(1,694,708)	(1,063,290)	(482,344)	(453,269)	-	(319,080)	(103,490)	(27,000)	(10,433,471)
Net Increase or (Decrease)	(5,568,165)	7,785,892	(224,637)	(1,415,475)	(3,958)	(295)	1,783,060	164,125	120,820	219,510	-	2,860,877
Net Position:												
July 1, 2013	31,096,130	15,791,387	2,301,213	38,065,161	57,064	3,471,485	5,085,800	(125,438)	1,473,907	11,451,617	2,202,852	110,871,178
June 30, 2014	25,527,965	23,577,279	2,076,576	36,649,686	53,106	3,471,190	6,868,860	38,687	1,594,727	11,671,127	2,202,852	113,732,055
Net Increase or (Decrease) Proposed Budget 14/15 to Revised 13/14												
Estimated Revenues	8,196,459	12,502,387	1,831	5,360,727	3,936,678	3,089,840	(1,245,630)	2,177,600	(5,700,340)	41,000	2,750,946	31,111,499
Budgeted Expenditures	6,618,011	15,355,547	272,844	1,935,057	3,501,252	2,567,219	(389,429)	2,275,600	(5,754,690)	(474,250)	2,785,946	28,693,106
Transfers In (Out)	(866,630)	(553,748)	39,523	(330,179)	(161,196)	(44,989)	(126,667)	(18,300)	(94,560)	(70,480)	(6,000)	(2,233,226)
Net Increase or (Decrease)	711,818	(3,406,908)	(231,490)	3,095,491	274,230	477,632	(982,868)	(116,300)	(40,210)	444,770	(41,000)	185,167

CSAC EXCESS INSURANCE AUTHORITY
Summary of All Programs
July 1, 2014 to June 30, 2015

	TOTAL ALL INSURANCE PROGRAMS	GENERAL ADMINISTRATION	IRON POINT BUILDING	AUTHORITY WIDE BUDGET	ELIMINATION OF INTERFUND TRANSACTIONS	TOTAL BUDGET
<u>2014/15 PROPOSED BUDGET</u>						
Estimated Revenues	666,938,491	1,496,447	422,800	50,000,000	(387,710)	718,470,028
Budgeted Expenses	651,225,751	14,679,901	694,860	50,000,000	(387,710)	716,212,802
Transfers In (Out)	(12,666,697)	12,237,422	429,275	0	0	0
Net Increase or (Decrease)	3,046,043	(946,032)	157,215	0		2,257,225
Net Assets:						0
July 1, 2014	107,095,550	8,500,889	451,129	0	0	116,047,568
June 30, 2015	110,141,593	7,554,857	608,344	0		118,304,793
<u>2013/14 REVISED BUDGET</u>						
Estimated Revenues	635,826,992	1,035,438	478,220	50,000,000	(385,691)	686,954,959
Budgeted Expenses	622,532,645	11,909,150	784,925	50,000,000	(385,691)	684,841,029
Transfers In (Out)	(10,433,471)	10,004,195	429,275	0	0	0
Net Increase or (Decrease)	2,860,877	(869,517)	122,570	0	0	2,113,930
Net Assets:	0					
July 1, 2013	110,871,178	7,205,694	357,708		0	118,434,580
June 30, 2014	113,732,055	6,336,177	480,278	0	0	120,548,510
<u>Net Increase or (Decrease)</u>						
Estimated Revenues	31,111,499	461,009	(55,420)	0	(2,019)	31,515,069
Budgeted Expenses	28,693,106	2,770,751	(90,065)	0	(2,019)	31,371,773
Transfers In (Out)	(2,233,226)	2,233,226	0	0	0	0
Net Increase or (Decrease)	185,167	(76,516)	34,645	0	0	143,295

CSAC EXCESS INSURANCE AUTHORITY

CALIFORNIA



PROGRAM BUDGETS

For the Fiscal Year
July 1, 2014 to June 30, 2015

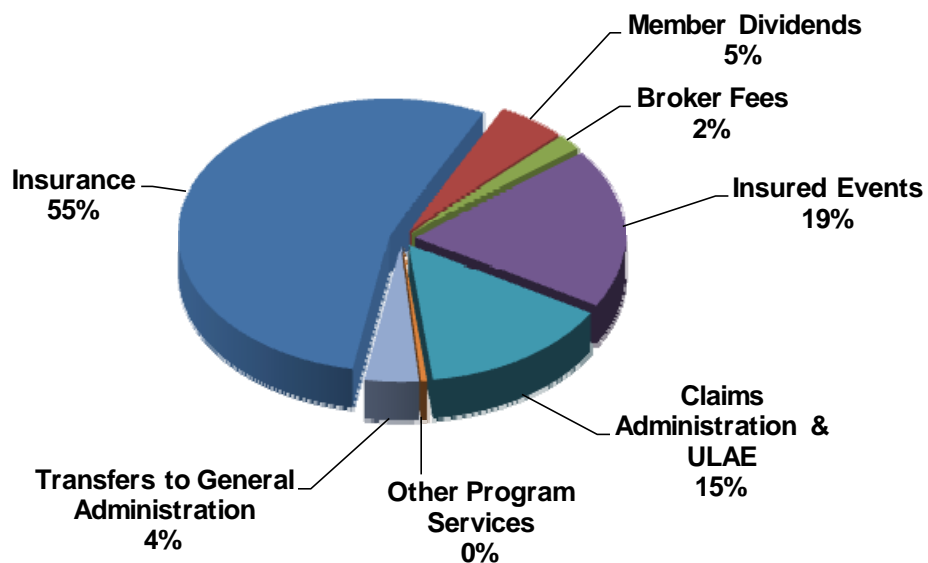
Primary Workers' Compensation

The objective of the Primary Workers' Compensation (PWC) Program is to provide members with an option to eliminate the Excess Workers' Compensation (EWC) self-insured retention and purchase first dollar coverage. The Program pools the first \$10k of loss expense, and then has excess coverage in place to cover the next \$115k of loss. Above \$125k, members participate in the EWC Program. Since this is a first dollar program, the PWC Program also includes the cost of claims administration.

Number of Members	40
Covered Payroll	\$2.8 Billion
Pool Premium	\$16.1 Million
Insurance	\$40.5 Million
Public Entity Broker Fees	\$1.4 Million
ULAE Premiums	\$8.8 Million
Administration and Fees	\$3.9 Million

A summary of the PWC Program budget is as follows:

Primary Workers' Compensation Program - Expense Summary



At June 30, 2015, net assets in the PWC Program are projected to be \$25.3M, which is within the target range of \$14 - \$44M. As a result, a \$4M member dividend has been budgeted for this program.

Adopted: June 27, 2010
Amended: April 27, 2011
Amended: February 22, 2012
Amended: April 25, 2013
Amended: April 24, 2014

Primary Workers' Compensation (PWC)

Program Goals

Short-term

- Increase service offerings.
- Conduct risk assessments for members and develop solutions for loss control.
- Development of marketing and educational materials for members.
- Have all Program TPAs using the EIA's claims system. Goal is for first TPA to be on the EIA's system by 11/30/14.

Medium-term

- Preserve a structure that minimizes/eliminates assessment risk.
- Retain 80% of current members and show strategic growth regarding payroll and number of members.
- Develop a more robust loss prevention program.

Long-term

- Each member receives annual claims analysis report with benchmark data (frequency, severity, deviation from norm).
- TPAs have consistency in claims handling practices.

Revenues

- Premiums for retained risk are calculated based on each member's actuarially determined estimate of the discounted ultimate cost of claims. The actuarial confidence level and discount rate is determined annually by the PWC Committee.
- Premiums for transferred risk are calculated based on each member's estimated payroll and experience rate, as determined by the Program's actuary. A two-year smoothing technique is used to minimize rate changes.
- At the end of each year, members are required to update payroll estimates with actual payroll totals. Adjusting for actual payroll is commonly referred to as the payroll audit. Premium changes resulting from the prior year's payroll audit are recognized in the current year as additional or return premiums due to or from each member.
- Unallocated Loss Adjust Expense (ULAE) premium is based on an estimate from the Program's actuaries at the confidence level determined annually by the PWC Committee.

- Broker fees are charged to all public entity members. The amount charged is based on our broker contract and is a graduated rate based on premiums. The current broker fee rates are 10% of the first \$100,000 of premiums, plus 5% of premiums from \$100,000 to \$1,000,000, and 3% of premiums excess of \$1,000,000.
- Public entity participation fees equal 0.5% of the premiums for transferred risk and retained risk.
- Investment income is budgeted at an estimated earnings rate determined annually and applied to the average daily balance invested in the EIA Treasury. The estimated earnings rate is determined by the Finance Committee and approved by the Executive Committee and Board of Directors. The estimated earnings rate is also the rate established by the Inter-Fund Borrowing Policy.
- Members may elect to pay their premium on a monthly, or quarterly, basis. Finance fees are charged based on the rate approved in the Inter-Fund Borrowing Policy and the term of the financing.
- Administration fees are based on the budget for program and general administration costs and subsidies. Program costs are defined below.
- The PWC Committee has established a development fee of \$400, per member. Program development fees are one time charges to new members joining the Program.

Expenses

- The PWC Committee annually considers returning available net assets to members in the form of member dividends. The PWC Committee generally evaluates the amount of net assets available for dividends as the balance in excess of the 90% confidence level.
- PWC insurance premiums include the cost of insurance for claims transferred to an insurance company. Coverage limits are determined annually by the PWC Committee. Claim costs in excess of \$125,000 are covered by the EWC Program.
- The provision for claims current and the provision for claims prior years, is the actuarial adjustment to claim liabilities.
- The Provision for ULAE accrues the cost not directly associated with specific claims but related to claims administration and settlement for the remaining life of the claims.
- The Claims Administration line item provides for the fees to the approved PWC claims administrators (Third Party Administrators). TPA contracts are reviewed and considered for renewal by the PWC Committee.
- Member claims audits are scheduled for each TPA every two years, or as determined by the PWC Committee.

- Banking services and fees are used to maintain separate claim bank accounts for each TPA.
- The California State assessment fees are levied by the Department of Industrial Relation to pay for the self-insured employer assessments for:
 - Administration of the State Workers' Compensation System
 - Uninsured Employers Benefit Trust
 - Subsequent Injuries Benefit Trust
 - Workers' Compensation Fraud Fund
 - CA Occupational Safety and Health Fund
 - Labor Enforcement and Compliance Fund
- The claims system expense includes the cost to operate our claims system. These expenses also include converting data from the TPAs to our Systema claims system. Other program expenses include program actuarial and consulting costs, legal expenses, ISO fees and any other expenses approved by the Committee. An expense budget of \$50,000 has been delegated to the PWC Committee for any unforeseen budget expenses. The PWC Committee may allocate these funds to any expense line item with a two-thirds vote of the Committee.

Transfers

- Transfers out to the General Administration Program are used to pay for the EIA staff and all other administrative costs. These administration costs are allocated to all EIA programs based on a three year average of staff time.
- Based on member election, a loss prevention subsidy of \$1,000, per member, is transferred to the General Administration Program and added to each member's loss prevention subsidy account.
- The claims system transfer is based on program usage.
- Public entity participation fees, collected in the prior fiscal year, are transferred to the General Administration Program and distributed to county members as a risk management subsidy dividend.
- Investment Fees are charged at an annual rate of 0.08% on the average daily balance of program funds invested.

**CSAC EXCESS INSURANCE AUTHORITY PRIMARY
WORKERS' COMPENSATION PROGRAM
Appropriation and Revenue Budget
July 1, 2014 to June 30, 2015**

Sources and Uses of Financial Resources	CAFR Actual 2012/13	Year to Date 03/31/2014	Estimated 2013/14	Revised Budget 2013/14	Proposed Budget 2014/15	Increase (Decrease)	Text Detail
REVENUES:							
Premiums for Transferred Risk	33,306,365	37,030,430	37,030,430	36,195,461	40,555,330	4,359,869	
Payroll Adjustment, Excess Insurance	(1,360,918)	(645,562)	(645,562)	0	0	0	
Contributions for Retained Risk	14,360,948	13,361,285	13,361,285	14,192,525	16,128,677	1,936,152	Billed at 90% confidence level undiscounted
Payroll Adjustment, Pool Premiums	(883,488)	(287,818)	(287,818)	0	0	0	
ULAE Premium	7,109,175	7,640,778	7,640,778	7,663,000	8,861,000	1,198,000	Billed at 80% confidence level discounted at 4%
Public Entity Broker Fees	1,209,773	1,337,836	1,337,836	1,265,013	1,476,445	211,432	
Public Entity Participation Fees	154,038	162,460	162,460	162,442	180,427	17,985	
Administration Fees	3,153,887	3,607,319	3,607,319	3,544,975	3,980,496	435,521	
Investment Income	297,087	569,929	700,000	525,000	562,500	37,500	Average balance of \$75 Million at .75%
Quarterly Payment Plan Finance Charge	22,373	23,107	23,107	20,000	20,000	0	
Other Revenue	0	6,250	6,250	0	0	0	
TOTAL REVENUES	57,369,240	62,806,014	62,936,085	63,568,416	71,764,875	8,196,459	
EXPENDITURES:							
Member Dividends	6,500,000	0	5,500,000	5,500,000	4,000,000	(1,500,000)	
Retained and Transferred Risk							
Insurance Premium Expense	34,552,616	37,030,430	37,030,430	37,281,061	41,771,990	4,490,929	Broker Fee of \$1,216,660 paid through Admin charges
Primary W.C. Reinsurance Prem. PR Audit	(1,360,919)	(645,562)	(645,562)	0	0	0	
Broker Fees	1,209,773	1,337,836	1,337,836	1,265,013	1,476,445	211,432	
Provision for Claims, Current Year	12,405,000	12,350,900	12,350,900	12,349,784	13,857,000	1,507,216	Provision for claims at expected
Provision for Claims, Prior Years	(2,637,443)	160,000	160,000	160,000	650,000	490,000	Estimated change in discounted AMRE and SC Fire liabilities
Provision for ULAE	(415,263)	0	1,880,000	880,000	2,000,000	1,120,000	Actuarial adjustment to the liability for future claims administration
CA State W.C. Assessments	1,276,769	1,321,065	1,321,065	1,800,000	1,800,000	0	DIR fees based on indemnity payments included in ULAE
Total Retained and Transferred Risk	45,030,533	51,554,669	53,434,669	53,735,858	61,555,435	7,819,577	
Program Administration							
Claims Administration	6,291,983	3,983,409	7,000,000	7,181,310	7,460,744	279,434	TPA fees to administer claims for the life of the claim
EIA Actuarial and Consulting Serv.	79,718	5,900	79,050	79,050	79,050	0	Program actuarial fees
ISO Index Fees	33,796	32,038	50,000	50,000	50,000	0	Claims indexing service
Member Claims Audits	36,250	70,000	95,000	75,000	75,000	0	TPA's locations are audited on a biannual basis
Legal Fees	0	0	0	0	10,000	10,000	
Banking Services and Fees	32,596	27,987	40,000	40,000	43,000	3,000	
Managed Care Program Monitoring	90,000	16,000	97,500	97,500	103,500	6,000	Bill review fee monitoring and negotiating
Total Program Administration	6,564,343	4,135,334	7,361,550	7,522,860	7,821,294	298,434	
Appropriations Delegated to PWC Committee	0	0	0	60,000	60,000	0	Available with two-thirds vote of PWC Committee
TOTAL EXPENDITURES	58,094,876	55,690,003	66,296,219	66,818,718	73,436,729	6,618,011	

**CSAC EXCESS INSURANCE AUTHORITY PRIMARY
WORKERS' COMPENSATION PROGRAM
Appropriation and Revenue Budget
July 1, 2014 to June 30, 2015**

Sources and Uses of Financial Resources	CAFR Actual 2012/13	Year to Date 03/31/2014	Estimated 2013/14	Revised Budget 2013/14	Proposed Budget 2014/15	Increase (Decrease)	Text Detail
TRANSFERS:							
Transfers out to:							
General Administration	(1,608,497)	(1,748,082)	(1,748,082)	(1,748,082)	(2,321,330)	(573,248)	
Loss Prevention Subsidies	(39,000)	(38,000)	(38,000)	(38,000)	(38,000)	0	
Claims System Costs	0	(331,743)	(331,743)	(331,743)	(616,703)	(284,960)	
Risk Management Subsidy Dividend	(148,808)	(154,038)	(154,038)	(154,038)	(162,460)	(8,422)	
Investment Fees	(48,387)	(37,463)	(47,950)	(46,000)	(46,000)	0	
TOTAL TRANSFERS	(1,844,692)	(2,309,326)	(2,319,813)	(2,317,863)	(3,184,493)	(866,630)	
Net Increase or (Decrease)	(2,570,328)	4,806,685	(5,679,947)	(5,568,165)	(4,856,347)	711,818	
NET POSITION - JULY 1	38,500,423	35,930,095	35,930,095	31,096,130	30,250,148		
NET POSITION - JUNE 30	35,930,095	40,736,780	30,250,148	25,527,965	25,393,801		
Net Position Designated for:							
Target Equity	12,700,000	13,000,000	13,000,000	13,000,000	14,000,000		
Risk Management Dividend	154,038	162,460	162,460	162,442	180,427		
PWC Conversion Project	1,043,660	1,043,660	1,043,661	676,330	776,957		
Unrestricted Net Position and Admin	22,032,397	26,530,660	16,044,027	11,689,193	10,436,417		
Total Net Position	35,930,095	40,736,780	30,250,148	25,527,965	25,393,801		
Target Equity							
Low Range	12,700,000			13,000,000	14,000,000		
High Range	34,300,000			35,000,000	44,000,000		

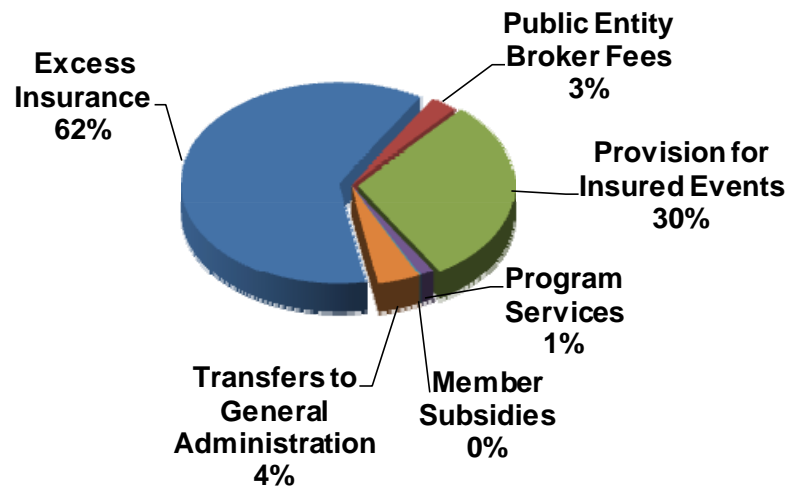
Excess Workers' Compensation

The objective of the Excess Workers' Compensation (EWC) program is to provide members an affordable Excess Workers' Compensation Program. The EWC Program provides members with the economic benefits of blending self-insurance or pooling, with the purchase of insurance.

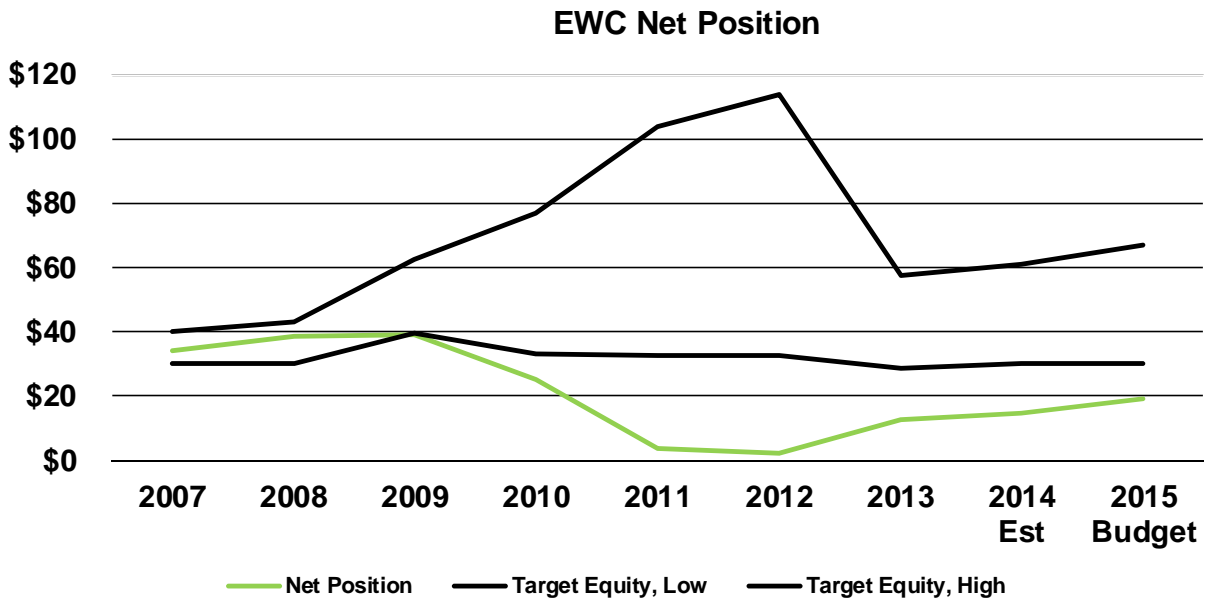
Number of Members	168
Covered Payroll	\$21.4 Billion
Pool Premium	\$28.7 Million
Insurance	\$53.8 Million
Broker Fees	\$2.5 Million
Administration and Fees	\$5.8 Million
Loss Prevention Subsidies	\$1,000 per member

A summary of the EWC Program budget is as follows:

Excess Workers' Compensation Program



The EWC Program proposed budget would result in an ending net position of \$19M. The target equity range developed by the Underwriting Committee and approved by the Board of Directors is from \$30 - \$67M. The following chart illustrated the EWC's net position in relation to the target equity range.



Adopted: June 2, 2011
Amended: February 2, 2012
Amended: March 1, 2013
Amended: March 7, 2014

Excess Workers' Compensation

Program Goals

Short-term

- Set rates for the upcoming year at a level designed to reach the pool's target funding range within 5 - 7 years.
- Continue to phase in the new premium allocation model to provide members with premium stability.
- Use multi-year underwriting matrices, where ever possible, to help ensure renewal pricing from underwriters at a "not to exceed" amount of 15% for the upcoming year.
- Continue to monitor the long-term discount assumption and make small (25 basis points), conservative adjustments, as needed.

Long-term

- Maintain funding levels in accordance with the Target Funding Guidelines.
- Maintain an equitable distribution of costs amongst the members through a premium allocation process, with appropriate consideration for loss experience within the pool layer and excess layers.
- Maintain stable pricing year-over-year not to exceed a 20% variance.
- The EWC risk tolerance is neutral. We will protect pool assets through appropriate risk transfer with a bias toward more risk transfer in a soft market and less risk transfer in a hard market. There is a bias toward risk transfer when losses are less predictable and a bias toward risk retention when losses are more predictable.
- Maintain multi-year relationships, where possible, with business partners (brokers, underwriters, actuaries, claims administrators, etc.).
- Continue to seek legislative changes to stop the expansion of workers' compensation benefits beyond its original intent.

Budget Policies for the Excess Workers' Compensation (EWC) Program include the following, established by the Board of Directors:

Revenues

- Premiums for retained risk and transferred risk are calculated based on participating member's self- insured retention, payroll and loss data. Based on actuarial information and market conditions, the Underwriting and Executive Committees advise on program funding mechanisms including how much risk to self-fund and at what discount rate and confidence level, and how much risk to transfer. Funding includes consideration of the Target Equity guidelines adopted by the Board. Final funding decisions and premium allocation is approved by the Board of Directors. At the end of each year, members are

required to update payroll estimates with actual payroll totals. Adjusting for actual payroll is commonly referred to as the payroll audit. The effect of the payroll audit will increase, or decrease, premium revenues for transferred and retained risk recognized in the previous year. Premium changes resulting from the prior year's payroll audit are recognized in the current year as additional premiums due to or from each member.

- Broker fees are charged to all public entity members. The amount charged is a graduated rate based on premiums. The current broker fee rates are 10% of the first \$100k of premiums, plus 5% of premiums from \$100k to \$1M, and 3% of premiums excess of \$1M.
- Public entity participation fees equal 0.5% of the premiums for transferred risk and retained risk.
- Investment income is budgeted at an estimated earnings rate determined annually and applied to the average daily balance invested in the EIA Treasury. The estimated earnings rate is determined by the Finance Committee and approved by the Executive Committee and Board of Directors.
- Members may elect to pay their premium on a monthly or quarterly basis. Finance fees are charged based on the internal borrowing rate and the term of the financing.
- Administration fees are based on the budget for program and general administration costs and subsidies. Program costs are defined below.
- The Underwriting and Executive Committees have established a development fee of \$350, per member. Program development fees are one time charges to new members joining the Program.

Expenses

- Upon recommendation of the Underwriting and Executive Committees, the Board may annually consider returning available net assets to members in the form of member dividends.
- Premium for transferred risk is the expense for insurance purchased based on the risk financing decisions made.
- The provision for claims, current and provision for claims prior years' are the actuarial adjustments to claim liabilities. The provision for ULAE, (Unallocated Loss Adjustment Expenses) is the annual adjustment to the liability for the administrative costs of handling the claims for the life of the claim.
- Member claims audits are scheduled for each member or Third Party Administrator (TPA) every two years, or as determined by the Claims Review Committee.

- A claims audit for the EIA's Claims Department is scheduled every two years.
- Each member is entitled to a subsidy of \$2,000 towards the cost of member actuarial studies.
- Other program expenses include program actuarial and consulting costs, legal expenses, ISO fees and any other expenses approved by the various committees.
- The Risk Management Subsidy Program is a voluntary program that was created to offset the direct costs members incur from securing external risk management products and services. Most members choose to contribute at least \$1,000 each year to this program.
- There is a \$10,000 contingency budget line item for unforeseen expenses, which is available for use with a two-thirds vote of the Executive Committee.

Transfers

- Transfers out to the General Administration Program are used to pay for the EIA staff and all other administrative costs. These administration costs are allocated to all EIA programs, based on a three-year average of staff time.
- Based on member election, a loss prevention subsidy of \$1,000, per member, is transferred to the General Administration Program and added to each member's risk management subsidy account.
- The Web Enabled Claims System transfer is based on program usage.
- Investment Fees are charged at an annual rate of 0.08% on the average daily balance of program funds invested.
- Public entity participation fees collected in the prior fiscal year are transferred to the General Administration Program and distributed to county members as a risk management subsidy dividend.

CSAC EXCESS INSURANCE AUTHORITY
EXCESS WORKERS' COMPENSATION PROGRAM
Appropriation and Revenue Budget
July 1, 2014 to June 30, 2015

Sources and Uses of Financial Resources	CAFR Actual 2012/13	Year to Date 03/31/2014	Estimated 2013/14	Revised Budget 2013/14	Proposed Budget 2014/15	Increase (Decrease)	Text Detail
REVENUES:							
Premium for Transferred Risk	26,498,042	47,448,277	47,448,277	44,518,732	53,767,674	9,248,942	Includes premium up to statutory (unlimited) level
Payroll Audit, Excess Premiums	(982,459)	(241,560)	(241,560)	0	0	0	
Contribution for Retained Risk	37,792,441	29,011,586	29,011,586	27,277,838	28,675,263	1,397,425	Calculated at 80% confidence level on an actuarial basis.
Payroll Adjustments, Retained Risk	(1,055,693)	(684,413)	(684,413)	0	0	0	
Administration Fees	4,387,860	5,128,819	5,128,819	4,183,000	5,585,142	1,402,142	Additional claims & loss prevention staff & conversion to new claims system
Public Entity Broker Fees	2,032,342	2,344,996	2,344,996	2,185,094	2,454,833	269,739	
Public Entity Participation Fees	173,643	217,588	217,588	194,327	233,466	39,139	
Investment Income	722,413	2,264,685	3,000,000	2,030,000	2,175,000	145,000	Estimated on average balance of \$290M at .75%
Member Finance Fees	8,825	10,226	10,226	8,000	8,000	0	
Development Fees	700	1,400	1,400	0	0	0	
Other Income	0	87,069	87,069	0	0	0	
TOTAL REVENUES	69,578,114	85,588,673	86,323,988	80,396,991	92,899,378	12,502,387	
EXPENDITURES:							
Retained and Transferred Risk							
Excess Workers' Comp. Premiums	26,470,050	47,415,390	47,415,390	44,518,732	54,457,991	9,939,259	Includes ACE broker fee
Payroll Adjustments	(1,105,991)	(281,626)	(281,626)	0	0	0	
Broker Fees	2,027,274	2,336,519	2,336,519	2,185,094	2,454,833	269,739	
Provision for Claims, Current Year	16,710,957	12,847,479	12,847,479	11,398,701	15,650,625	4,251,924	Provision for claims at expected., discounted at 3.75%
Provision for Claims, Prior Years	10,280,908	17,194,116	17,194,116	9,862,500	10,125,000	262,500	\$270M in claim liabilities discounted at 3.75%
Provision for ULAE	449,322	0	400,000	50,000	500,000	450,000	cost to run off portfolio
Total Retained and Transferred Risk	54,832,520	79,511,878	79,911,878	68,015,027	83,188,449	15,173,422	
Program Administration							
Actuarial and Consulting	75,243	11,007	111,180	111,180	103,180	(8,000)	
Legal Fees	52,105	20,995	80,000	80,000	80,000	0	
ISO Index Fees	168,545	129,815	200,000	200,000	225,000	25,000	Claims indexing service
Member Claims Audits	495,701	225,149	500,000	500,000	695,125	195,125	
EIA Claims Audits	0	0	30,000	30,000	0	(30,000)	Was due in FY2013/14
Member Actuarial Studies	142,068	101,333	150,000	150,000	150,000	0	
Total Program Administration	933,662	488,299	1,071,180	1,071,180	1,253,305	182,125	
Contingency Delegated to Governing Committee	0	0	0	10,000	10,000	0	Available with a two-thirds vote of Executive Committee
TOTAL EXPENDITURES	55,766,182	80,000,177	80,983,058	69,096,207	84,451,754	15,355,547	

**CSAC EXCESS INSURANCE AUTHORITY
EXCESS WORKERS' COMPENSATION PROGRAM
Appropriation and Revenue Budget
July 1, 2014 to June 30, 2015**

Sources and Uses of Financial Resources	CAFR Actual 2012/13	Year to Date 03/31/2014	Estimated 2013/14	Revised Budget 2013/14	Proposed Budget 2014/15	Increase (Decrease)	Text Detail
TRANSFERS:							
Transfers out to:							
General Administration	(2,692,182)	(2,913,825)	(2,913,825)	(2,913,825)	(3,284,430)	(370,605)	Additional claims & loss prevention staff
Loss Prevention Subsidies	(161,000)	(158,000)	(158,000)	(159,000)	(163,000)	(4,000)	
Claims System Costs	(94,284)	(99,028)	(99,028)	(99,028)	(184,090)	(85,062)	New claims system conversion
Risk Management Subsidy Dividend	(157,416)	(173,643)	(173,643)	(173,039)	(217,220)	(44,181)	Public entity fees distributed to counties as a risk management dividend
Investment Fees	(182,672)	(148,882)	(200,000)	(170,000)	(219,900)	(49,900)	8 basis points
TOTAL TRANSFERS	(3,287,554)	(3,493,378)	(3,544,496)	(3,514,892)	(4,068,640)	(553,748)	
Net Increase or (Decrease)	10,524,378	2,095,118	1,796,434	7,785,892	4,378,984	(3,406,908)	
NET POSITION - JULY 1	2,331,547	12,855,925	12,855,925	15,791,387	14,652,359		
NET POSITION - JUNE 30	12,855,925	14,951,043	14,652,359	23,577,279	19,031,343		
Net Position Designated for:							
Target Equity	12,682,282	14,766,953	14,468,269	23,382,952	18,797,877		
Risk Management Dividend	173,643	184,090	184,090	194,327	233,466		
Total Net Position	12,855,925	14,951,043	14,652,359	23,577,279	19,031,343		
Target Equity							
Low Range	28,900,000	30,000,000	30,000,000	30,000,000	30,000,000		
High Range	57,800,000	67,000,000	67,000,000	67,000,000	67,000,000		

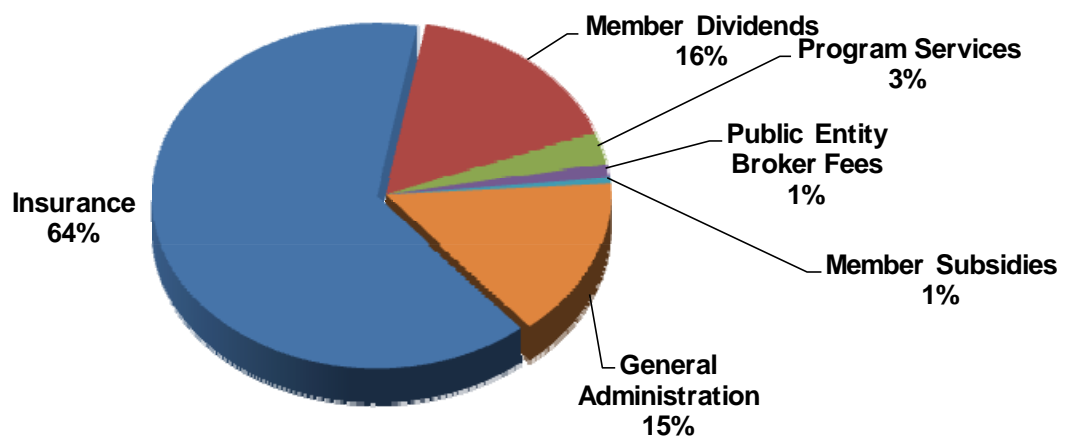
Primary General Liability

The objective of the Primary General Liability (PGL) Program is to provide members with an opportunity to eliminate the General Liability self-insured retention. The Program provides for the joint purchase of low cost insurance with low per claim deductibles.

Number of Members	23
Insurance	\$1.8 Million
Public Entity Broker Fees	\$36 Thousand
Administration and Fees	\$357 Thousand
Loss Prevention Subsidy	\$1,000 per member

A summary of the PGL program budget is as follows:

Primary General Liability Program



Net position is budgeted to be \$1.7M at June 30, 2015, which is within the target equity range of \$73K to \$2M. As a result, a portion of the 2014/15 administration and fees of the program are budgeted to be paid from net assets.

Adopted: May 27, 2010
Amended: April 18, 2012
Amended: May 30, 2013
Amended: January 22, 2014

Primary General Liability

Program Goals

Short-term:

- Use multi-year underwriting matrices, where ever possible, to help ensure renewal pricing from underwriters at a “not-to-exceed” amount of 10% for the 2014/15 year.

Long Term:

- Maintain an adequate amount of equity such that, should the Program lose its reinsurance, the increase between reinsurance premiums and funding to the 80% confidence level can be smoothed over two years, as documented in the Target Funding Guidelines.
- Maintain multi-year relationships, where possible, with business partners (brokers, underwriters, third party administrators).
- Move Program TPAs onto the EIA’s Systema claims system, within the next 2-4 years.

Budget Policies for the Primary General Liability (PGL) Program include the following:

Revenues

- Premiums for transferred risk are calculated based on each Member’s estimated payroll and experience rates as determined by the Program’s actuary. A two-year smoothing technique is used to minimize rate changes.
- Broker fees are charged to all public entity members. The amount charged is a graduated rate based on premiums. The current broker fee rates are 10% of the first \$100k of premiums, plus 5% of premiums from \$100k to \$1M, and plus 3% of premiums excess of \$1M.
- Public entity participation fees equal 0.5% of the premiums for transferred risk and retained risk.
- Investment income is budgeted at an estimated earnings rate determined annually and applied to the average daily balance invested in the EIA Treasury. The estimated earnings rate is determined by the Finance Committee and approved by the Executive Committee and Board of Directors. .
- Members may elect to pay their premium on a monthly or quarterly basis. Finance fees are charged based on the internal borrowing rate and the term of the financing.
- Administration fees are based on the budget for program and general administration costs and subsidies. Program cost are defined below.

- The PGL Committee has established a development fee of \$250 per member. Program development fees are one time charges to new members joining the Program.

Expenses

- The PGL Committee annually considers returning available net assets to members in the form of member dividends.
- PGL insurance premiums include the cost of insurance for claims in excess of \$10k up to the Program limits of \$100k. Claim cost in excess of \$100k are covered by the General Liability I (GLI) Program.
- The provisions for claims current, and the provision for claims prior years, are the actuarial adjustments to claim liabilities.
- The provision for ULAE, (Unallocated Loss Adjustment Expenses) is the annual adjustment to the liability for administrative costs of handling the claims for the life of the claim.
- Member claims audits are scheduled for each TPA every two years, or as determined by the PGL Committee.
- Banking services and fees are used to maintain separate claim bank accounts for each TPA.
- Other program expenses include program actuarial studies, legal expenses and any other expenses approved by the PGL Committee.
- An expense budget of \$25k has been delegated to the PGL Committee for any unforeseen budget expenses. The PGL Committee may allocate these funds to any expense line item with a two-thirds vote of the Committee.

Transfers

- Transfers out to the general administration program are used to pay for the EIA staff and all other administrative costs. These administration costs are allocated to all EIA programs based on a three-year average of staff time.
- Transfers out for loss prevention are based on the EIA's loss prevention activities and allocated based on loss prevention activity time studies. The cost of the Target Safety Program is allocated based on the three year average of staff time.
- Based on member election, a loss prevention subsidy of \$1k per member is transferred to the general administration program and added to each member's loss prevention subsidy account.
- Public entity participation fees collected in the prior fiscal year are transferred to General Administration program and distributed to county members as a risk management subsidy dividend.

CSAC EXCESS INSURANCE AUTHORITY
PRIMARY GENERAL LIABILITY PROGRAM
Appropriation and Revenue Budget
July 1, 2014 to June 30, 2015

Sources and Uses of Financial Resources	CAFR Actual 2012/13	Year to Date 03/31/2014	Estimated 2013/14	Revised Budget 2013/14	Proposed Budget 2014/15	Increase (Decrease)	Text Detail
REVENUES:							
Premium for Transferred Risk	1,868,680	1,742,957	1,742,957	1,792,931	1,756,708	(36,223)	Renewed with rate guarantee and renewed with decrease in rate
Public Entity Broker Fees	58,209	53,229	53,229	36,336	35,837	(499)	
General Administration Fees	318,498	316,257	316,257	313,710	354,828	41,118	\$100K from equity applied to Admin Fee per Committee
Public Entity Participation Fees	2,505	2,332	2,332	2,368	2,303	(65)	
Investment Income	11,192	21,126	28,000	17,500	15,000	(2,500)	Estimated on average balance of 2 million at .7%
Development Fees	-	0	0	0	0	0	
Other Income	500	3,000	3,000	0	0	0	
TOTAL REVENUES	2,259,584	2,138,901	2,145,775	2,162,845	2,164,676	1,831	
EXPENDITURES:							
Dividend Expense	550,000	450,000	450,000	0	300,000	300,000	Potential future dividend subject to Committee approval
Retained and Transferred Risk							
Premium for Transferred Risk	1,868,680	1,742,957	1,742,957	1,792,931	1,774,274	(18,657)	
Broker Fees	58,209	53,229	53,229	36,336	35,837	(499)	
Provisions for Member Deductible Pmts.	633,866	867,407	867,407	800,000	900,000	100,000	Members invoiced for \$0 - \$10K in claims expense
Less Member Deductible Billings	(633,866)	(867,407)	(867,407)	(800,000)	(900,000)	(100,000)	
Provision for Prior Year claims	(501,466)	0	(10,215)	0	0	0	Claims are not discounted therefore no expected claim development
Provision for ULAE	201	0	10,000	10,000	10,000	0	
Total Retained and Transferred Risk	1,425,624	1,796,186	1,795,971	1,839,267	1,820,111	(19,156)	
Program Expenses							
EIA Actuarial and Consulting Services	19,625	658	22,680	22,680	22,680	(0)	
Claim Audits	3,750	3,750	8,000	8,000	10,000	2,000	
Legal Services	50,246	3,466	5,000	20,000	10,000	(10,000)	Winding down of Reliance Bankruptcy claim litigation
ISO index Fees	-	58	1,000	1,000	1,000	0	
Bank Fees and Services	3,671	2,114	5,000	4,000	4,000	0	
Total Program Expenses	77,292	10,046	41,680	55,680	47,680	(8,000)	
Appropriation Delegated to PGL Committee	0	0	0	35,000	35,000	0	Available with two-thirds vote of PGL Committee
TOTAL EXPENDITURES	2,052,916	2,256,232	2,287,651	1,929,947	2,202,791	272,844	
TRANSFERS:							
Transfers out to:							
General Administration	(512,817)	(440,030)	(440,030)	(440,030)	(400,680)	39,350	
Loss Prevention Subsidies	(14,000)	(13,000)	(13,000)	(13,000)	(13,000)	0	
Risk Management Admin. Dividend	(2,905)	(2,505)	(2,505)	(2,505)	(2,332)	173	
Investment Fees	(2,074)	(1,339)	(2,000)	(2,000)	(2,000)	0	
TOTAL TRANSFERS	(531,796)	(456,874)	(457,535)	(457,535)	(418,012)	39,523	
Net Increase or (Decrease)	(325,128)	(574,205)	(599,411)	(224,637)	(456,127)	(231,490)	
NET POSITION - JULY 1	3,110,471	2,785,343	2,785,343	2,301,213	2,185,932		
NET POSITION - JUNE 30	2,785,343	2,211,138	2,185,932	2,076,576	1,729,805		
Net Position Designated for:							
Target Equity	410,000	410,000	410,000	410,000	73,000		
Risk Management Dividend	2,905	2,905	2,905	2,368	2,303		
Admin Carryover	0	0	59,098	0	0		
Unrestricted Net Position	2,372,438	1,798,233	1,773,027	74,208	1,654,502		
Total Net Position	2,785,343	2,211,138	2,245,030	486,576	1,729,805		
Target Equity							
Low Range	410,000				73,000		
High Range	1,900,000				2,000,000		

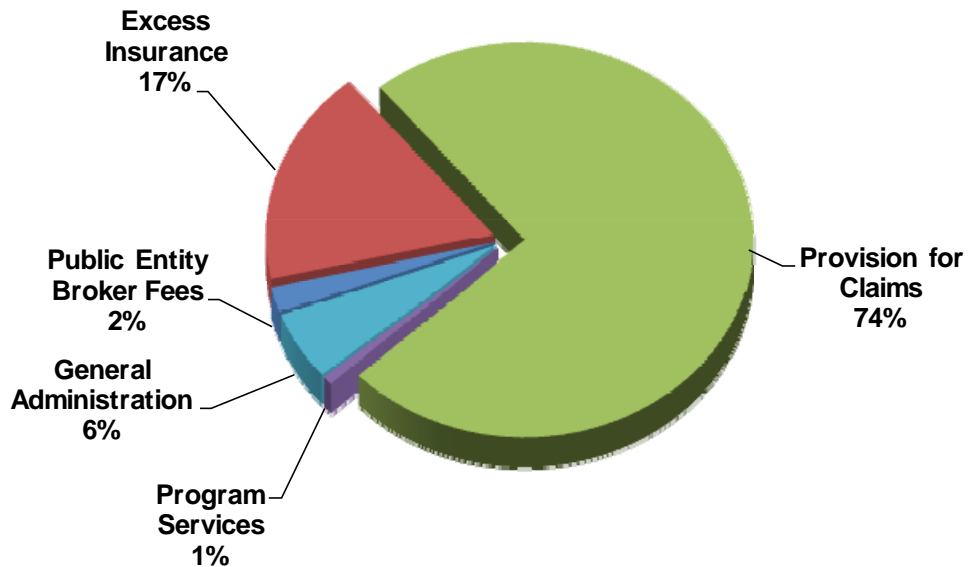
General Liability I

The objective of the General Liability I (GLI) Program is to provide members with a long-term, stable and financially strong alternative to traditional insurance. The GLI Program provides members with the economic benefits of blending self-insurance or pooling, with the purchase of insurance.

Number of Members	105
Covered Payroll	\$4.4 Billion
Pool Premium	\$26.9 Million
Insurance	\$6.2 Million
Public Entity Broker Fees	\$704 Thousand
Administration and Fees	\$2.2 Million
Loss Prevention Subsidy	\$1,000 per member

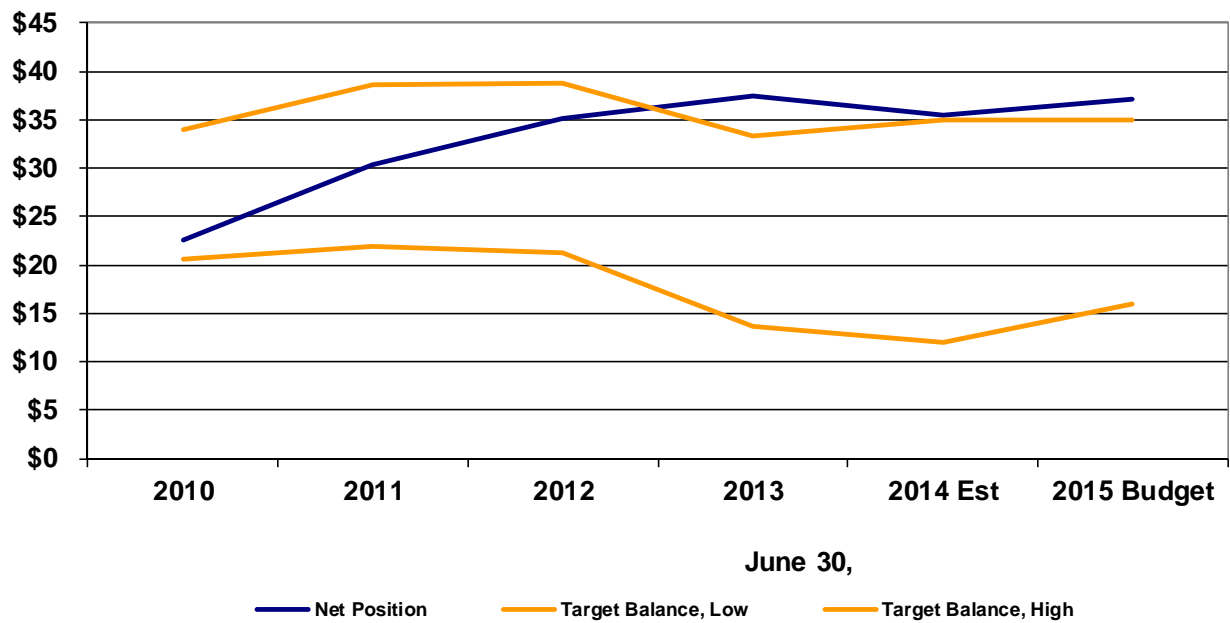
A summary of the GLI Program budget is as follows:

General Liability I Program



The GLI Program proposed budget would result in an ending net position of \$37.2M. The target equity range developed by the Underwriting Committee and approved by the Board of Directors is from \$16 - \$35M. The following chart illustrated the GLI's net position in relation to the target equity range.

**General Liability I Net Position
(in millions)**



Adopted: June 2, 2011
Amended: February 2, 2012
Amended: March 1, 2013
Amended: March 7, 2014

General Liability I

Program Goals

Short-term

- Set rates for the upcoming year at a level designed to reduce net assets so that the pool's funding is near the top of the target surplus range in three years.
- Continue to phase in the new premium allocation model to provide members with premium stability.
- Use multi-year underwriting matrices, where possible, to help ensure renewal pricing from underwriters at a "not-to-exceed" amount of 10% for the upcoming year.
- Continue to monitor the long-term discount assumption, keeping the assumption conservatively lower than what is anticipated.

Long-term

- Maintain funding levels in accordance with the Target Funding Guidelines.
- Maintain an equitable distribution of costs amongst the members through a premium allocation process with appropriate consideration for exposure and loss experience within the pool layer and excess layers.
- Maintain stable pricing year-over-year not to exceed a 10% variance.
- The GLI risk tolerance is neutral. We will protect pool assets through appropriate risk transfer with a bias toward more risk transfer in a soft market and less risk transfer in a hard market. There is a bias toward risk transfer when losses are less predictable and a bias toward risk retention when losses are more predictable.
- Maintain multi-year relationships, where possible, with business partners (brokers, underwriters, actuaries, claims administrators, etc.).

Budget Policies for the General Liability I (GLI) Program include the following established by the Board of Directors:

Revenues

- Premiums for retained risk and transferred risk are calculated based on participating member's self-insured retention, exposure, and loss data. Based on actuarial information and market conditions, the Underwriting and Executive Committees advise on program funding mechanisms including how much risk to self-fund, and at what discount rate and confidence level, and how much risk to transfer. Funding includes consideration of the Target Equity Policy adopted by the Board. Final funding decisions and premium allocation is approved by the Board of Directors.

- Broker fees are charged to all public entity members. The amount charged is a graduated rate based on premiums. The current broker fee rates are 10% of the first \$100k of premiums, plus 5% of premiums from \$100k to \$1M, and 3% of premiums excess of \$1M.
- Public entity participation fees equal 0.5% of the premiums for transferred risk and retained risk.
- Investment income is budgeted at an estimated earnings rate determined annually and applied to the average daily balance invested in the EIA Treasury. The estimated earnings rate is determined by the Finance Committee and approved by the Executive Committee and Board of Directors.
- Members may elect to pay their premium on a monthly or quarterly basis. Finance fees are charged based on the internal borrowing rate and the term of the financing. Administration fees are based on the budget for program and general administration costs and subsidies. Program costs are defined below.
- The Underwriting and Executive Committees has established a development fee of \$350, per member. Program development fees are one-time charges to new members joining the Program.

Expenses

- Upon recommendation of the Underwriting and Executive Committees, the Board may annually consider returning available net assets to members in the form of member dividends. Premium for Transferred Risk is the expense for insurance purchased based on the risk financing decisions made.
- The provisions for claims, current year, and provision for claims prior years', are the actuarial adjustments to claim liabilities.
- The provision for ULAE (Unallocated Loss Adjustment Expenses) is the annual adjustment to the liability for the administrative costs of handling the claims for the life of the claim.
- Member claims audits are scheduled for each member or Third Party Administrator (TPA), every two years, or as determined by the Claims Review Committee.
- A claims audit for the EIA's Claims Department is scheduled every two years.
- Each member is entitled to subsidy of \$2,000 towards the cost of member actuarial studies.
- Other program expenses include program actuarial and consulting costs,

legal expenses, ISO fees and any other expenses approved by the various committees.

- The Risk Management Subsidy Program is a voluntary program that was created to offset the direct costs members incur from securing external risk management products and services. Most members choose to contribute at least \$1,000 each year to this program.
- There is a \$20,000 contingency budget line item for unforeseen expenses, which is available for use with a two-thirds vote of the Executive Committee.

Transfers

- Transfers out to the General Administration Program are used to pay for the EIA staff and all other administrative costs. These administration costs are allocated to all EIA programs based on a three-year average of staff time.
- Based on member election, a loss prevention subsidy of \$1,000 per member is transferred to the General Administration Program and added to each member's risk management subsidy account.
- The Web Enabled Claim system transfer is based on program usage.
- Investment Fees are charged at an annual rate of 0.08% on the average daily balance of program funds invested.
- Public entity participation fees collected in the prior fiscal year are transferred to the General Administration Program and distributed to county members as a risk management subsidy dividend.

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL LIABILITY I PROGRAM
Appropriation an Revenue Budget
July 1, 2014 to June 30, 2015**

Sources and Uses of Financial Resources	CAFR Actual 2012/13	Year to Date 03/31/2014	Estimated 2013/14	Revised Budget 2013/14	Proposed Budget 2014/15	Increase (Decrease)	Text Detail
REVENUES:							
Premiums for Transferred Risk	3,702,537	4,268,601	4,268,601	3,795,806	6,210,883	2,415,077	Significant loss development led to increase in premium.
Contributions for Retained Risk	25,113,042	25,312,100	25,312,100	24,462,575	26,932,066	2,469,491	Funded at the 65% confidence level
Public Entity Broker Fees	587,327	654,848	654,848	597,890	703,893	106,003	
Public Entity Participation Fees	43,668	50,000	50,000	44,166	55,265	11,099	
Investment Income	370,246	1,035,652	1,300,000	1,036,000	975,000	(61,000)	Estimated on average balance of \$130M at .75%
Administration Fees	1,600,706	1,800,096	1,800,096	1,716,000	2,136,057	420,057	
Program Development Fees	1,500	1,400	1,400	0	0	0	
Other Income	0	0	0	0	0	0	
TOTAL REVENUES	31,419,026	33,122,697	33,387,045	31,652,437	37,013,164	5,360,727	
EXPENDITURES:							
Pool Dividends	3,000,000	0	0	3,000,000	0	(3,000,000)	
Retained and Transferred Risk							
Premium for Transferred Risk	3,619,817	4,112,162	4,112,162	3,795,806	6,210,883	2,415,077	
Broker Fees	587,333	654,845	654,845	597,890	703,893	106,003	
Provision for Claims, Current Year	20,686,170	22,705,020	22,705,020	22,313,118	24,527,315	2,214,197	Provision for claims at expected
Provision for Claims, Prior Years	(437,058)	5,963,145	5,963,145	1,382,500	1,575,000	192,500	Estimated outstanding of \$90 million discounted at 1.75%
Provision for ULAE	(72,012)	0	30,000	30,000	30,000	0	
Total Retained and Transferred Risk	24,384,250	33,435,172	33,465,172	28,119,314	33,047,091	4,927,777	
Program Administration							
Actuarial fees	46,907	6,000	57,290	57,290	57,170	(120)	
ISO Fees	1,671	686	4,000	4,000	4,000	0	
Member Claims Audits	41,337	28,750	50,000	50,000	60,000	10,000	
EIA Claims Audit	0	0	2,600	2,600	0	(2,600)	Was due in FY2013/14
Legal Expenses	26,306	13,770	50,000	50,000	50,000	0	
Member Actuarial Studies	75,500	48,833	70,000	70,000	70,000	0	
Total Program Administration	191,721	98,039	233,890	233,890	241,170	7,280	
Contingency Delegated to Governing Committee	0	0	0	20,000	20,000	0	Available with two-thirds vote of the Underwriting Committee
TOTAL EXPENDITURES	27,575,971	33,533,211	33,699,062	31,373,204	33,308,261	1,935,057	
TRANSFERS:							
Transfers out to:							
General Administration	(1,241,983)	(1,456,337)	(1,456,337)	(1,456,337)	(1,730,660)	(274,323)	
Loss Prevention Subsidies	(84,000)	(89,000)	(89,000)	(86,000)	(89,000)	(3,000)	
Claims System Costs	(25,714)	(29,708)	(29,708)	(29,708)	(55,227)	(25,519)	
Risk Management Subsidy Dividend	(44,714)	(43,668)	(43,668)	(43,663)	(50,000)	(6,337)	
Investment Fees	(81,056)	(67,653)	(95,000)	(79,000)	(100,000)	(21,000)	
TOTAL TRANSFERS	(1,477,467)	(1,686,366)	(1,713,713)	(1,694,708)	(2,024,887)	(330,179)	

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL LIABILITY I PROGRAM
Appropriation and Revenue Budget
July 1, 2014 to June 30, 2015**

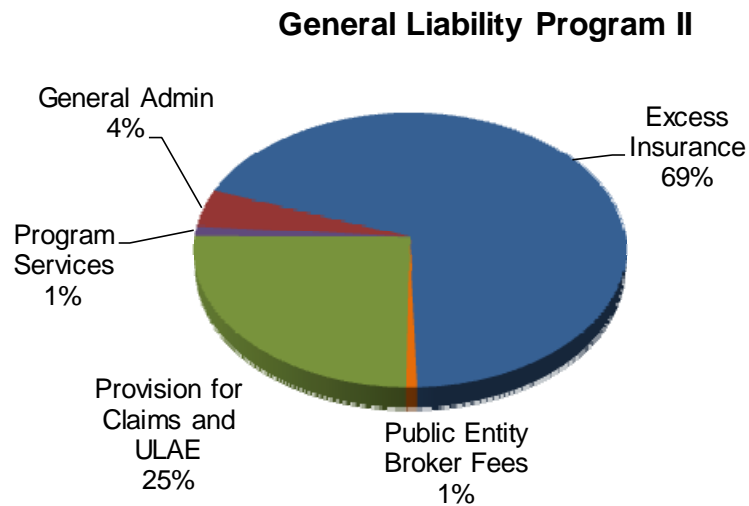
Sources and Uses of Financial Resources	CAFR Actual 2012/13	Year to Date 03/31/2014	Estimated 2013/14	Revised Budget 2013/14	Proposed Budget 2014/15	Increase (Decrease)	Text Detail
Net Increase or (Decrease)	2,365,588	(2,096,880)	(2,025,730)	(1,415,475)	1,680,016	3,095,491	
NET POSITION - JULY 1	35,159,759	37,525,347	37,525,347	38,065,161	35,499,617		
NET POSITION - JUNE 30	37,525,347	35,428,467	35,499,617	36,649,686	37,179,633		
Net Position Designated for:							
Target Equity	33,400,000	34,800,000	34,800,000	35,000,000	35,000,000		
Risk Management Dividend	43,668	50,000	50,000	44,166	55,265		
Unrestricted Net Position	4,081,679	578,467	649,617	1,605,520	2,124,368		
Total Net Position	37,525,347	35,428,467	35,499,617	36,649,686	37,179,633		
Target Equity							
Low Range	13,700,000	15,900,000	15,900,000	12,000,000	16,000,000		
High Range	33,400,000	34,800,000	34,800,000	35,000,000	35,000,000		

General Liability II

The objective of the General Liability II (GLII) Program is to provide members an affordable excess liability program with high retentions and is fully insured.

Number of Members	11
Self Insured Retentions	\$1 to \$3 Million
Insurance	\$19.4 Million
Aggregate Pool Funding	\$7.0 Million
Public Entity Broker Fees	\$426 Thousand
Administration and Fees	\$1.5 Million

A summary of the General Liability II Program budget is as follows:



Adopted: June 3, 2010
Amended: May 6, 2013
Amended: May 2, 2014

General Liability II

Program Goals

Short-term

- Use multi-year underwriting matrices, where ever possible, to help ensure renewal pricing from underwriters at a “not-to-exceed” amount of 10% for the upcoming year. Expand the claims audit program to every member, every two years.

Long Term

- Maintain an equitable, market-based premium allocation with appropriate consideration given to exposure and loss experience. A market based allocation is designed to avoid adverse selection by the members.
- Maintain stable pricing year-over-year, not to exceed a 10% variance overall, or 15% variance by member.
- Maintain multi-year relationships, where possible, with business partners (brokers, underwriters, ANML Program).

Budget Policies for the GLII Program include the following:

Revenues

- Based on market conditions, coverage for the Program is provided by insurance, or a combination of insurance and an aggregate pool or Mega Fund, which provides coverage between the member’s SIR and the insured layer.
- The allocation of premiums between participating members is approved annually by the GLII Committee.
- Broker fees are charged to all public entity members. The amount charged is based on the broker contract and is a graduated rate based on premiums. The current broker fee rates are 10% of the first \$100k of premiums, plus 5% of premiums from \$100k - \$1M, and plus 3% of premiums excess of \$1M. Currently the broker is refunding a portion of broker fees to the Program to offset program expenses.
- Public entity participation fees 0.5% of the premiums for transferred risk and retained risk.
- Investment income is budgeted at an estimated earnings rate determined annually and applied to the average daily balance invested in the EIA Treasury. The estimated earnings rate is determined by the Finance Committee and approved by the Executive Committee and Board of Directors.

- Administration fees are based on the budget for program and general administration costs and subsidies. Program costs are defined below.
- Any balance of administration fees, refund of broker fee, and interest or other revenues in excess of expenses at year end will be retained in the Program to cover the 2009/2010 year Mega Fund discount.
- The GLII Committee has established a development fee of \$500, per member. Program development fees are one time charges to new members joining the Program.

Expenses

- GLII premiums for transferred risk include the cost of insurance for claims in excess of each member's SIRs and the GLII Pool or Mega Fund. Policy limits are determined annually by the GLII Committee. Members can obtain optional excess insurance through the Miscellaneous Programs that, extending coverage limits.
- The provision for claims provides for claims costs within the GLII Mega Fund Pool. The GLII Mega Fund is an aggregate pool with coverage limits determined annually by the GLII Committee.
- In the 2009/10 fiscal year, the Mega Fund was discounted. The provision for prior year claims provides for claim development costs, resulting from discounting the 2009/10 aggregate pool.
- The provision for Unallocated Loss Adjustment Expenses (ULAE) accrues the costs not directly associated with specific claims, but related to claims administration and settlement processes for the remaining life of the claims. ULAE includes salaries and other internal costs of the Authority's claims department.
- The legal services line item provides for coverage opinions and other services provided to the GLII Committee.
- Claims audits will be done every two years and paid for through the premium allocation. An expense budget of \$10,000 has been delegated to the GLII Committee for any unforeseen budget expenses. The GLII Committee may allocate these funds to any expense line item with a two-thirds vote of the Committee.

Transfers

- Transfers out to the General Administration Program are used to pay for the EIA staff and all other administrative costs. These administration costs are allocated to all EIA programs based on a three-year average of staff time.
- Based on member election, a loss prevention subsidy of \$1,000 per member is transferred to the General Administration Program and added to each member's loss prevention subsidy account.

- The Claims System transfer is based on program usage.
- Investment Fees are charged at an annual rate of 0.08% on the average daily balance of program funds invested. Public entity participation fees collected during the prior fiscal year are transferred to the General Administration Program and distributed to county members as a risk management subsidy dividend.

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL LIABILITY II PROGRAM
Appropriation and Revenue Budget
July 1, 2014 to June 30, 2015**

Sources and Uses of Financial Resources	CAFR Actual 2012/13	Year to Date 03/31/2014	Estimated 2013/14	Revised Budget 2013/14	Proposed Budget 2014/15	Increase (Decrease)	Text Detail
REVENUES:							
Premiums for Transferred Risk	19,467,217	22,699,999	22,699,999	22,900,000	19,484,451	(3,415,549)	Estimate based on preliminary negotiations
Contributions for Retained Risk					7,000,000	7,000,000	Corridor Layer
Public Entity Broker Fees	270,466	311,355	311,355	313,613	426,232	112,619	
Public Entity Participation Fees	34,189	40,622	40,622	40,981	49,176	8,195	
Investment Income and Finance Fees	67,079	31,479	45,000	56,000	52,500	(3,500)	
General Administration Fees	1,214,351	1,296,714	1,296,714	1,291,351	1,526,264	234,913	
Other Income, Legal Expense Reimbursement	127,503	111,483	120,000	0	0	0	Not included in budget-any reimbursements offset additional expense
TOTAL REVENUES	21,180,805	24,491,652	24,513,690	24,601,945	28,538,623	3,936,678	
EXPENDITURES:							
Retained and Transferred Risk							
Premium for Transferred Risk	19,467,217	22,700,000	22,700,000	22,900,000	19,484,451	(3,415,549)	
Provision for Claims, Current Year					7,000,000	7,000,000	Assume we will have claims equal to Corridor Layer
Provision for Claims - Prior Year	633,357	0	0	307,400	0	(307,400)	all liability fully accrued in prior years
GLII Commission Rebate	(225,126)	(263,280)	(263,280)	(264,400)	(214,818)	49,582	Commission rebate applied to the 2009-10 discounted claim liability year
Broker Fees	270,466	311,355	311,355	313,613	426,232	112,619	
Provision for ULAE	20,605	0	20,000	10,000	20,000	10,000	
Total Retained and Transferred Risk	20,166,519	22,748,075	22,768,075	23,266,613	26,715,865	3,449,252	
Program Administration							
ISO Fees	5,748	2,627	4,500	8,000	8,000	0	
Actuarial Subsidies	12,405	9,333	25,500	25,500	22,000	(3,500)	
Loss Data Collection					3,000	3,000	
Legal Services	351,567	204,410	270,000	225,000	250,000	25,000	Ongoing disputes and coverage opinions
Member Claims Audit	6,000	2,000	7,500	7,500	35,000	27,500	Effective this budget year we will pay the full costs of claims audits
Total Program Administration	375,720	218,370	307,500	266,000	318,000	52,000	
Appropriation Delegated to GLII Committee	0	0	0	10,000	10,000	0	Available with two-thirds vote of GLII Committee
TOTAL EXPENDITURES	20,542,239	22,966,445	23,075,575	23,542,613	27,043,865	3,501,252	
TRANSFERS:							
Transfers out to:							
General Administration	(908,537)	(990,247)	(990,247)	(990,247)	(1,140,650)	(150,403)	
Loss Prevention Subsidies	(11,000)	(10,000)	(10,000)	(11,000)	(10,000)	1,000	
Claims System Costs	(13,714)	(14,854)	(14,854)	(14,854)	(27,614)	(12,760)	
Risk Management Subsidy Dividend	(32,212)	(34,189)	(34,189)	(34,189)	(40,622)	(6,433)	
Investment Fees	(10,288)	(1,891)	(2,400)	(13,000)	(5,600)	7,400	
TOTAL TRANSFERS	(975,751)	(1,051,181)	(1,051,690)	(1,063,290)	(1,224,486)	(161,196)	
Net Increase or (Decrease)	(337,185)	474,026	386,425	(3,958)	270,272	274,230	
NET POSITION - JULY 1	32,212	(304,973)	(304,973)	57,064	81,452		
NET POSITION - JUNE 30	(304,973)	169,053	81,452	53,106	351,724		

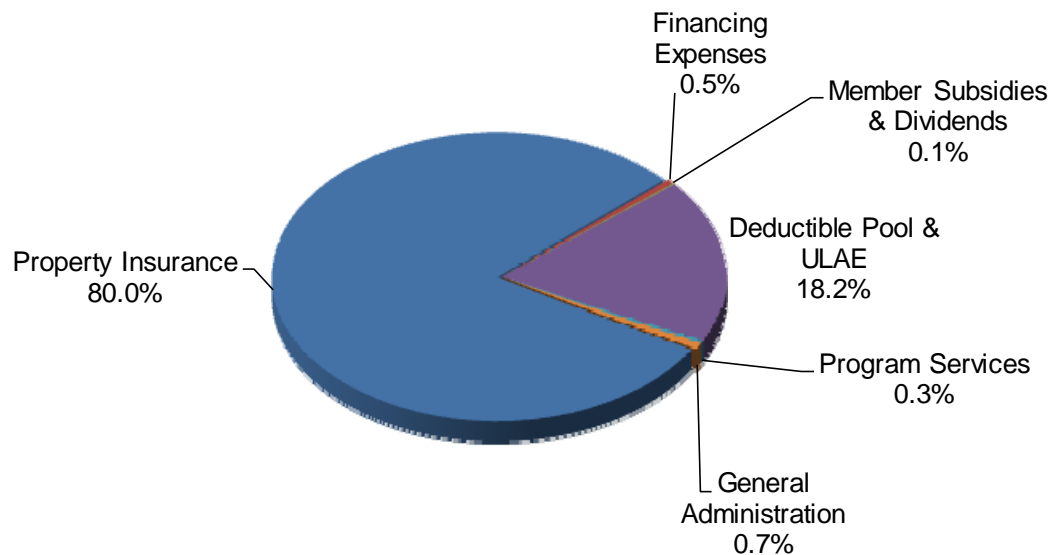
Property

The objective of the Property Program is to provide a broad range of all-risk property coverage to members, including flood and earthquake. Members' property is divided into groups known as "towers". Each tower offers up to \$600M of property coverage.

Number of Members	84
Member deductibles	\$5,000 to \$150,000
Insured Values	\$56.5 Billion
Pool	\$11.0 Million
Insurance	\$48.2 Million
Administration and Fees	\$.6 Million

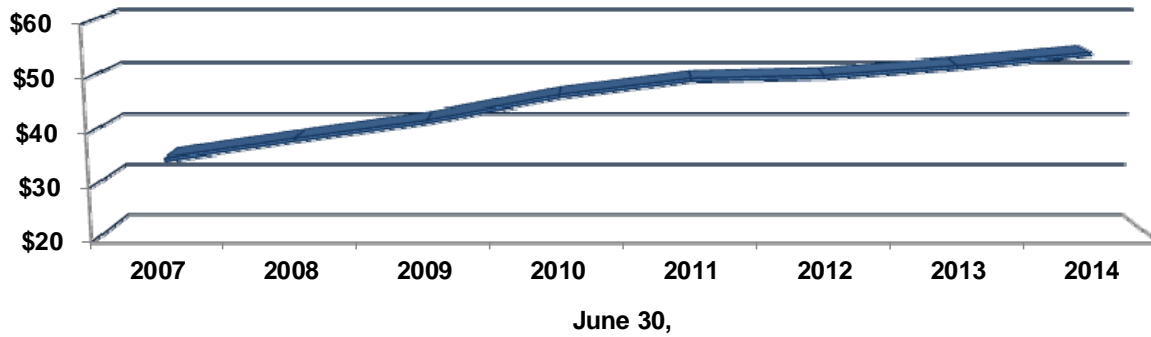
A summary of the Property Program budget is as follows:

Property Program

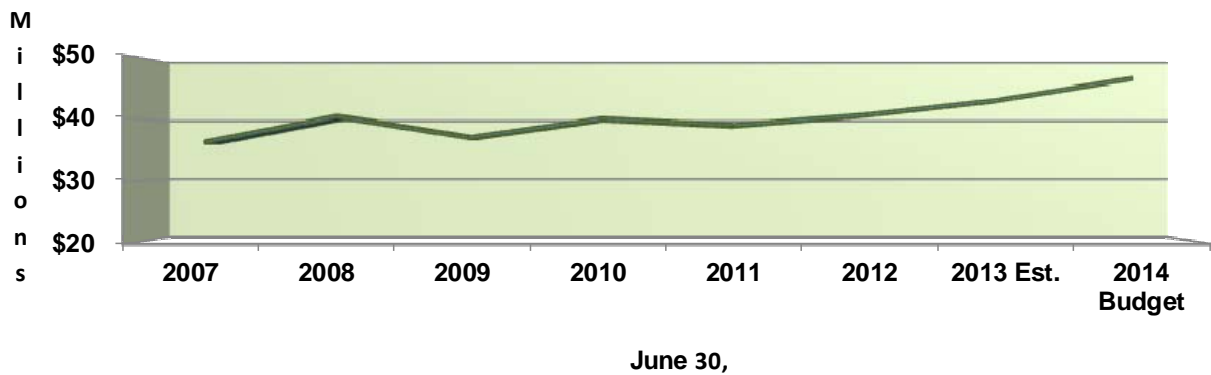


The property values and insurance cost trends are illustrated in the following charts.

**Property Values
(in billions)**



Property Insurance Trends



Adopted: May 20, 2010
Amended: March 1, 2012
Amended: January 16, 2013
Amended: March 26, 2014

Property

Program Goals

Short-term

- Cancel/rewrite primary coverage to maintain a three-year prepaid policy term.
- Evaluate and implement, if feasible, changes in the aggregate pool retention to decrease dependency on the primary market.
- Evaluate and implement, if feasible, quota share risk-sharing opportunities in the primary coverage layer to reduce dependency.
- Continue to fund flood pool exposure to at least one limit loss.
- Evaluate the quality of claims services and Oasys-Net.

Long-term

- Maintain beneficial long-term relationships with insurance markets.
- Mitigate dependence on the primary insurance carrier.
- Maintain program stability through strategies of broad spread of risk and market-based premium allocation.
- Maintain superior quality services in claims, underwriting and loss control.
- Continue to increase funding in the Program's stabilization fund.

Budget Policies for the Property Program include the following:

Revenues

- Premiums for retained and transferred risk are allocated based on each member's insured values, exposures, deductibles and coverage elections. Any difference between the collected premium for retained and transferred risk and premium expenses paid, is retained as a Property Program Stabilization Fund.
- Public entity participation fees equal 0.5% of the premiums for retained and transferred risk. Investment income is budgeted at an estimated earnings rate determined annually and applied to the average daily balance invested in the EIA Treasury. The estimated earnings rate is determined by the Finance Committee and approved by the Executive Committee and Board of Directors.
- Ceding commissions, refunded by the primary carrier, of approximately \$500,000 will be added to stabilization fund.

- Program finance fees are based on the cost to finance insurance premiums. The Property Program renews on March 31st with premiums due to underwriters within 30 days. The EIA allows members to pay property premiums on a fiscal year cycle beginning July 1st. The EIA internally finances the prepayment of property premiums using the Inter-Fund Borrowing Policy. An estimated finance fee is billed to each member as a “Prepaid Balance Adjustment”. Actual cost is charged to the Property Program quarterly, based on the average daily balance borrowed. Any differences between the estimated Prepaid Balance Adjustment and the actual financing expense is added or deducted from the Property Program Stabilization Fund.
- Members may elect to pay their premium on a monthly or quarterly basis. Member finance fees are charged based on the internal borrowing rate and the term of the financing.
- Administration fees are based on the budget for program and general administration costs and subsidies. Program costs are defined below.
- The Property Committee has established a development fee of \$500, per member. Program development fees are one-time charges to new members joining the Program.

Expenses

- Our primary property insurance policy has a provision for “No Claims” dividends. These dividends are returned to members earning these benefits.
- Property insurance premiums include the cost of primary and excess insurance. The primary insurance cost includes the current portion of the three-year prepaid policy. The provision for claims provides for claim payments within the aggregate pool.
- The EIA’s premium billing to members is based on the fiscal year of July 1st through June 30th. The insurance premiums are for a policy period of March 31st through March 31st. This timing difference requires the EIA to finance a portion of the cost of insurance. The primary insurance is on a three-year, prepaid basis. The EIA internally borrows from our own treasury to pay the second and third year of the primary insurance premiums. The excess insurance renews on March 31st annually, and is due in late April. The EIA internally borrows funds from the treasury to pay these premiums until member billings are collected in July. The finance expenses are the costs to the EIA’s Treasury to internally borrow funds for the Property Program. An expense is recognized each fiscal quarter based on the average daily balance of the funds borrowed times the internal borrowing rate approved by the Board of Directors each March.
- The Risk Management and Appraisal Services line item of \$200,000, is available for services approved by the Property Committee. This includes the cost sharing arrangement approved for property appraisals.

- An expense budget of \$10,000 has been delegated to the Property Committee. The Committee may allocate these funds to any expense line item with a two-thirds vote of the Committee.

Transfers

- Transfers out to the General Administration Program are used to pay for the EIA staff and all other administrative costs. These administration costs are allocated to all EIA programs based on a three-year average of staff time.
- Based on member election, a loss prevention subsidy of \$1,000 per member is transferred to the General Administration Program and added to each member's loss prevention subsidy account.
- Investment fees are charged at an annual rate of 0.08% on the average daily balance of program funds invested. Public entity participation fees collected during the prior fiscal year are transferred to the General Administration Program and distributed to county members as a risk management subsidy dividend.

CSAC EXCESS INSURANCE AUTHORITY
PROPERTY PROGRAM
Appropriation and Revenue Budget
July 1, 2014 to June 30, 2015

Sources and Uses of Financial Resources	CAFR Actual 2012/13	Year to Date 03/31/2014	Estimated 2013/14	Revised Budget 2013/14	Proposed Budget 2014/15	Increase (Decrease)	Text Detail
REVENUES:							
No Claim Dividends	112,779		100,000	115,000	0	(115,000)	
Premiums for Transferred Risk	43,216,154	33,940,944	45,511,400	46,543,500	48,226,000	1,682,500	Assumed continued increases in values and increase in Primary layer premium at 2015 renewal
Retained Risk, Agg. Deductible Pool	10,572,624	7,545,716	11,000,000	10,000,000	11,000,000	1,000,000	Additional flood pool
Broker Fees	30,000	11,821	15,000	15,000	15,000	0	
Public Entity Participation Fees	72,115	79,073	79,073	82,111	83,509	1,398	
Investment Income and Finance Charges	425,909	188,881	248,881	329,816	329,535	(281)	This is financed through prepaid balance account
Quarterly Payment Finance Fees	2,461	6,130	6,130	2,400	2,400	0	
Administration Fees	427,723	647,649	647,649	609,038	630,261	21,223	
Other Income	478,897	5,826	400,000	0	500,000	500,000	Ceding commission from insurance placement
TOTAL REVENUES	55,338,662	42,426,040	58,008,133	57,696,865	60,786,705	3,089,840	
EXPENDITURES:							
Dividends	112,779	0	100,000	115,000	0	(115,000)	
Retained and Transferred Risk							
Premium for Transferred Risk	43,425,949	33,454,860	45,511,400	46,543,500	48,226,000	1,682,500	
Broker Fees	30,000	0	15,000	15,000	15,000	0	
Provision for claims, Aggregate Pool	10,572,624	7,545,716	11,000,000	10,000,000	11,000,000	1,000,000	
Provision for ULAE	61,715	0	1,500	1,500	1,500	0	
Total Retained and Transferred Risk	54,090,288	41,000,576	56,527,900	56,560,000	59,242,500	2,682,500	
Program Administration							
Financing Expenses	227,434	127,125	187,125	329,816	329,535	(281)	Interest on interfund borrowing at .75%
Appraisal and Other Services	89,575	0	200,000	200,000	200,000	0	
Total Program Administration	317,009	127,125	387,125	529,816	529,535	(281)	
Appropriation for Property Committee	0	0	0	10,000	10,000	0	Available with two-thirds vote of Property Committee
TOTAL EXPENDITURES	54,520,076	41,127,701	57,015,025	57,214,816	59,782,035	2,567,219	
TRANSFERS:							
Transfers out to:							
Transfers out to Administration	(328,432)	(315,229)	(315,229)	(315,229)	(355,260)	(40,031)	
Loss Prevention Subsidies	(79,000)	(77,000)	(77,000)	(80,000)	(78,000)	2,000	
Risk Management Subsidy Dividend	(70,380)	(72,115)	(72,115)	(72,115)	(79,073)	(6,958)	
Investment Fees	(18,704)	(11,878)	(15,000)	(15,000)	(15,000)	0	
TOTAL TRANSFERS	(496,516)	(476,222)	(479,344)	(482,344)	(527,333)	(44,989)	
Net Increase or (Decrease)	322,070	822,117	513,764	(295)	477,337	477,632	
NET POSITION - JULY 1	2,544,020	2,866,090	2,866,090	3,471,485	3,379,854		
NET POSITION - JUNE 30	2,866,090	3,688,207	3,379,854	3,471,190	3,857,191		
Net Position Designated for:							
Admin Carryover	10,000	10,000	27,099	0	0		
Risk Management Dividend	70,380	79,073	79,073	82,111	83,509		
Program Stabilization Fund	2,785,710	3,599,134	3,273,682	3,389,079	3,773,682		
Total Net Position	2,866,090	3,688,207	3,379,854	3,471,190	3,857,191		

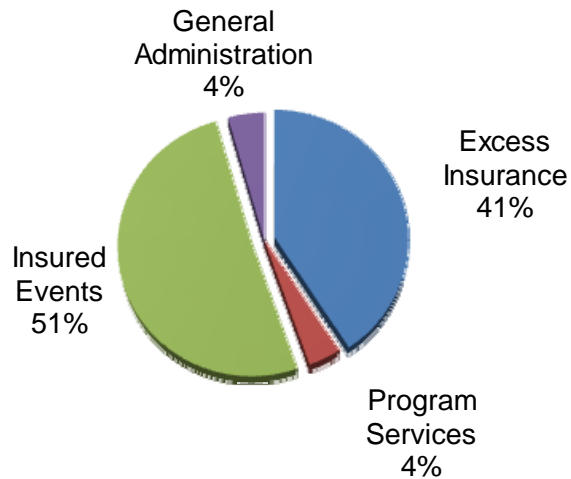
Medical Malpractice

The objective of the Medical Malpractice Program is to provide members with the broadest possible General Liability and hospital or medical facilities professional liability coverage and limits at the lowest rates available. The Medical Malpractice Program provides members with the economic benefits of blending self-insurance or pooling, with the purchase of insurance.

Number of Members	49
Pool Premium	\$7.5 Million
Insurance	\$5.3 Million
Administration and Fees	\$806 Thousand
Loss Prevention Subsidy	\$1,000 per member

A summary of the Medical Malpractice Program budget is as follows:

Medical Malpractice Program



Adopted: June 9, 2010
Amended: March 14, 2012
Amended: June 26, 2013
Amended : June 4, 2014

Medical Malpractice

Budget Policies for the Medical Malpractice Program include the following:

Short Term Goals

- Evaluate the premium allocation formula between Program I, large SIR members, and Program II, deductible members, for equity between the programs.
- Continue to pursue multiyear agreements with carriers.
- Evaluate occurrence v. claims made policy as market dictates.

Revenues

- Premiums for retained risk and transferred risk are actuarially determined based on each member's exposure, claims experience and SIR or deductible. Each year the Medical Malpractice Committee determines the appropriate funding level and discount rate.
- Broker fees are charged to all public entity members. The amount charged is a graduated rate based on premiums. The current broker fee rates are 10% of the first \$100k of premiums, plus 5% of premiums from \$100k - \$1M, and plus 3% of premiums excess of \$1M.
- Public entity participation fees equal 0.5% of the premiums for retained risk and transferred risk.
- Investment income is budgeted at an estimated earnings rate determined annually and applied to the average daily balance invested in the EIA Treasury. The estimated earnings rate is determined by the Finance Committee and approved by the Executive Committee and Board of Directors.
- Claims administration fees are based on negotiated fee contracts approved by the Committee. Claims administration fees are allocated to Program I members based on the individual member rates. Program II fees are allocated to members based on retained and transferred risk premiums.
- Administration fees are based on the budget for program and general administration costs and subsidies. Program costs are defined below.
- The Medical Malpractice Committee has established a development fee of \$850 per member. Program development fees are one-time charges to new members joining the Program.

Expenses

- The Medical Malpractice Committee annually considers returning available net assets to members in the form of member dividends.
- Medical Malpractice premiums for transferred risk include the cost of reinsurance and or excess insurance.
- The Provision for Claims (current), and the Provision for Claims (prior years), are the actuarial adjustments to claim liabilities.
- The Provision for ULAE (Unallocated Loss Adjustment Expenses) is the annual adjustment to the liability for the administrative costs of handling the claims for the life of the claim.
- Member claims audits are scheduled every two (2) years, or as determined by the Medical Malpractice Committee.
- Each Program I member is entitled to a subsidy of \$2k towards the cost of member actuarial studies.
- The Medical Malpractice Committee provides a loss prevention seminar. The Committee will reimburse the travel expenses for up to three (3) representatives from each member.
- Other program expenses include program actuarial studies, legal expenses and any other expenses approved by the Medical Malpractice Committee.
- An expense budget of \$20k has been delegated to the Medical Malpractice Committee for any unforeseen budget expenses. The Medical Malpractice Committee may allocate these funds to any expense line item with a two-thirds vote of the Committee.

Transfers

- Transfers out to the general administration program are used to pay for the EIA staff and all other administrative costs. These administration costs are allocated to all EIA programs based on a three-year average of staff time.
- .
- Based on member election, a loss prevention subsidy of \$1k per member is transferred to the general administration program and added to each member's loss prevention subsidy account.
- The Claims System transfer is based on program usage.
- Public entity participation fees collected during the prior fiscal year are transferred to the General Administration program and distributed to county members as a risk management subsidy dividend.

**CSAC EXCESS INSURANCE AUTHORITY
MEDICAL MALPRACTICE PROGRAM
Appropriation and Revenue Budget
July 1, 2014 to June 30, 2015**

Sources and Uses of Financial Resources	CAFR Actual 2012/13	Year to Date 03/31/2014	Estimated 2013/14	Revised Budget 2013/14	Proposed Budget 2014/15	Increase (Decrease)	Text Detail
REVENUES:							
Premium for Transferred Risk	6,294,740	5,318,123	5,318,123	5,301,028	5,296,017	(5,011)	
Contribution for Retained Risk	5,399,315	6,448,172	6,448,172	8,723,481	7,466,557	(1,256,924)	
Public Entity Broker Fees	3,833	4,981	4,981	5,949	5,379	(570)	
Public Entity Participation Fees	193	248	248	283	283	0	
Investment Income	71,756	232,639	300,000	210,000	225,000	15,000	Based on average balance of \$30 million at .70%
Claims Administration Fees	351,846	351,844	351,844	445,882	323,999	(121,883)	
Administration Fees	703,066	536,882	536,882	352,846	476,604	123,758	
Program Development Fees	-	-	0	0	0	0	
TOTAL REVENUES	12,824,749	12,892,889	12,960,250	15,039,469	13,793,839	(1,245,630)	
EXPENDITURES:							
Member Dividends	-	-	0	0	0	0	
Retained and Transferred Risk							
Premium for Transferred Risk	6,292,646	5,317,928	5,317,928	5,301,028	5,296,017	(5,011)	
Broker Fees	3,833	4,981	4,981	5,666	5,379	(287)	
Provision for Claims - Current Year	5,216,626	5,544,400	5,544,400	6,663,294	6,241,913	(421,381)	Estimated at expected discounted at 1.75%
Provision for Claims - Prior Year	1,239,115	367,500	367,500	367,500	367,500	0	Estimated pending actuarial
Provision for ULAE	(25,854)	-	10,000	10,000	10,000	0	
Total Retained and Transferred Risk	12,726,366	11,234,809	11,244,809	12,347,488	11,920,809	(426,679)	
Program Administration							
Actuarial and Consulting Services	52,126	4,158	31,306	31,306	28,806	(2,500)	
ISO Index Fees	-	-	1,000	1,000	1,000	0	
Legal Expenses	-	1,616	24,000	28,000	28,000	0	
Claims & Loss Prevention Administration	357,177	263,884	352,846	352,846	352,846	0	
Member Actuarial Studies	12,000	12,000	16,000	16,000	16,000	0	
Claim Audits	-	-	0	0	8,000	8,000	Done in 12/13 no expense for 13/14
Loss Prevention Annual Seminar	11,250	-	10,000	6,500	38,250	31,750	Risk management seminar expense
Total Program Administration	432,553	281,658	435,152	435,652	472,902	37,250	
Appropriation Delegated to Med Mal Committee	-	-	0	20,000	20,000	0	Available with two-thirds vote of Med Mal Committee
TOTAL EXPENDITURES	13,158,919	11,516,467	11,679,961	12,803,140	12,413,711	(389,429)	

**CSAC EXCESS INSURANCE AUTHORITY
MEDICAL MALPRACTICE PROGRAM
Appropriation and Revenue Budget
July 1, 2014 to June 30, 2015**

Sources and Uses of Financial Resources	CAFR Actual 2012/13	Year to Date 03/31/2014	Estimated 2013/14	Revised Budget 2013/14	Proposed Budget 2014/15	Increase (Decrease)	Text Detail
TRANSFERS:							
Transfers out to:							
General Administration	(342,861)	(364,270)	(364,270)	(364,270)	(474,870)	(110,600)	
Loss Prevention Subsidies	(50,000)	(48,000)	(48,000)	(49,000)	(48,000)	1,000	
Claims System Costs	(20,570)	(19,806)	(19,806)	(19,806)	(36,818)	(17,012)	
Risk Management Subsidy Dividend	(142)	(193)	(193)	(193)	(248)	(55)	
Investment Fees	(18,345)	(15,636)	(20,000)	(20,000)	(20,000)	0	
TOTAL TRANSFERS	(431,918)	(447,905)	(452,269)	(453,269)	(579,936)	(126,667)	
Net Increase or (Decrease)	(766,088)	928,517	828,020	1,783,060	800,192	(982,868)	
NET POSITION - JULY 1	5,125,883	4,359,795	4,359,795	5,085,800	5,187,815		
NET POSITION - JUNE 30	4,359,795	5,288,312	5,187,815	6,868,860	5,988,007		
Net Position Designated for:							
Target Equity	4,359,653	5,288,170	5,187,567	6,868,577	5,987,724		
Risk Management Dividend	142	142	248	283	283		
Admin Carryover	240,489	240,489	261,987	0	0		
Total Net Position	4,359,795	5,288,312	5,187,815	6,868,860	5,988,007		
Target Equity Analysis 2010							
Low Range	3,300,000				5,000,000		
High Range	10,500,000				10,000,000		

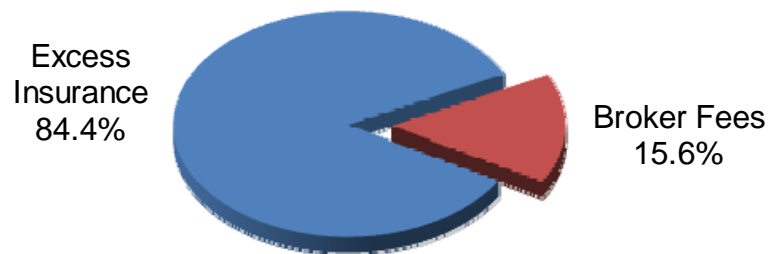
Master Rolling Owner Controlled Insurance Program

The Master Rolling Owner Controlled Insurance Program (MROCIP) enables members to purchase workers compensation and general liability coverage for all eligible parties working on their construction projects. The program inceptioned in January 2013, and currently has four projects with project values in excess of \$100M each. Marketing efforts continue and estimated premium and expense is projected for a few startups of both pooled and stand-alone projects.

Insurance	\$5.1 Million
Broker Fees	\$950 Thousand

A summary of the MROCIP Program budget is as follows:

Master Rolling Owner Controlled Insurance Program



MASTER ROLLING OWNER CONTROLLED INSURANCE PROGRAM (MR OCIP)

Program Goals

Short-term

- Cooperate with broker in communicating information about the new program to members.
- Evaluate program participation proposals and refine program participation parameters in both Tower I and Tower II to ensure reasonable program participation.

Long-term

- Maintain beneficial long-term relationships with insurance markets.
- Maintain program stability through strategies of broad spread of risk and market-based premium allocation.
- Maintain superior quality services in claims, underwriting and loss control.

Revenues and Expenses

- Premiums for Retained and Transferred Risk, and other program charges are calculated based on each project's construction values, payrolls, exposures, and coverage elections.
- Program finance fees are based on the internal borrowing rate. The startup loan of \$250k from the Property Program will be paid back to the Property Program as Tower II projects are billed.
- Administration fees are .03% of the Estimated Project Value.
- Transfers out to the General Administration Program are used to pay for the EIA staff and all other administrative costs. These administration costs are allocated to all EIA programs based on a three-year average of staff time.
- Investment fees are charged at an annual rate of 0.08% on the average daily balance of program funds invested.

**CSAC EXCESS INSURANCE AUTHORITY
MASTER ROLLING OCIP PROGRAM
Appropriation and Revenue Budget
July 1, 2014 to June 30, 2015**

Sources and Uses of Financial Resources	CAFR Actual 2012/13	Year to Date 03/31/2014	Estimated 2013/14	Revised Budget 2013/14	Proposed Budget 2014/15	Increase (Decrease)	Text Detail
REVENUES:							
Premiums for Transferred Risk	399,352	2,448,114	2,448,114	3,700,400	5,125,000	1,424,600	Estimate based on history of projects
Broker Fees	0	475,112	475,112	225,000	950,000	725,000	
Investment Income	0	86	86	0	0	0	
Administration Fees	0	33,464	33,464	40,000	68,000	28,000	
TOTAL REVENUES	399,352	2,956,776	2,956,776	3,965,400	6,143,000	2,177,600	
EXPENDITURES:							
Retained and Transferred Risk							
Insurance Purchased	399,352	2,448,118	2,448,118	3,575,400	5,125,000	1,549,600	
Broker Fees	0	475,112	475,112	225,000	950,000	725,000	
Financing Expenses	863	739	739	875	1,875	1,000	Interest on interfund loan from Property Program
Total Retained and Transferred Risk	400,215	2,923,969	2,923,969	3,801,275	6,076,875	2,275,600	
TOTAL EXPENDITURES	400,215	2,923,969	2,923,969	3,801,275	6,076,875	2,275,600	
TRANSFERS:							
Transfers out to:							
General Administration	(19)	0	0	0	(17,800)	(17,800)	
Investment Fees		(78)	(150)	0	(500)	(500)	
TOTAL TRANSFERS	(19)	(78)	(150)	0	(18,300)	(18,300)	
Net Increase or (Decrease)	(882)	32,729	32,657	164,125	47,825	(98,000)	
NET POSITION - JULY 1	0	(882)	(882)	(125,438)	31,775		
NET POSITION - JUNE 30	(882)	31,847	31,775	38,687	79,600		
Net Position Designated for:							
Admin fee carryover			31,775	0	79,600		
Total Net Position	(882)	31,847	31,775	38,687	79,600		

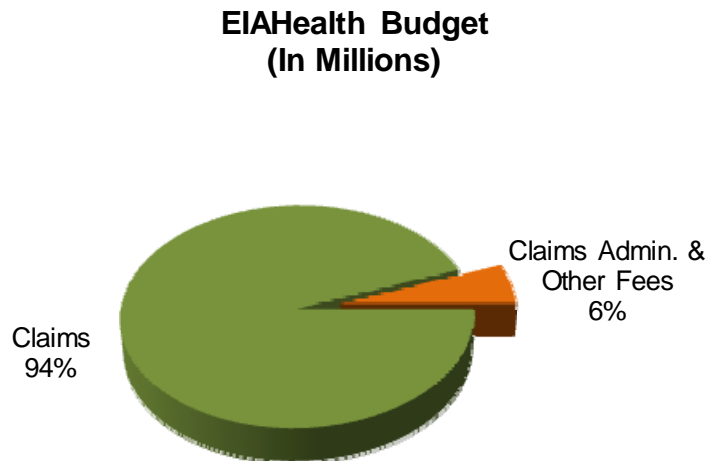
EIAHealth

The EIAHealth Program was formed to provide CSAC Excess Insurance Authority members with a more cost-efficient alternative to their current health and benefit plans.

The EIAHealth Program creates value and long-term stability for members by securing the lowest fixed cost plan components and combining employers with similar risk profiles in a financially stable pool. In addition, the Program offers employers the flexibility to match current plan design and product offerings at lower rates for both active and retired employees. The Program has consistently outperformed the marketplace since its inception and competes effectively with standalone plans, as well as CalPERS.

Number of Members	25
Insurance	\$281 Million
Eligibility Fees	\$1.5 Million
Claims Admin Fees	\$15.6 Million
Broker Fees	\$1.9 Million
Healthcare Reform Fees	\$1.3 Million
EIA Admin & Fees	\$468 Thousand

A summary of the EIAHealth Program budget is as follows:



Adopted: April 20, 2011
Amended: May 2, 2012
Amended: March 27, 2013
Amended: March 27, 2014

EIAHealth

Program Goals

Short-term

- Summary of benefits and coverage to all members by October of each year.
- Provide support to members on Health Care Reform compliance, as needed.
- Assist members in lower cost/lower benefit plan options to conform with Health Care Reform, as needed.
- Increase Program communication of products and services available to Members and their employees.

Long-term

- Maintain appropriate funding levels in Program.
- Maintain stable pricing.
- Maintain lower year over year increases.
- Maintain statewide and nationwide provider networks.
- Keeping members updated on Health Care Reform.
- Provide a wellness program option to members.
- Identify alternatives to avoid the Cadillac Tax in 2018.
- Annually review CPRA formula for any needed adjustments due to membership changes.

Budget Policies for the EIAHealth Program include the following:

Revenues

- The transferred risk premiums for EIAHealth insurance is based on the benefit level selected by each member and their actual claims experience. A per month, per employee rate is established for each member.
- EIAHealth Committee has established other rates necessary to manage the EIAHealth Program. These rates, outlined below and included in the following addendum, will be updated annually with the specific amount of the fixed costs.
 - Claim eligibility fees are based on a per employee, per month rate. The rates may vary based on group size and/or products purchased by the Member.
 - Broker fees are also based on a per employee, per month rate. The rate varies based on the size of each member.
 - TPA fees are based on a per employee, per month rate. Administration rates are based on a per employee, per month rate.
- Investment income is budgeted at an estimated earnings rate.

Expenses

- The health insurance premiums transferred to the EIAHealth Committee's partner, Self Insured Schools of California (SISC), equals the per employee, per month premium referred to above in the revenue section. Risk for member health cost have been transferred to SISC.
- Other EIAHealth Program revenues that pass through as an expense include:
 - Claims Administration and TPA Fees
 - Broker Fee Expense
 - Eligibility Administration Expense
- The EIAHealth Symposium expense provides for the operating cost of seminars to update members on current health insurance issues. The cost includes reimbursements of travel costs incurred by members to attend the seminar.
- The EIAHealth Benefit Technician Workshop is designed to train and update member health benefits staff on issues pertaining to the EIAHealth Program.
- Other program administration costs include legal expenses and actuary expenses. An expense budget of \$10,000 has been delegated to the EIAHealth Committee for any unforeseen budget expenses. The EIAHealth Committee may allocate these funds to any expense line item with a two-thirds vote of the Committee.

Transfers

- Transfers out to the General Administration Program are used to pay for the EIA staff and all other administrative costs. These administration costs are allocated to all EIA programs based on a three-year average of staff time.
- Investment Fees are charged at an annual rate of 0.08% on the average daily balance of program funds invested.

Addendum

EIAHEALTH 2014 Fixed Administrative Costs

Program Administration	Fixed Costs
Alliant Employee Benefits	Large Group: \$3.00 PEPM Mid Market: \$8.00 PEPM Small Group: \$11.00 PEPM
Alliant Underwriting Services	\$3.00 PEPM
Anthem Blue Cross	\$44.83 PEPM
Benefit Coordinators Corporation.	\$7.00 PEPM
Blue Shield of California	\$41.31 PEPM
CSAC EIA	\$1.50 PEPM
Delta Health Systems	\$39.02 PEPM
Employee Benefit Specialists	\$6.75 PEPM
SISC Access Fee	\$2.75 PEPM

*Some fees may vary by Member based on additional services purchased.

CSAC EXCESS INSURANCE AUTHORITY
EIAHEALTH PROGRAM
Appropriation and Revenue Budget
July 1, 2014 to June 30, 2015

Sources and Uses of Financial Resources	CAFR Actual 2012/13	Year to Date 03/31/2014	Estimated 2013/14	Revised Budget 2013/14	Proposed Budget 2014/15	Increase (Decrease)	Text Detail
REVENUES:							
Premiums for Transferred Risk	216,373,262	164,629,063	220,000,000	280,934,640	278,234,400	(2,700,240)	These are paid directly to SISC; increase in covered lives
EBS Claims Eligibility	1,745,863	1,316,948	1,547,100	1,547,100	1,787,900	240,800	Paid direct to eligibility vendor
TPA Fees for EIAHealth Program	12,658,330	8,519,435	11,500,000	15,580,000	11,725,700	(3,854,300)	
Broker Fees	2,248,700	1,696,007	1,900,000	1,900,000	2,410,800	510,800	Paid to Alliant & other brokers;
Administration Fees	459,748	491,528	655,371	458,400	467,000	8,600	\$2 per employee per month
Healthcare Reform Reinsurance Fee	0	387,189	1,260,000	1,260,000	1,260,000	0	\$5.25 per member per month effective January, 2014
Healthcare Reform PCORI Fee	0	0	0	40,000	80,000	40,000	
Investment Income	25,940	75,865	100,000	66,000	80,000	14,000	
Other Income	79,746	(45,668)	44,332	10,000	50,000	40,000	Potential Pharmacy rebates or performance rebates
TOTAL REVENUES	233,591,589	177,070,367	237,006,803	301,796,140	296,095,800	(5,700,340)	
EXPENDITURES:							
Member Dividends (Interest on Outstanding Balances)	17,695	0	22,000	22,000	25,000	3,000	
Retained and Transferred Risk							
Health Premiums, SISC	216,373,262	164,629,064	220,000,000	280,934,640	278,234,400	(2,700,240)	
Claims Admin. TPA Fees	12,661,204	8,519,473	11,500,000	15,580,000	11,725,700	(3,854,300)	Fees paid to Blue Cross
Broker Fees	2,248,700	1,696,007	1,900,000	1,900,000	2,410,800	510,800	
Eligibility Administration	1,745,863	1,316,948	1,547,100	1,547,100	1,787,900	240,800	
Healthcare Reform Reinsurance Fee	0	0	1,260,000	1,260,000	1,260,000	0	
Healthcare Reform PCORI Fee	0	0	40,000	40,000	80,000	40,000	
Total Retained and Transferred Risk	233,029,029	176,161,492	236,247,100	301,261,740	295,498,800	(5,762,940)	
Program Administration							
EIA Actuarial, Consulting and Other	65,446	12,502	18,000	18,000	21,750	3,750	
EIAHealth Symposium and Technician Workshop	16,387	1,470	29,500	29,500	21,000	(8,500)	
Other Misc. Expense	0	0	0	0	10,000	10,000	
Total Program Administration	81,833	13,972	47,500	47,500	52,750	5,250	
Appropriation Delegated to EIAHealth Committee	0	0	0	25,000	25,000	0	Available with two-thirds vote of EIA Health Committee
TOTAL EXPENDITURES	233,128,557	176,175,464	236,316,600	301,356,240	295,601,550	(5,754,690)	
TRANSFERS:							
Transfers out to:							
General Administration	(268,500)	(313,080)	(313,080)	(313,080)	(407,640)	(94,560)	
Investment Fees	(6,093)	(4,979)	(6,000)	(6,000)	(6,000)	0	
TOTAL TRANSFERS	(274,593)	(318,059)	(319,080)	(319,080)	(413,640)	(94,560)	
Net Increase or (Decrease)	188,439	576,844	371,123	120,820	80,610	(40,210)	
NET POSITION - JULY 1	1,196,057	1,384,496	1,384,496	1,473,907	1,755,619		
NET POSITION - JUNE 30	1,384,496	1,961,340	1,755,619	1,594,727	1,836,229		
Admin Carryover	289,883	289,883	623,006	289,883	367,360		
Unrestricted Net Position	1,094,613	1,671,457	1,132,613	1,304,844	1,468,869		
Total Net Position	1,094,613	1,671,457	1,132,613	1,304,844	1,836,229		

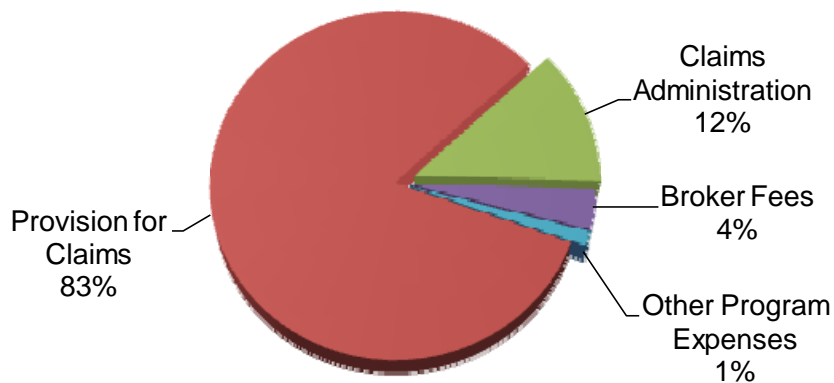
Dental

The Dental Program was created to provide members with comprehensive dental coverage and flexible benefit plan designs at the lowest possible rates. As a joint purchasing program, the CSAC Excess Insurance Authority Dental Program is able to leverage the size of its pooled participants to achieve volume pricing that is significantly lower than what individual public agencies could qualify for on their own.

Number of Members	133
Pool Premium	\$31 Million
Eligibility Fees	\$301 Thousand
Broker Fees	\$1.3 Million

A summary of the Dental Program budget is as follows:

Dental Program



Approved: May 17, 2012
Amended: February 27, 2013
Amended: May 15, 2014

Dental

Program Goals

Short-term

- Reducing excess reserves.
- Continue to bring in new members into the Program.
- Annually review trend levels for Program.
- Develop action plan to increase communication on available program features
- Enhance program information available on the EIA website
- Develop target surplus policy and claims fluctuation margin for Dental Program

Long-term

- Maintain appropriate funding levels in Program.
- Maintain stable pricing.
- Maintain lower year over year increases.
- Maintain a nationwide provider network.
- Work with Delta Dental to develop EIA Dental website for Members and employees
- Market review for Program competitiveness

Revenues

- The retained risk premiums for the EIA's Dental Program are based on the benefit level selected by each member, and the member's actual claims experience. A per month, per employee rate is established for each member.
- The EIA Employee Benefits Committee has established other rates necessary to manage the EIA Dental Program. These rates include the following:
 - Claim eligibility fees are based on a per employee, per month rate.
 - Broker fees are also based on a per employee, per month rate. The rate varies based on the size of each member.
- TPA fees are based on a per employee, per month rate.
- Investment income is budgeted at an estimated earnings rate determined annually and applied to the average daily balance invested in the EIA Treasury.

Expenses

- Dental claim expenses equals the actual dental expenses paid for program members. The expense includes an accrual for outstanding claims incurred, and an allowance for claims incurred but not reported (IBNR).
- EIA Dental Program revenues that pass through as a like expense includes:
 - Claims administration and TPA Fees
 - Broker fee expense
 - Eligibility Administration expense
- Other program administration costs include legal expenses and actuary expenses.

Transfers

- Transfers out to the General Administration Program are used to pay for the EIA's staff, loss prevention, and all other administrative costs. The investment income earned from the dental premiums pay for the general administration cost of the program. The Employee Benefits Committee established this procedure to operate the Dental Program without any direct administration fees.

**CSAC EXCESS INSURANCE AUTHORITY
DENTAL PROGRAM
Appropriation and Revenue Budget
July 1, 2014 to June 30, 2015**

Sources and Uses of Financial Resources	CAFR Actual 2012/13	Year to Date 03/31/2014	Estimated 2013/14	Revised Budget 2013/14	Proposed Budget 2014/15	Increase (Decrease)	Text Detail
REVENUES:							
Contribution For Retained Risk	30,426,135	23,220,449	31,100,000	31,100,000	30,723,500	(376,500)	
Stabilization Funds Transferred	276,074	0	0	0	0	0	Delta members have transitioned to the new program by June 2013
Eligibility Administration	143,386	230,061	305,000	231,000	301,000	70,000	
Broker Fees	941,955	1,028,981	1,375,000	1,000,000	1,330,000	330,000	
Investment Income	23,140	101,977	135,000	80,000	97,500	17,500	
Other Income	199,337	0	0	0	0	0	
TOTAL REVENUES	32,010,027	24,581,468	32,915,000	32,411,000	32,452,000	41,000	
EXPENDITURES:							
Retained and Transferred Risk							
Provision for Claims Current Year	25,691,975	19,337,699	27,652,000	27,652,000	27,650,000	(2,000)	
Provision for Claims Prior Year	0	0	250,000	1,000,000	100,000	(900,000)	
Claims Administration TPA Fees	1,915,586	1,471,131	2,100,000	2,200,000	2,200,000	0	paid to Delta Dental
Eligibility Administration	143,976	230,061	300,000	231,000	301,000	70,000	paid to EBS for maintaining eligibility and billing
Broker Fees	948,505	1,028,981	1,370,000	1,000,000	1,330,000	330,000	paid to Alliant and other brokers
PCORI Fees	2,831	0	3,000		3,000	3,000	Federal tax due on certain dental members
Total Retained and Transferred Risk	28,702,873	22,067,872	31,675,000	32,083,000	31,584,000	(499,000)	
Program Administration							
Actuarial, Consulting and Legal	140	0	5,000	5,000	18,250	13,250	
Employee Benefit & Health Symposiums	0	0	0	0	11,500	11,500	
Total Program Administration	140	0	5,000	5,000	29,750	24,750	
TOTAL EXPENDITURES	28,703,013	22,067,872	31,680,000	32,088,000	31,613,750	(474,250)	
TRANSFERS:							
Transfers out to:							
General Administration	(69,571)	(96,490)	(96,490)	(96,490)	(166,970)	(70,480)	Carryover from Other Income used to fund Admin Fee Deficit
Investment Fees	(7,104)	(6,808)	(9,000)	(7,000)	(7,000)	0	
TOTAL TRANSFERS	(76,675)	(103,298)	(105,490)	(103,490)	(173,970)	(70,480)	
Net Increase or (Decrease)	3,230,339	2,410,298	1,129,510	219,510	664,280	444,770	
NET POSITION - JULY 1	7,589,991	10,820,331	10,820,330	11,451,617	11,949,840		
NET POSITION - JUNE 30	10,820,330	13,230,629	11,949,840	11,671,127	12,614,120		
Net Position Designated for:							
Program Stabilization Funds	1,665,700		1,665,700	1,850,000	1,665,700		
Admin Carryover	198,769		218,279	0	109,059		
Unrestricted Net Position	8,955,861		10,065,861	9,821,127	10,839,361		

Miscellaneous Programs

The EIA offers various other insurance coverage to public agencies. These services include the following employee benefits programs:

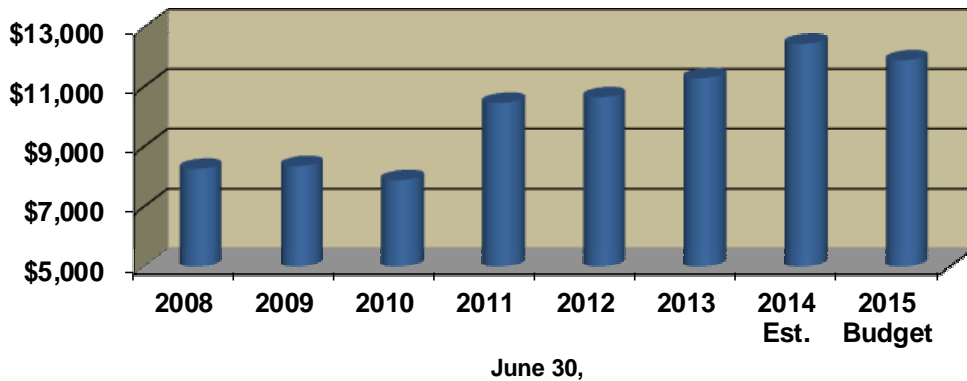
- Life and Disability programs
- Employee Assistance programs

Other coverage include:

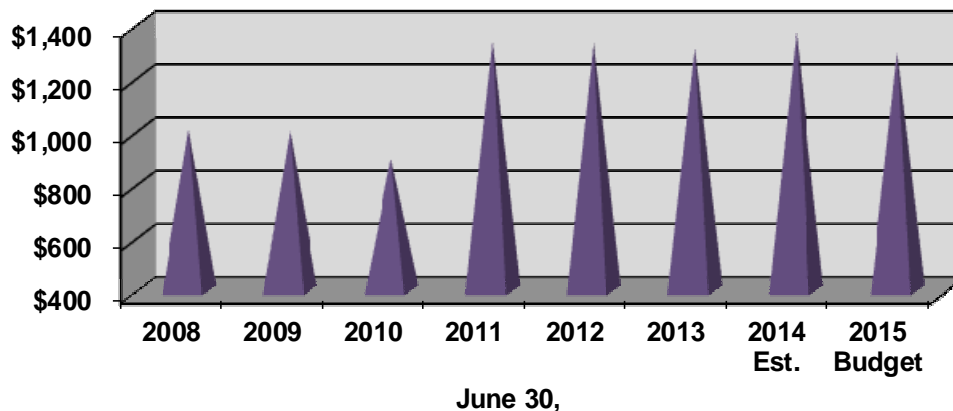
- Optional Excess Liability programs
- Aviation Insurance
- Owner Controlled Insurance Program (OCIP)
- Crime and Honesty Bonds
- Pollution Liability Insurance
- Watercraft Insurance
- Catastrophic Liability Insurance
- Course of Construction Insurance
- Catastrophic Inmate Medical Insurance

The following charts illustrate the trends of the miscellaneous employee benefits programs.

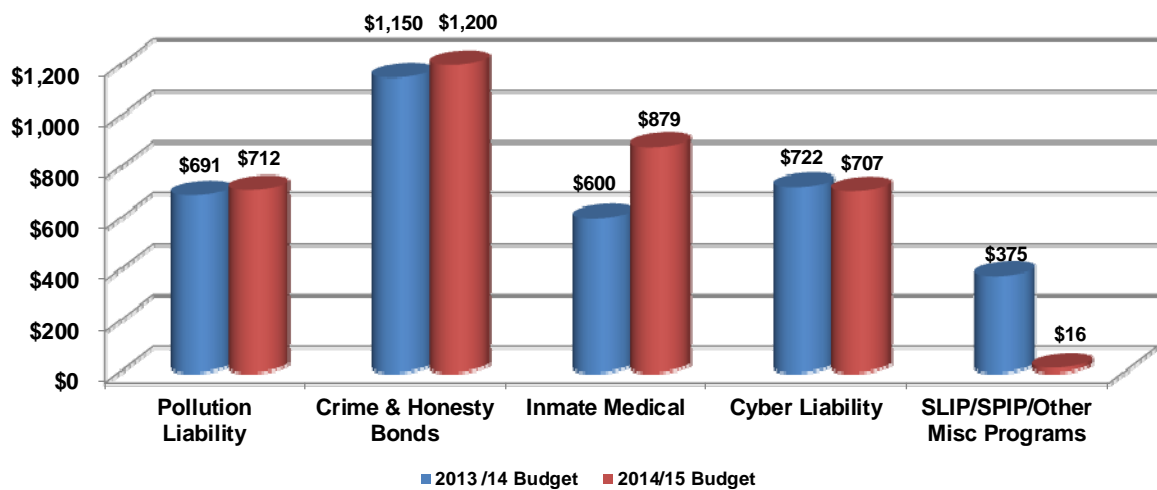
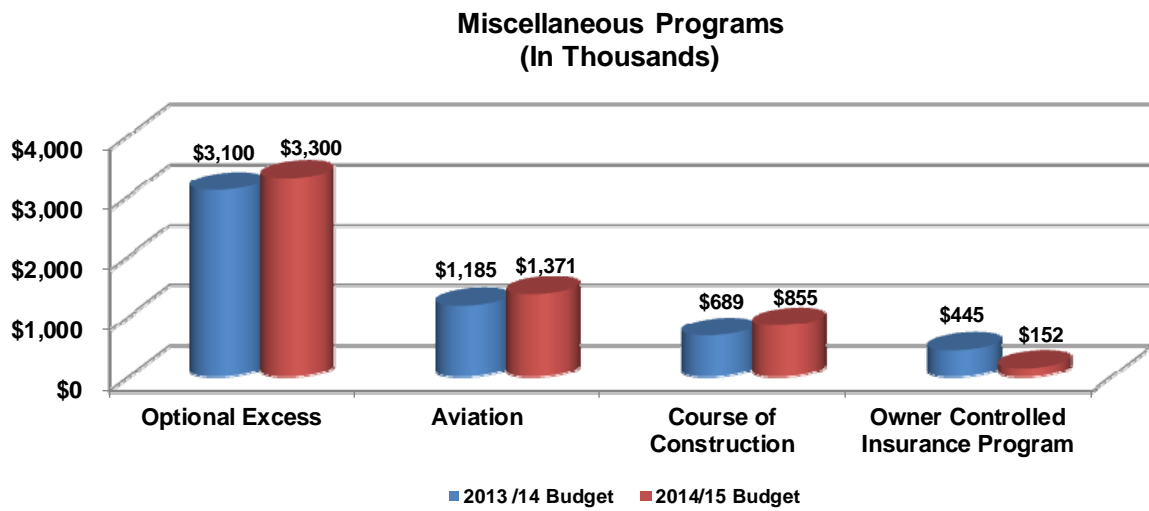
**Life, AD&D, LTD and STD Premiums
(in thousands)**



**Employee Assistance Program
(in thousands)**



The following charts illustrate the volumes of these miscellaneous programs for the past two years.



Adopted: May 16, 2011
Amended: February 27, 2013
Amended: June 5, 2014

Miscellaneous Programs

Employee Benefits

Program Goals

Short-Term

- Reduce excess reserves
- Program growth via new membership
- Annual review of trend levels for Program
- Develop action plan to increase communication on available program features
- Enhance program information available on the EIA website
- Develop EAP educational hours pooling bank

Long Term

- Maintain appropriate funding levels in Programs
- Maintain stable pricing
- Maintain lower year over year increases
- Maintain nationwide provider network
- Review impact of additional carrier being added to the Life/Disability Program.

Revenues

- The transferred risk premiums for Life, Accidental Death and Dismemberment (AD&D) Long-Term Disability, and Short-Term Disability are based on the benefit level selected by each member.
 - Life Insurance rates are based on the volume levels selected by each member.
 - AD&D rates are also based on the volume levels selected by each member.
 - Long-Term Disability rates are based on the benefit level selected by each member. The rate is applied to the monthly payroll reported by each member.
 - Short-Term Disability rates are also based on the benefit level selected by each member and is applied to the monthly payroll.
- Employee Assistance Program (EAP) revenues are based on the benefit level selected by each member. Benefit levels determine the benefits provided per incident, per employee. EAP premiums are billed quarterly, in advance by the EIA.
- Investment income is budgeted at an estimated earnings rate determined annually and applied to the average daily balance invested in the EIA Treasury. The estimated earnings rate is determined by the Finance Committee and approved by the Executive Committee and Board of Directors. The estimated

earnings rate is also the rate established by the Inter-Fund Borrowing Policy, wherein a program can temporarily borrow funds from the EIA Treasury.

Expenses

- The Life, AD&D and Long and Short Term Disability premium revenues pass through to insurance companies, approved by the Employee Benefits Committee.
- EAP premium revenues also pass through to the insurance company approved by the Employee Benefits Committee. Premium expense invoices are computed monthly, based on each member's benefit level, and the reported number of employees eligible for the EAP Program.

Transfers

- Transfers out to the general administration program are used to pay for the EIA staff, and all other administrative costs. The investment income earned from the Life, AD&D, STD and LTD Programs pay for the general administration cost of the Program. Investment income from stabilization funds used for general administration fees is limited to a minimum of \$5k and a maximum of \$10k per stabilization account.
- Transfers out for EAP administration fees is paid from investment income earned from the timing differences created by billing members quarterly, and paying the insurance companies monthly. The Employee Benefits Committee established this procedure to operate the EAP Program without any direct administration fees.
- Investment Fees are charged at an annual rate of .08% on the average daily balance of program funds invested.

Other Miscellaneous Programs

Revenues

- In addition to the ten major coverage programs, the EIA provides group purchase insurance programs to offer members protection from other various exposures. These programs include:
 - Aviation
 - Bond/Crime and Faithful Performance,
 - Catastrophic Inmate Medical,
 - Course of Construction,
 - Optional Excess Liability,
 - Owner Controlled Insurance Programs (OCIP) for construction projects,
 - Personal Internet and Identity Coverage
 - Pollution Liability
 - Special Events
 - Vendor Contractors' Liability
 - Watercraft

Expenses

- The revenue from the group purchase of the Miscellaneous Programs listed above pass through as premium expense.

Transfers

- Transfers out to the general administration program are used to pay for the EIA staff and all other administrative costs. Any investment income from any timing differences for the collection of premiums and the timely payment of premiums expenses is transferred to the general administration fund.

CSAC EXCESS INSURANCE AUTHORITY
MISCELLANEOUS PROGRAMS
Appropriation and Revenue Budget
July 1, 2014 to June 30, 2015

Sources and Uses of Financial Resources	CAFR Actual 2012/13	Year to Date 03/31/2014	Estimated 2013/14	Revised Budget 2013/14	Proposed Budget 2014/15	Increase (Decrease)	Text Detail
REVENUES:							
Watercraft Dividend	15,693	16,622	16,622	0	0	0	Received from insurance carriers and paid out to members
Aircraft Dividend	85,134	83,121	83,121	0	0	0	Received from insurance carriers and paid out to members
EAP Premiums	1,314,319	1,024,875	1,375,000	1,653,750	1,400,000	(253,750)	
Life, LTD and STD Premiums	11,311,106	9,320,968	12,360,000	11,897,000	11,985,500	88,500	Growth in program offset by 5% rate decrease in Life
Vision Premiums	139,601	74,982	2,000,000	0	2,527,500	2,527,500	
Optional Excess	2,865,832	2,927,527	3,100,000	3,100,000	3,300,000	200,000	
Aviation Insurance	1,166,844	1,311,350	1,311,350	1,185,000	1,371,000	186,000	
Watercraft Insurance	175,104	187,985	187,985	175,000	190,000	15,000	
Course of Construction	630,062	(34,131)	0	688,700	855,143	166,443	Early completion rebate fully offsets revenue for current year.
Crime and Honesty Bonds	1,092,482	1,152,211	1,152,211	1,150,273	1,200,000	49,727	
Pollution Liability Coverage	690,912	705,989	705,989	691,000	711,762	20,762	
Inmate Medical	486,357	711,093	711,093	600,000	750,000	150,000	Program is growing
SLIP/SPIP other Misc. Programs	45,563	62,569	100,000	200,000	100,000	(100,000)	These are pass through and estimated
Owner Controlled Insurance Program	1,139,042	446,560	446,560	445,362	151,606	(293,756)	San Diego County COC - Phase 2
Cyber Liability	244,422	749,049	749,049	722,400	706,920	(15,480)	
Finance Fees	1,378	1,390	1,390	0	0	0	
Investment Income	15,079	30,919	35,000	27,000	37,000	10,000	Estimated based on float on Life, LTD, EAP Premiums & stabilization funds
Other Income	18,982	49,569	49,569	0	0	0	
TOTAL REVENUES	21,437,912	18,822,648	24,384,939	22,535,485	25,286,431	2,750,946	
EXPENDITURES:							
Watercraft Dividend	15,693	16,622	16,622	0	0	0	These are carrier dividends paid to members who had no claims
Aviation Dividend	85,134	83,121	83,121	0	0	0	
Transferred Risk							
EAP Premium Expense	1,314,626	1,025,496	1,375,000	1,653,750	1,400,000	(253,750)	
Life, LTD Premium Expense	11,311,106	9,320,968	12,450,000	11,897,000	12,030,500	133,500	\$45 K of Stabilization funds used to offset increase in rates LTD
Vision Premiums	139,600	74,699	2,000,000	0	2,527,500	2,527,500	
Optional Excess	2,865,828	2,927,526	3,100,000	3,100,000	3,300,000	200,000	
Aviation Insurance	1,166,844	1,308,917	1,311,350	1,185,000	1,371,000	186,000	
Watercraft Insurance	174,543	188,099	187,985	175,000	190,000	15,000	
Course of Construction	630,062	(34,131)	0	688,700	855,143	166,443	
Crime and Honesty Bonds	1,092,480	1,152,211	1,152,211	1,150,273	1,200,000	49,727	
Pollution Liability	690,962	705,541	705,989	691,000	711,762	20,762	
Inmate Medical	486,356	711,090	711,093	600,000	750,000	150,000	
SLIP/SPIP other Misc. Programs	64,757	62,593	100,000	200,000	100,000	(100,000)	
Owners Controlled Insurance Program	1,139,042	446,560	446,560	445,362	151,606	(293,756)	
Cyber Liability	244,181	742,370	749,049	722,400	706,920	(15,480)	
Other	-	49,604	49,569				
Total Transferred Risk	21,320,387	18,681,543	24,338,806	22,508,485	25,294,431	2,785,946	
TOTAL EXPENDITURES	21,421,214	18,781,286	24,438,549	22,508,485	25,294,431	2,785,946	

**CSAC EXCESS INSURANCE AUTHORITY
MISCELLANEOUS PROGRAMS
Appropriation and Revenue Budget
July 1, 2014 to June 30, 2015**

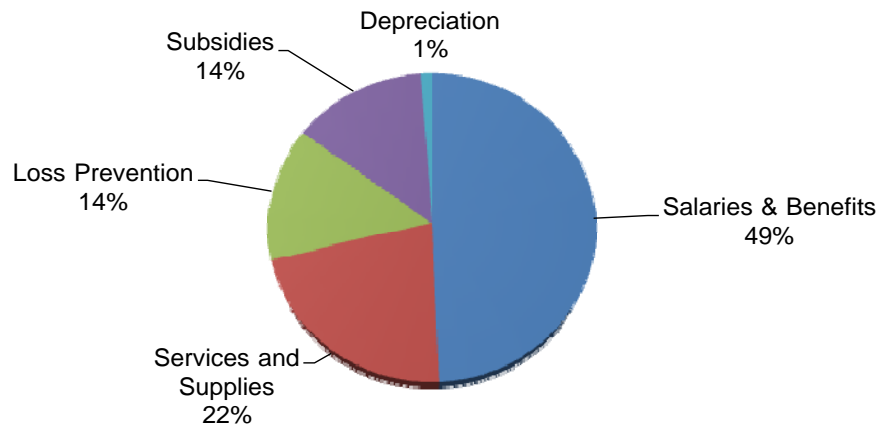
Sources and Uses of Financial Resources	CAFR Actual 2012/13	Year to Date 03/31/2014	Estimated 2013/14	Revised Budget 2013/14	Proposed Budget 2014/15	Increase (Decrease)	Text Detail
TRANSFERS:							
Transfers out to:							
General Administration	(13,292)	(25,000)	(25,000)	(25,000)	(30,000)	(5,000)	
Internal Investment Fees	(2,665)	(2,125)	(2,500)	(2,000)	(3,000)	(1,000)	
TOTAL TRANSFERS	(15,957)	(27,125)	(27,500)	(27,000)	(33,000)	(6,000)	
Net Increase or (Decrease)	741	14,237	(81,110)	0	(41,000)	(41,000)	
NET POSITION - JULY 1	2,201,508	2,202,249	2,202,249	2,202,852	2,121,139		
NET POSITION - JUNE 30	2,202,249	2,216,486	2,121,139	2,202,852	2,080,139		
Net Position Designated for:							
Life Stabilization Fund	665,904		665,904	665,904	665,904		
LTD Stabilization Fund	1,303,111		1,213,111	1,307,884	1,172,111		
Unrestricted Net Position	233,234		242,124	229,064	242,124		
Total Net Position	2,202,249	2,216,486	2,121,139	2,202,852	2,080,139		

Life, Disability and EAP Premium and Expense are moved to this program but remain under the purview of the Employee Benefits Committee.
Other Miscellaneous programs are directed by the Executive Committee.

General Administration

The general administration fund is used to pay the day to day operations of the EIA. These expenses include staff salaries and benefits, staff travel and support, Authority meeting expenses, services and supplies, loss prevention, depreciation of equipment and software, and subsidies to members. The allocation of general administration expenses is as follows.

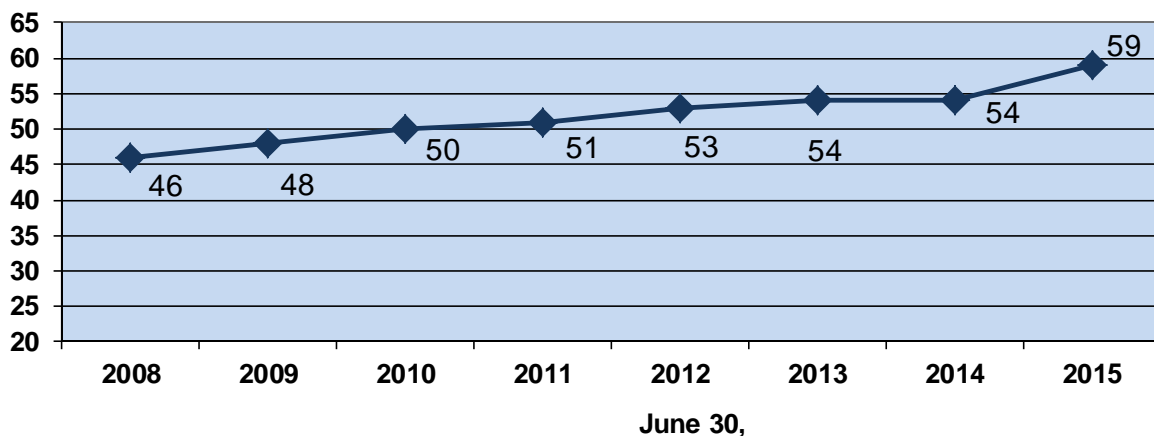
General Administration Budget



Highlights of the general administration budget are as follows:

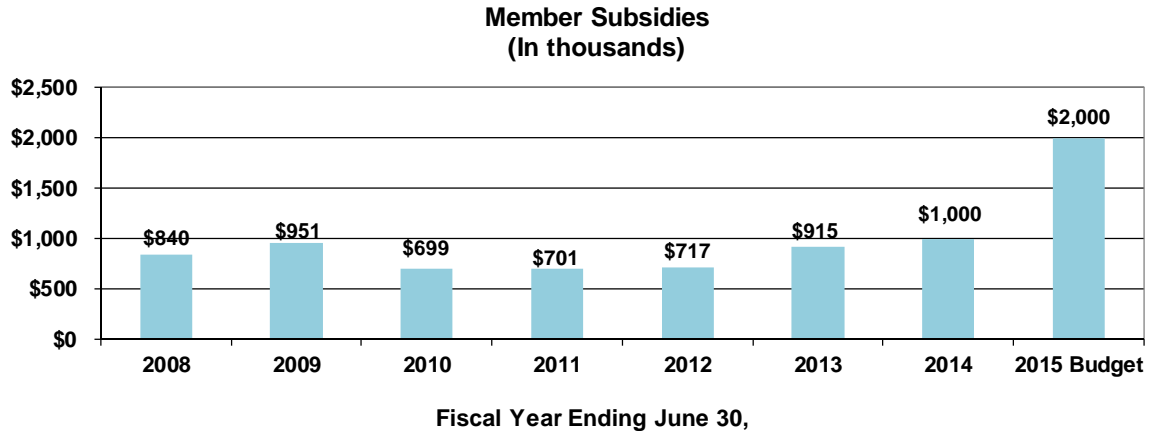
- Salaries and benefits includes five new positions
- The history of the number of authorized positions is illustrated in the following chart.

History of Authorized Staff Positions



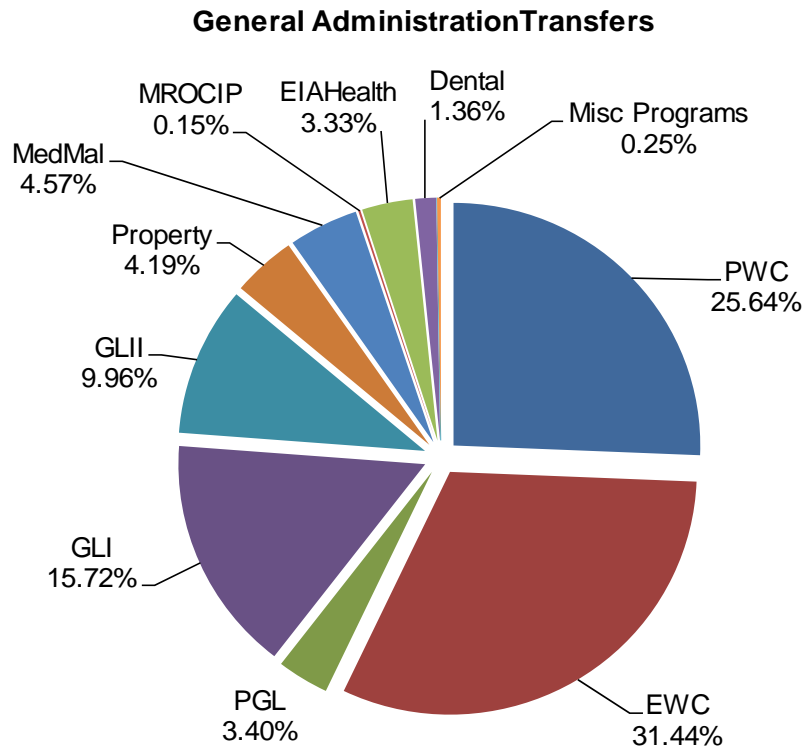
Loss Preventions and Risk Management Subsidies

The EIA has a long history of providing loss prevention and Risk Management Subsidies to our members. The following chart illustrates the amount of subsidies to members.



General Administration Transfers

General Administration expenses are supported from transfers from all Authority programs. Separate allocations are computed for loss prevention, the web based claims system, risk management subsidies, and general administration. The percentages of transfers from all programs are as follows.



Adopted: June 2, 2011
Amended: June 1, 2012
Amended: June 7, 2013
Amended: May 1, 2014

General Administration

Program Goals

Short Term

- Align staff activity to support program specific short and long term goals
- Develop Performance Measures for all departments
- Develop a supervisory development training program to prepare technical staff for the next level of career advancement
- Perform an audit of the executed governing documents (JPA's and MOU's) to ensure we have received all required documents and they have been appropriately filed.
- Continue staff training on CHSI and new claims system.
- Develop risk assessment tool
- Deliver annual employee performance reviews by June 15th of each year

Long Term

- Foster and promote employee job satisfaction, engagement and professionalism
- Continue to foster superior customer service to members
- Engage staff in developing IT strategic plan
- Develop loss data consistency throughout the claims reporting system and among members
- Continue to monitor our benefit package to ensure competitiveness with the market
- Maintain accurate employment records in electronic archiving system
- Promote effective policies for contracting for EIA services, including long term contracting for board meetings.

Budget Policies for the General Administration Program include the following:

Revenues

Member services revenues are used to account for the fees for a variety of cost saving services approved by EIA committees. The costs of providing these services are passed through to the members using the services. These services include:

- Insurance Certificate Tracking – The Insurance Certificate Tracking Program is an online program to obtain and record proper evidence of insurance coverage from each organization contracting with member agencies. The direct cost of the Program is billed to the participating members.

- Claims System – Members of the EIA who have been using the iVOS claims system as their primary claims handling system have the option to transition to our new claims system. There are various payment options available. The direct cost of the Program is billed to the participating members.
- Loss Prevention Platform – An online training and safety/risk management platform is available to all members. The access fee gives members access to a wide range of training topics at a reduced cost. The Platform includes, a tracking component, resource center, FleetSmart, data analytic capabilities and file center functions. A DMV Electronic Pull Notice (EPN) component is also available at a cost saving fee. User fees are billed to participating members at rates approved by the Executive Committee. The balance of the cost for the Loss Prevention Platform is included in the Administration Fee, allocated to all members.
- Investment Advisor Services – The Executive Committee has approved the continuance of investment advisory services to members receiving these services prior to the EIA's Chief Investment Officer joining the EIA staff. The Executive Committee has established an investment advisory fee of eight (8) basis points times the amount of the portfolio managed, subject to a minimum quarterly fee of \$5k.
- Investment income is budgeted at an estimated earnings rate determined annually, based on the estimated portfolio yield on invested assets and expected cash flows, and applied to the average daily balance invested in the EIA Treasury. The estimated earnings rate is determined by the Finance Committee and approved by the Executive Committee and Board of Directors. The estimated earnings rate is also the rate established by the Inter-Fund Borrowing Policy, wherein a program can temporarily borrow funds from the EIA Treasury.
- PLIP Income – The Executive Committee has approved a Personal Lines Insurance Program (PLIP) allowing EIA and member employees to access group savings for personal insurance. The Program is operated in partnership with the California State Association of Counties (CSAC). Affinity fees are received quarterly and are shared equally with CSAC.
- Shared Cost Agreements – The Executive Committee has approved shared cost agreements, in which the cost of EIA staff or services is shared with EIA vendors.
- Meeting Revenues – Voluntary contributions from EIA partners and vendors, toward the cost of EIA meetings and events, are recognized as meeting revenue.

Expenses

- The adjustment to the liability for future retiree benefits will be entered as an expense or other adjustment as required by GASB 68. This is not an amount under the control of the CEO. The liability will be funded as determined by the Board.
- Staff salaries and benefits are based on policies established by the Personnel Sub-Committee and approved by the Executive Committee. This includes

approval of authorized positions, salary classifications and pay ranges, benefit levels and other personnel matters. New staff positions, classifications changes, market adjustments to pay ranges, merit pay pool limits, and defined benefit and defined contribution rates are approved annually by the Personnel Sub-Committee and Executive Committee.

- Staff Travel – Employees are reimbursed for ordinary and necessary travel cost for authorized business related purposes. Mileage cost is reimbursed at the rate established by the Internal Revenue Service. Other reimbursable travel costs include the actual cost for lodging, meals, and related ordinary and necessary incidental expenses.
- Authority Meeting Expenses – Members of the Board of Directors, or their alternates, are reimbursed for ordinary and necessary travel expenses. Reimbursements are based on the Travel Policy approved by the Board of Directors. A second county representative attending a Board of Directors meeting may be reimbursed for travel expenses, provided that the first county representative is a voting member of the Board of Directors.
- Executive and Committee Travel – Members of Authority committees are reimbursed for ordinary and necessary travel expenses to attend committee meetings and the conduct of other committee activities. Reimbursements are based on the Travel Policy approved by the Board of Directors.
- Audit Services – An independent audit examination of the EIA Comprehensive Annual Financial Report (CAFR) is completed each year by a Certified Public Accountant. The selection of the independent auditor is based on the recommendation of the Finance Committee and approved by the Executive Committee. The audit contract is based on a Request for Proposal (RFP) process determined by the Finance Committee.
- Legal Services – The Board of Directors and Authority committees may appoint Legal Counsel to provide legal services to Board of Directors or Committees.
- Management Training – Management training expenses include the cost of periodical and publications, education and scholarships, conferences and seminars, and membership dues. Management training expenses are approved by EIA senior management.
- Other ordinary and necessary expenses are estimated and approved through the regular budget process and according to the Budget Preparation and Management Policy.
- A Contingency amount is budgeted, and may be transferred to any line item with the approval of a two-thirds vote of the Executive Committee.

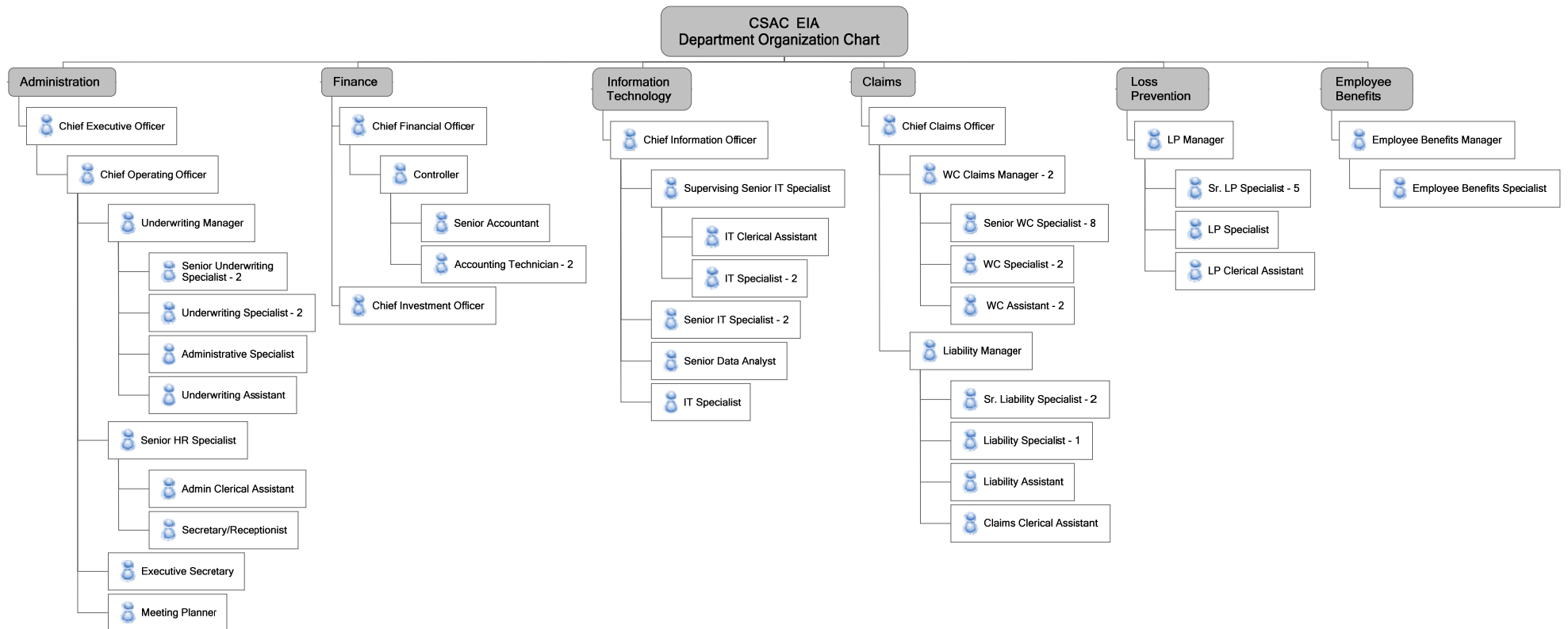
Transfers

- Transfers in from each EIA program are used to pay for EIA staff and all other administrative costs. These administration costs are allocated to all EIA

programs based on a three-year average of staff time. Transfers from programs that access our claims system are allocated based on program use.

Transfers in from each EIA program are used to pay for loss prevention subsidies.

- Public entity participation fees, collected during the prior fiscal year, are consolidated by transfers in to the General Administration Program. The Board of Directors considers risk management dividends at the October Board of Directors meeting. Risk management dividends, approved by the Board of Directors, are allocated to county members as a risk management subsidy dividend.
- A transfer in for investment fees reimburses the EIA Treasury for the cost of investing program funds. The fees are based on the average daily balance of funds invested at the rate of eight basis points.



ADMINISTRATION DEPARTMENT

2014/15 Staffing Budget: \$1,593,898

Departmental Functions:

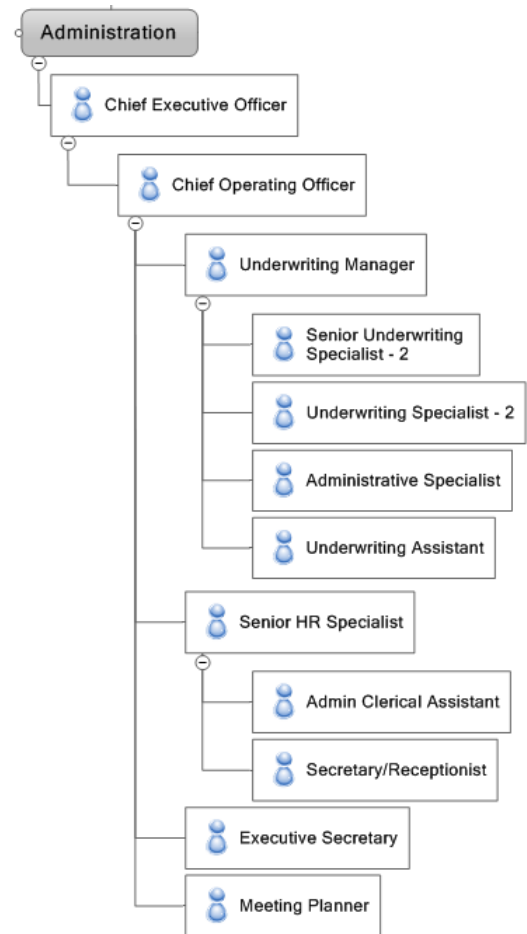
- Oversee administration of EIA programs including marketing, underwriting, and servicing all insurance programs.
- Manage member communications including agendas, minutes, web and member relationship portals, and travel and meeting arrangements.
- Manage all staff service functions including Human Resources, employee training and loss prevention.
- The offices of the CEO and COO are the face of the EIA with our partners, including our brokers, our actuarial consultants, our insurers, and most importantly, our members.
- Responsible for the implementation of strategic initiatives.

Major Accomplishments in Fiscal 2013/14:

- Retained 99% of members at renewal of the programs.
- Increased member participation at important events by expanding such events to include both Northern and Southern California locations.
- Increased web presence for school members on website.
- Review and renewal of Alliant Brokerage agreement.
- Received Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association, (GFOA).
- All loss data information was provided to actuaries and underwriters on time and in a usable format.
- Improved transparency with the posting of the Board and Committee Standard Operating Procedures manuals on the public area of the EIA website.
- Completed electronic archiving of historical records.
- Developed a Supervisory Mentor Program for staff.

Performance Measures for Fiscal 2014/15:

- Compliance 100% of the time in meeting Brown Act deadlines for agenda and meeting materials.
- Continue participation in PAFR program.
- Utilize MyChannel to produce 5 recorded administrative communications.
- Provide accurate underwriting information to actuaries and brokers within adopted timelines.
- Increase communication with public entity members, including contact with 87 public entity members via WebEx or personal visit.
- Begin creation of a staff succession plan, starting with the senior management staff.

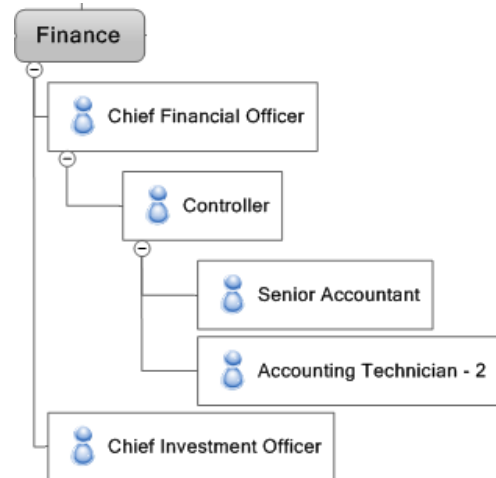


FINANCE DEPARTMENT

2014/15 Staffing Budget: \$792,685

Departmental Functions:

- Plan, organize and direct the investment and accounting functions throughout the Excess Insurance Authority.
- Support program specific financial accounting, including financial statements, budgets, and claims reconciliations.
- Provide analysis and support to internal and external customers to support EIA goals.
- Provide timely, transparent and easy to understand financial reporting to committees and members.



Major Accomplishments in Fiscal 2013/14:

- Participated in and received the Certificate of Achievement for Excellence in Financial Reporting (CAFR), and Distinguished Budget Award from the Government Finance officers Association (GFOA) and assisted in the preparation of the Popular Annual Financial Report (PAFR).
- Final implementation of new accounting system including year-end close and successful audit, "EIA finance department has improved its capacity and performance significantly through improved processes and training and software."
- Met or exceeded deadlines for claims reconciliation and funding information on programs' Claim Summary Reports.
- Successful renewal billing cycle of 804 invoices with a total value of \$267.1K with only 10 invoices for \$48.5K outstanding at 60 days.

Performance Measures for Fiscal 2014/15:

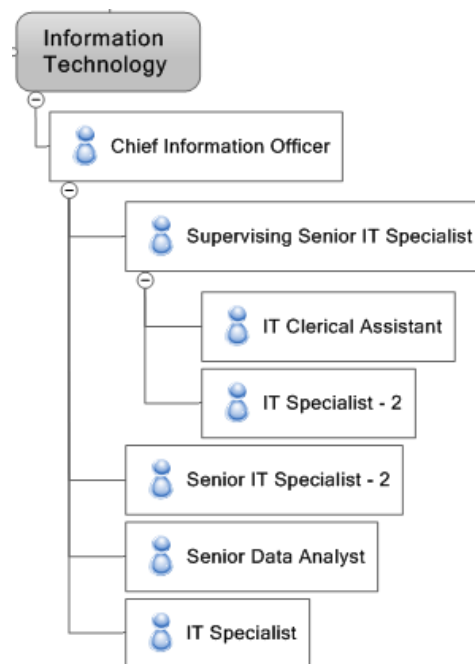
- Obtain CAFR and budget awards from GFOA.
- Bill and collect 100% of renewal billing with 60 days of the new fiscal year.
- Complete the external audit with the new auditors and present CAFR to Finance Committee by mid-December.
- Bill claim reimbursements and member reimbursements within 3 days of receipt from the Claims and Underwriting Departments.
- Pay all invoices within the due date and claim reimbursements within two weeks.
- Provide Claims Summary Report funding numbers within quarterly specified timeframes.
- Partner with the Claims Department to automate transfer of claims payment and excess reimbursement data between the new claims system and the accounting system.
- Coordinate new investment advisor activity including timely and transparent reporting and preparation of quarterly Treasurer's reports.
- Support HR payroll functions including checking and timely filing of state compensation report, W2's and payroll tax returns.

INFORMATION TECHNOLOGY DEPARTMENT

2014/15 Staffing Budget \$923,550

Departmental Functions:

- Maintain personal computer infrastructure to support automated needs of CSAC Excess Insurance Authority.
- Support all electronic processing systems including Claims Management, Policy Management, Human Resource Management and Financial management.
- Provide specialized reporting capabilities for claims handling.
- Provide first level of support for members who are on our AON iVOS contract or our Systema SIMS contract.
- Provide project management, system conversion, and system upgrade support for members.
- Provide auditing and editing capabilities for meeting agendas and presentations.



Major Accomplishments in Fiscal 2013/14:

- Implemented Systema SIMS Claims Management system for CSAC EIA and the Medical Malpractice Third Party Administrator.
- Completed Phase II of CHSI Connections - implemented the new "member portal" including program participation, program documents, renewal applications, subsidy balance and reimbursements, and the video lending library.
- Standardized Workers' Compensation Body Part, Cause of Injury, Nature of Injury, and Class Codes and General Liability Cause Codes (EIAGL Standard).
- Presented EIAGL Code Standard Implementation Workshop at the March Board of Directors meeting.
- Met deadlines for all Claim Summary Reports based on provided data
- Reduced on-going copier costs by replacing the old faulty main copier and negotiated lower rates on the other copiers.
- Developed a Technology Vision Statement.

Performance Measures for Fiscal 2014/15:

- Partner with Claims Department to implement Systema SIMS for the Worker's Compensation Third Party Administrators; York, CorVel, Intercare, JT2, and LWP.
- Implement Systema SIMS for nine current iVOS Members.
- Continue to market the EIA Workers' Compensation and General Liability code standards.
- Create and issue RFP for website development, manage the selection of a new website provider, and migrate the current website to new platform.

- Partner with the Claims Department and Finance Department to automate transfer of claims payment and excess reimbursement data between the new SIMS system and the MIP system.
- Enhance CHSI Connections functionality and develop capability to store historical data.
- Develop the Information Technology Strategic Goals aligned to the Technology Vision Statement.

CLAIMS DEPARTMENT

2014/15 Staffing Budget: \$2,346,361

Departmental Functions:

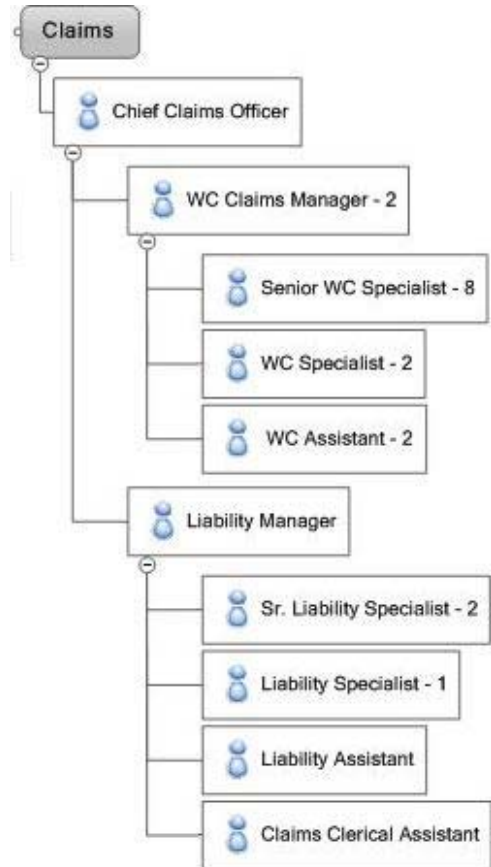
- Plan, organize and direct the claim functions throughout the Excess Insurance Authority.
- Work with members, vendors and business partners to ensure claim cost control.
- Provide analysis of loss trends to facilitate intervention for loss prevention and loss control, to address frequency and severity issues.

Major Accomplishments in Fiscal 2013/14:

- Implemented a new claims system (SIMS) for the claims organization, in partnership with IT.
- Processed payment requests for, and posted, almost 2000 transactions in General Liability I, General Liability II, and Excess Workers' Compensation (EWC). These transactions totaled over \$137 million.

Performance Measures for Fiscal 2014/15:

- Process claim reimbursements to members within 30 days of receipt of all supporting documentation.
- Invoice excess reimbursements to reinsurers/excess carriers within five days of issuing payment. Oversee and follow up with those reinsurers to achieve at least 80% reimbursement within 30 days of invoice issuance.
- Process Bordereaux invoicing for EWC and Primary General Liability programs monthly as required.
- Complete Claim Summary Reports, including the aggregate stop loss coverage invoice on Primary Workers' Compensation (PWC), within 60 days of quarter end.
- In coordination with IT, complete transition of al PWC claims from Third Party Administrators9TPA)' systems to EIA claims system by June, 2015.
- Start the first phase of the claims-accounting system interface for transaction processing.
- Through audit and loss analysis process, continue to provide information on a timely basis to underwriting staff and committees to direct loss prevention and mitigation activities.

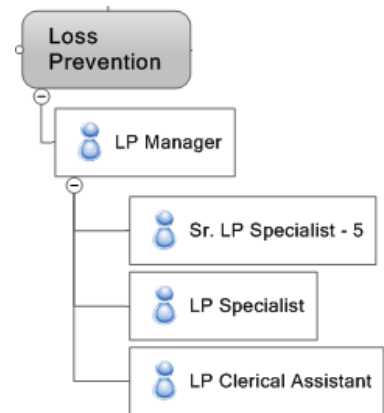


LOSS PREVENTION DEPARTMENT

2014/15 Staffing Budget: \$837,255

Departmental Functions:

- Provide on-demand loss prevention services
- Administer a Drug & Alcohol Monitoring Consortium
- Serve as resource consultants
- Develop reduced rate and cost effective programs
- Identify risk affecting major programs & develop loss prevention strategies
- Develop & maintain informational resources & best practices
- Maintain a library of training aids & programs



Major Accomplishments in Fiscal 2013/14:

- Continued expansion of best practices library
- Successful launch of MyChannel 24/7 access to uploaded presentations
- Launched four new training programs
- Continued expansion of resource library
- 10% increase in the number of employees taking online courses
- 11% increase in enrollment in the EPN program
- 22% increase in training program attendance

Performance Measures for Fiscal 2014/15:

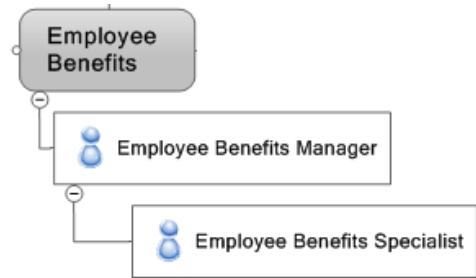
- 10% increase in training program attendance
- 5% increase in the number of presentations
- 9% increase in the number of employees taking online courses
- 5% increase in EPN program enrollment
- Launch of at least two new training programs
- Increase MyChannel offerings by 10%

EMPLOYEE BENEFITS DEPARTMENT

2014/15 Staffing Budget: \$212,678

Departmental Functions:

- Educate Members on EIAHealth and Employee Benefits offerings and important issues related to industry specific compliance under the Affordable Care Act.
- Attend and assist with Health and Benefits meetings addressing open enrollment, health fairs and implementation of new coverage offerings.
- Assist in resolving service issues for members and their employees within the Health and Benefits Programs.
- Collaborate with Broker and Carrier partners in the representation of program initiatives.
- Maintain and audit complex Program Performance Reports for Health and Dental.



Major Accomplishments in Fiscal 2013/14:

- Overall program growth and retention, with an increase in service levels to Members.
- EIA Healthcare Symposium conducted in Irvine, Sacramento and Pleasanton, attended by over 200 Members, Broker and Carrier representatives.
- Review, reconstruction and audit of Program Performance reports.
- Increase communication of Employee Benefits services to existing Members and to those not currently participating in the programs.
- Strengthen communication and collaboration with our Broker and Carriers.
- Created efficiencies and accountability in the Life and Disability billing process.
- Evaluated staffing needs of department.
- Started the documentation of Employee Benefits process and procedures.

Performance Measures for Fiscal 2014/15:

- Increase continued visibility and education of services available to Members through the EIAHealth and Dental programs.
- Audit and update EIAHealth and Dental Member data within the Connections system.
- Work with IT to enhance the Employee Benefits information available via our EIA website.
- Increase participation at the 2015 EIA Healthcare Symposium.
- Conduct quarterly meeting with all Carrier partners.
- Improve Program transparency with increase in reports provided to the EIAHealth and Employee Benefits Committees.

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL ADMINISTRATION PROGRAM
Appropriation an Revenue Budget
July 1, 2014 to June 30, 2015**

Sources and Uses of Financial Resources	CAFR Actual 2012/13	Year to Date 03/31/2014	Estimated 2013/14	Revised Budget 2013/14	Proposed Budget 2014/15	Increase (Decrease)	Text Detail
REVENUES:							
Member Services							
Insurance Certificate Tracking	116,513	59,078	118,000	155,000	215,813	60,813	Additional member(s) joining the program
DMV Pull Program	31,350	29,936	40,650	34,200	40,650	6,450	
Claims System Access	86,964	72,094	72,095	53,438	412,394	358,956	TPA and member conversion to new SIMS claims system
Loss Prevention Platform	398,701	585,858	585,860	594,000	617,000	23,000	Estimate of revenues based on projected usage and fees
Drug and Alcohol Monitoring Consortium Fees	6,550	0	0	0	0	0	No longer a minimum charge to belong to consortium program
Investment Advisor Services	20,000	10,929	20,000	20,000	20,000	0	Four members at minimum rate of \$5k each
Investment Income	30,189	70,451	63,000	63,000	67,500	4,500	\$9 million in invested assets at 0.75%
PLIP Income	82,183	61,453	80,000	80,000	80,000	0	
Shared Cost Agreements	95,731	13,401	26,800	26,800	38,790	11,990	50% of Employee Benefits Specialist in 14/15
Loss Prevention Training Fees & Materials	0	1,430	2,000	8,000	3,300	(4,700)	CPR and First Aid books billed when courses are provided
Additional Subsidy funded by Members	415,959	735,272	735,272	0	0	0	Amounts added in premium invoicing at member discretion
Other Revenues	1,641	22,114	22,070	1,000	1,000	0	
TOTAL REVENUES	1,285,781	1,662,015	1,765,747	1,035,438	1,496,447	461,009	
EXPENDITURES:							
Salaries and Benefits							
Regular Salaries	4,440,264	3,455,066	4,700,000	4,714,017	5,297,740	583,723	See Schedule 1 for detail on all Salaries and Benefits
Retirement	604,965	442,293	617,504	617,504	651,632	34,128	
Employee Benefits	909,470	791,334	915,000	979,650	1,106,619	126,969	See Schedule 2
Employment Taxes	75,516	61,392	97,000	68,858	84,105	15,247	
Temporary Services	53,412	19,412	40,000	24,000	2,500	(21,500)	No longer need temp for document archiving
Employment Services	3,541	3,083	5,500	6,700	8,200	1,500	
Total Salaries and Benefits	6,087,168	4,772,580	6,375,004	6,410,728	7,150,796	740,067	
Services and Supplies:							
Staff Travel	204,493	162,963	235,000	192,500	257,500	65,000	Travel to file reviews, settlement conferences, Employee Benefit meetings
Authority Meeting Expenses	152,644	89,840	185,000	301,360	338,385	37,025	See Schedule 3
Committee Expenses	95,744	61,997	108,000	108,137	114,465	6,328	See Schedule 4
Audit Service	54,583	55,383	65,000	65,000	50,000	(15,000)	New audit firm
Legal Counsel	185,952	413,327	425,000	429,300	40,500	(388,800)	Includes \$25k for Amicus Briefs, if authorized by Exec
Periodicals and Publications	3,833	3,832	5,425	5,425	6,035	610	See Schedule 5
Training and Education	13,514	8,956	25,000	54,600	63,810	9,210	See Schedule 5
Educational Scholarships	0	0	0	6,500	6,500	0	See Schedule 5
Conferences and Seminars	24,719	21,480	35,000	37,175	44,875	7,700	See Schedule 5
Membership Dues	14,083	17,024	22,375	22,375	22,940	565	See Schedule 5
Office Supplies	33,822	22,133	40,000	42,250	60,300	18,050	
Computer Supplies, Software and Annual Maint.	198,332	144,859	150,000	143,633	220,313	76,680	See Schedule 6
Computer Hardware, Backup Data Center	17,603	13,664	20,000	14,000	83,430	69,430	See Schedule 6
WebEx Conferencing	2,796	1,898	5,000	14,400	15,600	1,200	See Schedule 6
Computer Technical Assistance	70,357	40,525	84,400	83,400	84,400	1,000	See Schedule 6
Website Design/Hosting/Support	70,949	21,666	70,000	145,000	146,750	1,750	See Schedule 6
Claims System	169,308	337,069	450,000	548,577	920,452	371,875	See Schedule 7
Insurance	131,162	134,147	134,200	159,525	169,450	9,925	See Schedule 8
Postage	9,679	8,120	12,000	16,000	16,000	0	
Telephone	35,821	26,479	40,000	49,230	58,860	9,630	
Printing	31,404	26,935	42,000	52,375	57,825	5,450	See Schedule 9
Maintenance	335	0	2,500	2,500	7,000	4,500	

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL ADMINISTRATION PROGRAM
Appropriation and Revenue Budget
July 1, 2014 to June 30, 2015**

Sources and Uses of Financial Resources	CAFR Actual 2012/13	Year to Date 03/31/2014	Estimated 2013/14	Revised Budget 2013/14	Proposed Budget 2014/15	Increase (Decrease)	Text Detail
Accreditation and Certifications	11,780	1,780	1,850	1,850	2,125	275	CAFR, PAFR & Budget recognition programs thru GFOA
Consultant	0	0	15,000	10,500	155,000	144,500	Risk Management feasibility consultant; PERS actuarial for GASB 68
Awards and Recognition	7,382	17,725	20,000	12,650	12,750	100	See Schedule 11
Member Development	20,280	11,869	23,000	23,096	28,402	5,306	See Schedule 10
Legislative Advocate Contract	49,700	36,900	52,000	52,000	52,000	0	
Bank Charges	5,179	1,974	5,000	7,905	7,905	0	
Investment Expense	24,550	24,300	35,000	31,380	123,287	91,907	Includes outside investment advisor services for 1/3 of the year
Total Services and Supplies	1,640,004	1,706,845	2,307,750	2,632,643	3,166,859	534,216	
Member Services							
LP Seminars / Training Programs & Materials	36,716	30,173	64,100	64,100	65,600	1,500	
CEU Certification Process	0	0	0	3,500	3,500	0	
EIA Loss Prevention Platform	1,000,000	932,750	932,815	1,000,000	1,020,000	20,000	
Automated Assessment Tool	0	0	0	300,000	300,000	0	Not spent in FY13/14. Reallocated to FY14/15.
On24 On Demand Program	0	15,000	15,000	13,000	15,000	2,000	
Drug and Alcohol Monitoring QC Samples	2,082	1,870	2,200	1,500	2,500	1,000	
Insurance Certificate Tracking Services	117,265	59,469	120,000	155,850	216,663	60,813	Pass through expenses
DMV Pull program	31,350	29,936	40,650	34,200	40,650	6,450	Pass through expenses
Claims System Access	0	0	0	0	337,394	337,394	Pass through expenses
Total Member Services	1,187,413	1,069,199	1,174,765	1,572,150	2,001,307	429,157	
Depreciation							
Furniture and Equipment	110,450	84,428	123,441	123,441	103,870	(19,571)	Fully depreciated assets
Software	36,088	43,933	45,188	45,188	57,070	11,882	Additional functionality to CHSI
Total Depreciation	146,538	128,361	168,629	168,629	160,940	(7,689)	
Loss Prevention Subsidies	1,005,426	797,241	1,100,000	1,000,000	2,000,000	1,000,000	Estimate of Loss Prevention Subsidy payout
Contingency Delegated to Executive Committee	0	0	0	125,000	200,000	75,000	Available with a two-thirds vote of the Executive Committee
TOTAL EXPENDITURES	10,066,549	8,474,226	11,126,148	11,909,150	14,679,901	2,770,750	

**CSAC EXCESS INSURANCE AUTHORITY
GENERAL ADMINISTRATION PROGRAM
Appropriation and Revenue Budget
July 1, 2014 to June 30, 2015**

Sources and Uses of Financial Resources	CAFR Actual 2012/13	Year to Date 03/31/2014	Estimated 2013/14	Revised Budget 2013/14	Proposed Budget 2014/15	Increase (Decrease)	Text Detail
TRANSFERS:							
Transfer In (Out) from:							
Primary Workers' Compensation	1,608,497	1,748,082	1,748,082	1,748,082	2,321,330	573,248	Based on 3 year average time study of EIA staff
Excess Workers' Compensation	2,692,182	2,913,825	2,913,825	2,913,825	3,284,430	370,605	" "
Primary General Liability	512,817	440,030	440,030	440,030	400,680	(39,350)	" "
General Liability I	1,241,983	1,456,337	1,456,337	1,456,337	1,730,660	274,323	" "
General Liability II	908,537	990,247	990,247	990,247	1,140,650	150,403	" "
Property	328,432	315,229	315,229	315,229	355,260	40,031	" "
Medical Malpractice	342,861	364,270	364,270	364,270	474,870	110,600	" "
Master Rolling Owner Controlled Ins Program	19	0	0	0	17,800	17,800	" "
EIAHealth	268,500	313,080	313,080	313,080	407,640	94,560	" "
Dental	69,571	96,490	96,490	96,490	166,970	70,480	" "
Miscellaneous Programs	13,292	0	25,000	25,000	30,000	5,000	interest earned in program funds admin fees
Loss Prevention Subsidies, PWC	39,000	38,000	38,000	38,000	38,000	0	\$1,000 LP Subsidy per participating member
Loss Prevention Subsidies, EWC	161,000	158,000	158,000	159,000	163,000	4,000	" "
Loss Prevention Subsidies, PGL	14,000	13,000	13,000	13,000	13,000	0	" "
Loss Prevention Subsidies, GL I	84,000	89,000	89,000	86,000	89,000	3,000	" "
Loss Prevention Subsidies, GL II	11,000	10,000	10,000	11,000	10,000	(1,000)	" "
Loss Prevention Subsidies, Property	79,000	77,000	77,000	80,000	78,000	(2,000)	" "
Loss Prevention Subsidies, Med Mal	50,000	48,000	48,000	49,000	48,000	(1,000)	" "
Claims System Costs , PWC	0	331,743	331,743	331,743	616,703	284,960	Now participating in new claims system that includes all PWC TPAs
Claims System Costs , EWC	94,284	99,028	99,028	99,028	184,090	85,063	See Schedule 7
Claims System Costs , GLI	25,714	29,708	29,708	29,708	55,227	25,519	See Schedule 7
Claims System Costs , GLII	13,714	14,854	14,854	14,854	27,614	12,759	See Schedule 7
Claims System Costs , Med Mal	20,570	19,806	19,806	19,806	36,818	17,013	See Schedule 7
Risk Management Admin. Div. Subsidy, PWC	148,808	154,038	154,038	154,038	162,460	8,422	Estimate of Risk Management administrative dividend.
Risk Management Admin. Div. Subsidy, EWC	157,416	173,643	173,643	173,039	217,220	44,181	
Risk Management Admin. Div. Subsidy, PGL	2,905	2,505	2,505	2,505	2,332	(173)	Board may declare dividend in October 2014 and distribute
Risk Management Admin. Div. Subsidy, GLI	44,714	43,668	43,668	43,663	50,000	6,337	
Risk Management Admin. Div. Subsidy, GLII	32,212	34,189	34,189	34,189	40,622	6,433	
Risk Management Admin. Div. Subsidy, Property	70,380	72,115	72,115	72,115	79,073	6,958	
Risk Management Admin. Div. Subsidy, Med Mal	142	193	193	192	248	56	
EIA Rent	(429,275)	(429,275)	(429,275)	(429,275)	(429,275)	0	Transfer to building program
Investment Fees	377,388	298,733	400,000	360,000	425,000	65,000	Charge to programs at 8 basis points of invested funds
TOTAL TRANSFERS	8,983,663	9,915,538	10,041,805	10,004,195	12,237,422	2,233,227	
Net Increase or (Decrease)	202,895	3,103,327	681,404	(869,517)	(946,032)	(76,516)	
NET POSITION - JULY 1	7,616,590	7,819,485	7,819,485	7,205,694	8,500,889		
NET POSITION - JUNE 30	7,819,485	10,922,812	8,500,889	6,336,177	7,554,857		
Designated For:							
Self Insured Retentions	193,220	193,220	193,220		193,220		
Risk Management Subsidies	5,697,986	6,624,208	6,354,208		5,345,163		
Invested in Capital Assets	682,814	813,666	903,666		1,697,723		
Designated for Equipment Replacement	1,164,668	1,072,815	1,112,815		318,751		
Balance of budgeted expenses	0	883,002	0		0		
Unrestricted Net Position	80,797	1,335,901	(63,020)		(0)		

CSAC EXCESS INSURANCE AUTHORITY
Capital Outlay Budget
July 1, 2014 to June 30, 2015

Line Item	2014/15 Budget		
General Administration Fund			
Furniture and Equipment			
HP Servers	1	22,000	22,000
New Workstations			31,000
AC Unit for Server Room	1	10,000	10,000
Total Furniture and Equipment		\$	63,000
Software			
CHSI Pool Management Implementation		\$	150,000
New Claims System			
New System TPA conversion modules			38,500
New System Additional Check, Portal CMS Modules			17,500
Custom Development-bi-directional image interface			85,800
Systema Project Management			203,280
Line of Business Modules			15,750
User Licenses			325,800
Insight Reporter Module			22,500
TPA Site License Fees			50,750
New System Modules - Members			37,500
Systema Project Management - Members			59,400
User Licenses - Members			45,000
Total Software Additions		\$	1,051,780
Building Fund			
Resurface parking lot		\$	8,500
Tenant improvements - new tenant			300,000
Total Building Fund		\$	308,500
Grand Total Capital Outlay		\$	1,423,280

**CSAC Excess Insurance Authority
2014/15 Proposed Budget
Time Study Allocation**

Program	2014 Time Study	2014 Adjusted Time Study	2013 Adjusted Time Study	2012 Adjusted Time Study	Three Year Average Raw TS Not Capped	13/14 final Allocaton Percent Including Cap	Percentage Change from Last Year	Programs Under Cap	Final Allocation Capped (+ or - 33%)	Percentage of Prior Year
PWC	17.06%	25.95%	20.00%	21.66%	22.54%	20.40%	10%	22.54%	22.54%	110.47%
EWC	19.74%	30.03%	32.38%	33.25%	31.89%	32.69%	-2%	31.89%	31.89%	97.55%
PGL	2.09%	3.18%	3.58%	4.90%	3.89%	5.75%	-32%	3.89%	3.89%	67.66%
General Liability I	10.47%	15.92%	17.45%	17.03%	16.80%	16.26%	3%	16.80%	16.80%	103.33%
General Liability II	6.95%	10.58%	11.71%	10.94%	11.07%	11.40%	-3%	11.07%	11.07%	97.18%
Property	2.75%	4.18%	3.34%	2.83%	3.45%	3.39%	2%	3.45%	3.45%	101.70%
Medical Malpractice	2.51%	3.82%	4.05%	5.96%	4.61%	4.76%	-3%	4.61%	4.61%	96.87%
MR OCIP	0.34%	0.52%	0.00%		0.17%	0.00%		0.17%	0.17%	
EIAHealth	2.71%	4.13%	5.97%	1.78%	3.96%	4.09%	-3%	3.96%	3.96%	96.75%
Dental	1.11%	1.69%	1.52%	1.65%	1.62%	1.26%	29%	1.62%	1.62%	128.58%
Subtotal	65.75%					0.0000%			0.00%	
General Admin.	34.25%									
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%		100.00%	100.00%	

Schedule 1

PERS employer rate for pre 1/1/13 employees	12.434%
PERS employer rate for post 12/31/12 employees	6.70%

Position	Base Salary	Class	Deferred			Life, AD&D LTD & STD			0.0145 Medicare Taxes	2014/15 Total Employee Expense	2013/14 Budget	2012/13 Budget
			PERS	Comp. 457b	Total Retirement	Flexible Benefits	EAP Benefits	Total Benefits				
Chief Executive Officer	325,000	Executive	40,411	16,250	56,661	23,431	3,283	26,714	-	408,375	393,418	381,057
Chief Operating Officer	211,200	Officer	26,261	6,336	32,597	22,231	2,203	24,434	3,062	271,293	262,943	251,592
Chief Information Officer	144,000	Officer	17,905	4,320	22,225	22,231	1,804	24,035	2,088	192,348	198,581	196,430
Chief Financial Officer	142,200	Officer	17,681	4,266	21,947	22,231	1,783	24,014	2,062	190,223	182,498	169,513
Chief Claims Officer	168,000	Officer	20,889	5,040	25,929	22,231	2,094	24,325	2,436	220,690	214,074	200,924
Chief Investment Officer	164,400	Officer	20,441	4,932	25,373	22,231	3,135	25,366	2,384	217,523	211,484	202,747
Risk Manager	115,200	Manager	14,324	-	14,324	16,768	1,452	18,220	1,670	149,414	142,178	135,712
Employee Benefits Manager	106,200	Manager	7,115	2,124	9,239	16,768	1,343	18,111	1,540	135,090	136,450	130,973
Loss Prevention Manager	120,600	Manager	14,995	-	14,995	16,768	1,518	18,286	1,749	155,630	149,336	141,546
WC Claims Manager	118,200	Manager	14,697	-	14,697	16,768	1,490	18,258	1,714	152,869	148,047	142,413
Controller	110,400	Manager	13,727	-	13,727	16,768	1,393	18,161	1,601	143,889	135,733	123,318
Liability Claims Manager	118,200	Manager	14,697	-	14,697	16,768	1,490	18,258	1,714	152,869	149,336	143,880
Senior Loss Prevention Specialist	102,000	Sr Spec	12,683	-	12,683	16,768	1,290	18,058	1,479	134,220	128,697	123,984
Senior Loss Prevention Specialist	93,600	Sr Spec	11,638	-	11,638	16,768	1,188	17,956	1,357	124,551	119,363	116,182
Senior Loss Prevention Specialist	79,200	Sr Spec	9,848	-	9,848	16,768	1,011	17,779	1,148	107,975	99,867	93,320
Senior HR Specialist-Supervisor	90,000	Sr Spec	11,191	-	11,191	16,768	1,143	17,911	1,305	120,407	114,116	105,515
Senior IT Specialist	82,200	Sr Spec	10,221	-	10,221	16,768	1,049	17,817	1,192	111,430	105,359	101,259
Supervising Senior IT Specialist	90,000	Sr Spec	11,191	-	11,191	16,768	1,143	17,911	1,305	120,407	112,828	106,241
Senior IT Specialist	76,200	Sr Spec	9,475	-	9,475	16,768	975	17,743	1,105	104,523	97,121	93,320
Senior Data Analyst	74,400	Sr Spec	9,251	-	9,251	16,768	953	17,721	1,079	102,451	95,064	89,623
Senior Liability Specialist	85,200	Sr Spec	10,594	-	10,594	16,768	1,085	17,853	1,235	114,882	108,105	105,641
Senior Liability Specialist	84,000	Sr Spec	10,445	-	10,445	16,768	1,069	17,837	1,218	113,500	104,261	96,605
Senior WC Specialist	102,000	Sr Spec	12,683	-	12,683	16,768	1,290	18,058	1,479	134,220	126,427	123,460
Senior WC Specialist	91,800	Sr Spec	11,414	-	11,414	16,768	1,166	17,934	1,331	122,479	117,029	114,539
Senior WC Specialist	87,000	Sr Spec	5,829	1,740	7,569	16,768	1,107	17,875	1,262	113,706	105,248	116,591
Senior WC Specialist	87,000	Sr Spec	10,818	-	10,818	16,768	1,107	17,875	1,262	116,955	109,478	105,641
Senior WC Specialist	86,400	Sr Spec	10,743	-	10,743	16,768	1,100	17,868	1,253	116,264	110,850	106,326
Senior WC Specialist	73,200	Sr Spec	9,102	-	9,102	16,768	938	17,706	1,061	101,069	92,318	105,232
Senior Accountant	75,000	Sr Spec	9,326	-	9,326	16,768	960	17,728	1,088	103,142	90,944	88,391
Senior Underwriting Specialist	72,600	Sr Spec	9,027	-	9,027	16,768	930	17,698	1,053	100,378	90,670	89,623
Senior Underwriting Specialist	73,200	Sr Spec	9,102	-	9,102	16,768	938	17,706	1,061	101,069	92,662	89,623
Liability Specialist	71,400	Specialist	8,878	-	8,878	16,768	917	17,685	1,035	98,998	93,690	84,012
Administrative Specialist	60,000	Specialist	7,460	-	7,460	16,768	776	17,544	870	85,874	79,962	74,839
Loss Prevention Specialist	54,600	Specialist	6,789	-	6,789	16,768	710	17,478	792	79,659	78,178	72,265
WC Specialist	65,760	Specialist	4,406	1,315	5,721	16,768	847	17,615	954	90,050	77,492	75,250
WC Specialist	56,400	Specialist	3,779	1,128	4,907	16,768	732	17,500	818	79,625	73,570	74,674
IT Specialist	54,000	Specialist	6,714	-	6,714	16,768	702	17,470	783	78,967	74,472	71,417
IT Specialist	52,800	Specialist	6,565	-	6,565	16,768	689	17,457	766	77,588	72,412	69,597
IT Specialist	52,200	Specialist	6,491	-	6,491	16,768	682	17,450	757	76,898	72,412	69,597
Employee Benefits Specialist	52,800	Specialist	6,565	-	6,565	16,768	689	17,457	766	77,588	71,039	69,750
Meeting Planner	64,200	Support	7,983	-	7,983	16,768	828	17,596	931	90,710	86,140	83,737
Executive Secretary	57,600	Support	7,162	-	7,162	16,768	747	17,515	835	83,112	76,530	70,731
WC Assistant	44,400	Support	5,521	-	5,521	16,768	585	17,353	644	67,918	64,175	60,915
WC Assistant	42,480	Support	5,282	-	5,282	16,768	562	17,330	616	65,708	64,587	61,601
Liability Assistant	42,480	Support	2,846	850	3,696	16,768	562	17,330	616	64,122	69,665	65,392
Accounting Technician	45,600	Support	5,670	-	5,670	16,768	601	17,369	661	69,300	64,038	61,696
Accounting Technician	45,000	Support	5,595	-	5,595	16,768	593	17,361	653	68,609	64,311	61,287
Underwriting Assistant	46,200	Support	5,745	-	5,745	16,768	608	17,376	670	69,991	64,862	60,915
Clerical Assistant - Claims	36,600	Support	4,551	-	4,551	16,768	489	17,257	531	58,939	54,841	52,660
Clerical Assistant - Loss Prevention	37,200	Support	4,625	-	4,625	16,768	497	17,265	539	59,629	53,604	54,305
Clerical Assistant - IT	36,600	Support	4,551	-	4,551	16,768	489	17,257	531	58,939	55,547	52,660
Clerical Assistant - Administration	36,480	Support	2,444	730	3,174	16,768	488	17,256	529	57,439	54,474	52,660
Clerical Assistant - Employee Benefits	-	Support	-	-	-	-	-	-	-	-	53,604	60,190
Secretary/Receptionist	35,040	Support	2,348	701	3,049	16,768	471	17,239	508	55,836	57,567	52,660
Senior Loss Prevention Specialist	90,000	Sr Spec	6,030	1,800	7,830	16,768	1,143	17,911	1,305	117,046	-	-
Senior Loss Prevention Specialist	45,000	Sr Spec	3,015	900	3,915	8,384	593	8,977	653	58,545	-	-
WC Claims Manager	108,300	Manager	7,256	2,166	9,422	16,768	1,368	18,136	1,570	137,428	-	-
Senior WC Specialist	85,500	Sr Spec	5,729	1,710	7,439	16,768	1,089	17,857	1,240	112,036	-	-
Senior WC Specialist	85,500	Sr Spec	5,729	1,710	7,439	16,768	1,089	17,857	1,240	112,036	-	-
Vacation Pay Liability	120,000		-	-	-	-	-	-	1,740	121,740	101,450	101,450
Salary Savings	(50,000)		(5,814)	-	(5,814)	-	-	-	(725)	(56,539)	(22,780)	(22,979)
Incentive Pay	275,000		31,976	-	31,976	-	-	-	3,988	310,963	284,747	265,406
Total Salaries	5,297,740		593,615	58,017	651,632	998,138	62,976	1,061,114	72,105	7,082,591	6,285,071	6,047,909
Unemployment Cost	-		-	-	-	-	-	-	12,000	12,000	5,000	5,000
Temporary Help	2,500		-	-	-	-	-	-	-	2,500	24,000	24,000
Retiree Benefits	-		-	-	-	10,072	-	10,072	-	10,072	9,957	9,957
Employment Services	-		-	-	-	-	-	-	-	8,200	6,700	6,700
OPEB contribution-retiree benefits	-		-	-	-	35,433	-	35,433	-	35,433	80,000	80,000
Total	5,300,240	-	593,615	58,017	651,632	1,043,643	62,976	1,106,619	84,105	7,150,796	6,410,728	6,173,566

Notes:

A - Workers' Compensation positions added in the 2014/15 fiscal year based on an increase in claims workload.
Loss Prevention positions added in the 2014/15 fiscal year based on increased demand in these services from members and expansion of risk management programs.

B - An Employee Benefits Specialist position was added in the 2012/13 fiscal year based on growth in the Employee Benefits program and related increase in workload.

C - New 457b matching contribution up to 2% of base salary on employees hired after 12/31/12.

Total Salaries	5,297,740
Total Retirement	651,632
Total Benefits	1,106,619
Total Taxes	84,105
Total Temporary Help	2,500
Total Employment Services	8,200
Grand Total	7,150,796

CSAC Excess Insurance Authority
Publicly Available Pay Schedule
2014/15 Budget

Schedule 1A

Position	Salary Grade	Salary Range (annual)	
Chief Executive Officer	Contract	325,000	
Chief Operating Officer	15	142,272	227,640
Chief Information Officer	14	128,148	205,032
Chief Financial Officer	13	115,092	184,152
Chief Claims Officer	12	109,608	175,368
Chief Investment Officer	12	109,608	175,368
Risk Mngr / Pool Administrator	11	93,492	140,244
Employee Benefits Manager	11	93,492	140,244
Loss Prevention Manager	11	93,492	140,244
WC Claims Manager	10	86,616	129,924
Controller	10	86,616	129,924
Excess Liability Claims Manager	10	86,616	129,924
Sr. Human Resources Specialist	9-S	78,216	113,412
Supervising Sr. I.T. Specialist	9-S	78,216	113,412
Sr. Loss Prevention Specialist	9	73,116	106,020
Sr. I.T. Specialist	9	73,116	106,020
Sr. Liability Claims Specialist	8	69,720	101,100
Sr. WC Claims Specialist	8	69,720	101,100
Administrative Analyst	8	69,720	101,100
Data Analyst	8	69,720	101,100
Senior Accountant	8	69,720	101,100
Liability Claims Specialist	7	60,888	85,248
Loss Prevention Specialist	6	53,724	75,216
WC Claims Specialist	6	53,724	75,216
Administrative Specialist	6	53,724	75,216
Information Tech Specialist	5	51,276	71,784
Employee Benefits Specialist	5	51,276	71,784
Meeting Planner	4	48,384	67,740
Executive Secretary	4	48,384	67,740
Liability Claims Assistant	3	43,296	60,612
WC Claims Assistant	3	43,296	60,612
Loss Data Assistant	3	43,296	60,612
Accounting Technician	2	38,688	54,168
Clerical Assistant - Claims	1	35,688	46,392
Clerical Assistant - Admin	1	35,688	46,392
Clerical Assistant - I.T.	1	35,688	46,392
Clerical Assistant - LP	1	35,688	46,392
Secretary / Receptionist	1	35,688	46,392

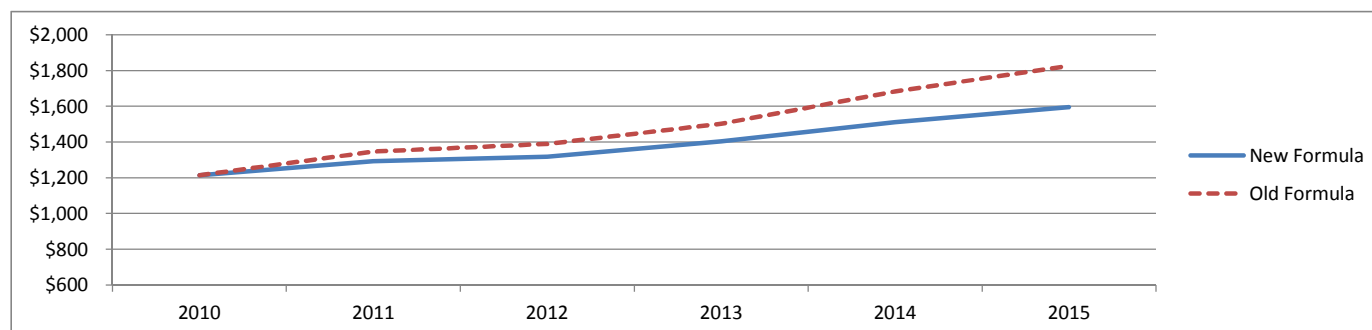
CSAC Excess Insurance Authority
2014/15 Budget
Employee Benefits

Flexible Spending Benefit Program Contribution

	Jan 2014 Rates			Estimated Rate Increase	Estimated 2015 Rates		
	Emp. Only	Emp. + 1	Family		Emp. Only	Emp. + 1	Family
Anthem Blue Cross Select HMO	750.27	1,500.54	1,950.70	10%	825.30	1,650.59	2,145.77
Blue Shield Access+ HMO	734.87	1,469.74	1,910.66	10%	808.36	1,616.71	2,101.73
Blue Shield NetValue	618.39	1,236.78	1,607.81	10%	680.23	1,360.46	1,768.59
Kaiser	681.59	1,363.18	1,772.13	10%	749.75	1,499.50	1,949.34
PERS Choice	665.99	1,331.98	1,731.57	10%	732.59	1,465.18	1,904.73
PERS Select	637.85	1,275.70	1,658.41	10%	701.64	1,403.27	1,824.25
Average	681.49	1,362.99	1,771.88		749.64	1,499.29	1,949.07
Dental	65.89	119.84	200.37	-4.5%	62.92	114.45	191.35
Vision	7.30	12.90	20.30	0%	7.30	12.90	20.30
Totals	754.68	1,495.73	1,992.55		819.87	1,626.63	2,160.72

Estimated 2015 Increase
50% of 2015 Projected Rate Increase

Flexible Benefit Eff 1/1/14	EIA Payment	Flexible Spending Plan	Estimated Flexible Benefit Eff 1/1/15	EIA Payment	Flexible Spending Plan
\$ 1,510.52	\$ 119.00	\$ 1,391.52	\$ 1,594.61	\$ 122.00	\$ 1,472.61



The old formula provided a benefit equal to 100% of the cost of the employees' health insurance, including dental and vision, plus 75% of the cost of dependents' insurance. The new formula shares the increased cost of dependents' insurance equally between the EIA and employees.

		New Formula	Old Formula
January	2010	\$ 1,214	\$ 1,214
January	2011	\$ 1,292	\$ 1,346
January	2012	\$ 1,318	\$ 1,389
January	2013	\$ 1,404	\$ 1,502
January	2014	\$ 1,511	\$ 1,683
January	2015	\$ 1,595	\$ 1,826

CSAC EXCESS INSURANCE AUTHORITY
2014/15 Budget Worksheet
Authority Meeting Expense

Line Item	2013/14 Budget	Quantity	Cost per Item	2014/15 Budget
October - Tenaya Lodge Yosemite				
Wed. EC Dinner	\$ 10,000	100	\$ 125	\$ 12,500
Thur. Morning Meetings	5,000	100	60	6,000
Thur. EC & Seminar Lunch	6,000	100	70	7,000
Thur. Afternoon Break	1,500	75	20	1,500
Thur. BOD Dinner	11,500	115	125	14,375
Fri. BOD Morning Break	5,000	100	60	6,000
Fri. BOD Lunch	5,000	100	70	7,000
Meeting Room Rental Fees	1,000			1,000
AV Rentals	5,000			5,000
Lodging	48,375	215	250	53,750
Member Travel Expenses	16,000			16,000
Total October Meeting	\$ 114,375			\$ 130,125
March - Hilton, Sacramento				
Wed. EC Dinner	\$ 4,000	50	\$ 80	\$ 4,000
Thur. EC Meetings	4,000	80	50	4,000
Thur. EC Lunch	5,000	100	55	5,500
Thur. Afternoon Break	1,500	75	20	1,500
Thur. BOD Dinner	7,500	100	80	8,000
Fri. BOD Meeting	5,000	100	50	5,000
Fri. BOD Lunch	5,000	100	55	5,500
Meeting Room Rental Fees	1,000			1,000
AV Rentals	5,000			5,000
Lodging	15,000	150	100	15,000
Member Travel Expenses	10,350			9,000
Total March Meeting	\$ 63,350			\$ 63,500
June - Hilton, Sacramento				
Wed. EC Dinner	\$ 4,000	50	\$ 80	\$ 4,000
Thur. EC Meeting	4,000	80	50	4,000
Thur. EC Lunch	6,000	100	55	5,500
Thur. Afternoon Break	1,500	75	20	1,500
Thur. BOD Dinner	7,500	100	80	8,000
Fri. BOD Meeting	5,000	100	50	5,000
Fri. BOD Lunch	5,000	100	55	5,500
Meeting Room Rental Fees	1,000			1,000
AV Rentals	5,000			5,000
Lodging	15,000	150	100	15,000
Member Travel Expenses	10,350			9,000
Total June Meeting	\$ 64,350			\$ 63,500

CSAC EXCESS INSURANCE AUTHORITY
2014/15 Budget Worksheet
Authority Meeting Expense

Line Item	2013/14 Budget	Quantity	Cost per Item	2014/15 Budget
Public Entity Annual Meetings				
Northern California - Folsom				
Seminar Breakfast/Morning Break	\$ 420	70	6	\$ 420
Seminar Lunch	1,190	70	17	1,190
Seminar Afternoon Break	150	50	3	150
Lodging	2,000	5	100	500
Member Travel Expenses	6,400			4,000
Southern California - Ontario				
Seminar Breakfast/Morning Break	-	70	45	3,150
Seminar Lunch	-	70	35	2,450
Seminar Afternoon Break	-	50	10	500
AV/Equipment	-			2,000
Lodging	-	5	100	500
Member Travel Expenses	-			4,000
Total Public Entity Annual Meeting	\$ 10,160			\$ 18,860
EIA Orientation Meetings				
Northern California - Folsom				
Seminar Morning Break Service	\$ 450	75	6	\$ 450
Seminar Lunch	1,275	75	17	1,275
Seminar Afternoon Break Service	150	50	3	150
Lodging	2,000	5	100	500
Member Travel Expenses	8,000			8,000
Southern California - Ontario				
Seminar Morning Break Service	-	70	45	3,150
Seminar Lunch	-	70	35	2,450
Seminar Afternoon Break Service	-	50	10	500
AV/Equipment	-			2,000
Lodging	-	5	100	500
Member Travel Expenses	-			7,000
Total EIA Orientation	\$ 11,875			\$ 25,975
Schools Forums				
Northern California - Pleasanton				
Seminar Morning Break Service	\$ 1,500	30	45	\$ 1,350
Seminar Lunch	1,500	30	35	1,050
Seminar Afternoon Break Service	500	30	10	300
Lodging	500	2	100	200
Member Travel Expenses	6,000			5,000
Southern California - Ontario				
Seminar Morning Break Service	1,500	30	45	1,350
Seminar Lunch	1,500	30	35	1,050
Seminar Afternoon Break Service	300	30	10	300
AV/Equipment	500			500
Lodging	200	2	100	200
Member Travel Expenses	6,000			5,000
Total Schools Forum	\$ 20,000			\$ 16,300

CSAC EXCESS INSURANCE AUTHORITY
2014/15 Budget Worksheet
Authority Meeting Expense

Line Item	2013/14 Budget	Quantity	Cost per Item	2014/15 Budget
Executive Committee Retreat				
Pre-conference Dinner	\$ 3,600	40	\$ 100	\$ 4,000
1st Day Meeting Expense	500			500
1st Day Breakfast	1,050	40	35	1,400
1st Day Lunch	1,750	40	50	2,000
1st Day Break	350	40	10	400
1st Day Dinner	3,600	40	90	3,600
2nd Day Meeting Expense	500			500
2nd Day Breakfast	1,750	40	50	2,000
2nd Day Lunch	1,750	40	50	2,000
AV Rentals	500			500
Lodging	14,000	70	215	15,050
Facilitator	4,000			5,000
Member Travel Expense	4,900			2,500
Executive Committee Retreat Totals	\$ 38,250			\$ 39,450
Board/Exec Committee Travel				
Property Renewal Trip	\$ 5,000			\$ 5,500
Liability Renewal Trip	3,000			\$ 3,000
Conference Travel	1,000			\$ 2,175
Board/Exec Committee Travel Total	\$ 9,000			\$ 10,675
Budget Savings	(30,000)			(30,000)
Total Authority Meeting Expenses	\$ 301,360			\$ 338,385

CSAC EXCESS INSURANCE AUTHORITY
2014/15 Budget Worksheet
Committee Expenses

Line Item	Number of Members	Number of In-Person Meetings	Cost Per In-Person Meeting	Number of Web Ex Meetings	Cost Per Web Ex Meetings	2013/14 Budget	2014/15 Budget	Budget Inc. (Dec.)
<u>EIA Committees</u>								
Claims Review	11	6	\$ 2,697	6	\$ 28	\$ 16,862	\$ 16,350	(512)
EIAHealth	9	5	2,092	3	50	11,258	10,610	(648)
Employee Benefits	9	3	2,174	2	23	2,647	6,568	3,921
Executive	10	9	2,929	1	39	29,510	26,400	(3,110)
Finance	9	4	2,703	2	16	10,793	10,844	51
General Liability II	11	1	3,254	5	65	6,550	3,579	(2,971)
Legislative	15	9	3,438	2	32	18,803	31,006	12,203
Loss Prevention	11	1	3,864	3	30	5,763	3,954	(1,809)
Medical Malpractice	9	1	1,726	4	24	3,313	1,822	(1,491)
Primary General Liability	6	1	1,426	1	25	3,236	1,451	(1,785)
Primary Workers' Compensation	13	4	3,681	1	24	8,474	14,748	6,274
Property	11	1	4,808	4	76	7,806	5,112	(2,694)
Technology	9	1	1,549	3	24	1,771	1,621	(150)
Underwriting	9	4	2,225	2	58	8,385	9,016	631
Less Savings		20%				(27,034)	(28,616)	(1,582)
Total Committees						<u>\$ 108,137</u>	<u>\$ 114,465</u>	<u>\$ 6,328</u>

CSAC EXCESS INSURANCE AUTHORITY
2014/15 Budget Worksheet
Management Training

Line Item		2013/14 Budget	2014/15 Budget	Budget Inc. (Dec.)
Periodicals and Publications				
GASB	CFO	\$ 500	\$ 675	\$ 175
Business Insurance	CFO	150	175	25
Wall Street Journal	CFO	275	360	85
California W.C. Reporter	Claims	500	500	-
Work Comp Central	Claims	550	550	-
Workers' Comp Executive	Claims	600	600	-
Pacer Online Service	Claims	125	150	25
Workers' Comp Codes	Claims	800	1,000	200
California Workers' Comp Handbook	Claims	800	600	(200)
Loss Prevention Periodicals	GA	400	400	-
Employee Benefit News	GA	100	100	-
Survey Monkey	GA	200	200	-
Insurance Newscast	GA	25	25	-
HR Magazine & Library	GA	200	200	-
Other	GA	200	500	300
Total Periodicals and Publications		<u>\$ 5,425</u>	<u>\$ 6,035</u>	<u>\$ 610</u>
Education & Training				
IT Education and Training		\$ 8,000	\$ 20,700	\$ 12,700
Sage ABRA Training		2,000	-	(2,000)
Fund Accounting Training		3,200	3,250	50
Education and Training - Loss Prevention		6,200	8,100	1,900
Education Allowance Pool (\$2,000 per semester)*		35,200	31,760	(3,440)
Total Education & Training		<u>\$ 54,600</u>	<u>\$ 63,810</u>	<u>\$ 9,210</u>
Scholarships				
Educational Scholarships - PRIMA	All	\$ 6,500	\$ 6,500	\$ -
Total Scholarships		<u>\$ 6,500</u>	<u>\$ 6,500</u>	<u>\$ -</u>

* Education Allowance is based on the CSU Sacramento tuition rates for two six-unit semesters for a total of \$4,000.

CSAC EXCESS INSURANCE AUTHORITY
2014/15 Budget Worksheet
Management Training

Line Item		2013/14 Budget	2014/15 Budget	Budget Inc. (Dec.)
Conferences and Seminars				
AGRIP Spring/Fall Conference		\$ 6,075	\$ 5,800	\$ (275)
AICPA / GFOA		1,700	1,575	(125)
CA Div. Of WC Annual Seminar		600	800	200
CAJPA		5,100	6,300	1,200
CAJPA Finance Spring Meeting		2,250	1,825	(425)
CAJPA Legislative Day		900	600	(300)
CCWC Forum		800	450	(350)
Meeting Planners Association		200	200	-
PARMA (Conference & Chapter Meetings)		6,750	6,125	(625)
AON		1,350	-	(1,350)
Loss Prevention Pool (ASSE, CSOOC, LCW, ect.)		5,800	9,100	3,300
CalPELRA		1,350	2,250	900
Laserfiche and Interop Conferences		800	5,600	4,800
Investment Conferences		500	650	150
PRIMA		-	600	600
Other		3,000	3,000	-
Totals Conferences and Seminars		\$ 37,175	\$ 44,875	\$ 7,700
Memberships				
CAJPA, PRIMA, PARMA, CalPELRA, IEA	GA	\$ 2,585	\$ 2,885	\$ 300
AGRIP	CEO	2,775	3,000	225
CCWC, AWCP, CPCU	WC	6,550	6,150	(400)
CSOOC, ASSE, PASMA, NFPA BCSP	LP	1,595	1,925	330
CFPS, WSO, ACG-IH	LP	425	425	-
American Society for Training & Development	LP	-	350	350
American Board of Industrial Hygiene	LP	125	125	-
Sacramento Claims Association	Liab	350	350	-
GFOA, GASB, AICPA	CFO	1,510	760	(750)
Costco/Sams Club	GA	145	155	10
Meeting Planners Association	GA	400	400	-
Society of Government Mtg Prof	GA	100	100	-
SHRM, SAHRA (HR)	HR	315	315	-
California Chamber of Commerce	GA	500	500	-
CSAC	GA	3,000	3,000	-
Other	GA	2,000	2,500	500
Total Memberships		\$ 22,375	\$ 22,940	\$ 565

CSAC EXCESS INSURANCE AUTHORITY
2014/15 Budget Worksheet
Computer Hardware, Software, Technical Support

	2013/14 Budget	Quantity	Cost Per Item	2014/15 Budget	Budget Incr(Decr)
<u>Computer Supplies and Software</u>					
Adobe Acrobat 11	\$ 11,315			\$ 9,738	\$ (1,577)
Microsoft Software and Licenses	2,000			25,500	23,500
Anti-Virus Licenses	-	25	75	4,155	4,155
Online subscriptions	3,000	1	3,000	3,000	-
Mindjet Mindmanager Pro 9	-	7	360	2,520	2,520
Laserfiche Additional Licenses and LSAP	550	10	625	6,250	5,700
GFI Licenses	300	10	35	350	50
Scriptlogic Desktop Authority	-	10	50	500	500
Zen Desk Tracking System	3,440	3	325	2,925	(515)
Zerto License	-	1	1,300	1,300	1,300
Meeting Application for Mobile Devices	-	1	5,000	5,000	5,000
FalconStore	2,500	-	-	-	(2,500)
Pool Management Software - CHSI	156,000	60	3,240	194,400	38,400
Less: CHSI contribution from Alliant	(78,000)			(78,000)	-
<u>Annual Maintenance</u>					
Anti-Virus Maintenance	2,573	4	75	300	(2,273)
Mindjet Mindmanager Pro 9 1 Yr Maint	4,290	66	80	5,280	990
GFI MailArchiver Annual Support	420	80	13	1,000	580
Barracuda Annual Support	1,400	1	700	1,900	500
Abra Annual Support	2,800	1	2,800	2,800	-
Sage Software Annual Support	5,950	1	1,000	6,300	350
Laserfiche (LSAP Annual Maintenance)	11,000	1	11,000	11,000	-
Script Logic	700	75	12	900	200
FalconStore Upgrade and Maintenance	1,200	-	-	-	(1,200)
VMWare Maintenance - vSphere Essentials	1,000	2	275	550	(450)
Zerto Annual Maintenance	-	5	450	2,250	2,250
SSL Certificates	200	4	100	400	200
CHSI Escrow Account	995	1	995	995	-
FPPC Software Maintenance and Hosting	3,500			3,500	-
Miscellaneous Software Expenses	2,500			2,500	-
Computer Supplies	3,000			3,000	-
Total Computer Supplies and Software	<u>\$ 142,633</u>			<u>\$ 220,313</u>	<u>\$ 77,680</u>
<u>Computer Hardware</u>					
HP Monitors	\$ 3,300			\$ 5,350	\$ 2,050
Backup Tapes	500	1	500	500	-
Router Boards	-			755	755
Workstation Battery Backup	1,500	1	1,500	1,500	-
Travel Projectors for Loss Prevention	-	2	1,000	2,000	2,000
Desktop Computers	-	13	1,500	19,500	19,500
Laptop Computers	-	11	2,500	27,500	27,500
HP ProCurve Ethernet Switch	-	1	1,800	1,800	1,800
Server Tower Rack	-	1	1,800	1,800	1,800
APC UPS for Rack	-	1	2,300	2,300	2,300
Phones and Headsets	2,200			5,025	2,825
Pelican Case for Board	-	1	400	400	400
Ergonomic Equipment	1,000	1	1,000	1,000	-
Mobile Phones	500	15	100	1,500	1,000
Projector Screen for Wildlife Room	-	1	4,500	4,500	4,500
Contingency	5,000			8,000	3,000
Total Computer Hardware	<u>\$ 14,000</u>			<u>\$ 83,430</u>	<u>\$ 69,430</u>

CSAC EXCESS INSURANCE AUTHORITY
2014/15 Budget Worksheet
Computer Hardware, Software, Technical Support

	2013/14 Budget	Quantity	Cost Per Item	2014/15 Budget	Budget Incr(Decr)
<u>WebEx Web Conferencing</u>	<u>\$ 14,400</u>	12	\$ 1,300	<u>\$ 15,600</u>	<u>\$ 1,200</u>
<u>Computer Technical Assistance</u>					
Accounting System	\$ 3,500			\$ 3,500	\$ -
Data Center Usage (Colocation services)	16,800	12	1,400	16,800	-
ATS	3,600			3,600	-
Network Consulting	60,000			60,000	-
Printer Maintenance	<u>500</u>			<u>500</u>	<u>-</u>
Total Computer Technical Assistance	<u>\$ 84,400</u>			<u>\$ 84,400</u>	<u>\$ -</u>
<u>Website Design/Hosting/Support</u>					
Website Hosting/Support Annual Maintenance	\$ 10,000			\$ 11,750	\$ 1,750
Website Design	105,000			105,000	-
Miscellaneous Expense	<u>30,000</u>			<u>30,000</u>	<u>-</u>
Total Website Design/Hosting/Support	<u>\$ 145,000</u>			<u>\$ 146,750</u>	<u>\$ 1,750</u>

CSAC EXCESS INSURANCE AUTHORITY
2014/15 Budget Worksheet
Technology Program Expenses

	2013/14 Budget	2014/15 Budget
<u>EIA Claims System Expense Line Item</u>		
Software Service Agreement & Maint. Support	\$ 46,692	\$ 41,450
Application Service Provider (ASP) Fee (\$275 per month per user)	85,125	33,550
New System		
Data Conversion and SIMS Training	158,280	30,000
Maintenance due at production use of software	20,600	21,218
Cloud Hosting due at delivery of trial conversion	78,900	41,400
EIA Contract Project Management	100,000	135,665
Escrow account	800	800
TPA Data Conversion and SIMS Training		130,740
TPA Maintenance due at production use of software		92,650
TPA Cloud Hosting due at delivery of trial conversion		248,400
Depreciation on new software	58,180	144,579
Amount To Allocate to Programs	\$ 548,577	\$ 920,452
<u>Allocation of EIA Claims System Costs</u>		
PWC	67%	\$ 616,703
EWC	20%	184,090
General Liability I	6%	55,227
General Liability II	3%	27,614
Medical Malpractice	4%	36,818
<u>Total Allocated</u>	<u>100%</u>	<u>\$ 920,452</u>
<u>Member Claims System Expense Line Item</u>		
Member Data Conversion and SIMS Training		\$ 224,690
Member Maintenance due at production use of software		16,500
Member Cloud Hosting due at delivery of trial conversion		81,000
Depreciation on new software		15,204
Less Revenue for Member access to new system		(337,394)
		-

CSAC EXCESS INSURANCE AUTHORITY
2014/15 Budget Worksheet
Insurance

Line Item	Renewal Date	2013/14 Budget	2014/15 Budget	+ or -
General Administration Fund				
Workers Compensation				
PWC	7/1/2014	\$ 30,000	30,000	\$ -
EWC	7/1/2014	74,000	87,000	13,000
Blanket Bond/Commercial Crime	6/30/2014	1,500	1,600	100
Property	7/1/2014	10,000	10,000	-
Liability	7/1/2014	58,250	54,500	(3,750)
Cyber Liability Premium	7/1/2014	-	1,000	1,000
Notary E&O/Bond	7/1/2014	-	550	550
Less Allocated to Iron Point Building		(14,225)	(15,200)	(975)
Total General Admin. Insurance		<u>\$ 159,525</u>	<u>\$ 169,450</u>	<u>\$ 9,925</u>

CSAC EXCESS INSURANCE AUTHORITY
2014/15 Budget Worksheet
Printing

Line Item	2013/14 Estimated Budget	Quantity	Cost Per Item	2014/15 Estimated Budget
Copier Cost	\$ 18,000			\$ 20,400
Binding Supplies	1,500			1,500
Other Supplies	-			
Total In House Printing	\$ 19,500			\$ 21,900
Letterhead	\$ 2,925	7,500	\$ 0.47	\$ 3,525
2nd Sheet	700	2,500	0.28	700
Envelopes	2,700	10,000	0.27	2,700
Large Envelopes	1,000	1,000	1.00	1,000
Annual Report	17,500			20,000
CAFR & Audit Report	500			-
Loss Prevention	1,500			1,500
Business Cards	4,050	9,000	0.50	4,500
Other projects	2,000			2,000
Total Outside Printing	\$ 32,875			\$ 35,925
Total Printing	\$ 52,375			\$ 57,825

CSAC EXCESS INSURANCE AUTHORITY
2014/15 Budget Worksheet
Member Development

	2013/14 Budget	2014/15 Budget	Budget Incr(Decr)
Marketing Expense			
Booth Maintenance	\$ 500	\$ 500	\$ -
CSAC Exhibit Expenses	500	2,000	1,500
Conference Booth Shipping Charges	-	500	500
RCRC Sponsorship	750	1,500	750
RCRC Attendance at Conference	500	500	-
Controllers/Auditors Conference Sponsor	-	500	500
Exhibitor Raffle Prizes - CSAC & CalPERA	400	400	-
Booth Art Work	250	1,250	1,000
Lapel Pins	400	-	(400)
Investment Client Gifts	200	200	-
Marketing Clothing Items	2,790	3,430	640
Member Give Away Items:			
General	9,400	9,600	200
Loss Prevention	1,440	1,440	-
Employee Benefits	1,175	-	(1,175)
IT	-	1,000	1,000
Printing/Set Up Fee/Shipping/Tax	2,791	3,382	591
Total	\$ 21,096	\$ 26,202	\$ 5,106
 Member Recognition & Awards	 \$ 2,000	 \$ 2,200	 \$ 200
 Grand Total - Member Development	 \$ 23,096	 \$ 28,402	 \$ 5,306

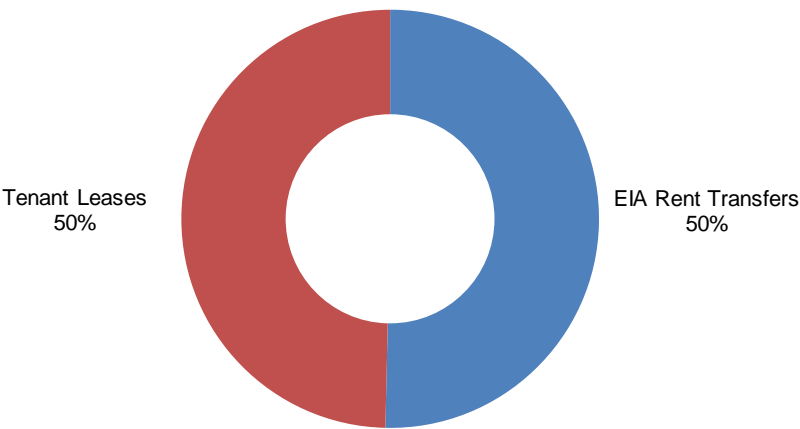
CSAC EXCESS INSURANCE AUTHORITY
2014/15 Budget Worksheet
Awards and Recognition

Employee Recognition	2013/14 Budget	2014/15 Budget	Budget Incr(Decr)
Weekly Employee recognition	\$ 1,000	\$ 1,000	\$ -
Monthly Employee recognition	400	500	100
Staff Appreciation Day	2,500	2,500	-
Printed Items (Baudville)	250	250	-
Misc./Other	1,000	1,000	-
Years of Service Recognition	500	500	-
Staff Retreat	7,000	7,000	-
Total Employee Recognition	\$ 12,650	\$ 12,750	\$ 100

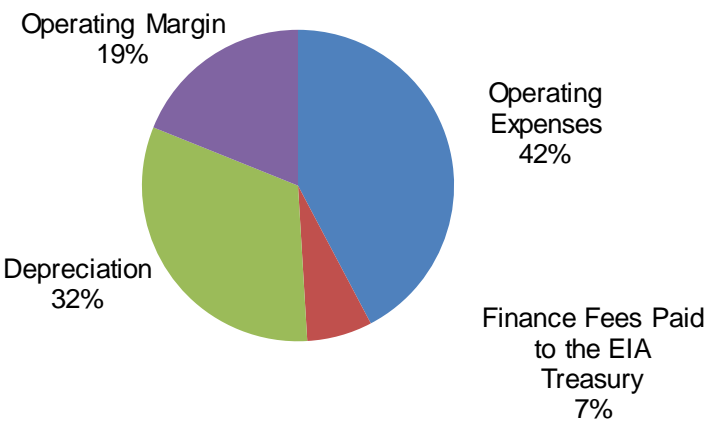
Building Fund

The EIA has invested \$9.2M in our office facility located on Iron Point Circle in Folsom, California. This investment includes improvement to our office as well as preparing the remaining space for our tenants. The building fund houses the EIA at low occupancy cost as well as provides profit from our leasing operations. The building fund budget expects a net margin of \$157k. The Building Fund budget is illustrated in the following charts.

Building fund Revenues and Transfers
(in thousands)



Building Fund Budget
(in thousands)



**CSAC EXCESS INSURANCE AUTHORITY
IRON POINT BUILDING PROGRAM
Appropriation and Revenue Budget
July 1, 2014 to June 30, 2015**

Sources and Uses of Financial Resources	CAFR Actual 2012/13	Year to Date 03/31/2014	Estimated 2013/14	Revised Budget 2013/14	Proposed Budget 2014/15	Increase (Decrease)	Text Detail
REVENUES:							
Interest Income	0	0	0	0	0	0	
Lease Income - Tenants	487,378	277,567	418,300	478,220	422,800	(55,420)	One tenant vacated
Other Income	0	0	0	0	0	0	
TOTAL REVENUES	487,378	277,567	418,300	478,220	422,800	(55,420)	
EXPENDITURES:							
Operating Expenses							
Janitorial	54,789	32,298	52,300	53,750	51,720	(2,030)	One tenant vacated
Utilities	78,410	52,972	82,000	94,230	86,110	(8,120)	Rates not increasing as anticipated
Garbage	5,455	3,822	6,000	5,570	6,300	730	Recycling fee due to mandatory recycling
Water and Sewer	6,974	4,532	7,000	8,360	7,580	(780)	
Security & Fire Sprinkler Monitoring	7,527	7,552	9,000	8,670	14,020	5,350	Upgrade card access software \$3.5k
Landscape Maintenance	7,114	11,521	22,560	22,560	12,150	(10,410)	Renovation work done in FY2013/14
Pest Control	1,260	840	1,260	1,260	1,380	120	
Commission Expense	0	0	0	0	25,000	25,000	Cost to lease vacant space
Common Area Maintenance	21,303	15,073	23,740	23,740	23,180	(560)	One tenant vacated
Maintenance:					0		
Building Maintenance	35,647	16,387	42,690	52,690	54,420	1,730	Includes \$15k for unanticipated emergency repairs
Mello Roos Tax	14,906	7,421	14,842	15,090	15,180	90	
Insurance	12,000	14,225	14,225	14,230	15,200	970	
Legal Service	0		0	3,600	3,600	0	
Management Fees	36,000	23,127	36,000	36,000	36,000	0	
Finance Fees to EIA Treasury	59,221	40,265	55,000	55,000	56,300	1,300	Slight increase in internal borrowing rate
Total Operating Expenses	340,606	230,035	366,617	394,750	408,140	13,390	
Depreciation							
Depreciation - Building	95,550	71,663	95,550	95,550	95,550	0	
Depreciation - Roof	8,333	6,250	8,333	8,330	8,330	0	
Depreciation - Parking Lot	10,000	6,875	8,750	11,875	9,630	(2,245)	Delay in resurfacing of parking lot
Depreciation - Tenant Improvements	233,427	253,490	289,292	254,420	153,210	(101,210)	Fully amortized TI's on two spaces
Total Depreciation	347,310	338,278	401,925	370,175	266,720	(103,455)	
Appropriation for Contingencies	0	0	0	20,000	20,000	0	
TOTAL EXPENDITURES	687,916	568,313	768,542	784,925	694,860	(90,065)	
TRANSFERS:							
Transfers in from General Administration							
Building Rent	429,275	429,275	429,275	429,275	429,275	0	
TOTAL TRANSFERS	429,275	429,275	429,275	429,275	429,275	0	
Net Operating Margin	228,737	138,529	79,033	122,570	157,215	34,645	
NET POSITION - JULY 1	143,359	372,096	372,096	357,708	451,129		
NET POSITION - JUNE 30	372,096	510,625	451,129	480,278	608,344		

March YTD activity is through February since March activity reports were not yet available and the March bank account has not been reconciled. March activity is included in the full year estimate.

CSAC EXCESS INSURANCE AUTHORITY

CALIFORNIA



STATISTICAL/ SUPPLEMENTAL SECTION

For the Fiscal Year
July 1, 2014 to June 30, 2015

STATISTICAL SECTION

Demographic and Economic Information

These schedules offer demographic and economic information indicators to help the reader understand the environment within which the Authority's financial activities take place. The number of Workers' Compensation and General Liability I claims are an overall indicator of the Provision for Claims and Premium Revenue as is Total Lives in the EIAHealth program. . Property values are indicators for Property premiums.

	<u>Page</u>
Number of Claims	131
Employees and Lives Covered	132
Property Values	132

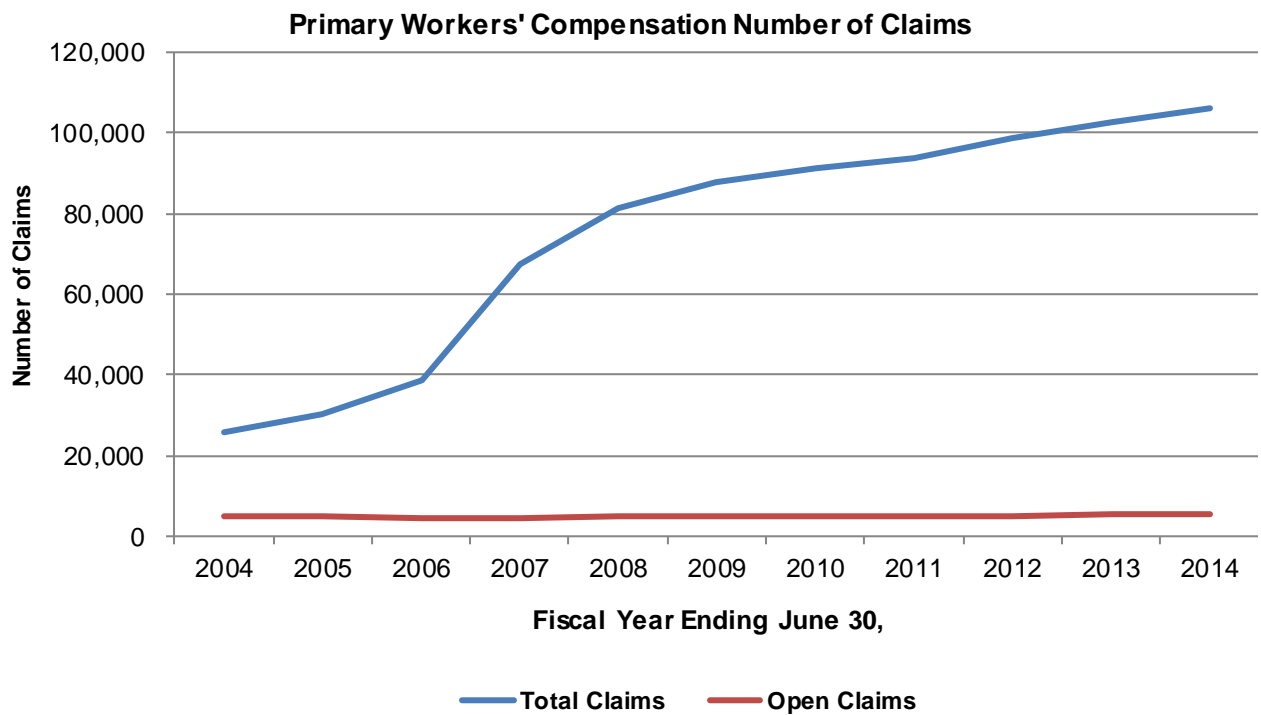
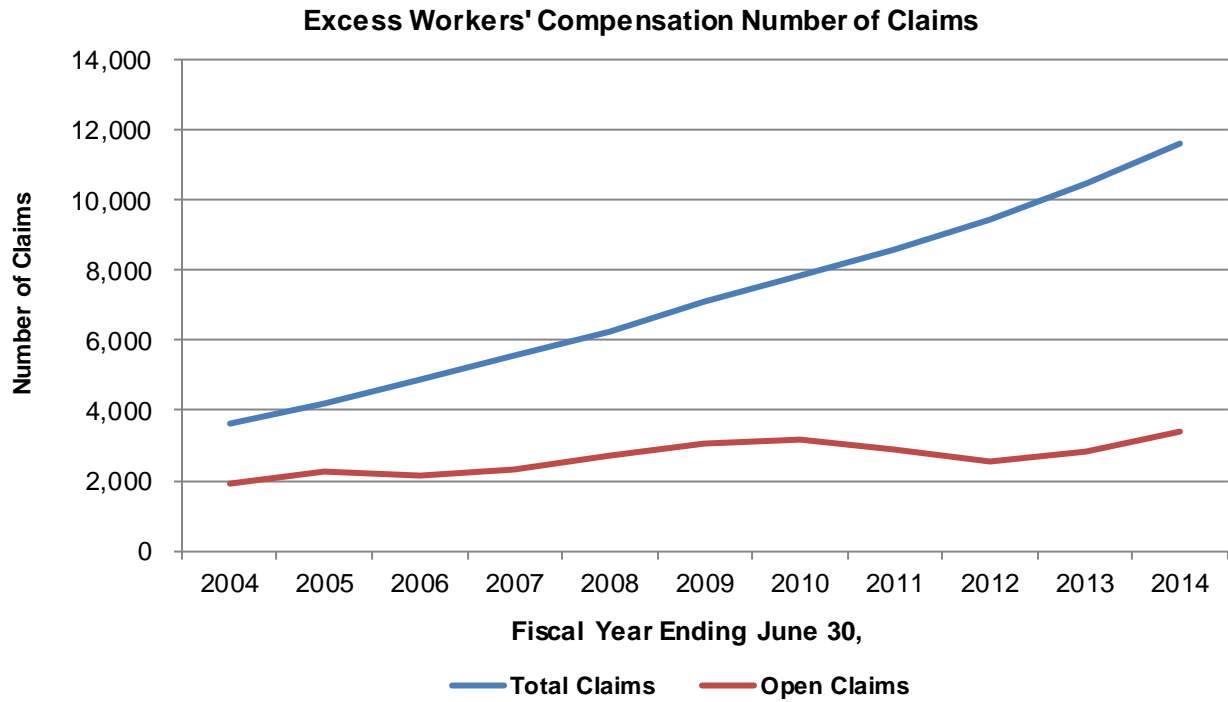
Operating Information

This schedule contains information regarding Authority employees by department, member participation by program, and the growth of office space.

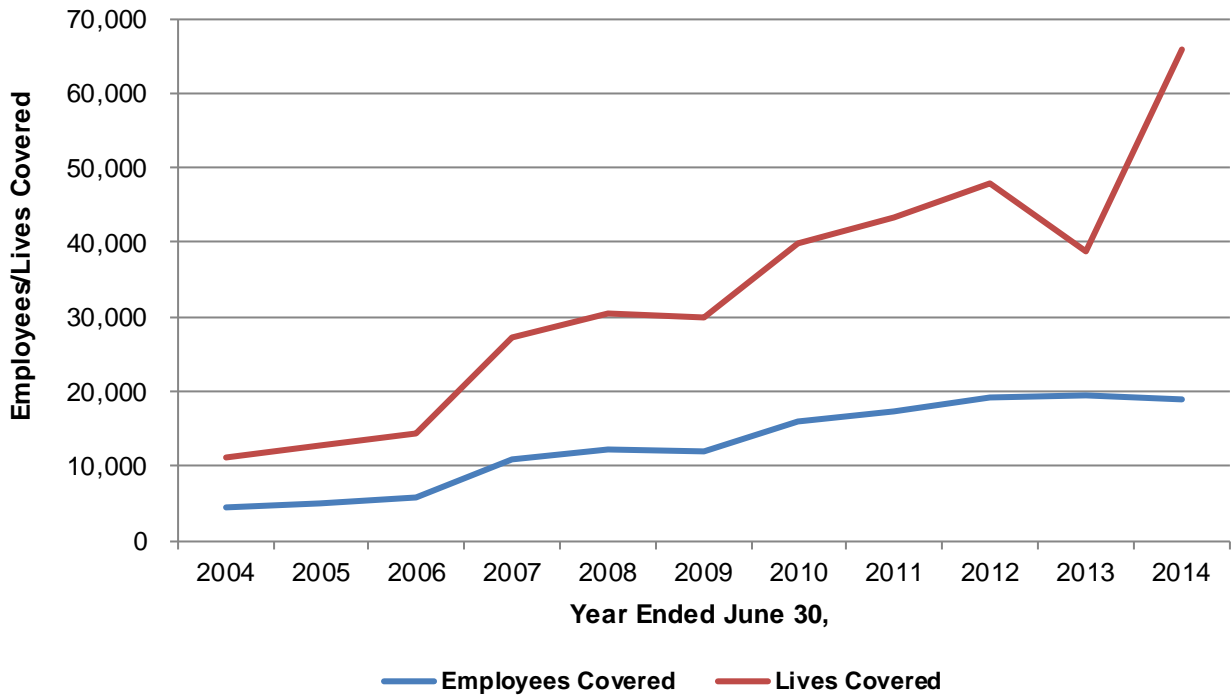
	<u>Page</u>
Operating Indicators and Statistics	133

Schedules showing trends for property tax rates and revenues along with corresponding assessed valuations are not presented since the Authority does not levy such taxes.

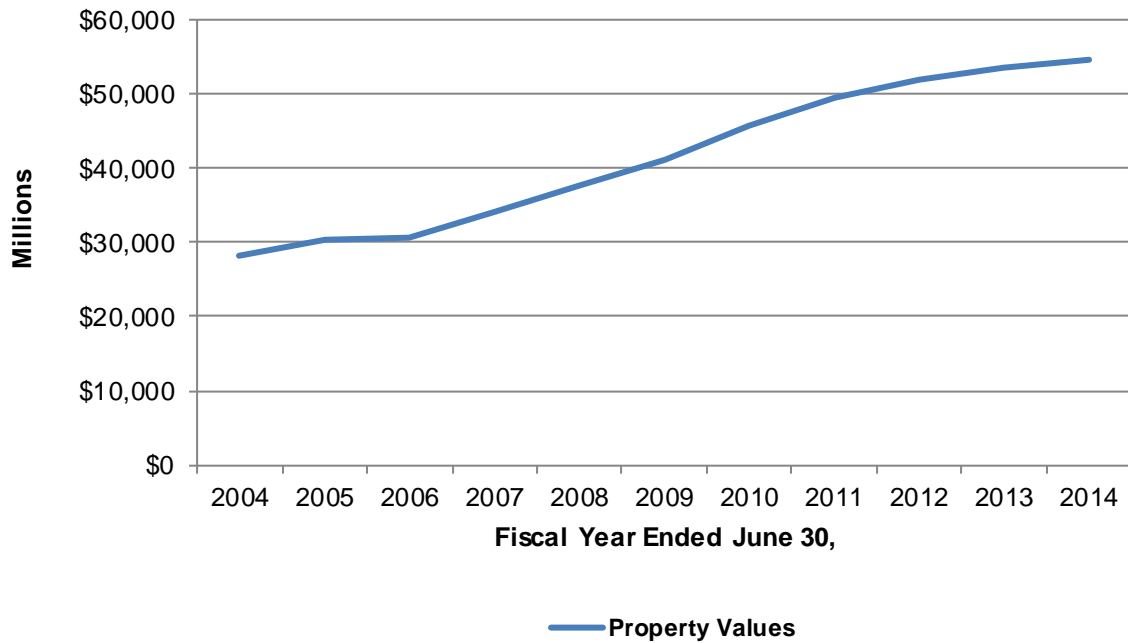
Schedules showing bonded debt and related legal debt ratios are also not applicable.



EIAHealth Employees and Lives Covered



Property Values



**CSAC EXCESS INSURANCE AUTHORITY
OPERATING INDICATORS AND STATISTICS
FOR THE TEN-YEAR PERIOD ENDING JUNE 30, 2014**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Full-time Equivalent Employees as of June 30	29	31	39	43	46	48	51	53	54	54
Number of Retirees	2	3	3	3	3	3	4	4	4	4
Square footage of Office Space	9,533	13,324	13,324	13,324	13,324	24,448	25,000	25,000	25,000	25,000
Member Units*										
Primary Workers' Compensation	0	0	0	0	0	40	42	41	38	39
Excess Workers' Compensation	0	0	0	0	0	161	164	166	161	166
Primary General Liability	0	0	0	0	0	30	29	29	23	23
General Liability I	0	0	0	0	0	97	101	103	100	104
General Liability II	0	0	0	0	0	12	11	11	11	11
Property	0	0	0	0	0	78	81	82	82	84
Medical Malpractice	0	0	0	0	0	49	48	50	50	49
Master Owner Controlled Ins										2
EIAHealth	0	0	0	0	0	15	18	24	25	25
Dental	0	0	0	0	0	0	119	122	126	133
Total Member Units	0	0	0	0	0	482	613	628	616	636
Member Counties	54	54	54	54	55	54	54	54	54	55
Member Public Entities	142	144	144	142	166	196	289	247	245	255
Total Members	196	198	198	196	221	250	343	301	299	310

* If a member participates in one program that counts as 1 member unit, if they participate in 3 programs, that counts as 3 member units.

CSAC EXCESS INSURANCE AUTHORITY (EIA) GLOSSARY

Aggregate: The cumulative amount of all losses for a period of time.

Aggregate Stop Loss: A financial arrangement with the JPA's excess carrier that caps the aggregate to a predetermined limit at which point the excess carrier would begin to reimburse for losses within the JPA's self-insured retention or pooled layer.

Assessment: An additional amount charged a member if it is determined that the initial contribution paid is not adequate to fund the losses incurred.

Attachment Point: The dollar amount of a loss where the next layer of insurance begins to pay for the loss.

Balanced Budget: Budgeted revenues are equal to or exceed budgeted expenses.

Capital Expenditures/Capital Assets: Capital assets include furniture, equipment, software, tenant improvements, building and amortizable lease acquisition costs with an individual cost of \$500 or more.

Ceded Premiums/Claims Costs: Premiums paid to an insurance company and claims costs that are transferred to another enterprise in connection with a reinsurance arrangement.

Claims Made: Method of determining whether or not coverage is available for a specific claim. A claims-made policy states that a claim must be made during the policy period or the extended reporting period, if applicable.

Commutation: A clause in a reinsurance agreement which provides for estimation, payment and complete discharge of all future obligations for reinsurance losses incurred, regardless of the continuing nature of certain losses.

Confidence Level: The confidence level is a percentage estimate of the ultimate pool layer costs. The actuary's expected costs are shown at slightly more than average (approximately 55%). About half the time, the actual costs will be lower than the actuary's estimates and half the time the actual costs will be higher. To be more conservative, pools set aside additional sums of money to increase the chance that enough funds are available to pay claims. For example, if the actuary's estimate at the 70% confidence level is \$1M, then there is a 30% chance that losses will exceed \$1M.

Contribution: The amount paid by an EIA member to receive a specified type of insurance coverage for a defined period of time.

Corridor Deductible Pool: An aggregated pool layer above which a carrier will reimburse the Program for losses that exceed the aggregate attachment point on a per claim basis.

Deductible: An amount the insured must pay before payments for covered services begin. The deductible is usually a fixed amount. For example, an insurance plan might require the insured to pay the first \$50 of covered expense during a calendar year.

Deposit Premium: Amount of premium paid at the beginning of the coverage period, which is then adjusted to a final premium amount at the end of the coverage period. This is most common in workers' compensation, where premiums are based on estimated payroll amounts at inception and adjusted based on actual payroll amounts afterwards.

Discount Rate: The assumed interest rate used to calculate the present value of future claim liabilities. Also used in calculating premium needed to fund claim payments.

DOL (Date of Loss): The first date on which an insured event occurred.

Enterprise Fund – Proprietary fund type used to report an activity for which a fee is charged to external users for goods or services.

Excess Coverage: Insurance coverage which does not provide for payment to the insured until underlying insurance coverage has paid its limits or the insured has paid its self-insured retention.

Excess Insurance: Joint purchase insurance purchased to provide higher limits than the primary policy or pool layer provides. Policy terms may differ and policy covers the member not the pool.

First Dollar Coverage: Insurance coverage that begins with the first dollar of a covered loss. The insured does not have a deductible or self-insured retention to meet before coverage begins as long as the loss is for a covered peril.

General Liability Coverage (GL): Provides coverage for claims from third parties alleging damages due to negligence on the part of the member arising out of personal injury, property damage, public officials errors and omissions, employment practices liability, and automobile liability.

IBNR (Incurred But Not Reported): This is an actuarial term referring to the estimated future loss development, as well as the estimated cost of claims that have happened but are not yet included in the claims data. A reserve for IBNR is established by the actuary as part of the Ultimate Loss Costs to contemplate for these future estimated costs.

Incurred Loss: This is the expected value of any claim. It includes the amount already paid plus the estimated amount yet to be paid (reserves).

Investment Gap: The difference between what the Authority is currently earning and what was actuarially projected would be earned on funds when premium was calculated, that is the difference between actual earnings rate and discount rate.

Limit of Liability: The most that will be paid in a loss.

Loss Adjustment Expense: the costs associated with settlement of a specific claim, other than the claim payment itself i.e., legal fees, appraisal fees and court costs.

Loss Development: The process of change in amount of losses as a policy or accident year matures, as measured by the difference between paid losses and estimated outstanding losses at one point in time, and paid losses and estimated outstanding losses at some previous point in time. In common usage, it might refer to development on reported cases only, whereas a broader definition also would take into account the IBNR claims.

Loss Portfolio Transfer: A financial reinsurance transaction in which loss obligations that are already incurred and will ultimately be paid are ceded to a reinsurer. In determining the premium paid to the reinsurer, the time value of money is considered, and the premium is therefore less than the ultimate amount expected to be paid.

Mega Fund: An aggregated pool layer that caps the aggregate to a predetermined limit at which point the excess carrier would “drop down” and begin to reimburse for losses within the JPA’s SIR or pooled layer.

Member: A County or Public Entity participating in the Authority pool.

MOC (Memorandum of Coverage): The policy or coverage document outlining the terms and conditions of coverage, similar to an insurance policy.

Non-Admitted Insurer: An insurance company not licensed in a state.

Occurrence: An accident or event which triggers coverage.

Occurrence Basis: Method of determining whether or not coverage is available for a specific claim. An occurrence basis policy covers events that occur while the policy is in force, regardless of when a claim is actually made.

Pool Layer: The insurance coverage retained by the Excess Insurance Authority. Losses within this layer are paid by the EIA.

Pooled Loss: The portion of a loss that is allocated to, or paid by, the self-insured pool. For example, the JPA Liability Program I pools, or self-insures the difference between a member’s SIR and \$5M of each occurrence. Loss costs exceeding this amount are paid by excess insurance.

Premium: The amount paid by an EIA member to receive a specified type of insurance coverage for a defined period of time-see also Contribution.

Provision for Insured Events: The expense amount for pooled claims on the Statement of Revenues, Expenses and Changes in Net Assets (Income Statement).

Quota-share arrangement: An agreement between two insurers to split the cost of claims within a coverage layer based upon a certain formula or percentage.

Reinsurance: Insurance purchased by the EIA from other insurers to reimburse the pool for covered losses. Losses revert to the EIA if the reinsurer is unable to meet its obligations. Reinsurance provides coverage to the pool, and is identical to what the pool covers.

Retained Risk: The portion of risk that the pool self-funds.

Reserves: The estimate of the total cost of a claim. Reserves may be estimated by category, such as personal injury, property damage, or medical costs.

Risk Pools: A group of entities collectively purchasing a certain type and level of insurance to protect them from claims covered by that insurance. Pooling is designed to help provide more stable rates over the long-term horizon and also helps to reduce the cost of insurance by spreading fixed administrative costs over a larger group.

Self-Insurance: Practice of an individual, group of individuals, employer or organization to pay for losses rather than transfer the cost to another. The entity may self-insure all or a portion of the expected losses.

SIR (Self Insured Retention): This is the amount of each loss for which the member is responsible. Once the value of the claim has exceeded their SIR, the member may seek reimbursement for those expenses in excess of their SIR.

Target Equity: The range of net assets that various governing committees decide is appropriate. Committees use an actuarially determined confidence level discounted for investment income and a variety of target ratios (such as gross premium to equity target ratio) to determine the target equity range.

Third-party Administrator: An entity that is hired to handle the administration of claims processing.

Tower: The Property Program has many different insurance placements which the EIA categorizes as “towers” to illustrate the layering of the various placements.

Transferred Risk: The portion of risk, insured or reinsured, by a private insurer or reinsurer and not retained by the pool.

ULAE (Unallocated Loss Adjustment Expenses): In the context of risk financing, costs that cannot be associated with specific claims, but are related to claims paid or in the process of settlement, such as salaries and other internal costs of the pool's claims department. This amount is calculated for the entire life of the claim.

Ultimate Net Loss: The total cost of a claim. The difference between incurred loss and Ultimate Net Loss is the loss development or IBNR-the actuary may estimate that losses may develop or become larger because of inflation, changes in law etc.